

AGENDA ITEM 2-a

MINUTES OF A REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, APRIL 20, 2009, AT 6:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

Prior to opening the regular meeting, Chairman Allen proceeded with an invocation and requested Commissioner Zeller to lead in the Pledge of Allegiance immediately following. He then requested for a roll call to be taken and all of the Commissioners were in attendance as follows:

Commissioner William H. Reynolds
Commissioner Oscar Zeller
Chairman Walter Allen III
Commissioner Jeanne K. Diesen
Commissioner William E. Hall

Others in attendance were as follows: R. Rodi, General Manager/ CEO; L. Klinkenberg, Director of Finance; R. Mitchum, Director of Electric Operations; T. Beyrle, Director of System Ops. & Gen.; J. White, Director of Engineering; R. Lemoine, Director of I.T.; P. Di Chiara, Director of H.R.; D. Hoover, Director of Water/Water Reclamation; M. Lynch, Interim Materials Manager; B. Bilinski, Controller/Budget Supervisor; E. Fisher, Public Information Manager; D. Wood, Customer Service Manager; D. Zorge, Customer Service Supervisor; D. Simmons, Executive Offices Adm. Mgr./Recording Secretary; B. Preston, Interim U.C. Legal Counsel; Robert W. Coleman, FPL Regional Director of External Affairs; Bob Tolley, and Steve Provost, members of the public.

(1) Agenda Changes, Additions and Deletions:

Chairman Allen then asked if there were any agenda changes, additions or deletions.

Mr. Rodi stated, we have a correction under item 4-a, the Financial Status, it's actually for March 2009, so I just wanted to bring that to your attention, and then I have a few comments during Commissioner time, if that's possible.

Chairman Allen stated okay, that's fine.

(2) Approval of Consent Items:

Chairman Allen then asked if there was a motion to approve the consent items.

Commissioner Hall made a motion to approve the consent items: item 2-a. Minutes of Regular UC Meeting Held 3-16-09, to approve as submitted; item 2-b. Developer's Agreement and Addendum – City of NSB-Coronado Beach Shuffleboard Court Improvements, a motion to approve the Developer's Agreement and Addendum as submitted, and to authorize the General Manager /CEO to execute these documents; item 2-c. Development of Policies and Procedures, a motion to approve three administrative policies and procedures – Policy Development, Notary Public Policy, and Security Camera Policy. Commissioner Reynolds then seconded that motion and it passed unanimously on a roll call vote.

(3) Public Participation:

Chairman Allen stated now we come to item 3-a, public participation. We have one request to appear, Robert W. Coleman with Florida Power and Light, Regional Director of External Affairs.

(3-a) Request to Appear: Robert W. Coleman, FPL Regional Director of External Affairs:

Mr. Robert Coleman addressed the Commission and stated good evening and thank you. I'm Bob Coleman, FPL, 425 North Williamson Boulevard in Daytona Beach. I'm here to talk about a request that we had sometime ago, and I guess we had a failure to communicate between us and the Commission, for a substation located on Pioneer Trail, adjacent to I-95. It was to be a switching station for transmission as well as a distribution station. And when you site a transmission and/or distribution station, kind of the three criteria are you want to be near where your load is, you want to be near where the transmission line is, and you want to be near and have a willing seller. And we spent about a year looking up and down that area over there for something that met those three criteria and this was the site that met the criteria. The site is bounded on one side by the FPL transmission lines, that you're probably all familiar with if you go up and down the interstate. The other side is Pioneer Trail, which is the boundary between the Utilities Commission and FPL, and the other two sides are the Utilities Commission.

Mr. Coleman then stated per the agreement we reached when the territorial boundary was set back in the 80's, we can have facilities inside of each other's territory, as long as we don't serve the native customers, native being this case the Utilities Commission customers, and then the other party cannot deny the request in an unreasonable manner. So, I'm here today to clarify that the substation site on Pioneer Trail, by the interstate, will be both a transmission switching station and a distribution station. And that's that.

Chairman Allen stated okay, and then asked any questions or comments.

Commissioner Reynolds stated well, since this is the first time that it's been brought up since I guess the application submittal which was, how long ago was that.

Mr. Rodi interjected well, there was not, this is not an application, this is a different application, from our point of view. It was approved, it'll be a year ago tomorrow, so that's when the Commission took action on it.

Commissioner Reynolds stated all right. He then stated let me ask you a question to Mr. Coleman, from the utility stand point, our stand point, what are the advantages of us having this location.

Mr. Coleman stated well, there are advantages to you and probably the General Manager or maybe Mr. Beyrle can address it, to having the transmission switching station. We are bringing in additional power, called injection, from Gaco, which is located considerably west of New Smyrna Beach. So, for the Utilities Commission's benefit, the transmission switching station, will, I think, add stability to your system. There's no advantage to you from the distribution, because that will not be serving your customers, they will be serving only FPL customers and not the Utilities Commission customers.

Commissioner Reynolds then asked does that provide any re-routing back-up in the event of a storm or something like that.

(3-a) Request to Appear: Robert W. Coleman, FPL Regional Director of External Affairs (cont.):

Chairman Allen interjected no.

Mr. Coleman stated no sir, not really. No, it's very, I think our voltages may be slightly different, we're 13.2 KV, and I believe that you're probably just a hair under that.

Mr. Rodi stated we're 23 KV.

Mr. Coleman stated oh, 23 KV, so, no, that really is not practical, from a safety standpoint and from an operating stand point, on the distribution side. The transmission side, of course, we are interconnected.

Commissioner Reynolds stated okay.

Commissioner Hall stated to Mr. Coleman in the original request it was for a transmission substation only.

Mr. Coleman stated right.

Commissioner Reynolds then asked why has it changed.

