

MINUTES
ORLANDO UTILITIES COMMISSION
March 9, 2010
2:00 P.M.

Present:

COMMISSIONERS:

Katie Porta, President
Maylen Dominguez Arlen, First Vice President
Dan Kirby, Second Vice President
Craig McAllaster, Commissioner
Mayor Buddy Dyer

Kenneth P. Ksionek, General Manager & Chief Executive Officer
Jan Aspuru, Clint Bullock, Alvin Frazier, Roseann Harrington,
Robert Teegarden, Denise Stalls, Vice Presidents
John H. Hearn, Vice President & Chief Financial Officer
Gregory T. Rodeghier, Vice President & Chief Information Officer
W. Christopher Browder, Vice President & General Counsel
Nanci Werline, Recording Secretary

President Porta 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 motion by Commissioner McAllaster, seconded by President Porta and unanimously carried, the reading of the minutes of the January 19, 2010 Commission Meeting and the January 27, 2010 Special Commission Meeting was waived and the minutes were approved.

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Greg Rodeghier presented a 25-Year Service Award to John W. McGruder III, Senior Program Analyst, Information Technology.

Mr. Rodeghier presented a 25-Year Service Award to Deborah D. Scaletta, Senior Business Applications Analyst, Information Technology.

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Roseann Harrington discussed OUC's Haiti relief efforts. OUC employees raised \$9,300 which was matched by OUC, increasing the total donation to \$18,600. The funds were equally distributed to the Red Cross and the United Way. Kevin Anthony presented the Meter Reader of the Year award to Diana Decker and Efrain Rodriguez. To qualify for this award, a meter reader must be on the job for more than one year, have read a minimum of 90,000 meters, and have superior accuracy, accessibility, attendance and teamwork levels. Ms. Decker read 120,428 meters with an accuracy of 99.98% and an access rate of 99.99%. This is her third consecutive time receiving the award. Mr. Rodriguez read 122,192 meters with an average accuracy of 99.98% and an access rate of 99.74%. This is his second consecutive year receiving the award.

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Ken Ksionek asked Kevin Noonan to discuss Affirmative Items 23 and 24 regarding OUC's Energy Conservation Plan and the Community Energy Efficiency Outreach Program. Mr. Noonan stated the Florida Public Service Commission placed a conservation goal on OUC of 3.6 gigawatt hours per year for the next 10 years. OUC will provide a plan to the Public Service Commission (PSC) that meets this goal by utilizing existing and new consumer programs. OUC is also promoting customer education to drive increased customer participation in existing and new residential programs. One of these programs is the Energy Efficiency Outreach Program which is outlined in Affirmative Item A-24. This partnership between the City of Orlando and OUC will combine \$500,000 of the city's stimulus funds with \$200,000 of OUC's conservation funds to provide a program that will go into the different neighborhoods within the City, focusing on the ones that have the highest energy intensity, and do a comprehensive weatherization of those homes. Mr. Noonan also discussed several new potential commercial programs, including multi-family conservation and green roofs, which was recently put in place on the downtown fire station.

Mayor Dyer commented that Fire Station No. 1 was the first commercial building to have a green roof and at least one residential building also has a green roof.

Commissioner Dominguez Arlen asked if there will be any audits to verify the reporting to the PSC. Mr. Noonan replied that the PSC has the right to perform an audit when OUC submits its annual report; however, it isn't certain how the PSC handles audits with investor-owned utilities.

Commissioner Kirby asked how the homes will be selected for the weatherization program. Mr. Noonan replied that OUC worked with the City to put together an energy intensity usage map that shows which neighborhoods have the highest use of energy per square foot. Based on this information provided by OUC, the City will select the specific neighborhoods to utilize the program. OUC's contractor will use a canvassing approach to attract customers to the program.

Commissioner Kirby asked if OUC will work with the City to make sure that different neighborhoods benefit from this program. Mr. Noonan replied that the program will be offered to all neighborhoods. Mayor Dyer commented that the program will be concentrated in one or two City Districts. However, the City of Orlando and OUC will make sure that at least one neighborhood in each of the six City Districts is incorporated into the program.

President Porta commented that it is important that the City of Orlando is using stimulus dollars to help others, instead of only improving city buildings.

