

**MINUTES  
ORLANDO UTILITIES COMMISSION  
AUGUST 26, 2008  
2:00 P.M.**

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**Present:**

**COMMISSIONERS:**

Katie Porta, President

Tommy Boroughs, First Vice President

Dan Kirby, Commissioner

Kenneth P. Ksionek, General Manager & Chief Executive Officer

Jan Aspuru, Clint Bullock, Alvin Frazier, Roseann Harrington, Byron Knibbs,

Doug Spencer, Denise Stalls, Thomas Tart, Robert Teegarden,  
Vice Presidents

John Hearn, Vice President & Chief Financial Officer

Gregory T. Rodeghier, Vice President & Chief Information Officer

W. Christopher Browder, Vice President & General Counsel

Beth Mason, Recording Secretary

President Porta asked Thomas Tart 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 motion by Commissioner Kirby, seconded by Commissioner Boroughs, and unanimously carried, the reading of the minutes of the July 22, 2008 Commission Meeting was waived and the minutes were approved as written.

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Alvin Frazier presented a 35-year service award to Paul Kunz, Director, Fleet/Facilities.

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Roseann Harrington asked Alvin Frazier to discuss the Top 100 Family Friendly Companies Award. Mr. Frazier commented that OUC has been recognized as one of the top 25 family friendly companies in Central Florida and presented the award to President Porta. President Porta commented that this award is an indication that OUC provides excellent benefits and creates a good work environment for its employees.

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Ken Ksionek distributed maps of gas storage facilities in Alabama and requested that Jan Aspuru provide additional information related to Affirmative Item #A-4. Mr. Aspuru commented that with the Stanton Energy Center (SEC) Unit A and the pending construction of SEC Unit B, OUC is more exposed to natural gas fuel. Due to price volatility and potential of delivery interruptions, staff has been evaluating natural gas storage options for some time. This agenda item provides an enhancement to the current fuel oil storage capabilities currently in place, especially during unforeseen emergencies or hurricanes. Mr. Aspuru referred to specific storage site locations and pipelines outlined on the maps distributed by Mr. Ksionek and discussed cost capacity and methods of transportation. This agreement provides for a 30,000 MMBtu per day withdrawal capacity for a maximum of 10 days.

Mr. Ksionek also asked Mr. Aspuru to provide additional information regarding Affirmative Item #A-7 pertaining to a \$27 million capital investment to upgrade the net output capacity of the turbines for SEC Units 1 and 2. Mr. Ksionek stated that Unit 1 came on-line in 1987 and Unit 2 came on-line in 1996. The useful life of each unit is considered to be a minimum of 40 years. Mr. Aspuru stated that Siemens, the original equipment manufacturer, has presented an opportunity to upgrade the turbines. This will allow OUC to generate an additional 7-10 megawatts from each unit without consuming additional coal. It is anticipated that this upgrade will result in a net present value of \$15 million over 10 years in fuel savings alone. Other savings will also be realized with regard to overhaul and maintenance work that would be required over the life of the turbines. Turbines are typically overhauled every five years and take eight weeks to perform this work. Unit 1 will be upgraded during the Fall 2010 outage and Unit 2 will be upgraded in 2013. In order to meet this schedule, the approval of the project is being requested now in order to proceed with the procurement of material, equipment, project management, engineering and technical field services. Mr. Aspuru also commented that this project is consistent with the Public Utility Regulatory Policies Act (PURPA) standards for generation efficiency.

In response to Commissioner Kirby's question regarding the life expectancy of the upgraded turbines, Mr. Aspuru responded that upgrading the turbines would have no impact on life expectancy. The equipment will continue to be inspected every five years, although there is a slight possibility that the inspections might be able to be performed every seven years, based upon the experience of other

utilities with this equipment. In addition, Matt Blankner commented that this type of replacement will probably never be required again unless additional design improvements are developed by Siemens in the future. The generators do have limitations in the output of megawatts and this upgrade will allow an increase to the maximum level of generation.