Mr. Coleman stated I guess we've failed to communicate to you all originally, that it's always been planned for both the distribution and the transmission because it allows efficiency of the land use, and that's the place we could find a willing seller to sell us large enough land.

Commissioner Hall asked was this done verbally or in writing.

Mr. Coleman answered I suspect it was probably done in writing.

Commissioner Hall then stated and there's not a paper trail.

Mr. Coleman stated I would look for Mr. Rodi to say if we...

Mr. Rodi stated there is a paper trail, and we have the components of what was to be in the substation from FP&L Engineers, and we've been involved going back a year and it was only transmission equipment, never included distribution.

Mr. Coleman then stated those two stations are internally by us designed by two different people and we provided the wiring schematics to the Utilities Commission, evidently we only provided the transmission switching station.

Chairman Allen stated I have one question I'd like to ask is, the discussion in reference to the transmission in this area, if I remember correctly, has been an ongoing thing for at least two years. And specifically in some of the discussion, if I remember correctly, was specifically defined along with those communications, that it would be strictly a transmission switching station. And so that's how this document a year ago came about, as we sit on this Commission. Chairman Allen then stated am I not correct Mr. Rodi.

(3-a) Request to Appear: Robert W. Coleman, FPL Regional Director of External Affairs (cont.):

Mr. Rodi confirmed Chairman Allen was correct. He then requested to show some items to the Commissioners and Mr. Coleman.

Mr. Coleman answered sure.

After some video adjustments, Mr. Rodi he wasn't sure if this was legible for everybody but let's try that for now. He stated what this is attempting to depict is, a large geographical area. This line here is S.R. 44, Edgewater is this area here, and that's where Restoration is going to go, some, I think it's around 8,000 homes. And I'll try to point, but this area where you see the A, is the location of the proposed substation, and immediately to the north the greener area, but to the left of the yellow line, which is I-95, is the Woodhaven development. In the conversations that Mr. Beyrle and I had with the FP&L engineers, the purpose of this station very clearly was for transmission only. And we were offering even UC land, a portion of which would have been the old Duke site land, for a location. For whatever reason, and this is one of the issues that I wanted to bring forward, FP&L engineers in my opinion are exceptionally talented, and I mean that both from the transmission side as well as the distribution side. And they, those engineers, will determine where the load center, and that's different than a geographical center, that's needed for a substation, and it involves some pretty sophisticated planning, and that's usually on a five to ten year horizon. So, with that in mind, when a load center is determined, then the station usually is somewhere near that center, and that's how they try to place it; so I wanted to show that particular picture.

Mr. Rodi went on to the next picture and stated this next one becomes a little clearer. After trying to focus, he stated I think that's about as close as I am going to get and it shows the Woodhaven area to the north. And I bring that to your attention because if you look to the northwest, and obviously I-95 goes to the north, you can see a lot of development there. And obviously to the southwest, is where Venetian Bay is located and Paytas Homes and, on the UC side. If I come a little step closer, this will begin to make some sense, but what you should be able to see at this point, are some colors. The 115 KV FP&L power line corridor, which is over an easement on the UC's property, the one 115 KV heads off to the east and the other starts to head north. Along Pioneer, which is the route that is there, the blue line represents the UC's 23 KV, the red line represents the FP&L 13.2 KV, which is an existing location. What then is proposed, and I just want to bring this to your attention, the red rectangular area is the proposed station, and what will happen is at first a 230 KV line will be brought from west to east along S.R. 44, one of the 115 KV lines will be converted to 230 KV to supply that red rectangle. At sometime in the future, there will be, and I just have an orange circle over here at this intersection point, there will be another 230 KV line, that I presume will come in along the northside of Pioneer, so that this station moves from a radial feed to a loop feed, and that of course would provide greater reliability. The reason why I wanted to show this is that when a distribution component is added, and I know that transmission and distribution engineers don't like to have the two components together because of the fault currents that occur in transmission systems affecting distribution circuits, that the load, the anticipated load, is this white rectangle, which is the 600,000 sq. ft. mall that is proposed for Woodhaven, and then the residential development. Back in this corner here, which is very hard to see, is a location where a 115 KV to 13.2 KV distribution station could easily be placed, and instead of having the yellow and the orange line come out of the transmission sub., which then would go along the roadway, and I don't know how far this would go, whether it's going to be a two or a three bay 13 KV distribution station. Obviously, in that configuration it highly will congest the northside of Pioneer. If it's located here,

(3-a) Request to Appear: Robert W. Coleman, FPL Regional Director of External Affairs (cont.):

adjacent to the 115 KV, it readily not only can serve the load for the new development, but also then, pick up the load that is this whole area over here, which is a pretty good size development right now. So, an aspect of this is when the county decides to widen the road, at that point there will be a lot of investment by FP&L on the north side of that line, and as a consequence of a distribution component being in the station, and I'm even putting aside the question of whether or not a year ago this was known, then it's likely that the UC would have to relocate its line, whenever that might be. So, I wanted to add those components, and with that, that's the rest of this.

Commissioner Reynolds stated let me ask you a question, could you sort of outline where Williams Boulevard is going to come down through all that too.

Mr. Rodi stated well, I think as it's currently scheduled, Williamson Boulevard is supposed to come along this orange line, and then come down to what will be the western side of this property, and then the western part of the UC property. So, it strikes me that the mall would be somewhat near that four laned Williamson Boulevard, assuming that it would be four lanes.

Mr. Allen stated okay, any other questions, comments.

