

MINUTES
ORLANDO UTILITIES COMMISSION

May 8, 2012

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 Schwartz, Recording Secretary

Commissioner Kirby asked Debbie Bradshaw to give the invocation, followed by the Pledge of Allegiance to the Flag. The Commission Meeting was called to order by Commissioner Kirby at 2:08 P.M.

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On a motion by Commissioner McAllaster, seconded Mayor Dyer and unanimously carried, the reading of the minutes of the April 10, 2012 Commission Meeting minutes was waived and the minutes were approved.

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Clint Bullock presented a 25-year service award to Michael Galloway, Associate Engineer, Energy Delivery Business Unit.

Rob Teegarden presented a 25-year service award to Lee Marshall, Supervisor, Operations, Water Business Unit.

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Roseann Harrington announced the OUC History Book and Random Acts of Greenness Video Contest recently won several advertising and public relations honors. Costa DeVault received a Gold ADDY for Book Design for OUC—The *Reliable One's* "A History of Water & Electricity in Central Florida" at the 2012 Orlando ADDY Awards and a Silver ADDY at the district competition. Ms. Harrington recognized Jenise Osani for her considerable contributions to the design of the book. OUC's Random Acts of Greenness Video Contest earned an Award of Distinction in the Audio/Visual Tools of Communication category from the Orlando chapter of the Florida Public Relations Association, which recognizes outstanding public relations programs in Central Florida. Gaby Ortigoni was recognized for her efforts in leading the contest.

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President Dominguez arrived at the meeting at 2:23 P.M.

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Kevin Anthony stated that in 2011 OUC manually read 3,310,174 meters in Orlando and 697,787 meters in St. Cloud.

Meter readers walk 10-12 miles a day in all types of weather conditions to capture these readings. Last year, meter readers walked over 57,000 miles per year.

Mr. Anthony presented the 2011 Meter Readers of the Year awards to Jose Roman from the St. Cloud office and Efrain Rodriguez from the Orlando office. Mr. Roman read 146,640 meters with an average accuracy of 99.97 percent and an access rate of 99.99 percent. This is his second consecutive time winning this award. Mr. Rodriguez read 113,657 meters with an average accuracy of 99.98 percent and an access rate of 99.80 percent. This is the third time in four years he has won this award.

Mr. Anthony also presented an update on automated metering. Advanced metering infrastructure (AMI) technology allows for two-way communications with customers which captures data and helps customers use energy more efficiently. The Meter Services & Emerging Technology Division (MSET) has deployed an AMI network throughout OUC's service territory that allows for the strategic deployment of high-tech meters in areas that provide the biggest benefit to OUC.

To date, 64,000 AMI meters have been deployed, which is 35 percent of all electric meters in Orlando service area. OUC has deployed AMI meters to single and multi-family homes, hard to access areas such as Orlando International Airport and businesses that have secure access. Approximately 74 percent of the AMI meters have been deployed in multi-family development. The selective use of AMI technology has allowed OUC to reduce staffing needs. Three thousand AMI water meters have also been deployed in downtown high-rise multi-family homes.

OUC is currently working with Lake Nona's Laureate Park subdivision to deploy both electric and water AMI meters. This AMI deployment will allow for more interaction with customers by providing information that will allow them to more efficiently manage their energy and water use.

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Kevin Noonan presented an update on the OPower Program, which was launched in August 2011. Currently, 40,000 customers receive Home Energy Reports every other month through 3 different channels: printed report, customer web portal and email. An additional 35,000 customers will begin receiving reports in June.

Through February 2012, customers have saved 3,500,000 kWh with a total savings per household of 88 kWh (\$10.56). OUC is on pace to have each household to save approximately 200 kWh per year (\$24), which is the equivalent of 8,000,000 kWh, or taking 650 homes off the grid.

Reporting is done on a quarterly basis, with the next results due in May 2012. Report recipients have saved \$420,000 on their energy bills.

President Dominguez asked about the customer response to the reports. Mr. Noonan stated that customers have responded positively and asked to participate in the program.

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

1. Ratification of the below spot fuel procurements to the low bidders in February 2012 in the aggregate amount of \$3,483,004.79 as follows:

NATURAL GAS PURCHASES:

Feb. 2012	Chevron Natural Gas	\$ 421,082.08
Feb. 2012	ConocoPhillips	\$ 956,824.55
Feb. 2012	Enbridge Marketing, LP	\$ 144,510.40
Feb. 2012	Macquarie Cook Energy, LLC	\$1,038,855.64
Feb. 2012	National Energy & Trade	\$ 438,039.76
Feb. 2012	Sequent Energy Management	\$ 483,692.36

