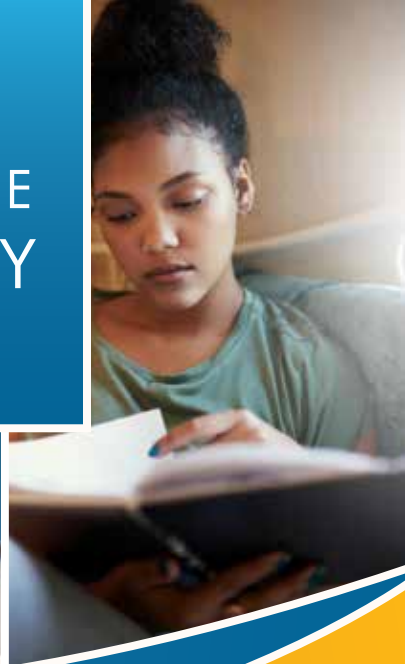




2016 REPORT TO THE COMMUNITY



nextLight™
LONGMONT'S BROADBAND

Longmont Power & Communications - NextLight™



OUR MISSION IS TO DELIVER
OUTSTANDING
ELECTRIC AND BROADBAND
SERVICE EXPERIENCES
TO OUR CUSTOMER-OWNERS
WHILE PROVIDING
EXCEPTIONAL
VALUE AND BENEFIT
TO OUR COMMUNITY.

EVERY DAY, LONGMONT'S POWER TO TRANSFORM ITSELF IS GROWING.

Some of that is the power of data – namely, the NextLight fiber-optic broadband network that has become the envy of the nation for its high speeds and affordable prices. As we finish our citywide buildout, Longmont is truly becoming a “Gigabit City.” This allows our community to become a magnet for business and industry, while also providing dependable phone and internet service to our homes.

Some of that is the power of innovation. Last year, our energy mix from Platte River Power Authority began to include the new 36-megawatt Rawhide Flats solar energy center. Joined with our existing wind and hydropower resources, roughly 30% of our power comes from renewable sources, giving us a “greener” profile than ever. And our customers continue to have the option to buy even more, through the Renewable Power Purchase Program.

Our local presence and history of reliability has a power all its own, especially in times of emergency. When snow and ice pounded Colorado in March 2016, hundreds of thousands of people across the state lost power – but in Longmont, the outages were quickly identified, quickly repaired, and quickly restored to normal.

And of course, there's the power of ... well, power. The electricity that Longmont has safely and reliably provided for itself since 1912, at rates that are among the lowest in the state. That's a heritage that Longmont Power & Communications is proud to maintain and carry on into the future.

Here in Longmont, the power is yours. Turn the page, and celebrate it with us.

2016 IN REVIEW

LPC

LPC Service Area

Total: 49 sq. miles
Within City limits: 29.5 sq. miles
Outside City limits: 19.5 sq. miles
(Hygiene, Lyons, Apple Valley)

LPC Utility

Debt: \$38 million
Reserves: \$7 million



Broadband Service

Broadband Distribution System

335 miles (205 miles ↑)

Broadband Customers (330% ↑)

Total: 10,137
Residential: 9,823
Commercial: 314

Broadband Finances

Revenues: \$5 million
Expenses: \$5 million



Electric Service

Electric Distribution System (1.4% ↑)

616 miles

469 miles underground

47 main distribution circuits

7 substations

Electric Customers (0.7% ↑)

Total: 38,508

Residential: 35,721

Commercial: 2,778

Industrial: 9

Electric Finances

Revenues: \$67 million (0.3% ↑)

Expenses: \$67 million (6.2% ↑)

Electric System Load

Energy: 813,200 MWh (1.5% ↑)

Winter Peak: 124,767 KW (2.7% ↑)

Summer Peak: 179,828 KW (5.5% ↑)



CAPITAL IMPROVEMENT

The Capital Improvement Program enables LPC to continue to safely deliver the highly reliable electricity and broadband our customers have come to expect. It ensures the steady planning, building, and improvement of the infrastructure. LPC spent \$32.5 million on CIP expenses in 2016.