Mr. Coleman then stated if I could just touch on a couple points that Mr. Rodi made on the map, as far as the congestion, something like this, we would typically come out with a distribution underground express feeder, and we can run a fairly long distance, underground, on the north side of the road. So, he's right, our transmission people don't like the distribution people on them, that's normally solved because it's much more feasible to put the distribution underground, we would come out just with underground duct bank, and run down west on the road on the north side. As far as relocation of what happens whenever they widen Pioneer, we have established rights there, from actually a transmission line back in the 20's. So we have the legal right to be on the north side, whatever we put there, the county would have to reconcile that, at that time and that's a matter of relocation. If we are in the road right of way, we have to move, if we're in private property they would reimburse us; that's really a side issue.

Mr. Coleman stated I think the key is he said that distribution could be located up there. Remember at the beginning I said of the three criteria, the most important is a willing seller. There's not a willing seller there, ICI is not willing to sell property, Johnson was. If we were to try to condemn that property among the criteria we'd have to meet would be able to demonstrate there was not another parcel near by that could be just as economically and safely met. And we could not justify that before a condemnation judge, so we could not condemn that property. So the issues raised by the staff, you know are probably of some concern, we have concern about having run long ways underground, but at the end of the day, I think that this site for us is adjacent to a transmission switching station, but we have commonality of controls there, and really I think the burden, unfortunately, is on the UC to prove that they're not being unreasonable and withholding the consent. And I think maybe not liking it is not the same as being unreasonable about it. So, I ask you to give full consideration to a reasonable consent, to place the distribution substation in the UC's property, as located there on Pioneer Trail.

Chairman Allen thanked Mr. Coleman and asked the Commissioners if they had any other comments.

(3-a) Request to Appear: Robert W. Coleman, FPL Regional Director of External Affairs (cont.):

Commissioner Diesen then stated I would like to have more time to think about this, and talk about it, and may be bring it back as an agenda item next month, and have some time to discuss it with our engineers. That's my feeling, I mean obviously, this is not time sensitive I wouldn't think, to that extent, if it's been a year.

Commsioners Reynolds stated I sort of agree with that because number one, I think that if we say no, then the staff would have to obviously have the justification to not have a condemnation of you know our site. So, it seems to me that we need to look at what our staff would present in the case that eminent domain was requested or asked for.

Mr. Rodi stated if I may interject, this isn't an eminent domain issue, it's a contract issue and it's a service territory issue.

Commissioner Reynolds stated I used the wrong language, I'll apologize for that.

Mr. Rodi stated yes sir.

Chairman Allen stated so you'd like to have a, kind of a sit down meeting a little bit, to fully understand it.

Commissioner Diesen stated right, I would.

Chairman Allen asked is that agreeable, we can do that.

Mr. Rodi stated sure.

Commissioner Diesen stated I mean obviously if this has gone on for a year this is not time sensitive, within the next 30 days, if it is then...

Mr. Rodi asked if he could interject again.

Chairman Allen stated yes.

Mr. Rodi stated this has not gone on for a year. There was approval formally given a year ago for a transmission station. What has occurred is in the last 30 days, there's been another request to add a distribution station from our perspective, a distribution component to this station.

Commissioner Diesen stated okay.

Commissioner Reynolds then asked Mr. Coleman, is that the way you understand it.

Mr. Coleman answered whatever moves it forward, if we want to consider this a new request and come back next meeting that's fine. We are getting close to building, starting the permitting, what brought this to point is we went in for the permit for it, but if you want to consider it a new request and to treat it as such, that'd be fine.

(3-a) Request to Appear: Robert W. Coleman, FPL Regional Director of External Affairs (cont.):

Chairman Allen stated I have a real problem with the whole thing because for over two years this was discussed and working toward this point, knowing there was a need for transmission. And we sat right here on this Commission and know and understand the loadings that were taking place and that was the driving point for the transmission substation with the switching in there, was particularly for that. And then we come up, and then all of sudden because of growth on the north side and in Florida Power and Light's territory, let's just go ahead and drop a distribution station over in the Utilities Commission's territory, when they have, just as well they can go out, and eminent domain, get a piece of property to put a distribution station in a place that's centrally located inside to feed that area. And that's not too uncommon, I don't believe, in our state, to be able to build a distribution station to feed that load, in the territory where it belongs.

Commissioner Disen stated well I find it interesting that ICI would not be cooperative since they're the ones that are going to be the benefactors of this.

Chairman Allen stated yes.

Commissioner Diesen then stated and if you don't want to bring it back as new request that's okay too, that would be my preference but.

Chairman Allen stated well, I personally would just like to vote on it tonight, but if the majority of this Commission would like to bring it back and have some time to discuss, then I'm open for that.

Commissioner Reynolds stated well my feeling is, if what Mr. Coleman says is true, that some judge would weigh whether our defense would be iron clad...

Chairman Allen interjected I think that's Mr. Coleman's opinion.

Commissioner Reynolds stated well it could be his opinion, but nevertheless, it's our opinion that he doesn't or does, so it would seem to me that I'd like to see our staff say here's how we would defend our rights to not permit that.

Mr. Coleman stated I wasn't commenting on you all's rights to defend it. What I was saying was, if we had to go to ICI and condemn, before the judge on the condemnation, which is between us and ICI, their criteria we'd have to meet, and I'm not sure if we could meet those criteria, because there is land available from a willing seller, i.e. this parcel. I wasn't commenting on us litigating against you all.

Commissioner Reynolds stated I understand, but I'm just saying that obviously we would have to have information available to say, well here's why we think ICI should do it, as opposed to us. So this is why I felt that we should take a look at what, how we would look into the future and support our cause.

Chairman Allen stated okay, are we looking at some type of special meeting to sit down and discuss this or are you going to discuss with staff as an individual.

Mr. Rodi stated yes, as far as I'm concerned.