2. Approval of RFP #3154 – Contract award to Howden North America, Inc., the next lowest, most responsive and responsible vendor, to supply the Stanton Energy Center Unit 1 induced draft fans in an amount not to exceed \$2,090,038;
3. Approval of RFP #3190 – Contract award to Siemens Energy & Automation, Inc., the lowest, most responsive and responsible vendor, to supply the Stanton Energy Center Unit 1 induced draft fan motors and variable frequency drives in an amount not to exceed \$3,926,992, subject to final contract negotiations and OUC legal review;

4. Approval of RFP #3196 – Contract award to Wahlco, Inc., the lowest, most responsive and responsible vendor, to provide ammonia supply and storage system equipment for the Stanton Energy Center Unit 1 Selective Catalytic Reduction System in an amount not to exceed \$1,541,897, subject to final contract negotiations and OUC legal review;
5. Approval of RFP #3237 – Contract award to GE Mobile Water, Inc., the lowest, most responsive and responsible vendor, to provide Stanton Energy Center with a portable reverse osmosis and filtration system in an amount not to exceed \$864,817.80, subject to final contract negotiations and OUC legal review;
6. Approval of an OUC initiated scope change with conforming Change Order No. 3 to Southeast Power Corporation to provide labor and equipment to reconductor the Lake Agnes to Lakeland McIntosh Segment of the Taft to Lakeland McIntosh Transmission Line Reconductor Project in the amount of \$3,640,000, increasing the total Purchase Order amount to \$17,214,834;
7. Approval of a Purchase Order to Allied Universal Corporation to provide liquid chlorine to OUC's Water Treatment Plants through May 31, 2013 in the amount of \$275,583. Approval of a Purchase Order to Key Chemical, Inc. to provide caustic soda for OUC's Water Treatment Plants through May 31, 2013 in the amount of \$580,372;
8. Approval of RFP #3259 – Purchase award to Waste Services of Florida, Inc., the lowest, most responsive and responsible vendor, to provide solid waste disposal and recycling services for a three-year period in the amount of \$350,000;
9. Approval of a Capital Expenditure Estimate for the Combustion Waste Storage Area Infrastructure Improvements Project at the Stanton Energy Center in the amount of \$4,676,000; and
10. Authorization for the General Manager & CEO to execute the Partial Release of Easement for Universal City Property Management Company, for property located north of Universal Boulevard and west of Tradeshow Boulevard.

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John Hearn stated that electric and water retail sales exceeded budget for the month of April. Lower expenditures and higher revenue contributed to being \$2.6 million ahead of budgeted net income through April 30.

Commissioner Kirby asked about the operating costs to burn natural gas versus coal. Jan Aspuru replied that there is a significant decrease in overtime costs for operating coal units, which in turn decreases the overall operating costs for burning natural gas as opposed to coal.

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Mr. Ksionek updated the Board on OUC's response to two wholesale power supply proposals. OUC submitted a joint proposal with the Florida Municipal Power Agency to the City of Mt. Dora's request for 25 MW on April 11, with a contract start date of January 2013. OUC also submitted a proposal to the City of Lake Worth for 50 MW on April 30, with a contract start date January 2014

Final evaluations and negotiations continue on the nuclear power purchase agreement.

Staff is currently undergoing a comprehensive budget preparation process with substantial cost reductions for Fiscal Year 2013.

Strategy sessions with the Vice Presidents, Directors and Managers to update the Strategic Plan are ongoing. Staff continues to perform customer research and surveys, as well as conduct focus groups. Various development projects have commenced to help establish a clear line of sight going forward. The leadership team is finalizing three critical initiatives that will help transform the organization for the future. OUC's vision is to be recognized as a premier service provider.

President Dominguez asked about the timeline for the rollout of the new Strategic Plan. Mr. Ksionek stated that a presentation will be made to the Board in June.

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Commissioner Ferrone stated that she was impressed to see the meter readers having received multiple "Meter Reader of the Year" awards. This shows OUC's depth and breadth of talent. While traveling, she noted problems with local utilities and appreciated OUC's reliable service.

Commissioner Kirby stated that he represented OUC as a speaker at the opening session of the IEEE Power and Energy Society Transmission and Distribution Conference at the Orange County Convention Center. OUC served as the host utility for this conference. It was fantastic to be a part of the conference and see the respect that OUC receives worldwide. He recognized the loss of Gary Sain, the CEO of Visit Orlando and acknowledged Sain's contribution to the City.

Commissioner McAllaster commended OUC's leadership team for their work on the budget and Strategic Plan.

President Dominguez stated that she is pleased about the success of the new AMI system and how it is linked to customer reports on conservation. She stated that discussions on strategic planning push the organization forward and is looking forward to the seeing the results of the discussions.

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President Dominguez adjourned the meeting at 2:47 P.M.

President

Secretary