

MINUTES
ORLANDO UTILITIES COMMISSION
November 8, 2011
2:00 P.M.

Present:

COMMISSIONERS:

Maylen Dominguez, President
Dan Kirby, First Vice President
Craig McAllaster, Second Vice President
Linda Ferrone, Commissioner
Buddy Dyer, Mayor

Kenneth P. Ksionek, General Manager & Chief Executive Officer
Jan Aspuru, Clint Bullock, Al Frazier, Roseann Harrington, Byron Knibbs,
Denise Stalls, Rob Teegarden, Vice Presidents
John Hearn, Chief Financial Officer
Chip Merriam, Chief Legislative & Regulatory Compliance Officer
Greg Rodeghier, Chief Information Officer
W. Christopher Browder, Vice President & General Counsel
Nanci Werline, Recording Secretary

President Dominguez asked John Hearn to give the invocation, followed by the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:00 P.M.

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On a motion by Commissioner Kirby, seconded by Commissioner McAllaster and unanimously carried, the reading of the minutes of the September 29, 2011 Workshop minutes was waived and the minutes were approved. On a motion by Mayor Dyer, seconded by Commissioner McAllaster and unanimously carried, the reading of the minutes of the October 11, 2011 Commission Meeting minutes was waived and the minutes were approved.

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Al Frazier presented a 30-year service award to James Peacock, Meter Technician I, Customer Experience.

Al Frazier presented a 25-year service award to Pam Reineke, Customer Account Specialist, Customer Experience.

Al Frazier presented a 20-year service award to Pat Rice, Customer Service Analyst, Customer Experience.

Clint Bullock presented a 25-year service award to Scott Rohrhoff, Sr. Programmer Analyst, Energy Delivery Business Unit.

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Roseann Harrington reported that OUC and Orange County were recipients of the Gold Award in Landfill Gas Utilization from the Solid Waste Association of North America. OUC co-fires approximately 9 megawatts of capacity utilizing the Landfill Gas Project at the Orange County Landfill. Ms. Harrington gave special thanks to Sam Griffin, the Project Manager.

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Commissioner Ferrone inquired about Affirmative Items A-10 and A-11 regarding the annual software maintenance and support fees with Oracle and Documentum. She asked if these companies were under service level agreements and how they perform. Greg Rodeghier responded affirmatively and stated that Oracle provides service twenty-four hours a day, seven days a week. Documentum currently provides service during regular business hours, but the service level will increase when the Documentum program is provided to additional departments throughout the Commission.

Commissioner Kirby inquired about the time duration in Affirmative Item A-3, regarding the Indian River Combustion Turbine Plant. Mr. Ksionek responded that staff is requesting funds to staff the plant through August 2013. This is the best estimate of the timeframe to allow for total separation from the property and to self-perform all balance of plant support operations for the combustion turbine units.

Commissioner Kirby stated that he would prefer to see the process accelerated and to see follow-up reports on the status. Mr. Ksionek replied that OUC will advise the Board accordingly and that the intent is to isolate from the plant as soon as possible.

President Dominguez presented the Affirmative Items for approval. On a motion by Commissioner McAllaster and seconded by Commissioner Kirby, the Affirmative Items were approved as follows:

1. Ratification of the below spot fuel procurements to the low bidders in August 2011 in the aggregate amount of \$12,003,496.09 as follows:

NATURAL GAS PURCHASES:

Aug. 2011	BP Energy Company	\$ 340,200.00
Aug. 2011	Central Crude	\$ 232,212.20
Aug. 2011	Chevron Natural Gas	\$ 848,097.13
Aug. 2011	EDF Trading (Formerly Eagle Energy)	\$ 306,044.52
Aug. 2011	Florida Gas Utility	\$ 702,023.00
Aug. 2011	Infinite Energy	\$1,409,540.45
Aug. 2011	Louis Dreyfus Energy	\$1,416,700.00
Aug. 2011	Macquarie Cook Energy, LLC	\$1,363,867.01
Aug. 2011	National Energy & Trade	\$ 259,918.17
Aug. 2011	NJR Energy Services	\$ 155,431.00

Aug. 2011	Southwestern Energy	\$ 183,315.02
Aug. 2011	Tenaska Marketing Ventures	\$ 224,600.00
Aug. 2011	Texla Energy Management, Inc.	\$1,726,959.01
Aug. 2011	Total Gas & Power	\$ 367,581.38
Aug. 2011	Virginia Power Energy Marketing, Inc.	\$1,775,343.28

NO. 2 AND NO. 6 FUEL OIL PURCHASES:

Aug. 2011	TransMontaigne Product Services Inc.	\$164,673.94
Aug. 2011	Automated Petroleum & Energy Co., Inc.	\$242,899.95
Aug. 2011	Automated Petroleum & Energy Co., Inc.	\$284,090.03