(3-a) Request to Appear: Robert W. Coleman, FPL Regional Director of External Affairs (cont.):

Commissioner Reynolds stated well, since Commissioner Diesen has some concern about it, and apparently I do too, I don't care how it's going, I'd just like to see how staff would say, here are the reasons we don't need to do this.

Commissioner Diesen then asked Commissioner Hall how he felt about it, let's get a consensus here. She stated to Commissioner Reynolds, if we're the odd man out, we'll...

Commissioner Hall stated go to Commissioner Zeller first.

Attorney Preston then stated let me suggest this from a legal perspective that as far as condemnation or eminent domain is concerned that there are criteria which must be met. I would not base a decision on an opinion given here tonight that those criteria would not be met. There are certainly more criteria than is there an alternate site, including fiscal considerations and application considerations. So, I would not make a decision based on fear that there would be nothing else available because of failure to meet criteria. And whatever else you may need to make that decision, as far as we're concerned, I don't think that we need to defend ourselves for taking such action on the basis that there would be nothing else available to FP&L. I believe that's just an opinion here tonight by Mr. Coleman, and we all have our opinion as to how judges will decide, and commented if I could guarantee what that would be, I would be here with you.

Commissioner Zeller stated I'd like to see it put off. I don't know that much about it and I'd like to let our staff look at it. I don't like to get into battles that we can't win, but I think this is one that if we choose I think we will, but.

Commissioner Hall stated well, I would prefer to vote tonight, but it looks like its 3, 2, to put it off.

Chairman Allen stated okay, well let's put it off, and I think staff understands where they're going to and ya'll just need, each one, to get with them and do that, and bring it back to the next meeting.

Commissioner Diesen stated okay, we can do it individually.

Attorney Preston then stated may I also say one more thing, just for clarification, I know by the discussion tonight you fully understood, but Mr. Coleman did initiate his discussion with indicating this was a clarification of last year's approval. And it's not in fact a clarification of the approval, it's a change.

Chairman Allen interjected it's a change order.

Attorney Preston stated exactly.

Commissioner Diesen thanked Attorney Preston for his comments.

(3) Public Participation (cont.):

Chairman Allen then asked if there was any further public participation this evening. After confirming there was none, he stated let's go on to item 4., the General Manager's Report.

(3) Public Participation (cont.):

Commissioner Diesen then interjected, just to certify, the FP&L item will come back on our agenda next month.

Chairman Allen and Mr. Rodi confirmed yes.

Commissioner Reynolds then asked if agenda item 2-c was also going to be held in abeyance.

Commissioner Diesen commented item 2-c, that was from last year wasn't it, from last year's meeting.

Chairman Allen stated yes that was from last year's meeting, noting what we did last year.

(4) R. Rodi - General Manager's Report:

Chairman Allen then requested Ms. Klinkenberg to speak regarding the next item.

(4-a) Financial Status – March 2009:

Ms. Klinkenberg addressed the Commission and stated good evening. For the month ending March 2009, our change in net assets reflect a loss of \$431,627 for the combined system. I'd like to explain that the majority of this is a loss on the electric side and it's due to accounting rules that has to do with sales adjustments of unbilled revenues and the over recovery of fuel and purchased power, they total almost \$700,000, so it was a large impact. Another big impact on the financials has to do with our interest earnings. At this time last year, our interest earnings were almost half a million dollars (\$500,000), at the same time this year we're only at \$85,000.

Ms. Klinkenberg then stated but if you look at our forecast reports, we are right online where we expected to be at this time of year, and our forecast reports are more on a cash basis, and year to date I think we're about \$25,000 off our target.

Mr. Rodi stated I'd like to inject one other point if I may, again this is showing how closely we're running with our budgets and expenditures, and as you've seen, one month we're ahead, then we're behind. And what Ms. Klinkenberg was referring to is when we receive enough sales income to help pay down our previous expenditures on fuel and purchased power that we're still recovering, it works against you from a standpoint of return on net assets because it drops your sales figure. And so that becomes an important point to recognize with this, and we're still what, \$3.5 million under recovered from the last period. He confirmed that under recovery amount with Ms. Klinkenberg.

Commissioner Diesen commented we're going to have a hot summer.

Chairman Allen added I hope not.

Mr. Rodi stated if we can get lower purchase rates, that would be good.

Commissioner Diesen stated I mean it's a catch 22, no matter what you do.

Mr. Rodi stated that's right.

(4-a) Financial Status – March 2009 (cont.):

Ms. Klinkenberg then asked if there were any questions.

Chairman Allen confirmed there were no further questions on the financial report and then thanked Ms. Klinkenberg for her report.

(4) R. Rodi - General Manager's Report (cont.):

Chairman Allen then asked if there were any other comments anyone had on the General Manager's Report.

Commissioner Diesen stated to Mr. Rodi, are you going to give us an update on the Harris issue, other than what you've done this report, has anything happened since?

Mr. Rodi stated if Counselor Preston wasn't going to do that, I'll comment, and then if you would accept that part of the agenda, at this point, if Attorney Preston has anything to add. We've had some written exchanges and at this point S&S and Harris allege that they weren't really aware of the failings that we're contending; it's very clear they are. And the status at this point is that Counselor Preston was going to arrange a teleconference meeting with the CEO of Harris, the Contract Administrator, himself, and Ms. Klinkenberg, and that will be scheduled sometime in the near future. We are still attempting to move forward, we're loading the Cogsdale information, we're going to purchase a separate server in order to have redundancy with the system for the transition. Initial transition work is going well to Cogsdale, it's been very smooth. And when we say "be made whole" it's the same proposal that I personally made to the CEO of Harris, and it's simply that our out-of-pocket costs, in order to move from the S&S system to Cogsdale, would be borne by S&S and Harris. I'm summarizing it, but that amounts to about a quarter of a million dollars (\$250,000), and that's the same amount you had approved for us to move to Cogsdale.