Mr. Noonan stated that customer education will be an important aspect of the Energy Efficiency Outreach Program. Commissioner Dominguez Arlen stated that this program is a great marketing opportunity to provide information about OUC's current conservation programs. Commissioner Kirby added that this is also a good opportunity to discuss OUC's future programs with customers.

Ken Ksionek asked Jennifer Szaro to discuss Affirmative Item 25 regarding the Stanton/Jetport Photovoltaic Projects. Ms. Szaro discussed the history of the project and the steps moving forward. Regenes Power was selected as the most responsible bidder and will be recommended for the project. The recommendation was based on several factors, including an innovative design that is made specifically for Florida's climate as well as a higher than average capacity factor. Regenes will use members of the local workforce including a minimum of 30% Minority & Women-owned Business Enterprise (M/WBE) subcontractors. The solar photovoltaic projects have a total capacity of approximately 9.31 megawatts DC, with an average annual output of approximately 14,800 megawatt hours. Ms. Szaro showed designs for the two sites and Regenes's current project in Ft. Myers. The Jetport site is expected to come on-line in November 2010 and the Stanton site is anticipated to come on-line in December 2010.

President Porta asked about the permitting process for the project. Ms. Szaro replied that the permitting process varies by site and OUC will work with both the state and county for permitting at both sites.

Commissioner McAllaster asked why OUC decided to use two sites instead of one large site. Ms. Szaro replied that the two sites were selected based on a staff review on where it made the most sense to utilize land for 20 years. Ken Ksionek added that the two sites provide OUC diversification. He also stated that OUC wants customers to be able to see the generation sites that are producing energy for their homes and businesses, and the Stanton and Jetport sites provide that opportunity. Ms. Szaro stated that the photovoltaic project should produce enough electricity for approximately 1,000 homes.

Commissioner Kirby asked if an overall threshold for the M/WBE goals will be addressed in the negotiations. Ms. Szaro replied that OUC addressed M/WBE

goals during the selection process, and that Regenesis will be required to report on their efforts, which is a minimum of 30 percent.

Commissioner Kirby also asked if there would be a buffer at the Innovation Way site. Ms. Szaro replied that Orange County will provide the requirement for a buffer, which will probably be 25 feet.

Commissioner Kirby asked how this technology is different from the Ft. Myers project and whether there will be regular reporting on using the local workforce. Ms. Szaro replied that this technology is almost identical to the Ft. Myers project and that there will be regular reporting on the local workforce utilization.

President Porta asked how long the Ft. Myers site has been on line. Ms. Szaro replied that it has been on line for five months.

Commissioner McAllaster asked about the security concerns, especially at the Jetport location. Mr. Ksionek stated that Regenesis will build, own, operate and maintain the site and OUC will purchase the energy over 20 year period. Therefore, Regenesis has the responsibility for security. He also stated OUC wants the Stanton site to be visible from Innovation Way because it is important for people to understand that OUC produces all types of energy. The Jetport site also has an electric substation, transmission lines, and an infrastructure that provides OUC the ability to connect the site into the OUC grid.

Commissioner McAllaster asked about the landscape maintenance of the two sites. Ms. Szaro replied that each site will have a local maintenance contractor.

Commissioner Dominguez Arlen asked about the life spans of the modules. Ms. Szaro replied that there is a 25-year warranty on the modules, but historically, modules appear to last longer than 25 years.

President Porta 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 fuel procurements to the low bidders in December 2009 and January 2010 in the aggregate amount of \$5,250,452.87 as follows:

NATURAL GAS PURCHASES:

Dec. 2009	BG Energy Merchants, LLC	\$ 420,769.86
Dec. 2009	BP Energy Company	\$ 394,260.00
Dec. 2009	Chevron Natural Gas	\$ 552,585.48
Dec. 2009	City of Lakeland	\$ 251,980.70
Dec. 2009	EDF Trading (Formerly Eagle Energy)	\$ 162,071.14
Dec. 2009	Infinite Energy	\$ 476,276.78
Dec. 2009	Louis Dreyfus Energy	\$ 297,442.43
Dec. 2009	National Fuel Marketing	\$ 526,427.88
Dec. 2009	Shell Energy	\$ 206,189.96

Dec. 2009	Total Gas & Power	\$ 113,000.00
Dec. 2009	Virginia Power Energy Marketing, Inc.	\$ 209,266.45

FUEL OIL PURCHASES:

Dec. 2009	Automated Petroleum & Energy Co., Inc.	\$ 448,850.19
Jan. 2010	Automated Petroleum & Energy Co., Inc.	\$ 265,832.00
Jan. 2010	TransMontaigne Products Services Inc.	\$ 925,500.00

2. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Unit 2 Distributed Control and Information Computer System Upgrade Project in the amount of \$125,000; and approval of a sole source Purchase Order to Invensys Process Systems for installation of Distributed Control and Information Computer System upgrades to Unit 2 and a three-year service contract for the Stanton Energy Center Units 1 and 2 Distributed Control and Information Computer System in an amount not to exceed \$400,000, subject to final contract negotiations and OUC legal review;
3. Approval of a Bid #2838 – Contract award to Storm Technologies, Inc., the sole bidder, to perform the Stanton Energy Center Units 1 and 2 Steam Generators Performance Tests for a three-year contract in the amount of \$1,000,000;
4. Approval of additional funding in the amount of \$208,800 for an OUC initiated scope change with conforming Change Order No. 1 to General Electric International, Inc. for continued operational support through May 2010 required for the Stanton Energy Center Combined Cycle Unit B, increasing the total Purchase Order amount to \$303,800;
5. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Shambaugh & Son, LP for installation of the Stanton Energy Center Unit B fire protection sprinkler system in the aggregate amount of \$200,000, increasing the total Purchase Order amount to \$600,000;
6. Approval of the Electric Distribution Construction Estimate for the underground electric distribution system upgrade for The Willows Subdivision, Phase 2 of 4, in the amount of \$100,324.39;
7. Approval of the Electric Distribution Construction Estimates for the underground electric distribution system upgrade for the Bryn Mawr Subdivision, Phase 4 of 14, in the amounts of \$128,215.62 and \$135,667.17, for the installation of conduit and distribution systems respectively, for a total of \$263,882.79;
8. Approval of the Electric Distribution Construction Estimate for the upgrade of the overhead electric distribution system along Central Boulevard, Phase 1 of 3, in the amount of \$249,392.89;

9. Approval of the Electric Distribution Construction Estimate for the upgrade of the overhead electric distribution system for Circuit No. 9-11, Phase 4 of 7, in the amount of \$735,855.20;
10. Approval of the Electric Distribution Construction Estimate for relocation of overhead electric distribution facilities along Narcoossee Road required for the Narcoossee Road Widening Project, Phase 3A, in the amount of \$430,999.74;
11. Approval of Bid #2572 – Contract award to Orlando Rock, the lowest, most responsive, and responsible bidder, for construction of access pads, roads and environmental mitigation areas required for the Taft to Cane Island Segment of the Taft to Lakeland McIntosh Transmission Line Reconductor Project in the amount of \$2,019,000;
12. Approval of Bid #2845 – Contract award to M.D. Henry Co., Inc., the lowest, most responsive, and responsible bidder, for structures and equipment in the amount of \$670,000 and KEMCO Industries, LLC for relays and switchboard panels in the amount of \$1,335,000 required for the Southwood Substation Upgrade Project;
13. Approval of a Capital Expenditure Estimate for the Kirkman Water Treatment Plant 30-Inch Flow Meter Project in the amount of \$157,348.26;
14. Approval for additional funding in the amount of \$40,000 with conforming Change Order No. 1 to Stewarts Electric Motor Works, Inc. to continue providing electric motor repair and reconditioning services through December 31, 2010, increasing the total Purchase Order amount to \$125,457;
15. Approval of additional funding in the amount of \$95,000 with conforming Change Order No. 3 to Cintas The Uniform People for Uniform Rental Services through July 2013, increasing the total Purchase Order amount to \$190,000;
16. Approval of additional funding in the amount of \$141,000 with conforming Change Order No. 7 to HD Supply Waterworks to provide non-stock and emergency repair parts through August 2013, increasing the total Purchase Order amount to \$365,000;
17. Ratification of an OUC initiated scope change and conforming Change Order No. 1 to Logica North America, Inc. for software maintenance and support services for one year in the amount of \$115,000, increasing the total Purchase Order amount to \$419,960;
18. Ratification for disbursement of funds for the Data Center Facility Construction Project and ratification of Bid #2857 – Contract award to

Coleman Technologies Inc., the most responsive and responsible bidder, to provide the data network switch equipment required to connect the new data center to the OUC network in the amount of \$214,089.57;