Electric

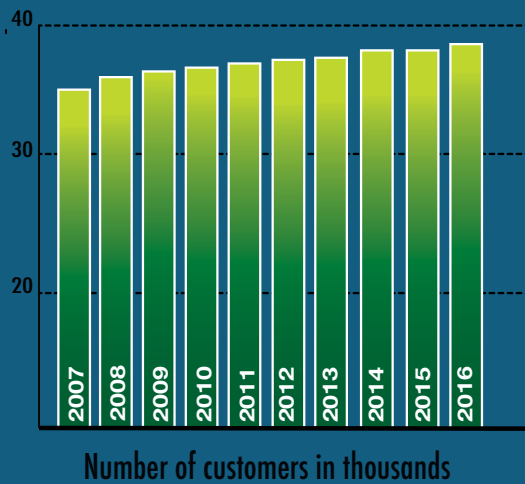
- Service installations and upgrades: \$2.4 million
- Downtown alley improvement project: \$733,000
- Overhead to underground line conversions: \$179,000
- System reliability improvements: \$74,000
- Street lighting projects: \$49,000
- Facility upgrades: \$32,000

Broadband

- City Wide Build : \$29 million

ELECTRIC SYSTEM GROWTH

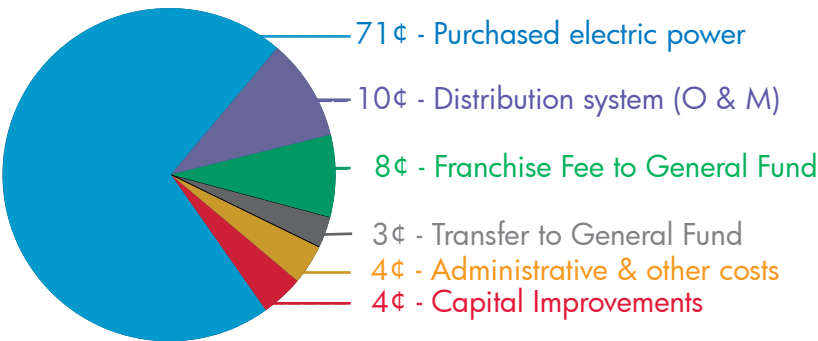
While LPC's customers increased by nearly 9% over the last 10 years, Longmont's 2016 energy consumption was 4% less than in 2007. In that same period, maximum demand (the highest amount of electricity required to meet customer needs during a one-hour period) stayed nearly flat, increasing by less than 1%. This is due in part to energy efficiency programs that help our customers use less energy. Changes in weather also affect usage.

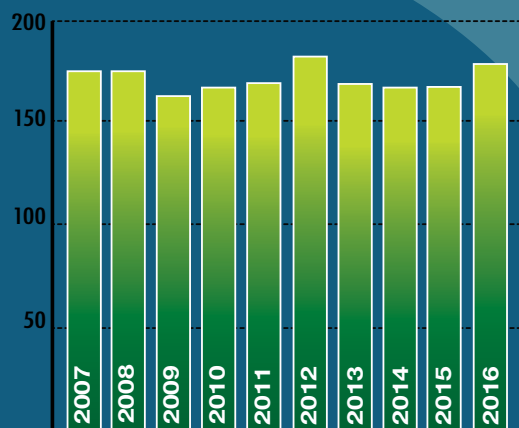
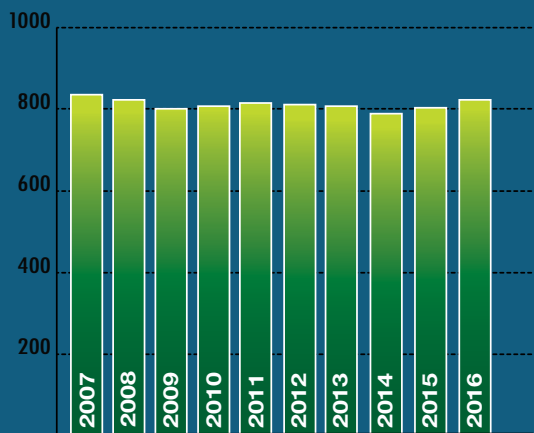


ELECTRIC FINANCES

Purchased power from Platte River Power Authority (PRPA) was LPC's largest expense in 2016, representing 71 cents of every Electric Fund expense dollar. PRPA wholesale rates are much lower than other wholesale power providers, and lower power costs allow LPC to maintain lower rates for our customers. Expenses paid to the City's general fund include franchise fees of 8 cents and transfers (for services provided to the utility) of 3 cents.