Attorney Preston stated and there's nothing really to add to that. I have been dealing primarily with the Contracts Administrator, and as Mr. Rodi said, our next action is to arrange a telephone conference call and that we hope do this week. That's where we stand, we have presented, and I have presented in writing the offer again, in terms of attempting settlement, Mr. Bender, the CEO there has turned it over to the Contracts Administrator to deal with me; that's where we are.

Chairman Allen stated okay.

Commissioner Diesen commented that's interesting that they didn't give it to their attorney.

Attorney Preston stated they don't seem to want to reveal who their attorney is right now.

Commissioner Diesen stated oh, that's even more interesting.

(5) Commission Counsel's Report:

Chairman Allen then moved on to item 5, Commission Counsel's report. He asked Mr. Preston if there was a report.

Mr. Preston answered no report.

(6) Old Business

Chairman Allen commented there were no old business items to consider.

(7) New Business(7-a) FEC Railway / Flagler Development Group Utility Crossing:

Chairman Allen stated the first item under new business is FEC Railway / Flagler Development Group Utility Crossing.

Mr. Rodi stated if I may begin this, and then I think that if you have specific questions then Jim White (Director of Engineering) certainly is much more knowledgeable about what's transpired. As you know, back in 2005, and 2006, we had a series of studies that were performed, and the purpose of those studies was to determine the adequacy of our existing infrastructure, and also to determine the effects of growth which was significant at that point, and the impacts of that growth upon existing infrastructure, as well as new infrastructure that would be also needed for that growth. With regard to the existing infrastructure, I think the number one priority was the installation of a 20" potable water line and new pumps at the Glencoe and Smith Street, that would adjoin each end of that line. The information itself was presented during a request to finance \$10 million dollars to build the line which included new emergency generation at Glencoe, which has been installed, and used by the way, when we had our high demand periods to offset electrical demand. The pumping component at Smith Street was let for bid, and the bid was awarded for redoing the pumps there. And we have laid out a path for the 20" water line which is the most direct route that we can accomplish, and it somewhat mirrors the former 20" line that had been there and then converted to a reuse line. So, it somewhat parallels that path, and then eventually we have to cross the FEC property. The discussions with FEC go back probably six to nine months, the Black & Veatch firm that we have used as the primary engineering component for this project had presented our paths, had done samples of the crossings, had looked at cost benefit analysis, and had presented to FEC all of the needed criteria to meet what is necessary to cross their property. FEC has a standard fee schedule for such crossings, we have multiple crossings over the FEC line at different parts in our service territory, and we had, I guess it was some six months ago had a bit of bump, and then I thought it was resolved. We had tendered a check and just very recently the check was returned with a letter of rejection, stating that the needs of FEC operating were somehow affected by this subterranean crossing.

Mr. Rodi stated at this stage we're a bit confused as to having had conversations and presenting what we believe are criteria that met, what was demanded, having tendered a check to cover two costs, one for Flagler Development Corporation, and second for FEC. So, that's sort of where it is and at this point, we're bringing it to begin the process of, in this case, eminent domain, because this is a vital resource for the city. It certainly has a clear public need, it's certainly been publicly vetted, and so the first part of this process is to obtain your authorization to move forward. And then with, we're presuming hopefully, tonight's approval to move forward, that Counselor Preston would send a letter to I'm sure FEC and perhaps Flagler Development Corporation to provide our offer, in order to then take the next step, which they must respond in 30 days, I think it is. I bring up Flagler Development Corporation because apparently, and I say it that way because I'm not familiar with the transactions that occurred in the sale of FEC, that this area, and I don't know how large that is, was put under the trusteeship of FEC, was put under the trusteeship of Flagler Development Corporation. And I learned of this in a City Commission Meeting where Glenn Storch, who is their

(7-a) FEC Railway / Flagler Development Group Utility Crossing (cont.):

Flagler Development's Counsel, that the trusteeship is not permitted to really do anything other than to maintain the existing use of that property for a five-year period, and I think one year has maybe elapsed in that period. And Counselor Storch was conveying that information from a standpoint of the development of that particular site, and publicly stated that they can't really do anything with it for another four years. So I bring that forward because it even makes our situation even more, just unintelligible, I can't find a politer word, to understand what could have happened in this process at the last minute, so. He confirmed with Mr. White that he had not missed an important point.

Mr. White responded that's all the big ones.

Mr. Rodi stated okay.

Commissioner Diesen stated they're suggesting two other possibilities which make no sense, one is to come across Canal at 44.

Mr. Rodi stated well, as I understand it, one is actually to go, and I have a map if that would help.

Commissioner Diesen interjected one goes air borne I think doesn't it.

Chairman Allen stated yes.

Commissioner Diesen stated one goes air borne, and the other one, there's something we don't know that their planning obviously.

Mr. Rodi stated let me just summarize because I don't want to waste the time grabbing for the map, there are obviously three routes that we looked at, one was the northern route, one was the southern route, and the other one was the middle route. Well, we have learned that the northern route is contaminated with old fueling spills. The southern route we expect would be contaminated because it also housed the round house and other things, so that we expect it, there would still be some issue there. And so when you're running a water line, you want to make sure that you're not in contaminated soil and that whatever is there will not affect the integrity of the material of the pipe. What I think was tendered to us was rather than going across the middle of the property where, if you can imagine between Ace Hardware and Rinker's Concrete, then that's sort of where we're talking about coming across.

Commissioner Diesen stated which makes sense.