Mr. Ksionek commented that Affirmative Item #A-33 refers to the Small Business Efficiency Pilot Program, which is a one-stop shop proposal. It is the second program of its kind in the United States, with the other being in San Jose, California. Clint Bullock provided additional information regarding the Disney Entrepreneur Center (DEC), which is partnering with OUC for this program. The DEC was established in 2003 and included a partnership with Orange County, the University of Central Florida (UCF) and Disney. The program focuses on providing essential services to entrepreneurial and small businesses, which include how to write a business plan, how to write contracts, proper accounting methods and other information necessary in order for a new business to succeed.

In order to participate in the pilot program, businesses will be required to have an electric and water conservation survey performed by OUC to identify possible energy and water efficiency improvements. It will also be required to participate in a two-hour overview with DEC in order to become aware of additional services that may be available. Qualified business owners will be eligible for a one-time OUC credit of \$250 or more, depending upon program participation. Mr. Bullock clarified that although the credit amount will begin at \$250, it may be increased depending upon market penetration and feedback regarding the program.

Mr. Ksionek commented that Affirmative Item #A-35 refers to the St. Cloud Business Development & Customer Retention Fund (Fund). He introduced former St. Cloud City Mayor Ernie Gearhart and commented that Mr. Gearhart established this Fund during his term as Mayor. John Hearn commented that the City of St. Cloud has requested to use a portion of the Fund to establish a business technology and resource incubator program located within the Stevens Plantation Corporate Campus. The commitment of \$1.3 million is requested, with a \$300,000 payment at the onset and approximately \$250,000 payments each year for four years. St. Cloud will be partnering with UCF to accomplish this task.

Expenditures from the Fund require the approval of both OUC and the St. Cloud City Council to ensure that it meets the qualifications of the Fund. The criteria has been reviewed and approved by the OUC/St. Cloud Joint Contract Committee and the St. Cloud City Council. Mr. Gearhart provided additional information regarding the research and negotiations with UCF over the proposed incubator program.

President Porta commented that she has utilized OUC's Indoor Lighting Program referred to in Affirmative Item #A-34 and is pleased that the program is continuing and that more businesses are expressing an interest in it. Clint Bullock commented that Orange County Public Schools participate in the program with eight schools, as well as the CNL parking garage, currently scheduled to be upgraded.

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

1. Ratification of fuel procurements to the low bidders in June 2008 in the aggregate amount of \$17,327,164.32 as follows:

**NATURAL GAS PURCHASES:**

June 2008	Anadarko Energy	\$ 123,825.00
June 2008	BG Energy Merchants, LLC	\$ 875,981.21
June 2008	BP Energy Company	\$2,807,046.84
June 2008	Chevron Natural Gas	\$2,295,566.14
June 2008	Conoco Phillips	\$1,276,624.59
June 2008	Florida Gas Utility	\$ 357,967.92
June 2008	Infinite Energy	\$ 689,295.64
June 2008	LouisDreyfus Energy	\$1,466,168.90
June 2008	National Energy & Trade	\$1,026,979.04
June 2008	National Fuel Marketing	\$3,012,117.93
June 2008	Occidental Energy Marketing	\$ 270,520.38
June 2008	Orlando Gas Producer	\$ 153,420.75
June 2008	Sequent Energy Marketing	\$ 252,798.06
June 2008	Total Gas & Power	\$ 495,038.17
June 2008	Virginia Power Energy Marketing, Inc.	\$1,771,461.75

**No. 6 FUEL OIL PURCHASES:**

June 2008	TransMontaigne Product Services, Inc.	\$ 452,352.00
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2. Ratification to purchase two trainloads of coal from Lakeland Electric of up to 24,200 tons at a cost not to exceed \$3,097,600 and one trainload of coal from Genesis Consulting Company, LLC of up to 12,100 tons at a cost not to exceed \$1,684,925, for delivery between July and August 2008;
3. Authorization for the General Manager & CEO to execute an Agreement for Interchange Service between Tampa Electric Company and OUC, pending final OUC legal review;
4. Authorization for the General Manager & CEO to execute a Five-Year Natural Gas Storage Service Agreement with Bay Gas Storage, LTD for an amount not to exceed \$4,050,000, subject to final OUC legal review;
5. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Track Scale Replacement Project in the amount of \$223,033,

which includes a sole source Purchase Order to Controls & Weighing Systems, Inc. for furnishing and installing a new railroad track scale in an amount not to exceed \$164,522;

6. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Unit 2 Boiler Waterwall Tube Panels Project in the amount of \$2,750,000, which includes a sole source Purchase Order to Southeastern Mechanical Services, Inc. to purchase replacement waterwall panels for the Unit 2 Boiler in an amount not to exceed \$1,275,335;
7. Approval of a Capital Expenditure Estimate for Stanton Energy Center Units 1 and 2 Turbine-Generator Upgrade Project in the amount of \$27,132,887.00, which includes a Purchase Order to Siemens Power Generation, Inc. to provide the material, project management, engineering and technical field services in an amount not to exceed \$25,913,966.40, subject to final contract negotiations and final OUC legal review;
8. Approval of Change Order No. 1 to Mineral Labs, Inc. for a two-year contract renewal for coal analyses and additional mine audits for 2009 and 2010 in the amount of \$336,377.00, increasing the total Purchase Order amount to \$528,286.53;
9. Approval of Change Order No. 7 to Black & Veatch Corporation for additional design engineering services for the Stanton Energy Center Unit B 300 Mw Combined Cycle Plant Project Balance of Plant in the amount of \$342,200, increasing the total Purchase Order Amount to \$3,962,500;
10. Approval of Bid #2480 – Contract award to Emerson Process Management Power & Water Solutions, Inc., the lowest, most responsive and responsible bidder, to provide a distribution control system for the Stanton Energy Center Cooling Tower Blowdown Treatment - Distributed Control System Upgrade in an amount not to exceed \$340,000;
11. Approval of Bid #2556 – Contract award to Edgen Murray Corporation, the most responsive and responsible bidder, to provide general service piping required for the Stanton Energy Center Cooling Tower Blowdown Treatment Plant upgrades in the amount not to exceed \$1,000,000;
12. Approval of Bid #2559 – Three-year contract award to Orange Industrial Services, Inc., the most responsive and responsible bidder, to provide industrial vacuum services at the Stanton Energy Center in the amount of \$972,000;

13. Approval of the Lighting Construction Estimate for Englewood Park Neighborhood, located on the west side of Semoran Boulevard between Curry Ford Road and Lake Underhill Road in the Orlando service territory, in the amount of \$172,890.53; which includes \$44,768.18 for lighting equipment from OUC's stock inventory and \$128,122.35 for the installation of poles, fixtures and conduit by Terry's Electric, Inc., OUC's lighting contractor. The City of Orlando will pay OUC \$40,500 for the cost of the conduit and be responsible for the monthly billing;
14. Approval of the Lighting Construction Estimate for South Park Business Center, located in the Orlando service territory, in the amount of \$238,791.00; which includes a Purchase Order in the amount of \$220,791.00 to South Park, LLC for the purchase of a newly installed lighting system. South Park, LLC has executed a 20-year service agreement with OUC for the operation and maintenance of this lighting system and will be responsible for the monthly billing;
15. Approval of the Electric Distribution Construction Estimate for the installation of an underground electric distribution system to serve Harbor Square at Lake Cay, located along Universal Boulevard in the Orlando service territory, in the amount of \$202,390.86;
16. Approval of the Electric Distribution Construction Estimate for the upgrade of the overhead electric distribution system for Kentucky Avenue, located in the St. Cloud service territory, in the amount of \$180,480.91;
17. Approval of the Electric Distribution Construction Estimate for the upgrade of the overhead electric distribution feeder Circuit No. 9-11, Phase 1 of 7, located in the Orlando service territory, in the amount of \$451,247.15;
18. Approval of the Electric Distribution Construction Estimate for installation of additional overhead electric distribution facilities for Circuit Nos. 4-24 and 4-34 in the amount of \$258,057.55;
19. Approval of Change Order No. 2 to Universal Fiber Optics, Inc. for a two-year contract extension to provide fiber optic engineering and cable splicing services through July 31, 2010 in an amount not to exceed \$100,000, increasing the total Purchase Order amount to \$190,916;
20. Approval of Change Request No. 1 to the Transmission Capital Expenditure Estimate for the construction of the Stanton to Progress Energy Florida (PEF) East Orange Transmission Line Segment required for the Stanton to Bithlo 230kV Transmission Line Project at a