19. Ratification of an emergency sole source Purchase Order to Coleman Technologies, Inc. and of a Capital Expenditure Estimate in the amount of \$182,825 for the purchase of network switches and consulting services in support of the Energy Management System Enhancement Project;
20. Approval of additional funding in the aggregate amount of \$750,000 with conforming Change Order No. 2 to the media communications Purchase Order to vendors including, but not limited to, television channels 2, 6, 9, 18, 27, 35, and 65; Bright House Networks; Clear Channel Outdoor Media; *La Prensa*; COX and ClearChannel radio networks; *Orlando Sentinel* and *Orlando.Sentinel.com*; *Orlando Business Journal*; *St. Cloud in the News*; *Osceola News Gazette*; *Orlando Times*; and *First Monday*, increasing the total Purchase Order amount to \$2,250,000.
21. Ratification of Bid #2825 – Contract award to Johnson Controls, Inc., the lowest, most responsive, and responsible bidder, to provide mechanical maintenance services for a three-year period at the Downtown North, Downtown South, Downtown West, Sheraton Vistana and Mall at Millenia Chilled Water Plants in an amount not to exceed \$891,144;
22. Approval of the St. James Cathedral Capital Expenditure Estimate to complete the OUCooling chilled water distribution pipeline extension in the amount of \$193,000, contingent upon the execution of a twenty-year Chilled Water Service Agreement with the Catholic Diocese of Orlando. Approval of a sole source Purchase Order to S. I. Goldman Company, Inc. for installation of the chilled water distribution pipeline extension from Jefferson Street to St. James Cathedral in the amount of \$170,989;
23. Authorization for submittal of OUC's Energy Conservation Goal Compliance Plan to meet the Florida Public Service Commission mandated Conservation Goals;
24. Approval of Bid #2849 – Contract award to Honeywell Utility Solutions, Inc., the most responsive and responsible bidder, to administer the Community Energy Efficiency Outreach Program for a one-year period in an amount not to exceed \$700,000, contingent upon final OUC legal review and approval of a Service Agreement between OUC and the City of Orlando;

25. Authorization for the General Manager & CEO to finalize and execute a Solar Power Purchase Agreement and Site License with Regenesys Power, LLC required for the Stanton/Jetport Solar Photovoltaic Project, subject to final OUC legal review and approval;
26. Approval of additional funding in the amount of \$17,351.34 with conforming Change Order No. 2 to Brock Specialty Services, Ltd. to finalize billing for the landscape maintenance services contract, increasing the total Purchase Order amount to \$1,250,159.34;
27. Approval of additional funding in the amount of \$150,000 with conforming Change Order No. 1 to Custom Drilling Services, Inc. to provide environmental well-drilling services through June 30, 2011, increasing the total Purchase Order amount to \$225,000;
28. Approval of additional funding in the amount of \$30,000, which includes an OUC scope change with conforming Change Order No. 4 to Coastal Air Consulting Inc. to perform the 2010 annual compliance, RATA and Particulate Matter tests at Stanton Energy Center, increasing the total Purchase Order amount to \$128,320;
29. Ratification of the Amendment and Modification to the OUC Utility Easement with Lockheed Martin Corporation for property located on Lake Underhill Road in east Orlando; and
30. Approval of the Subordination of Utility Interests between the Florida Department of Transportation, OUC and the City of Orlando for Parcels 488.5, 802.5, 489.2, 491.2, 801.2, 493.5, 804.5, 800.4 and 811.5, located along Interstate 4 between Kirkman Road and John Young Parkway.

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Commissioner McAllaster reported that the Audit Committee met on March 4, 2010. A copy of the Audit Committee packet was provided to all Commissioners. Commissioner McAllaster reported that there were no overdue projects and audits are on schedule for completion. The Audit Committee is very satisfied with the financial performance of the first four months.

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Commissioner Dominguez Arlen reported that the Finance Committee met on January 28, 2010 to review the annual work plan and prior transactions. On January 7, 2010, OUC issued \$118.6 million 2009C Refunding Bonds that were approved at the October 13, 2009 Commission Meeting. OUC achieved an all-in cost of 4.47%, inclusive of the swap termination, which was .28% lower than

the target rate of 4.75%. On January 21, 2010, OUC priced \$200 million in taxable new money bonds as Build America Bonds (BABs), which were approved at the December 8, 2009 Commission Meeting to finance a portion of the five-year capital plan. The bonds were priced at 5.662%, or the 30-year Treasury plus 115 basis points. This was the tightest spread for a public power issuer to date. With the 35% subsidy provided in the American Recovery and Reinvestment Act, this will equate to a 3.68% net interest rate for OUC. This was OUC's first BABs transaction.