Mr. Rodi stated yes, that we should instead head north to 44, come across and tie off to the bridge or something to get to near US-1, then head south on the west side of US-1, on or off the property, and then eventually cross US-1, to get to our Smith Street Station. Another example is to go even further north to Canal Street, and then come all the way back.

Commissioner Diesen stated all of which, I would bet, is a brownfield area.

Mr., Rodi started well, yes, of course you let your mind run about why would somebody want you to go through an area, well they wouldn't, that would mean you would probably have to clean it up before you would even think of it.

(7-a) FEC Railway / Flagler Development Group Utility Crossing (cont.):

Commissioner Diesen stated I'm concerned about even the part we would go across, where we need to legitimately cross. That whole area, there was no US-1 there, remember that, US-1 was Canal Street and Magnolia. So, that was the rip track, that was the railroad, I'm telling you, if that's not a brownfield...

Mr. Rodi stated well, the irony of all of this is that this project was meant for the reinforcement of the existing system.

Commissioner Diesen stated right.

Mr. Rodi stated but also, it would then provide the capacity for the development of that whole site, and without that line, that site could not be developed. It would not have adequate water supply for the talk that has been presented so far. So, we don't quite understand the interests involved, but nevertheless, I do think we can pass the test required for eminent domain; it is clearly needed. This will have an impact on our schedule and our costs, you know, we would expect maybe a six month delay in the process. We have contracts that are underway, we'll keep moving on the pumping station components, but yet it makes it a lot more complex.

Commissioner Reynolds stated does FEC still own the property Rinker and the hardware, or did they lease it.

Mr. Rodi stated I don't believe so.

Commissioner Reynolds stated they sold it?

Mr. Rodi stated I think they sold that property, I don't believe we have done a search, but we have received easements from Ace, which indicates that they're the owner of the property, I presume that's what's happened there. So, we're requesting your approval to move forward.

Chairman Allen stated we need a motion.

Commissioner Diesen stated let me make it. I'd like to make a motion that we authorize our counsel to proceed with the filing of an eminent domain action against the Florida East Coast, and/or their development, and/or all.

Commissioner Reynolds seconded that motion, and the motion then passed unanimously on a roll call vote.

Attorney Preston stated now may I comment just real briefly, just to let you know generally what to expect as far as that procedure's concerned. The eminent domain law changed in 2000, and it requires us now, as Mr. Rodi said, to send notice of offer, notice of compensation, fair compensation, determination of that, and allows the landowner a 30 day period in which to respond. So we will not have an actual action filed until following that, prior to, of which we will need to as a Commission, enter into a formal resolution regarding this proceeding. So, it is likely that the next meeting we will have, hopefully have, some determination, but certainly be at a more mature posture to enter into a resolution here as a Commission regarding the actual filing of an eminent domain proceeding. So, just for procedural, just so that you'll know that's how it's followed.

(7-a) FEC Railway / Flagler Development Group Utility Crossing (cont.):

Chairman Allen stated okay, thank you. He stated with no other New Business, we'll move on to Possible Other Business and Commissioner Time.

(8) Possible Other Business – Time for Commissioners:

Chairman Allen asked Mr. Rodi to begin.

Mr. Rodi stated I wanted to give an update on the Horizon Energy Project. We continue to work on drafts for the Memorandum of Understanding, that is moving forward. There are other MOU's that will have to be carried forward with Volusia County and some of the other cities who might be involved in participating with fuel sources for the project. So, there's not been a finality to the MOU, but when we reach that point, it is indeed a binding document, it's not a superfluous document. So, at that point we will be back here and we'll have a formal agenda item to talk about the details of it. In the meantime I have asked for a draft contract, what we're talking about is a single plant, a PPA, Purchase Power Agreement, to the UC, the UC only. And we are also proposing a purchase option with this, and that's sort of the frame work of it. The contract may be 20, 25 years, we're trying to fix the price from a standpoint of projection. What I mean by fix is a stated known price as opposed to something that would move around. These are all elements that aren't agreed to yet. This does not involve anyone other than us. We will also have to work with the abundance of power during our low load periods, because this is a must run plant, so at night when our load is at 20 to 25 MW's, and you know we've got a 36 MW plant, and this is classified in Florida as renewable. The plant itself, and I think this is a very important point, does not burn anything. It actually decomposes the material in a plasma and that's the technology they use, which is a molten bed technology in a closed system, oxygen deficient. That's why you have the significant advantages from an environmental perspective. And even the trash component itself is done inside the building, and the drying activity for the trash is also in a closed loop system. So, I think those are important elements of the technology just to repeat again, they were mentioned during the presentation that was here. And we'll move forward with it, but occurring in Florida now, and you've probably picked up some of this even on the national level, with cap and trade, and carbon taxes, and what's occurring is the push to increase the cost of all fossil generated fuel sources. In Florida, the Public Service Commission, as a result of legislative action, submitted to the Legislature, a proposed renewable portfolio standard. And I bring that up because depending upon what the Legislature does with it, during the last few days of this session, it can have a very dramatic impact on available renewables in Florida. That's sort of what happened the last time when Governor Crist issued his executive orders, all of the folks that have renewable technologies run to the big players. And you heard FP&L in here tonight, if they're supposed to have 20% renewables by the year 2020, which is part of this draft renewable portfolio standard, renewables by their very nature are small scale. They're not big scale producers, I mean even this 36 MW plant is large for our system, but it's still more rightly sized than even a 100 MW combustion turbine. So, what could well happen, depending upon what the legislature does, is that anyone that has a proven technology where they feel they can sell something are going to run right to the folks that are much better financed than we are, and try and lock that down. So, this is a very volatile time that we're involved in. So in the interest of making you aware, publicly, so that this is where we are, there aren't any hidden agenda items or anything with this, it's straight forward. He stated that's all I have in my update.