cost of \$9,755,000, increasing the total project cost to \$9,850,000. Approval includes Change Order No. 1 to the Purchase Order to Power Engineers, Inc. to provide engineering and construction services for the Stanton to PEF East Orange Transmission Line Segment in an amount not to exceed \$1,076,800, increasing the total Purchase Order amount to \$1,166,800.

Approval of a Substation Capital Expenditure Estimate for the Stanton to Bithlo 230kV Transmission Line Project at an estimated cost of \$1,540,000. Approval includes a Purchase Order to Black & Veatch to provide engineering and construction services for the Stanton Substation in an amount not to exceed \$308,000;

21. Approval of a sole source Purchase Order to HVB AE Power Systems, Inc. for power circuit breakers, field installation services and spare parts in the amount of \$1,150,998. Approval of Bid #2538 – Contract award to M.D. Henry Company, Inc., the lowest, most responsive and responsible bidder, to provide aluminum bus and steel structures required for the Stanton Energy Center Substation Breaker Upgrade Project in the amount of \$789,051.37;
22. Approval of Bid #2547 – Contract award to Southeast Power Corporation, the lowest, most responsive and responsible bidder, to provide transmission line construction services required for the Stanton North Substation Transmission Line Interconnection in the amount of \$1,373,000;
23. Approval of Bid #2562 – Contract award to Valmont Newmark, Inc., the most responsive and responsible bidder, to provide twenty-one steel transmission poles required for the St. Cloud Central to St. Cloud North 69kV Transmission Line Relocation Project in the amount of \$1,200,000;
24. Approval of SOQ #2537 - Authorization for the General Manager & CEO to execute an agreement with Boyle Engineering Corporation, contingent upon successful negotiations and final OUC legal review. Approval of Change Request No. 1 to the Capital Expenditure Estimate for Project RENEW in the amount of \$3,500,000, increasing the total project cost to \$6,800,000; which includes a Purchase Order to Boyle Engineering Corporation for Phase 2 engineering consulting services related to Project RENEW's pump stations and force mains in an amount not to exceed \$3,000,000;
25. Ratification of a Capital Expenditure Estimate for the Interactive Voice Response System Upgrade Project for hardware servers, professional services and internal OUC labor in the amount of \$142,652.85 and a sole source Purchase Order to Intervoice, Inc. to provide professional

services and software maintenance support for the period of October 1, 2008 through September 30, 2009 in the amount of \$172,316.09, pending final OUC legal review of the contract;

