

**MINUTES  
ORLANDO UTILITIES COMMISSION  
May 12, 2015  
2:00 P.M.**

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**Present:**

**COMMISSIONERS:**

Linda Ferrone, President  
Gregory D. Lee, First Vice President  
Maylen Dominguez, Second Vice President  
Buddy Dyer, Mayor

Kenneth P. Ksionek, General Manager & Chief Executive Officer  
Jan Aspuru, Clint Bullock, Roseann Harrington, Byron Knibbs, Chip Merriam and  
Rob Teegarden, Vice Presidents  
Jerry Sullivan, Vice President & Chief Information Officer  
John H. Hearn, Vice President & Chief Financial Officer  
W. Christopher Browder, Vice President & General Counsel  
Nanci Schwartz, Recording Secretary

President Ferrone asked John Hearn to give the invocation, followed by the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:03 P.M.

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On a motion by Mayor Dyer, seconded by Commissioner Lee and unanimously carried, the reading of the minutes of the April 14, 2015 Commission Meeting was waived and the minutes were approved.

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Jan Aspuru presented a 20-year service award to William Romanach, Control Center Operator I, Electric and Water Production Business Unit.

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Roseann Harrington updated the Commission on the Spring into Sustainability community meetings. She thanked Lisa Curran, Luz Aviles, Byron Knibbs, Jenise Osani, Steve Triggs and other staff who participated in the meetings.

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Mr. Ksionek asked Mark Thompson to provide a presentation on Affirmative Item A-13 related to the Internal Audit Co-Sourcing Services. Mr. Thompson explained that Internal Audit provides a systematic and disciplined approach to evaluate and improve the effectiveness and efficiency of OUC's governance, risk management and internal control systems. OUC utilizes internal staff and external resources to provide these services. Mr. Thompson explained the benefits of utilizing co-sourcing services and the selection of four vendors to provide these services and discussed the upcoming projects they will undertake.

Commissioner Dominguez inquired about OUC's long-term goal for the percentage of co-sourced Internal Audit projects. Mr. Thompson replied there is no set goal, but that Internal Audit will continue to utilize co-sourcing services on high-risk projects and projects with emergent issues. He affirmed that OUC will not utilize co-sourcing services on an audit that can be done internally.

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Mr. Ksionek asked Byron Knibbs to update the Board on Affirmative Item A-22 related to the Power Pass Program. Mr. Knibbs explained the advantages of the Power Pass Program for OUC and its customers. Power Pass went live in July 2014 with a soft roll out and waiver of a \$3 customer service charge for the first year. Currently over 2,400 customers are enrolled in Power Pass with the expectation that 5,000 will be enrolled by September 2015. The goal is to have 10,000 customers enrolled by September 2016 and 15,000 enrolled by August 2017. OUC utilizes Exceleron software to manage the Power Pass Program. Exceleron charges a monthly fee per customer ranging from \$6 to \$3 based on the number of customers. Because of the high participation in Power Pass, additional bad debt savings and other operational efficiencies, it is recommended that OUC eliminate the \$3 customer service charge.

Commissioner Dominguez praised the elimination of the customer service charge. She inquired if customer payments to their accounts are instantaneous and Mr. Knibbs responded affirmatively.

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Mr. Ksionek asked Byron Knibbs to update the Board on Affirmative Item A-24 related to the Utility-Scale Photovoltaic Systems. Mr. Knibbs stated that OUC has achieved approximately 12 MW of solar energy through various programs and projects such as the Stanton Solar Farm and Community Solar Farm. OUC is proposing to construct a utility-scale solar farm at three sites at the Stanton Energy Center. One of the three sites will be utilized for emerging technologies in the future. Mr. Knibbs discussed the project requirements, financial options and criteria for ranking proposals. The top four vendors have been ranked and selected for further negotiations. It is expected that commercial operation will begin in the first quarter of 2016. This project will add at least 12 MW to OUC's existing solar capacity.

Mayor Dyer inquired how OUC would conduct concurrent negotiations. Mr. Knibbs replied that the four firms have been ranked, and negotiations will begin with the highest-ranking firm.

President Ferrone asked about additional solar plans. Mr. Knibbs responded that a new Community Education Program should begin within the next several months. She stressed the importance of educating customers and responding to their demands for more solar energy.