Chairman Allen stated okay, thank you.

(8) Possible Other Business – Time for Commissioners (cont.):

Commissioner Reynolds stated question on that out of curiosity, when we have a low load, will we be able to put that back in the grid or do we need to put transmission lines to Port Orange or something like that, how's that going to work.

Mr. Rodi stated we will have to make arrangements with someone else to buy that power or that there would be another agreement between Horizon Energy and some other energy provider to take that power during that period. So, you know, obviously, we have I think it's 13 MW of nuclear now, and we have a 25 MW Progress Energy Contract that was a five year contract, and obviously that five year contract would go away, and it would be replaced by this 36 MW, or maybe we might be able to secure an even better contract for the balance of our load on other periods. But it creates an issue for us, as to where that other power will go, and I am talking to some other utilities about that.

Commissioner Reynolds stated do you think that at the end of our five year contract and the activation, are they pretty much the same.

Mr. Rodi stated their linking, yes, and that's why we've taken the approach that we have, and I want to repeat again what my drivers are. When I first was fortunate enough to come to the Commission, I was told get off the grid and get renewables, and that's what I've been working on all this while. So, you know this, and that's one of the battles here that I don't want this plant located where it's not tied to our transmission lines, our transmission lines, because sooner or later we're going to have another hurricane in the Gulf, and we're going to have some problem, and at least it would afford to us a steady renewable source in addition to our expensive fossil CT's.

Commissioner Diesen stated don't they have some connection with Progress or aren't they working on something.

Mr. Rodi stated that's a separate item. When they presented to us, we had a discussion about the contract they have with Progress Energy to provide two of these plants somewhere for Progress Energy. And they wanted to present to you, to see if you would accept putting a couple of plants on our system to ship power to Progress, and I said I don't support that. But they had asked that they be able to present that as an option, which they did and your eyes glazed over the minute you saw it. And the answer is okay, fine, you may need to do that, but the plant that is here is a Purchase Power Agreement, specifically for the UC and its customers. Now bear in mind that a lot of forecasts are being presented, one of them is, just today, if the cap and trade and all of that, the ad horrendum case, is that the cost of power in some states may double, okay, just that fast. And they were looking basically in the Midwest, where there are a lot of coal facilities, Southern Company, areas that are heavily into coal. Areas like Florida are heavily gas fired, natural gas fired, so the cost here may go up 30%. But if you just look at some of the carbon tax issues for us, just in our mix of CO₂, and if they used a \$10 dollar, I think, hopefully I'm recalling the numbers correctly, if they used a \$10 dollar per ton carbon tax, on our mix of generation, it would cost us another three million dollars a year. That's just one tax, that isn't even dealing with cap and trade.

Mr. Rodi stated the other forecast is that in 20 years the cost of power is going to be between \$.28 and \$.32 cents a kWh . So when we talked about the level of cost here, what you saw in the translation for that is like \$280 dollars to \$320 a MWh, okay. What we were talking about here, as a starting point, now I don't know where it's going to end up, is \$64 dollars a MWh out there. So, those are significant differences, if, understand what we got was a sales pitch, and so what we're

(8) Possible Other Business – Time for Commissioners (cont.):

doing now by working the words, about the MOU and eventually the contractors, we're going to find out if this is something real or if it's going to evaporate. So that's what we're doing, very good potential for us. He stated now, the city makes, on their side, they get the tax money, they avoid tipping fees, and they don't have to do recycling; that's \$2,250,000 a year for them. He added that's a lot, and that's how we can help them, that's their avoided cost.

Commissioner Diesen interjected wow.

Commissioner Reynolds stated it sure seems like these additional taxes are certainly going to generate a demand for individual solar panels.

Mr. Rodi stated absolutely, and I hope that thin film comes into its own because that gets into some very cost competitive things. There's a JEA article that just came out today where JEA has calculated their cost for solar and it's somewhere in the \$400 and some dollars a MWh, compared to their coal fired plants that are like \$55 to \$60. Big difference, unless you get the change in the solar technology it's still not going to get there.

Chairman Allen stated okay.

Mr. Rodi confirmed that was enough.

Commissioner Diesen then stated so when are we going to send our emissary up there.

Mr. Rodi stated which emissary (Director of System Operations and one UC Commissioner). Mr. Rodi explained we were waiting for some operating history. When they were here they told us that the plant had just turned commercial, and so I followed up on that, and they did not run the plant as they had said. They said it's running now, but they were trying to get the ethanol component, the plant itself can make ethanol in addition to generating power, and so they were trying to get the ethanol production commercialized, and so apparently they were stumbling with that. So what I'm trying to do is if Commissioner Zeller would still be willing to do that, and I've asked Mr. Beyrle if he would go up there too, and now with travel it requires passports, so they both have passports. I'm trying to get it one, when it's warmer and two, that the plant has a little bit of operating history with it so that there's some better judgments that can be made; and so we're talking maybe June.

Commissioner Diesen commented make it August and we can have a road trip.

Commissioner Reynolds stated you mentioned MOU's for the renewable processes, in other words garbage. Are they doing that, say for instance, say the county landfill, etc.

Mr. Rodi stated yes. and in all of this the approach that we have used is a win, win, win. We've tried not to make it a win lose because the whole idea behind it is to improve the collective regional area by having more affordable power, and take what is now an expensive waste component that has bad environmental impacts for the out gassing that occurs with landfills, and have others benefit. So you understand their process, they need an MOU then to lock down their financing. You see when they have a MOU that says that there's a willing customer that's going to buy power, and willing providers of fuel, which is one of the key components in their value chain, then they can go to their financiers and say hey, we've got these live projects, and begin that part of their process.