26. Approval of Change Order No. 2 to Gartner, Inc. for Technology Research and Advisory Services for the period of October 1, 2008 through September 30, 2009 in the amount of \$43,369.50, increasing the Purchase Order amount to \$108,633;
27. Approval of Change Order No. 2 to AXSone, Inc. for E-mail Archiving software maintenance support for the period of October 1, 2008 through September 30, 2009 in the amount of \$12,843.90, increasing the Purchase Order amount to \$105,564.19;
28. Approval of Bid #2501 – Contract award and approval of Change Order No. 2 to Teer Engineering, LLC, the lowest, most responsive and responsible bidder, to provide Audio Visual equipment, consulting and installation services for the new OUC Administration Building in the amount of \$254,368.40, increasing the total Purchase Order amount to \$328,402.65;
29. Approval of a Capital Expenditure Estimate for the Security Camera Recording Storage Area Network Installation Project in the amount of \$224,199. Approval of Bid #2548 – Contract award to Bayshore Technologies, Inc., the most responsive and responsible bidder, to provide storage and hardware installation services for the project in the amount of \$224,199;
30. Ratification of a Purchase Order to Project One Systems Sales, Inc. for the direct purchase of the heat exchanger for the construction of The Peabody Hotel chilled water project in the amount of \$536,107;
31. Item deleted;
32. Approval and authorization for the General Manager & CEO to execute the 30-year Chilled Water Franchise Ordinance with the City of Orlando;
33. Adoption to deploy the Small Business Efficiency Pilot Program and approval in the amount of \$100,000 to fund the pilot program;
34. Approval of Change Order No. 7 to Goober Inc. d/b/a Lightyear Technologies, Inc. for the continuation of OUC's Indoor Lighting Program in the amount of \$900,000, increasing the total Purchase Order amount to \$4,874,000;
35. Approval for the City of St. Cloud to use up to \$1.3 million of the St. Cloud Business Development & Customer Retention Fund for the

development of the business, technology and research incubator at the Stevens Plantation Corporate Campus; and

36. Approval of Change Order No. 2 to Security Forces, Inc. for security officer and informational services for a third year in the amount of \$1,681,806, increasing the total Purchase Order amount to \$4,803,600.

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Ken Ksionek noted that the Public Utility Regulatory Policies Act (PURPA) and Public Budget/Rate Workshops were held on July 22, 2008 to discuss the new PURPA Standards and 2009 Budget. Public comments were received and there have been no changes to the recommended 2009 Budget and 2009-2013 Capital Plan.

Commissioner Boroughs commented that all his questions were previously answered at the Workshops. Commissioner Kirby clarified OUC is deferring implementation of the full Net Metering Standards, not dismissing them completely. Commissioner Boroughs confirmed this correction, stating that the Florida Public Service Commission (FPSC) is working on state-wide standards and OUC will wait until this process is complete before making a final determination on net metering.

On motion by Commissioner Boroughs, seconded by Commissioner Kirby, New Business Item 1 was approved as follows:

- NB-1 Adoption and implementation of the PURPA Fuel Source and Fossil Fuel Generation Efficiency Standards based on the determination process as recommended at the Public Workshop held July 22, 2008. Based on the determination process, it is recommended that OUC defer and not adopt and implement the full PURPA Net Metering Standards.

Commissioner Boroughs noted that New Business Item 2 reflects the same information that was presented at the July 22, 2008 Public Budget/Rate Workshop and that no changes have been made.

On motion by Commissioner Boroughs, seconded by Commissioner Kirby, New Business Item 2 was approved as follows:

- NB-2 Adoption of the electric rates and electric service fees as presented, pending Florida Public Service Commission approval. These rates are to be applied to all bills rendered on or after October 1, 2008. Adoption of the water rates, water connection charges and water service fees as presented, to be applied to all bills rendered on or after October 1, 2008.

Commissioner Boroughs noted that no changes have been made to the Operating Budget, Capital Plan, Capital Reserve Fund and use of the Stabilization Funds since presented at the July 22, 2008 Budget/Rate Workshop.

On motion by Commissioner Boroughs, seconded by Commissioner Kirby, New Business Item 3 was approved as follows:

NB-3 Adoption of the 2009 Operating Budget as presented; acceptance of the 2009-2013 Capital Plan; approval of the deposit of \$0.5 million to the Capital Reserve Fund in 2009; and approval of the use of \$14.3 million from the Fuel Stabilization Fund and \$9.5 million from the Electric Base Rate Stabilization Fund as presented.

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Commissioner Kirby reported that the Audit Committee met on August 7, 2008 and packets were presented to each Commissioner prior to the meeting. The external auditors have completed interim procedures, with year-end procedures to start in mid-October. Completion of the audit is anticipated for the end of November, with a draft of the audit report to be presented to the Audit Committee on December 11, 2008.

The internal audit work plan was also reviewed with an overview of completed and in-process projects. A follow-up to last year's quality assurance review was completed in July and OUC's internal audit function was found to be at the highest level, which is "generally conforms" to the standards.