EXPENSES PER DOLLAR





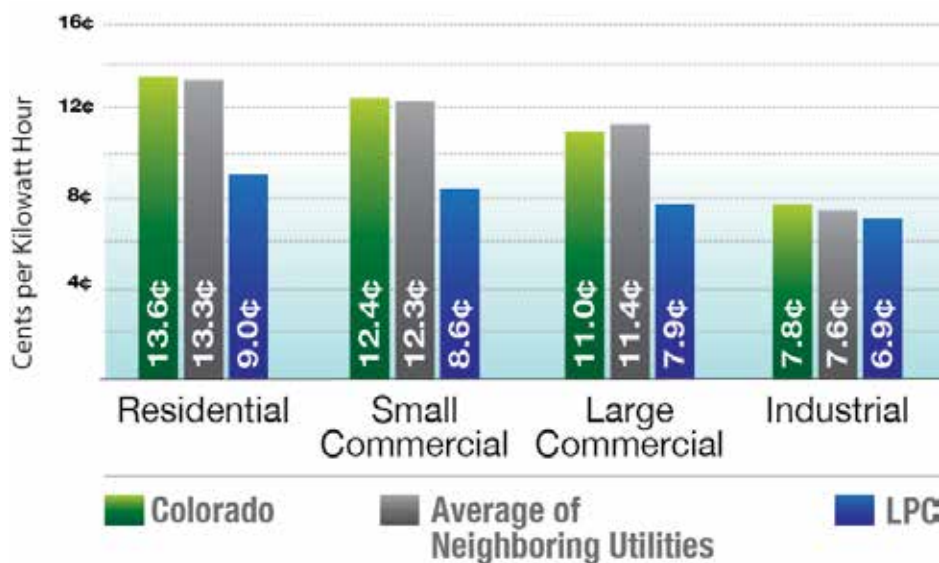
Annual energy consumption in megawatt hours

Maximum demand in megawatts

ELECTRIC RATES

In 2016, LPC's residential, commercial, and industrial customers paid significantly lower electric rates than customers in neighboring communities and throughout Colorado. Longmont's average electric rate for all customer classes was 28% less than the average Colorado electric rate.

AVERAGE BLENDED ELECTRIC RATES



POWER SOURCES

Platte River Power Authority (PRPA), owned by the cities of Longmont, Loveland, Fort Collins, and Estes Park, has provided reliable, low-cost, and environmentally responsible electricity since 1975. PRPA now has 78 megawatts (MW) of wind power and 30 MW of solar generation. Longmont is represented on the PRPA Board of Directors by the Mayor and the LPC General Manager.

PRPA had a generation capacity of 1,020 MW in 2016. Resources included:

- Rawhide Energy Station: 280 MW coal, 388 MW natural gas, and 30 MW solar
- Yampa Project: 154 MW coal
- Western Area Power Administration: 90 MW hydro-power
- Spring Canyon Expansion Wind Energy Center: 60 MW wind
- Silver Sage Windpower Project: 12 MW wind
- Medicine Bow Windpower Project: 6 MW wind



Platte River
Power Authority



The Rawhide Solar Facility was
completed in 2016.





ENERGY MIX

The mix of energy that LPC provides for its customers comes from a variety of sources, including coal, wind, hydro-power, and natural gas. In 2016, LPC received 18.8% of its electricity from hydro-power and 11.1% of electricity from other renewable sources.

In addition to these sources, 545 customers purchased nearly 4.7 million kWh of renewable energy on a voluntary basis through the Renewable Power Purchase Program, a Green-e Energy Certified* program.

The Renewable Power Purchase Program is sold in blocks of 100 kWh for residential customers and blocks of 500 kWh for commercial customers, or matches 100% electricity usage. The tables to the right provide the renewable resource mix in 2016 as well as the projected resource mix in 2017.



*The Renewable Power Purchase Program is Green-e Energy certified, and meets the environmental and consumer protection standards set forth by the nonprofit Center for Resource Solutions. Learn more at www.green-e.org or info@green-e.org.



Average Energy Mix of Resources Supplying Non-Renewable Subscribers¹

Coal	Natural Gas	Hydroelectric	Renewable	Unspecified Purchases
67.6%	0.5%	18.8%	11.1%	2%

Green-e Energy Eligible New³ Renewables In Renewable Power Purchase Program

RENEWABLE POWER PURCHASE PROGRAM PRODUCT CONTENT LABEL

2016 Historic			2017 Prospective ²		
Source	%	Generation Location	Source	%	Generation Location
Wind	100%	WY, CO	Wind	100%	WY

1. This is based on the resource mix provided by Platte River Power Authority for the year 2016.

2. The 2017 Prospective figures reflect the renewables that we have contracted to provide. Actual figures may vary according to resource availability. We will annually report to you before August 1 of next year in the form of a Historic Product Content Label the actual resource mix of the electricity you purchased. The 2016 Historic figures reflect the power delivered to Renewable Power Purchase Program customers in 2016.

3. New Renewables come from generation facilities that first began commercial operation within the past 15 years. This product includes generation from a facility that is approved for extended use by Green-e Energy.