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Commissioner Lee announced a conflict of interest for Affirmative Item A-9. President Ferrone presented the remaining Affirmative Items for approval. On a motion by Mayor Dyer and seconded by Commissioner Dominguez, the Affirmative Items, with the exception of Affirmative Item A-9, were approved as follows:

1. Ratification of the fuel procurements to the low bidders in February 2015 in the aggregate amount \$5,953,467.61 as follows:

**NATURAL GAS PURCHASES:**

Feb. 2015	BP Energy	\$ 419,569.10
Feb. 2015	EDF Trading (Formerly Eagle Energy)	\$ 728,751.73
Feb. 2015	Enbridge Marketing, LP	\$ 416,573.18
Feb. 2015	Florida Power & Light	\$ 127,200.00
Feb. 2015	Macquarie Cook Energy, LLC	\$ 477,967.60
Feb. 2015	Shell Energy	\$ 453,974.88
Feb. 2015	Tenaska Marketing Ventures	\$1,398,636.33
Feb. 2015	Texla Energy Management, Inc.	\$ 482,222.47

**COAL PURCHASES:**

Feb. 2015	Crimson Coal Corporation	\$ 432,607.14
Feb. 2015	Mercuria Coal Marketing/ECC	\$1,015,965.18

2. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Air Liquide in the amount of \$2,816,783 to continue supplying LOX to seven water treatment plants through April 6, 2017, increasing the total Purchase Order amount to \$5,716,930;
3. Approval of RFP #3896 - Contract award to Powercare & Service Solutions, Inc. d/b/a Interstate Powercare, the lowest, most responsive and responsible vendor, to furnish and install replacement batteries for the Stanton Energy Center Unit 2 uninterruptible power supply system in the amount of \$310,000, pending final contract negotiations and OUC legal review;
4. Approval of the Electric Distribution Construction Estimate for the underground electric distribution system to serve the Lee Vista Promenade in the amount of \$546,116.41, with customer contributions in the amount of \$161,906;

5. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Pike Electric, LLC in the amount of \$1,000,000 to provide electric distribution construction services required for the John E. Drury Landfill Gas-to-Energy Project, increasing the total Purchase Order amount to \$3,900,000;
6. Approval of RFP #3913 - Contract award to Valmont Industries, Inc., the lowest, most responsive and responsible vendor, for steel transmission monopoles and anchor bolts required for the Pine Hills to Turkey Lake Transmission Line Upgrade Phase 2 Project in the amount of \$565,000;
7. Approval of a Purchase Order to HVB AE Power Systems, Inc. to provide power circuit breakers required for the St. Cloud Central to KUA Carl Wall Transmission Line Upgrade Project in the amount of \$320,000;
8. Approval of additional funding in the amount of \$103,420 with conforming Change Order No. 2 to Protective Systems, Inc. to replace the existing detection panels with a new electronic system, increasing the total Purchase Order amount to \$172,960;
9. Pulled for separate vote;
10. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Mercer US, Inc. in the amount of \$48,000 to perform a comprehensive Benefits Valuation Analysis, increasing the total Purchase Order amount to \$136,000;
11. Approval of a Purchase Order to P&A Group to provide Health Reimbursement Account administration and claim services in the aggregate amount of \$765,000. The contract term is three years with two one-year renewal options;
12. Approval of additional funding in the amount of \$150,000 with conforming Change Order No. 1 to de la Parte & Gilbert, P.A. to continue providing legal services related to water resource issues through Fiscal Year 2015, increasing the total Purchase Order to \$370,000;
13. Approval of RFP #3890 - Contract award to Baker Tilly, McGladrey, Protiviti and Securance, the most responsive and responsible vendors, to provide Internal Audit co-sourcing services in the aggregate amount of \$675,000, pending final contract negotiations and OUC legal review. The contract terms are three years with two one-year renewal options;
14. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Presidio Networked Solutions, Inc. in the amount of

\$104,123.88 for the purchase of seven Cisco Blade Servers required for the Elster Energy Axis Management System Upgrade Project, increasing the total Purchase Order amount to \$148,748.40;

15. Approval of additional funding in the amount of \$63,000 with conforming Change Order No. 3 to Advizex Technologies LLC to provide infrastructure project management services, increasing the total Purchase Order amount to \$157,000;
16. Approval of additional funding in the amount of \$58,777 with conforming Change Order No. 3 to ICF Incorporated, LLC to continue providing PI Initiative Program training services, increasing the total Purchase Order amount to \$154,462.84;
17. Approval of a sole source Purchase Order to Oracle America, Inc. for the purchase of the Real Application Clusters software and one year of maintenance and support in the amount of \$352,994.80;
18. Approval of an OUC initiated scope change and conforming Change Order No. 1 to SHI International Corp. in the amount of \$20,028 for Websense licenses, maintenance and support through September 30, 2017, increasing the total Purchase Order amount to \$107,886;
19. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Velocity Technology Systems, Inc. in the amount of \$180,000 to provide support services for the PSERM system through July 31, 2016, increasing the total Purchase Order amount to \$1,657,816.75;
20. Approval of RFP #3854 - Contract award to CSS International, the most responsive and responsible vendor, to provide JD Edwards EnterpriseOne Managed Support Services for a three-year period in the amount of \$558,120, pending final contract negotiations and OUC legal review. The contract term is three years with two one-year renewal options;
21. Approval of RFP #3908 - Contract award to Level One, LLC, the most responsive and most responsible vendor, to provide bill print services in the amount of \$1,500,000 pending final contract negotiations and OUC legal review. The contract term is three years with two one-year renewal options;
22. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Excecleron Software, Inc. in the amount of \$1,152,000 for software licensing fees and maintenance services through August 2017, increasing the total Purchase Order amount to \$1,272,600;