Financial and operating performance for the nine months ended June 30, 2008 were reviewed, with Income before contributions at \$36.7 million, indicating a \$12.3 million shortfall. Mild weather and slow customer growth caused retail electric and water revenues to trail budget. This was partially mitigated by increased resale energy revenues of \$3.1 million. Income before contributions projected for September 30, 2008 is expected to be \$15 to \$20 million under budget.

Based on the anticipated shortfall for Fiscal Year 2008, the Audit Committee reviewed stabilization fund balances and proposes to use stabilization funds to cover the anticipated shortfall. The Audit Committee also considered impacts of the stabilization fund usage approved as part of the Fiscal Year 2009 budget.

President Porta commented that use of the stabilization fund was also discussed at the Finance Committee Meeting. Commissioner Kirby responded that this is being approached with the understanding that this recommendation is not detrimental to OUC's bond rating. President Porta commented that stabilization funds are set up for situations like this, in order not to continually change rates by passing on fuel variable charges, as some other utilities do.

On motion by Commissioner Kirby, seconded by Commissioner Boroughs, Presentation Item 1a was approved as follows:

PRES-1a Approval that \$10.8 million from the electric wholesale trading profits fund, \$2.0 million from the water stabilization fund and up to \$6.0 million from the electric base stabilization fund be used to cover the Fiscal Year 2008 budget shortfall.

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Commissioner Boroughs reported that the Finance Committee held a meeting on August 14, 2008 and packets were presented to each Commissioner prior to the meeting. The quarterly risk management and treasury reports were reviewed, as well as two possible financing transactions.

OUC 's Series 1996A and Series 2003 Multi-Modal Bonds are currently in a term mode with a mandatory tender date of October 1, 2008. The Finance Committee reviewed current market conditions and the plan for remarketing the bonds with Public Financial Management, OUC's financial advisor. Bond related documents were included in the Finance Committee packets sent to all Commissioners.

The Finance Committee recommends remarketing the Series 1996A and 2003 Multi-Modal Bonds for a term of two to four years on a fixed rate basis. Commissioner Boroughs stated that the Finance Committee also reviewed the cash reserves for Fiscal Years 2008 and 2009.

On motion by Commissioner Boroughs, seconded by Commissioner Kirby, the adoption of two Resolutions authorizing the Remarketing of the OUC Revenue Series 1996A and Series 2003 Multi-Modal Bonds as referenced in Presentation Item 2a were approved as follows:

PRES-2a Adoption of a Resolution of the Orlando Utilities Commission authorizing the remarketing of its \$54,775,000 Water and Electric Revenue Refunding Bonds Series 2003 providing definitions electing to remarket and selecting term rate mode; appointing a commission rate nominee; authorizing the distribution and deeming final of a preliminary remarketing supplement; authorizing a final remarketing supplement authorizing the payment of certain costs of the remarketing; appointing a remarketing agent for said bonds; authorizing the execution and delivery of a Remarketing Agreement; precluding optional redemption prior to new purchase date; precluding the need for a liquidity facility; authorizing proper officials to do all other things deemed necessary or advisable in connection with the remarketing of said Series 2003 Bonds; supplementing the Resolution that authorized the issuance of the 2003 Bonds; and providing an effective date;

AND

Adoption of a Resolution of the Orlando Utilities Commission authorizing the remarketing of its \$60,000,000 Water and Electric Revenue Bonds, Series 1996A (multi-modal); providing definitions; electing to remarket and selecting term rate mode; appointing a commission rate nominee; authorizing the distribution and deeming final of a preliminary remarketing supplement; authorizing a final remarketing supplement; authorizing the payment of certain costs of the remarketing; appointing a remarketing agent for said bonds; authorizing the execution and delivery of a Remarketing Agreement; precluding optional redemption prior to new purchase date; authorizing proper officials to do all other things deemed necessary or advisable in connection with the remarketing of said Series 1996A Bonds; supplementing the Resolution that authorized the issuance of the Series 1996A Bonds; and providing an effective date.

