

**PRICING WORKSHOP MINUTES  
ORLANDO UTILITIES COMMISSION  
APRIL 12, 2022  
2:00 P.M.**

**Present:**

**COMMISSIONERS:**

Britta Gross, President  
Larry Mills, First Vice President  
Cesar E. Calvet, Commissioner (via telephone)  
Buddy Dyer, Mayor

Clint Bullock, General Manager & Chief Executive Officer  
Jan Aspuru, Chief Operating Officer  
Mindy Brenay, Chief Financial Officer  
W. Christopher Browder, Chief Legal Officer  
Linda Ferrone, Chief Customer & Marketing Officer  
Latisha Thompson, Chief Employee Experience Officer  
Manju Palakkat, Chief Transformation & Technology Officer  
LeMoyne Adams, Luz Aviles, Wade Gillingham, Jenise Osani, & Ken Zambito, Vice Presidents  
Frances Johnson, Recording Secretary

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The April 12, 2022 Pricing Workshop of the Orlando Utilities Commission was held Tuesday, April 12, 2022, at 2:00 P.M. at the Orlando Utilities Commission's Reliable Plaza Commission Chambers. President Gross noted that Commissioner Calvet was attending the meeting via telephone.

Clint Bullock provided brief opening remarks noting that OUC's focus of this pricing workshop is on fuel costs, the costs associated for OUC to purchase fuel needed to produce electricity. He explained non-fuel costs represent all the other costs associated with generating, delivering, bill, etc., and are not the subject of the workshop. He further explained fuel costs are a direct pass-through expense.

Gina Johnson, Director of Finance Planning & Strategy Sourcing provided background information for fuel costs. Ms. Johnson explained the supply chain and labor constraints, in addition to the war in Ukraine, have resulted in significantly higher fuel expenses in a short period of time. Ms. Johnson discussed OUC's mitigation strategy, which consists of several risk management strategies including long-term purchase agreements and natural gas hedging. Ms. Johnson emphasized other utility companies are seeing the same impact, resulting in a peer average fuel charge increase of \$13/MWh. She explained OUC increased the fuel charge in January 2022 by \$2.50/MWh, which proved to be insufficient as a result

of the continued fuel cost volatility, thus accelerating the use of fuel reserves. She also clarified that the fuel charge to customers is a pass-through charge and OUC does not earn a profit from it.

Ms. Johnson proposed a \$12/MWh increase for the typical 1,000 kWh customer, rising their bill from \$112 per month to \$124 per month. This increase continues to provide for pricing below the peer average. 85 percent of OUC customers will see a \$5 to \$15 per month increase in their monthly bills.

Mayor Dyer asked for a brief history of the fuel reserve fund. Ms. Johnson responded that around 2016 the board approved a reserve separate from the traditional fuel reserve to help mitigate costs of the Clean Power Plan that was put into place to help meet OUC's 2030 and 2040 emission reduction goal and 2050 net zero emission goal. As a result of the subsequent Electric Integrated Resource Plan (EIRP), OUC was able to sunset the Clean Power fuel reserve and reclassify the remaining funds to the traditional fuel reserve fund. In the past year, OUC has spent \$90 million to mitigate fuel cost volatility and avoid fuel price increases to the customer. Ms. Johnson confirmed the fuel reserve fund has been depleted and will need to be rebuilt in order to mitigate short term fuel cost volatility as intended.

Ms. Johnson explained that over the last 13 years, OUC has consistently passed on savings to customers as a result of historic low fuel commodity prices and low interest rates.

Ms. Johnson proposed other rates changes which include a one-time application fee for execution of customer interconnection applications to support continued renewable energy growth. She described the three-tiered pricing structure design, which uses traditional cost recovery principles that ensures system compliance with electrical code and proper sizing, and includes the addition of insurance requirements for all systems 10 kW or greater.

Ms. Johnson also discussed the sunset of after-hours reconnection surcharge which eliminates the surcharge of \$20 (\$50 if disconnected at the transformer) for reconnections completed between the hours of 6 P.M. and 8 P.M.

Ms. Johnson stated that in order to help commercial customers comply with state water backflow regulations, OUC is implementing a short-term payment program to facilitate the installation of the required backflow devices. Program participation is voluntary with pricing based on meter size to be paid over a 12-month period plus a one-time \$340 administrative fee.

Ms. Johnson concluded her presentation stating pricing tariff documentation will be forwarded to the Public Service Commission for review and feedback. Proposed price changes will be presented for approval at the May 10 Commission meeting to be effective June 1, 2022. She confirmed price changes will be communicated to impacted parties prior to implementation. Communications will focus on savings opportunities.

Luz Aviles presented on how OUC plans to create customer awareness of cost saving opportunities through targeted outreach using various communication channels such as bill inserts and digital channels (web, social media, etc.) OUC also plans to educate customers by leveraging partnerships with the community, City, County, and State. Available customer assistance programs will be communicated as well.

Ms. Aviles highlighted OUC's advertisement campaign that was launched April 8<sup>th</sup>. She also spoke about OUC's Power Pass Program, a prepaid program available to homeowners, renters, and small business customers. Under this program, customers are not required to pay a deposit, nor are they charged late fees. Customers enrolled in the Power Pass Program typically save 8-10% on average every month as they tend to pay closer attention to their usage to avoid being turned off when funds run out.

No additional comments were provided by the Commissioners or members of the public.

President Gross asked for a motion to adjourn the workshop. Mayor Dyer moved to adjourn the workshop and Commissioner Mills seconded. On unanimous vote, the Pricing Workshop adjourned at 2:29 P.M.