2. Ratification of additional funding in the aggregate amount of \$1,000,000 for Duke Energy, Southern Company, Progress Energy-Florida, Cargill Power Markets, LLC, Florida Power & Light and Jacksonville Electric Authority to perform transmission studies required to evaluate the potential for OUC to purchase capacity in the Catawba Unit 2 Nuclear Project, increasing the total projected cost not to exceed \$1,375,000;
3. Approval of a Purchase Order to GenOn Florida, LP and Austin Maintenance & Construction, Inc. in an aggregate amount not to exceed \$2,840,000 for the Indian River Combustion Turbine Plant Interim Operational Staffing through August 31, 2013;
4. Approval of RFP #3117 – Contract award to Consolidated Metal Services, Inc., the most responsive and responsible vendor, to provide the Stanton Energy Center pulverizers grinding table weld buildup services for a three-year period in an amount not to exceed \$260,000;
5. Approval of the Electric Distribution Construction Estimate for an overhead to underground conversion for the Florida Department of Transportation's John Young Parkway Extension Project, from Shader Road to North Orange Blossom Trail located in the Orlando service territory, in the amount of \$661,538.77 for the installation of a manhole ductline system, underground feeder cable and switchgear, at a total project cost of \$748,487.68. Approval of a single source Purchase Order to Southland Construction, Inc. to perform the necessary manhole and ductline system installation work in the amount of \$294,436.25
6. Approval of Change Request No. 1 to the Transmission Capital Expenditure Estimate for engineering, procurement and construction necessary to complete the America to Kaley Transmission Line Upgrade Project in the amount of \$1,684,156, increasing the total project cost to \$1,774,156. Approval of an OUC initiated scope change with conforming Change Order No. 1 to Black & Veatch to provide design engineering, permitting and construction management

services for the project in an amount not to exceed \$148,500, increasing the total Purchase Order amount to \$218,500;

7. Authorization for the General Manager & CEO to execute a Joint Project and Reimbursement Agreement with the City of Orlando for the Richmond Street Drainage and Water System Improvements Project, generally located north of Briercliff Drive and west of South Summerlin Avenue. Approval of a Capital Work Order in an amount not to exceed \$397,479.47 for the construction, administration and inspection costs for OUC's water distribution portion of the Richmond Street Drainage and Water System Improvements Project. Approval of a Purchase Order to the City of Orlando Public Works Department for OUC's construction costs in an amount not to exceed \$334,891.27;
8. Ratification of additional funding in the amount of \$271,267.68 with conforming Change Order No. 2 to Sprint/Nextel Corp. for cellular equipment and services for the period May 1, 2010 through September 30, 2011, increasing the total Purchase Order amount to \$691,267.68. Approval of a new single source Purchase Order to Sprint/Nextel Corp. for cellular equipment and services for the period of October 1, 2011 through June 30, 2013 in the amount of \$420,000;
9. Ratification of additional funding in the amount of \$249,565.30 with conforming Change Order No. 4 to AT&T, Inc. for cellular equipment, services and wireless communication for the period April 1, 2010 through September 30, 2011, increasing the total Purchase Order amount to \$561,565.30. Approval of a new single source Purchase Order to AT&T, Inc. for cellular equipment, services and wireless communication for the period of October 1, 2011 through September 30, 2014 in the amount of \$648,000;
10. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Oracle America, Inc. in the amount of \$569,901.54 for annual software maintenance and support fees for J.D. Edwards, PeopleSoft Enterprise Revenue Management and Universal Productivity Kit software for the period of December 2011 through December 2012, increasing the total Purchase Order amount to \$1,170,333.19;
11. Approval of an OUC initiated scope change and conforming Change Order No. 2 to EMC2 Corporation in the amount of \$239,590 for three years of Documentum software maintenance for the period of December 22, 2011 through December 21, 2014, increasing the total Purchase Order amount to \$814,030;
12. Approval of an OUC initiated scope change and conforming Change Order No.1 to ProMark Solutions Inc., SunGard Public Sector, Inc. and

Origin, Inc. in the aggregate amount of \$3,000,000 to provide IT business and technology staffing support for the Customer Information System, increasing the total Purchase Order amount to \$4,500,000;

13. Approval of a single source Purchase Order to CenturyLink, Inc. for telephone, equipment and data communications services from November 1, 2011 through December 31, 2014 in the amount of \$321,680;
14. Approval is requested of a sole source Purchase Order to SunGard AvantGard LLC for conversion costs and five years of ongoing maintenance and support services through December 31, 2016 in the amount of \$139,000;
15. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Black & Veatch to provide additional permitting support services in the amount of \$200,000, increasing the total Purchase Order amount to \$502,500;
16. Approval of an OUC initiated scope change and conforming Change Order No. 2 to J.D. Power and Associates in the amount of \$90,000 for access to their customer survey database for an additional two-year period, increasing the total Purchase Order amount to \$180,000;
17. Approval of Bids #3104-1, #3104-2, #3104-3 and #3104-11 – Contract awards to the most responsive and responsible vendors: Don Reid Ford for the purchase of twenty-one vehicles in the amount of \$426,965; Orlando Freightliner, Inc. for the purchase of six vehicles in the amount of \$571,676; and Oilmen's Truck Tanks, Inc. for the purchase of one fuel truck in the amount of \$173,000;
18. Approval is requested of an OUC initiated scope change and conforming Change Order No. 2 to Terminix International Co. LP in the amount of \$42,524 to continue providing monthly pest control services through September 30, 2012, increasing the total Purchase Order amount to \$122,232; and
19. Approval of RFP #2985 – Contract award to CSG Systems, Inc., the most responsive and responsible vendor, to provide bill presentation services for a three-year period in an amount not to exceed \$1,600,000, subject to final contract negotiations and OUC legal review.