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John Hearn reported that there was significantly cooler weather in January and residential sales were 21% above budget. Commercial sales were slightly above budget. In February, even though there continued to be cool weather, electric sales were at or below budget. Water sales were significantly below budget in the month February. Income before contributions remains ahead of budget through the first five months of the year.

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Chris Browder reported that the judge heard oral arguments for the TECO litigation on February 2. The judge did not have many inquiries and the local counsel feels confident in OUC's position. Mr. Browder stated it may take several months to receive a decision due to the voluminous amount of paperwork the judge must review. President Porta asked if OUC was still receiving coal deliveries, to which Mr. Browder replied affirmatively.

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Ken Ksionek asked Roseann Harrington to provide a presentation on OUC's Reliably Green campaign. Ms. Harrington reported that the new reliablygreen.ouc.com website was launched on February 5, 2010. It will educate consumers about OUC's sustainable programs and also offer rebate information and applications. Ms. Harrington described the integrated campaign to promote Reliably Green, including radio, television, billboards, print customer education, online customer education, and community outreach. Ms. Harrington played two Reliably Green radio spots and five television commercials. OUC will also host a series of open houses to provide information to OUC customers. The Reliably Green program will interact with community and business organizations and promote a community volunteer program. The website will be tracked using Google Analytics.

Mr. Ksionek stated that, in support of the Mayor's announcement on February 2 that Orlando is an early adopter of electric vehicles, OUC is pursuing the installation of electric vehicle charging stations. He asked Jennifer Szaro to

speak about implementing this program. Ms. Szaro stated that OUC could potentially be awarded the opportunity to install up to 500 electric vehicle charging stations throughout Central Florida. Orlando is one of twelve cities that were selected throughout the entire country. OUC has formed a regional chapter of Project Get Ready, a group working to promote the installation of charging stations and integration of electric vehicles. Ms. Szaro thanked Mayor Dyer for his work with Project Get Ready, and stated that OUC will work with Project Get Ready to identify appropriate zip codes in which to deploy the charging stations.

Mayor Dyer asked about the criteria that will be used to determine where to deploy the charging stations. Ms. Szaro replied that it depends on the type of charging station and explained the three types of charging stations.

Mayor Dyer stated that this program is a good example of the partnership between many collaborators in emphasizing green technology and believes that OUC will be rewarded for its efforts. He also commented that every car manufacturer will utilize a universal charging receptacle, which will make it easier to design and deploy the charging stations.

President Porta asked how much charging an electric vehicle will cost and how many miles it will get per charge. Ms. Szaro replied that the cost to charge an electric vehicle is one-third the cost of gasoline and that the mileage will depend on the type of electric vehicle.

Commissioner Kirby asked if OUC will be able to brand the charging stations. Ms. Szaro replied yes, and added that OUC will also be able to collect data from the charging stations.

Commissioner McAllaster asked if the stations will be similar to the green stations that are in the OUC garage. Ms. Szaro replied affirmatively.

Commissioner Dominquez Arlen asked if there is a program in place where a customer can buy an OUC or city branded car at a lower rate. Ms Szaro replied that currently there are no programs like that in place, but it is an interesting idea that Project Get Ready can discuss. Mayor Dyer added that Project Get Ready does not have a specific mold and that all ideas will be taken under consideration.

Mr. Ksionek asked Clint Bullock to discuss hybrid bucket trucks and LED lighting in Thornton Park. Mr. Bullock stated that OUC will order five new alternative vehicle bucket trucks. Two of them will be trouble trucks and three will be material handler vehicles. One of the material handler vehicles will have a battery pack system that will run the hydraulics on the truck. The standard hybrid vehicles will get about two hours of battery operations for the hydraulics, and will have the capability to recharge the batteries for a 10 to 15 minute period using the engine. OUC will get about 60% efficiency from a fuel standpoint and

have the ability to reduce emissions and noise by using this battery system. The trucks should arrive in the first quarter of the next fiscal year. OUC is also engaged with many other large utilities to investigate plug-in technology for alternative vehicles.