The average home in the United States uses 909 kWh per month. [Source: U.S. EIA, 2013]. For specific information about this electricity product, please contact Longmont Power & Communications at 303.651.8386 or visit us online at www.longmontcolorado.gov/lpc.



ENERGY EFFICIENCY



Efficiency Works™ is an energy efficiency program provided to Longmont residents and businesses by LPC in partnership with PRPA. It offers assistance that helps customers:

- Schedule an energy assessment
- Identify cost-effective energy efficiency projects
- Learn about rebates and incentives
- Identify reliable participating contractors

As a community, Longmont knows how to save both money and energy. In 2016, Longmont residents and businesses saved more than 4.6 million kWh as a result of energy efficiency services.

- 152 commercial energy efficiency projects that saved more than 4.4 million kWh a year, enough power for 6,304 homes.
- 133 residential participants that saved nearly 210,000 kWh a year, enough to power 297 homes.
- 12,343 energy-saving items purchased through lighting and consumer product rebates.
- In 2016, LPC and PRPA spent nearly \$1.2 million on efficiency grants and rebates.



RELIABLE POWER

RP3 AWARD

Short for “Reliable Public Power Provider,” RP3 is a national recognition of excellence by the American Public Power Association, and it’s one that Longmont Power & Communications has now received six times.

It means that as a utility, we maintain high standards when it comes to reliability, safety, workforce development, and system improvements. While we pride ourselves in our ability to provide dependable service today, we are always working to ensure that our system can continue to support our community well into the future. Creating emergency and disaster plans, improving security measures, providing employee training, and building system upgrades are several of the ways that we continue to future proof the services we provide as Longmont grows.



NEXTLIGHT™ BROADBAND

Since construction began on NextLight in 2014, Longmont has frequently been praised as an example of what municipal gigabit Internet can do. In 2016, the network took another large step to completion, further solidifying Longmont's status as the first Gigabit City in Colorado.

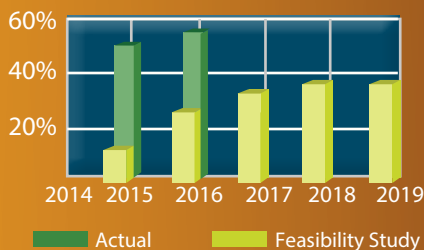
The high speed and reliability of NextLight gained the network a YouTube certification, stating that it could easily handle high-definition videos from the site. Netflix users also saw a benefit, as the Internet TV network allowed Longmont Power & Communications to host specialized servers containing many of the most popular Netflix titles. And when PC Magazine in August recognized Longmont as having some of the fastest upload and download speeds in the country, NextLight residential gigabit users could hold their heads high.

By the end of 2016, the primary pathway that would let NextLight reach all of Longmont had been built. Work continues to run fiber through those pathways and then splice and test it, but Longmont Power & Communications expects to finish the NextLight build in 2017. That said, there will always be more ahead. And as fiber-optic broadband continues to open more options for revolutionizing Longmont – from your home to the industries at the heart of the community – the city's future will only get brighter.

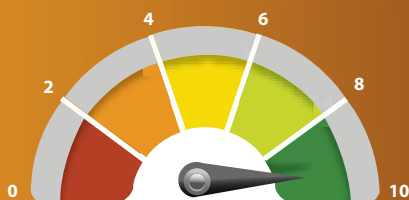
Longmont is growing and NextLight is ready to grow with it.



IN AREAS WHERE SERVICE IS AVAILABLE, TAKE RATES SIGNIFICANTLY EXCEEDED THE FEASIBILITY STUDY.



SATISFACTION WITH NEXTLIGHT REMAINED HIGH. OUR SURVEYS SHOW THAT WE ARE RANKED "9" ON A 10-POINT SCALE.



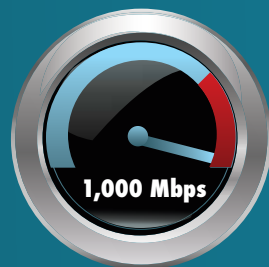
A NEXTLIGHT GIGABIT CONNECTION IS 58 TIMES FASTER THAN THE AVERAGE AMERICAN CONNECTION SPEED.

Source: Akamai State of the Internet Report, Q4 2016.

MAJOR CONSTRUCTION WAS 99% COMPLETE BY YEAR END.

CHARTER MEMBER OFFER

1GIG/\$49.95



Catch the fastest Internet connection around for an unbeatable rate - just sign up within the first three months of service availability to your home. And it's no come-and-go gimmick; once you're a Charter Member, you stay one, assured of receiving our best rates and unmatched connection speeds.

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