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President Dominguez asked if there were any comments for New Business Item 1 regarding the Commissioner nomination. The City of Orlando Nominating

Board submitted three candidates for consideration of the position currently held by Commissioner Maylen Dominguez, which expires December 31, 2011.

President Dominguez announced a conflict of interest, inasmuch as this matter considers her own appointment. She stated that she will refrain from the discussion and vote on this item, per Florida State Statute in that no member of a municipal council should vote on a motion regarding their right as a member.

Mayor Dyer moved to enable President Maylen Dominguez, an OUC customer and qualified elector, to succeed herself as a Commission member, as is allowed by the Charter of the Commission, and that her name be submitted for consideration as the Commission's nomination to the Orlando City Council for election to serve a term of four years, effective January 1, 2012. Commissioner Kirby seconded the motion and it was approved on a vote of 4-0. President Dominguez abstained from the vote.

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Commissioner McAllaster reported that the Audit Committee conducted its regular meeting on November 3, 2011 to review Internal Audit activities, including a summary of the recently issued audit reports and an update of the 2011 Audit Work Plan.

External audit activities were also presented to the Committee in conjunction with the commencement of year-end procedures on October 17, 2011. Completion of the annual audit and presentation of the audited financial statements continues to be on target for December 15, 2011.

Preliminary unaudited financial performance for the year ending September 30, 2011 was reviewed with Income before contributions projected to be \$8.2 million higher than budget. Also presented to the Committee was the newly prepared quarterly report on Capital Project approvals detailing capital project estimates approved in accordance with the new Procurement Policy guidelines.

An update of the Rating Agency Action Plan was also presented as an informational item.

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John Hearn stated that the Commissioners' packets include a new Capital Projects Approval Report, which is a requirement of the new Procurement Policy. This information will be provided on a quarterly basis. Mr. Hearn reported that although sales for the one month ended October 31, 2011 did not meet budget, expenditures were also low. OUC should be on or slightly ahead of target from a net income perspective.

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Mr. Ksionek reminded Commissioners that they approved the Electric Vehicle (EV) Charging Station Service Rate Tariff at the October 11, 2011 Commission meeting. Since that time, there has been a change in the pursuit of the rate

tariff. He asked John Hearn to provide an update to Commissioners. Mr. Hearn stated this is a new rate tariff and the Florida Public Service Commission (PSC) docketed the matter. Since that time, OUC received feedback from other public utilities in the state, expressing concern about the rate tariff. Staff determined that the best course of action would be to pull the rate tariff from the PSC docket in order to discuss it with other investor-owned utilities, and to further educate the PSC on the matter. OUC is still ahead of other utilities in this process due to the ChargePoint America grant.

President Dominguez asked if the PSC took issue with the metrics used to determine OUC's rate tariff, or if they wanted to be involved in the policymaking. Mr. Hearn replied that the PSC wants to be more involved with the policymaking. In the interim, the project will move forward and OUC will use the existing general service non-demand rate at the EV charging stations.

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Mr. Ksionek reported that on October 26, 2011, OUC began receiving approximately 2.5 megawatts from the Port Charlotte Landfill Gas Facility. OUC has a 20-year renewable energy Power Purchase Agreement with the facility.

Commissioner McAllaster asked if OUC is transporting the energy. Mr. Ksionek responded that the energy is being delivered through the Florida Power and Light transmission system.

Mr. Ksionek invited Commissioners to the Stanton Solar Farm Dedication at 9:00 a.m. on December 7, 2011. He also invited the Commissioners to participate in the health fair currently being held at Reliable Plaza.

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Commissioner Ferrone stated that she had the opportunity to participate in the OUC Charity Golf Tournament on November 5. She also thanked employees for their service to OUC and congratulated them on receiving their service awards.

Commissioner McAllaster stated that he also participated in the OUC Charity Golf Tournament and enjoys seeing the camaraderie at the event. He stated that on November 7 he was able to hear a presentation from the President of Piedmont Gas. He also commented on the State of Florida's reliability on gas and is concerned about Florida having too much dependence on one energy source.

Commissioner Dyer stated that Byron Brooks, the City of Orlando's Chief Administrative Officer, is now driving an electric vehicle. He also stated that the first major concrete pour at the new Dr. Phillips Performing Arts Center is underway.

President Dominguez thanked the Board for approving her next term and stated that it is a great honor to serve on the Commission. She commended OUC on

being ahead of other utilities in the Electric Vehicle Charging Station Project as well as OUC's involvement in the Port Charlotte Landfill Gas to Energy Project.

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President Dominguez adjourned the meeting at 2:45 P.M.

President

Secretary