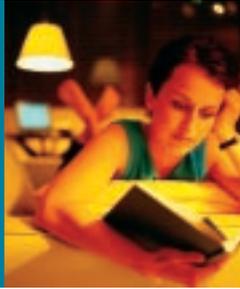


American Public Power Association



Public Power: Shining a Light on Public Service



More than 2,000 cities and towns in the United States light up their homes, businesses and streets with “public power”—electricity that comes from a community-owned and -operated utility. Each public power system is different, reflecting its hometown characteristics and values, but all have a common purpose: providing reliable and safe not-for-profit electricity at a reasonable price while protecting the environment.

While the vast majority are owned by cities and towns, a number of counties, public utility districts, and even a handful of states have public power systems. Most—especially the smaller ones—are governed by a city council, while others are overseen by an independently elected or appointed board.

Public Power is Hometown Power

Lower Costs Boost Local Economies

Unlike private power companies, public power utilities are public service institutions and do not serve stockholders. Instead, their mission is to serve their customers. They measure success by how much money stays *within* the community through low rates and contributions to the city budget, not how much goes out to stockholders across the country and around the world.

On a national basis, private power customers pay average electricity rates that are about 10 percent more than those paid by public power customers.

On average, public power systems return to state and local governments in-lieu-of tax payments and other contributions that are 18 percent greater than state and local taxes paid by private power companies.

Public power systems lower costs through their partnerships with other local government departments and other organizations. There are more than 60 joint action agencies that operate within states or regions to offer local utilities power supply and other services. APPA’s national subsidiary, Hometown Connections, provides a portfolio of lower-cost products and services.



43
million

Number of
people
served by
public power
systems

Community citizens have a direct and powerful voice in utility decisions and policies, both at the ballot box and in open meetings where business is conducted.

Public Power's Future is Bright

Despite years of upheaval in the electric industry, public power systems have remained true to their fundamental obligation to citizen-customers—the obligation to serve. Many communities served by private power companies are exploring their potential for public power in order to obtain the low rates, local control and commitment, public accountability, and customer service that public power systems offer.

With skilled and innovative managerial and technical staffs, public power systems are also providing new infrastructure assistance their communities demand, such as community broadband services.

Over the next decade, the electric utility industry will continue to restructure. Generation and transmission supply issues, as well as environmental protection decisions, are a priority. Electric utilities have also taken on new roles in efforts to secure the nation's infrastructure. Public power systems' special relationship with their customers gives them an advantage as they face these challenges and set a course that best serves their communities' interests.

Electric Industry Ownership and Consumers

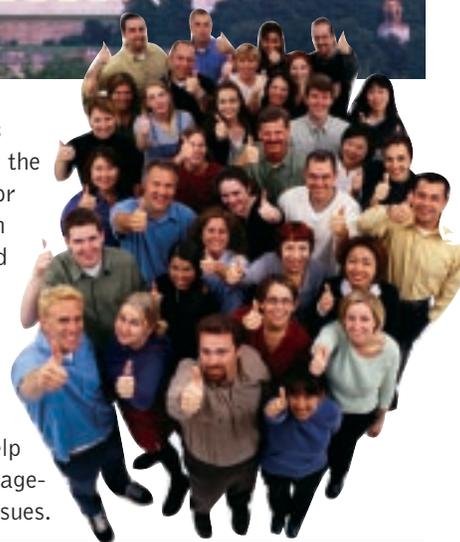
Number and type of provider	% of customers served
2,010 public power systems	14%
223 investor-owned electric utilities	69%
885 rural electric cooperatives	12%
150 power marketers	5%

Public Power Has a Voice in Washington

Public power systems work collectively through the American Public Power Association to ensure policies that put customers first and ensure a stable supply of electricity while protecting the environment. Since two-thirds of public power systems do not generate their own electricity, and instead buy it on the wholesale market for distribution to their customers, securing competitively priced and reliable wholesale power is a priority.



The American Public Power Association is the service organization for the nation's more than 2,000 community- and state-owned electric utilities. It represents public power's interests in Washington, D.C., and provides an array of services to help its members with managerial and operational issues.



Facts About Public Power:



Number of states with public power systems (all but Hawaii)



Number of public power systems in the U.S.



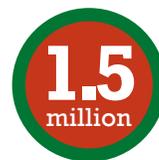
Year first public power systems were created



Year by which one out of every four public power systems will celebrate a centennial



Number of public power systems serving communities with populations of 10,000 or fewer



Number of customers served by the largest public power system, the Los Angeles Department of Water & Power