

Your Equity Account Balance is Available from LCEC

Find out how much of the \$340 million of equity being held by LCEC is in your member equity account

The City of Cape Coral's electric franchise agreement signed with LCEC in 1986 expires later this year. Before signing any new agreement, the City has been trying to evaluate options to determine the best direction for Cape Coral electric customers.

One option LCEC provided to the City is to purchase the electric assets in Cape Coral. A question Cape Coral customers ask with this option is, "What will happen to my equity checks from LCEC?" It's a good question. But exactly what is "equity?"

LCEC's revenues exceed their expenditures each year. In normal business, the difference between the two is considered "profit." Because LCEC is a non-profit corporation, they cannot make a "profit." Instead they use another term, calling the difference between revenues and expenditures a "net margin."

Rather than return the "net margin" to customers each year, LCEC allocates the excess revenue to member accounts. The balances in these accounts are called "patronage capital" and represent member "equity." LCEC can use these funds for several purposes and have the option to return equity to members. According to LCEC's latest financial report (2014), LCEC is holding more than \$340 million of equity in member accounts.

The City requested the total equity balance represented by Cape Coral customers for evaluation purposes. The City is not requesting "Individual" equity balances for every customer. We only need the total balance of equity credited to Cape Coral electric customers. To date, LCEC has declined to provide that number. Since Cape Coral represents 45 percent of LCEC's total revenue, the total equity potentially could be \$153 million.

Although LCEC will not provide a total amount, we did request the equity balance for the City of Cape Coral and discovered LCEC is retaining almost \$8 million in our City equity accounts. Cape Coral customers can request their equity balance as well through LCEC Customer Care. Go to www.lcec.net and selecting "Contact Us" under the "About" tab at the top of the page. LCEC will

send customers a letter detailing their equity balance. Here is an actual example received by an LCEC residential customer:

Year	Allocation Amount	Transfers/ Distribution Amount	Remaining Allocation
2014	\$ 67.21	\$ -24.17	\$ 43.04
2013	\$ 189.69	\$ -37.83	\$ 151.86
2012	\$ 170.67	\$ -28.71	\$ 141.96
2011	\$ 167.21	\$ -30.26	\$ 136.95
2010	\$ 242.64	\$ -40.11	\$ 202.53
2009	\$ 308.36	\$ -34.11	\$ 274.25
2008	\$ 116.58	\$ 0.00	\$ 116.58
2007	\$ 101.45	\$ 0.00	\$ 101.45
2006	\$ 125.55	\$ 0.00	\$ 125.55
2005	\$ 80.78	\$ 0.00	\$ 80.78
Pre 2005	\$ 671.84	\$ -40.16	\$ 631.68
TOTAL	\$ 2,241.98	\$ -235.35	\$ 2,006.63

The "Allocation Amount" represents the excess revenue collected from this customer each year. The "Transfers/Distribution Amount" represents how much LCEC opted to return to the customer in each year. The "Remaining Allocation" is the amount LCEC retained and holds in the member's account. LCEC has retained almost 90 percent of the excess revenue collected from this customer over more than 10 years.

Please know that while you can request your equity account balance, you cannot request a refund. Only LCEC's Board of Trustees decide when and how much will be returned to customers. Even if you close your account, you will not receive a timely refund of your balance. Under LCEC's current policy, LCEC holds the equity balance for seven years after the account is closed. In the eighth year, LCEC may return the balance to inactive members, although the decision rests with LCEC and the Board of Trustees.

If the customer in the example closed the account this year, any small annual distribution LCEC might approve would be received; however, the larger balance in the account will not be returned until 2024. ■

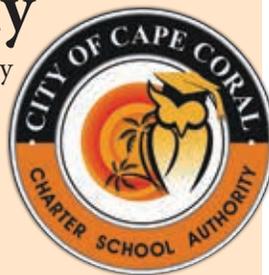
2016 Charter Authority Raffle and Rally

The City of Cape Coral's Charter School Authority will host the Charter Authority Raffle and Rally on Sunday, March 20 from noon - 6 p.m. This is a fundraising event in support of the four Cape Coral Charter Authority Schools and the Charter Authority Foundation. The raffle and rally will be held at the German American Club located at 2101 Pine Island Road.

The Charter Authority Rally is a family event that provides a fun-filled day. The event features activities including rides and games, food, entertainment, car and motorcycle cruise-in show, vendor marketplace, and a Chinese auction. A raffle also will be held with numerous prizes.

Admission and parking are free for this event. Raffle tickets are available for purchase from students at Oasis Elementary, Oasis Middle or Oasis High schools and Christa McAuliffe Elementary. Raffle tickets also can be purchased at the event.

For more information, visit the event website: www.charterauthorityrally.org. ■



Sirenia Vista Boardwalk Open for Manatee Viewing

The first phase of the new boardwalk at Sirenia Vista Park, located at Ceitus Parkway and Old Burnt Store Road, was recently completed along the Bows Canal. This new boardwalk is etched with manatee renderings and includes viewing pads. The pads provide an opportunity to watch the manatees that come to the area when temperatures in the Gulf of Mexico drop below 68 F.



The second phase of the boardwalk is expected to begin this month and will continue along the Spreader Canal north of the kayak ramp. When complete, there will be additional viewing pads, and the boardwalk will connect to the wooden deck at the northern area of the Bows Canal.

This work is being funded through a grant from Lee County Tourist and Development Council. Future plans for this environmental park include the addition of a pier, education center, observation tower, kayak storage building and butterfly garden. ■