

# 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 utility 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 utilities. 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 residential customers pay average electricity rates that are about 13 percent more than those paid by public power customers. On average, public power utilities return to state and local governments in-lieu-of-tax payments and other contributions that are 31 percent greater than state and local taxes paid by private power companies. Public power utilities lower costs through their partnerships with other local government departments and other organizations. There are more than 70 joint action agencies that operate within states or regions to offer local utilities power supply or other services.

APPA’s national subsidiary, Hometown Connections, provides a portfolio of lower-cost products and services.

48 million

Number of people served by public power

**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.**



3 million

Number of business customers served by public power nationwide

# Public Power is Customer-Focused

For more than 130 years, public power has been a tradition that works across the nation on behalf of its communities and customers. Today, it is a thriving segment of the electric utility industry, enhancing overall economic development, often with additional infrastructure responsibilities for broadband services. Public power has a strong environmental-protection track record, solid credentials with bond ratings agencies, and a reputation for reliable, customer-focused service. Public power also continues to be an appealing institution for many cities and towns currently served by private power companies and interested in the opportunity to obtain lower rates and local control over an essential service. Growing failures of wholesale electricity markets—especially those run by regional transmission organizations—and the impacts of these failures on wholesale and retail customers are priority issues for public power. Climate change, environmental protection, and energy efficiency; maintaining and enhancing reliability; developing new generation and other power supply options; and financing infrastructure are all high on public power’s agenda.

## Public Power Has a Voice in Washington

Public power utilities 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 utilities 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.



### Electric Industry Ownership and Consumers

| Number and type of provider           | % of customers served |
|---------------------------------------|-----------------------|
| 2,013 public power systems            | 14.5%                 |
| 189 investor-owned electric utilities | 68.6%                 |
| 877 rural electric cooperatives       | 12.8%                 |
| 218 power marketers                   | 4.3%                  |

### 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.



### More Facts About Public Power:



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



Number of public power systems in the U.S.



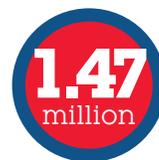
Year first public power systems were created



Year by which half of all 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 municipally owned public power utility, the Puerto Rico Electric Power Authority (PREPA)