Mr. Bullock also discussed the LED lighting in Thornton Park and asked Ken Zambito to demonstrate the difference between the LED and the standard residential and roadway lighting. Mr. Bullock also provided photographs of before and after lighting in Thornton Park. The standard lighting has an amber tone and the LED lighting is whiter and brighter. OUC started this initiative in 2007 and had to field test many different fixtures to get the best performing and most cost-effective light. Mr. Bullock stated that there is a 40% efficiency related to the cost of the fuel and energy but there are more up front costs with LED lighting. Fifty-three lights were installed in December and OUC will monitor their performance.

President Porta commented that there is a maintenance benefit with LED lights since there is no need to change light bulbs. She also asked if there would be decorative LED lights. Mr. Bullock replied that there are currently some decorated LEDs, but as technology continues to advance and cost decreases, more LEDs will become available.

OUC staff will study how the lights perform in Florida's climate, since a hot climate can affect the frequency of maintenance. Commissioner McAllaster asked if the LED lights were cool white or warm white. Ken Zambito responded that they are not heated.

Commissioner Dominguez Arlen asked if LED lighting will help OUC meet its Public Service Commission compliance goals. Mr. Bullock answered that the goals are only for retail programs, but that proposed legislation may allow utilities to count efficiencies in the future. Commissioner Dominguez Arlen stated that OUC should be tracking its efforts. President Porta commented that the federal government does not currently recognize energy efficiency as a means for conservation.

Mr. Ksionek stated that OUC has real estate corridors for dedicated assets such as transmission lines, railroad spurs, and underground systems. These assets have been evaluated as a means of assisting light rail and high speed rail. OUC's team has been engaged with a number of consultants and has had several discussions with various parties. He asked Jan Aspuru to provide a presentation on OUC's railroad spur and the preliminary routes for light and high speed rail. Mr. Aspuru reported that OUC's rail line is 18 miles long, which consists of a single track with rights-of-way varying from 120 to 300 feet in width. This track is a critical asset to OUC as there is no other rail or direct water transportation options to deliver coal to the Stanton Energy Center (SEC). One high speed rail route aligns with OUC's track for a three mile section, but remains outside OUC's right-of-way. Any use of OUC's track will require

modifications, and it is important that OUC maintains the integrity of coal deliveries to the SEC. Mr. Aspuru provided several maps showing the possible high speed and SunRail routes and indicated where they might align with OUC's track.

Mayor Dyer stated that SunRail will be 61 miles long and described the two phases of the project. He believes that there will be a full funding agreement in the fall and that construction will start in early 2011, with the first phase finishing in 2013 and the second phase in 2015. The route runs along the current CSX railroad line. The state of Florida has 20 years of research into high speed rail and due to the President's recent support of high speed rail, Florida received 50% of the funding requested and will have the first high speed rail under construction and completed. Because the two systems were developed independently of each other, there is not a plan in place to link the SunRail and high speed rail systems. However, Mayor Dyer described several different ways this can be accomplished. The route for high speed rail has not yet been determined, and it is also unsure where the train will stop at Orlando International Airport (OIA).

President Porta asked if the long term goal is for the track to extend to the east coast. Mayor Dyer replied that there still needs to be an analysis of the Orlando to Miami route, which may possibly travel along the coast. President Porta stated that connecting OIA to Port Canaveral would be great for Orlando and OUC. Mr. Aspuru stated that OUC has been approached about connecting its rail line to Port Canaveral. Mr. Ksionek added that crossing the St. John's River would be the largest obstacle to make that connection, and that OUC is looking forward to working with the Mayor and the City of Orlando on this project.

Mr. Ksionek asked Robert Teegarden to provide an update on the twenty-year Consumptive Use Permit (CUP), Project RENEW, and the alternative water supply endeavors. Mr. Teegarden distributed a status report outlining OUC's CUP compliance report, the present state of the water use permit, and other water use issues in Central Florida. OUC completed the five-year compliance report, which signifies and accomplishes two major OUC goals. First, it preserves the OUC joint intra-agency Consumptive Water Use permit from both the South Florida Water Management District and the St. Johns River Water Management District. Second, and equally important, the compliance report maintains the 20-year permit duration with the 2023 ground water withdrawal allocations. Mr. Teegarden also reported that the Project RENEW deadlines were extended two years by permit modification so OUC can evaluate the project's long-term viability. The St. Johns River Water Management District also agreed to defer decisions about enrolling alternate water supply requirements into OUC's CUP until 2013 when more information is known. President Porta congratulated Mr. Teegarden on the five-year plan.