23. Approval of an OUC initiated scope change and conforming Change Order No.1 to NorthWrite, Inc. in the amount of \$74,000 to continue providing software and maintenance services for the OUC Consumption Online program through June 25, 2016, increasing the total Purchase Order amount to \$140,000; and
24. Commission authorization for the General Manager & CEO to execute the Power Purchase Agreements, Site Licenses and all other documents required to authorize the project with the most responsive and responsible supplier – American Capital Energy Inc., Gro Solar (Global Resource Options, Inc.), Hanwha Q Cells or ESA Renewables – to provide Utility-Scale Photovoltaic Systems at the Stanton Energy Center at an estimated cost of \$35,100,000 for approximately 12 megawatts of photovoltaic, pending final contract negotiations and OUC legal review. The anticipated contract term is 20 years.

On a motion by Commissioner Dominguez, and seconded by Mayor Dyer, Affirmative Item A-9 was approved as follows:

9. Authorization for the General Manager & CEO to execute the necessary closing documents on behalf of OUC for the sale of the Gardenia parcels to Florida Department of Transportation required for the Interstate 4 expansion project, pending final contract negotiations and OUC legal review.

Commissioner Lee previously announced a conflict of interest and abstained from the vote.

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On motion by Commissioner Lee, seconded by Mayor Dyer, New Business Item 1 was adopted and accepted as follows:

- NB-1 Adoption of the revised Prepaid Electric Service Rider Rate Schedule, effective July 1, 2015, pending Florida Public Service Commission review.

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John Hearn stated that retail revenue for the month of April was above budget. Wholesale resale revenues also continued to exceed the budget, while expenditures were under budget.

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Mr. Ksionek asked Chip Merriam to provide a Legislative Update. Mr. Merriam stated the 2015 State of Florida legislative session ended early due to budgetary

disagreements, and a special session is scheduled for June 1 through June 20. The scope of the session is not yet determined, but a state budget must be set. The 2015 session resulted in minimal impacts to OUC's daily operations, but the impact of the special session is yet to be determined.

Mr. Merriam also discussed issues in the federal legislature, including the Energy Efficiency Act of 2015, the Ratepayer Protection Act of 2015, the Coal Combustion Residuals Regulation Act of 2015, two cyber security bills and a comprehensive energy bill.

On the regulatory side, the Florida Public Service Commission has proposed new language for the municipal utility ratemaking review process that would give the PSC enhanced oversight. OUC is working with the Florida Municipal Electric Association to amend the rule language.

President Ferrone asked for clarification about the timeline for the Clean Power Plan. Mr. Merriam stated that the final rules for the Environmental Protection Agency's Clean Power Plan should be published in July, but is being challenged on many fronts.

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Mr. Ksionek asked Roseann Harrington and Jerry Sullivan to report to the Board about OUC's 2015 Expanding Excellence Award for Innovation in Customer Service from *CS Week* and *Electric Light & Power* magazine. Ms. Harrington stated that in 2012, OUC set out to revolutionize the Customer Experience. To accomplish this, OUC redesigned the website, implemented a new IVR system, closed service centers and added 500 third-party payment centers, added customer consumption dashboards and implemented Power Pass. Ms. Harrington thanked the Commissioners and Mr. Ksionek for their support and approval of these projects.

Mr. Sullivan explained the IT projects involved in improving Customer Experience, as well as the cycle of continuous improvement. He stated OUC received this award for the development of an innovative approach to improving customer service in the meter-to-cash Customer Experience lifecycle. He thanked OUC staff involved with the website, MDM, CIS migration, IVR, Power Pass and real-time payments for their hard work and contributions.

Mr. Ksionek praised OUC as providing the best electric and water service for the best city in the nation, and reaffirmed OUC's support to help Orlando achieve the goal to be the greenest, most sustainable city. He thanked OUC staff for all their hard work and stressed how proud he was of the organization.

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Commissioner Lee stated that he was glad to participate in one of the Spring into Sustainability meetings. He congratulated Mr. Romanach on his Service Award and OUC staff on the Customer Service award.

Commissioner Dominguez added her congratulations. She stated her excitement about the Power Pass Program, as well as OUC's solar programs.

Mayor Dyer praised staff on the Customer Service award. He attended several Spring into Sustainability meetings and commented on the enthusiasm of the attendees. He declared Orlando as the greenest city in the Southeast United States, and announced that Orlando ranked 8th in a recent list of sustainable cities.

President Ferrone congratulated all the mothers in the room as well as Mr. Romanach for his Service Award. She also attended several of the Spring into Sustainability meetings. She praised OUC for receiving the Customer Service Award.

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President Ferrone adjourned the meeting at 3:25 P.M.

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President

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Secretary