

UTILITY COMMITTEE

March 16, 2009

The Lakeland Utility Committee met in the Commission chambers. Members Stacy Campbell Domineck, George Lindsey, Dave Curry, and Terry Simmers were present. Paula Druen and Tom Joyner were absent. Commissioners Glenn Higgins, Justin Troller, Jim Verplanck, Howard Wiggs, Gow Fields, Edie Yates, and Mayor Fletcher were present. Deputy General Manager Jim Pennington, City Manager Doug Thomas, Assistant City Attorney Palmer Davis, and City Clerk Kelly Koos were present.

Mayor Fletcher called the meeting to order at 1 p.m.

Jim Pennington introduced the agenda for the day.

- Update on LE Average Billing Program
- Feb '09 Financial Report
- Quarterly Fuel Forecast
- Fuel Charge Resolution

Jim Pennington extended an invitation to the Utility Committee to tour activities at McIntosh Unit 3. The SCR Outage was underway. This offered opportunities one would not normally see. As part of the outage, they plan to inspect the steam turbine on Unit 3. The cover was off and one could see the inner workings of the turbine.

Average Bill Plan Update

David Kus gave this presentation a copy of which is on file in the City Clerk's Office.

In fall 2007, staff put together a team to look at other utility bills. That team put together a plan. The objective was to allow customers to pay a fixed amount each month. David reviewed the many ways LE had communicated this opportunity to the customer. There were 441 customers enrolled. Only six customers have asked to be removed. The true ups have been very small, approximately \$20.

Questions & Comments - Residential and small commercial without demand billing were eligible to participate in the program. LE monitored the balance quarterly to make sure the balances did not get too out of line. LE created this program for the benefit of the customers. At the end of the true up, LE applied the credit to the next month's bill.

Feb '09 Financial Report

Don Eckert gave this report, a copy of which is on file in the City Clerk's Office. Summary for February - Retail Sales were flat compared to last year but still hurting compared to the amended budget. Profitability missed the forecast for February and finish \$1.7 million YTD. Amended Budget was \$700,000 to the good as LE continued to match expenses to the shortfall in revenue. O&M Costs were \$1.7 million under budget. The Fuel Forecast was a good lead in to talking about fuel.

Quarterly Fuel Forecast

Don Eckert gave this presentation, a copy of which is on file in the City Clerk's Office. He reviewed the February Performance, the December Forecast, and the Assumptions for March. He then asked the Utility Committee to decide on the fuel rate.

LE staff recommended a \$4 decrease in the fuel charge to \$56.90.

Action: Commissioner Yates moved to approve staff recommendation. Commissioner Verplanck seconded and the motion carried unanimously.

Don Eckert then reviewed the Fuel Rate History and LE's ranking against other utilities.

2010 Rate Case Study Subcommittee Report

Jeff Sprague gave an update on the subcommittee. The membership was Commissioners Edie Yates and Justin Troller and members Terry Simmers and George Lindsey. They looked at the 10 respondents and identified the four they would interview, RW Beck, Stanley Consultants, Burns & McDonnell and Black & Veatch. With the Utility Committee's support, they would begin to negotiate with the first company, Burns & McDonnell. The vendors are listed below in ranked order:

Burns & McDonnell
Black & Veatch
RW Beck
Stanley Consultants

Commissioner Troller commended Jeff on his work on this project. He did a good job organizing the information for the committee.

Doug Thomas asked for approval of the ranked shortlist.

Action: George Lindsey moved to approve the ranked shortlist. Stacy Campbell-Domineck seconded and the motion carried unanimously.

Memo re: Task Authorization with TJR Technical Services, Inc. for Engineering Consulting Services for Unit #3 Outage

Assistant City Attorney Palmer Davis presented this item to the Utility Committee for information purposes. The Commission approved this item on the Consent Agenda.

The meeting adjourned at 1:58 p.m.

Ralph L. Fletcher, Mayor

Kelly S. Koos, CMC, City Clerk