Mr. Ksionek asked Chip Merriam to provide a legislative update. Mr. Merriam discussed the non-binding accord at the Copenhagen Conference and the

issues facing the participants of the future Cancun Conference. He also reported on national issues involving alternative energy, such as the Municipal Electric Authority of Georgia and Southern Company receiving nuclear loan guarantees, and the President speaking about fuel switching to natural gas. Mr. Merriam provided an update on current energy and climate change bills. He also commented on the current agenda of the Environmental Protection Agency (EPA), which is to reconsider all regulatory plans put forth by the Bush administration. The EPA is looking into coal combustion, several clean water actions, and implementing new standards. In Florida, there are 61 pieces of legislation that could impact OUC. President Porta added that she believes that Congress will benefit more from writing legislation itself versus EPA rule-making. She also added that potential carbon taxes should benefit the constituents that pay them, so that necessary changes can be made locally.

Mr. Ksionek reported that Combined Cycle Unit B (CCB) recently came on-line. The CCB was accepted from Southern Power on February 20 and went into commercial operation at midnight on February 27, the day after OUC began its Spring Outage on SEC Unit 1. OUC staff is proud to report that budget and schedule for the CCB were met. Mr. Ksionek stated that safety is the most important factor when bringing a new power plant on-line. He commented on the February 7 explosion during the start-up of a new combined cycle power plant in Middletown, Connecticut, which killed five people, and distributed photographs of the accident site. Mr. Ksionek stated that he has been involved with many power plant start-ups in his career and that it is important to adhere to strict safe work practices and proper check-out, start-up and test procedures. OUC took the necessary time to accept and bring the CCB on-line in the most safe and efficient manner.

Mr. Ksionek asked Jan Aspuru to further speak about the CCB and the SEC Unit 1 outage. The CCB is a 300 MW gas-fired combined cycle unit. The EPC contractor was Southern Power Company with a budget of \$296 million, which included the associated purchase of the Jetport site. Mr. Aspuru emphasized the efforts of many people in contributing to the project and showed photographs of the completed power plant. Mr. Aspuru added that the CCB helps OUC further diversify its generation capacity.

Mr. Aspuru also commented on the ongoing SEC Unit 1 Spring Outage, which takes place over an eight week period. Every five years there is a major turbine generator outage, which requires the steam turbine and electrical generator to be disassembled to run diagnostics on the components and perform corrective work that may be required. The Spring Outage also includes a boiler inspection and work on the chimney to replace the liner replacement. Mr. Ksionek encouraged the Commissioners to visit the plant during the Spring Outage.

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Commissioner Kirby stated that it was interesting to see how January's high electric bills affected February's electric consumption. He was pleased with Kevin Noonan's presentation regarding the return investment on conservation. He looks forward to the solar photovoltaic project and believes that having electric vehicle charging stations is a landmark achievement which sets Orlando as an example for other cities. He also praised OUC's reorganization and its benefit on sustainable technologies and the Reliably Green program.

Commissioner Dominguez Arlen stated that she is very excited to see all the amazing things brought about from the partnerships between OUC and the City of Orlando. She is proud to see these efforts both as a board member and as a customer, and glad to see that her utility company is engaging in so many new projects and programs.

Commissioner McAllaster commented that he is very proud of OUC's green initiatives, and that OUC continues to do the maintenance required for a highly reliable utility. He also stated that he is pleased to see the progress on the solar photovoltaic project since last year.

President Porta thanked everyone for providing such detailed information regarding the various projects and agenda items, which is beneficial when making such critical decisions. She stated that it is great that OUC is able to assist with the rehabilitation of old homes and that \$700,000 will be very beneficial to those customers who have had to use Project Care. This is the type of assistance which will provide long-term improvements for energy efficiency. She stated that Orlando has so many people who live in multi-family homes, and helping conserve energy in those homes has been discussed for several years. President Porta also commented that previous indoor lighting retrofits have paid for themselves and that many sites can benefit from the outdoor LED lighting.

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Commissioner McAllaster moved to adjourn the meeting. President Porta adjourned the meeting at 4:20 P.M.

President

Secretary