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John Hearn reported that net income through July 31, 2008 was \$45 million, which is \$15.7 million below budget. This is a result of mild weather and heavy rainfall. Staff is reviewing the 2009 budget in light of 2008's shortfall. The sales forecast, revenues and expenditures are being reviewed.

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Chris Browder stated there is no new litigation to report. Mr. Browder provided an update on the Century Coal litigation. A preliminary hearing regarding the injunction was held on July 28, 2008. Although the injunction was not granted, the Judge put the case on the fast track and set a trial date for October 14, 2008. A mandatory mediation is scheduled for September 3, 2008. In the meantime, Jan Aspuru and his staff continue discussions with Century Coal in the effort to reach a satisfactory resolution.

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Ken Ksionek provided a presentation on Tropical Storm Fay, showing the path and impact of the storm. A graph was included, showing the number of OUC customers affected by the storm on August 19-21, 2008. The highest number of outages occurred between 3:00 and 10:00 p.m. on Thursday, August 21, 2008. Eight circuits locked out, affecting approximately 8,400 customers. Byron Knibbs reported that the eight affected circuits were located within the overhead sections of the east side of OUC's service territory and most of the outages were caused by trees falling on power lines. Mr. Ksionek commented that OUC began preparing for the storm a week in advance and brought in additional line workers and tree trimmers. There was no impact to transmission or generation facilities. OUC also provided Mutual Aid assistance to Gainesville Regional Utilities to restore a critical transmission line that went down. OUC is currently preparing for Hurricane Gustav.

Commissioner Boroughs requested that future tropical storm and hurricane updates be provided to Commissioners via electronic mail. President Porta questioned how Tropical Storm Fay affected the water resource problems, i.e. replenishment of the aquifer. Rob Teegarden responded that the management districts' water resource priority has shifted from water supply to flood control.

President Porta commented that the Hurricane/Disaster Preparedness Manual prepared several years ago is a valuable resource during the tropical storm season.

Mr. Ksionek provided an update on the new OUC Administration Building, which broke ground on April 10, 2007. The schedule is on track for the substantial completion milestone date of September 19, 2008. A temporary Certificate of Occupancy is expected prior to October 10, 2008 when employees will begin to move into the new building that weekend. It is anticipated that the new first floor Customer Service Center will open at 7:00 a.m. on Monday, November 3, 2008. The November 11, 2008 Commission Meeting will be held in the new building.

Mr. Ksionek showed the new in-home energy display box that will be used in conjunction with the Elster automated metering infrastructure (AMI). Approximately 20 employees piloted a similar display box and were very pleased with the results. Roseann Harrington commented that the next step will be to provide a pilot program to a small number of customers without charge in order to test the equipment and determine if it helps to change consumption patterns. OUC will be one of the first utilities in the United States to implement the use of this device.

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Commissioner Kirby commented favorably on OUC's preparedness in response to approaching tropical storms and hurricanes. OUC also continues to focus on affordability, reliability and sustainability as it is faced with challenges regarding fuel rate adjustments and unanticipated reductions in demand. It is essential to remain focused on these goals, while moving forward and making the right decisions, as it has done in the past.

Commissioner Boroughs congratulated Paul Kunz for his 35 years at OUC. In addition, he commented on the excellent work done by staff in preparing the budget and rate information. The structure of the rate increases was laid out in a good and thoughtful manner. He also commented that the Small Business Efficiency Pilot Program is a proactive approach to assist customers.

President Porta commended OUC employees for the work done during Tropical Storm Fay. The immediate response to electric outages was excellent and water was never lost during the storm. She commented that she has never had a boil water alert during the time she has lived in Orlando. She also congratulated Doug Spencer on the anticipated construction completion and

move into the new Administration Building. She also reminded people to vote and get involved.

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Commissioner Boroughs moved to adjourn the meeting. Commissioner Kirby seconded the motion and President Porta adjourned the meeting at 3:40 P.M.

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President

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Secretary