(8) Possible Other Business – Time for Commissioners (cont.):

He stated and when we do the contract it will be the same thing, presented here, two public hearings before approval, present also to the City Commission, you know two public hearing there, and make sure everybody has their say.

Chairman Allen then stated to Commissioner Reynolds, your time.

Commissioner Reynolds answered I have none.

Chairman Allen then stated Commissioner Zeller.

Commissioner Zeller stated two new concerns tonight, one is we're going to be on two ends of two different law suits it looks like. And the time that it's going to take to deal with the railroad on a condemnation suit against them, is six months realistic, a year.

Attorney Preston stated I think six months is realistic, six to nine months is realistic. Again, our process will be initially, the 30 day wait. If in fact they go the full 30 days before response then we're out that. Then we have the period of time for response to any kind of pleading that's filed, so you're looking at court schedules that pretty much mandate at least a six month period.

Commissioner Zeller then stated and how expensive on our end.

Attorney Preston stated for the estimate of fees, including, you know in addition to attorney's fees of course, you'll have engineering fees, you'll have appraisal fees, you'll have expert fees to testify regarding the various locations and to meet the criteria. And at this point, I can work up an estimate of fees for you, but I would have to gather information from them as well as from me, as far as estimates of time and expenses; and that's appropriate and I'm glad to do so. I'm expecting over the next 30 day period to have more information that might determine the exact direction we take, and look at what that may mean as far as fees and/or time as well. I think that we'll gain more information over the next month, to be able to answer those questions. I agree with Mr. Rodi, I guess what you're hearing me not say is that I agree with Mr. Rodi that there are some interesting unknowns here as to why the denial in the first place, and there was no statement for reason for denial, only a statement as to why don't you go somewhere else. And so I think that in the investigatory period over the next thirty days, that we will come up with is there some rational basis for this denial or not, and if so, then we'll determine what direction we take.

Commissioner Zeller stated to Mr. Rodi if we have to take an alternate route, are we going to have to add extra pumping capacity because of the losses in the line.

Mr. Rodi stated well, you'll have greater losses, but in addition to that it will be significantly more expensive, I'm talking in terms of millions.

Commissioner Zeller stated so much per foot.

Mr. Rodi stated yes, and obviously you'd have to compensate for that difference, and this is not a distribution line, this is a transmission line so that it's not there as a service to any particular location, but to serve the core infrastructure.

(8) Possible Other Business – Time for Commissioners (cont.):

Mr. Rodi then stated if I may, one other comment about the FP&L side, the relocation of our own line, okay, that's the significant part of what I was showing with those maps. If it remains as an aerial feed and there is not any ordinance that's passed saying everything will be underground, we're looking at \$500,000 dollars to move that line, and it's likely that if anyone's told to move it will be us. Because on the north side, from just a very pragmatic standpoint, you have a tax paying entity with heavy investment on the north side, for a new subdivision that is being put in over even the objection of our own city, and so it's likely that if that happens we will then experience the cost burden for the installation of distribution in that station. As opposed to if they would have put it someplace else, then it would have been a 50 50, chance, more maybe driven by the configuration of the needs of the developments.

Commissioner Diesen stated since you've reopened that, because I kind of wanted to ask, can we just kind of explore that a little. What is the political issue here with, why did he show up tonight and ...

Mr. Rodi stated well, very candidly, when I was referring to load study, engineers don't do things by happenstance or at least they shouldn't. And when I said load centers they know within, and I said this previously with regards to this substation, that they know within maybe about a mile radius where they want to put a substation. And then what they do is say okay, this is the optimum, I mean obviously it could be put any number of places, but they do that so they get optimum efficiency out of the performance of the electrical system. You heard an acknowledgement that they, even Florida Power and Light, recognizes they don't like to put distribution equipment with transmission, and it's because when something goes wrong on the transmission side of the house, you know it's like the transmission side they sneeze and you know the distribution side catches pneumonia. It's, I'm exaggerating obviously, but there's a serious consequence that has to be then designed into the system. And there are transmission and distribution substations, there are a number of them, but given choices engineers will separate them. And that's why I was pointing out that it easier actually for the location I had given, because then you don't have the congestion, you have greater switching capacity. I did not even ask the question where will Restoration be served, you heard me mention that Restoration was there, how are you going to serve it. And just like here, and so the political reason is that there was an approach to us, they didn't ask for distribution, and I feel it is unreasonable at this point to ask us to put in distribution because they find it convenient now. And so the very first thing was, okay I'll just go around you and I don't care what you'll decide, it'll take another month and I'll go off the PSC, and you know I'll make "Dad" tell you to do it.

Commissioner Diesen stated well is that a possibility.

Mr. Rodi stated oh yea, sure.

Commissioner Diesen stated that they will do that and the PSC will tell us that.

Mr. Rodi stated well I don't know what the PSC will do, it goes to the intent, and please understand that we then have the right of inquiry to find their planning documents and what they plan to do to serve their load with future substations. You know once you get into the activity of a legal contest, it's not talk anymore, I mean there's going to be some documentation behind this, and they'll have to produce their documents.

(8) Possible Other Business – Time for Commissioners (cont.):

Commissioner Diesen stated what will be the effect if we, you know, say just turn it down anyway, and you have suggested an alternate site, how will that affect then the loop that he is talking about.

Mr. Rodi stated it won't affect the loop at all, first of all they can't put a distribution component in until someone says of authority. Right now we happen to represent the authority, and they're saying hey, don't worry about it you know, the consequences won't happen for years, whatever they may be, and avoiding the, and what I'm trying to do is protect the financial consequence to us for their decision, that's what I'm doing. In the future, if it isn't resolved here, then they'll make the same presentation that was made with more detail saying that this is the best location for the distribution components over something else and beside we don't think we ought to try to use eminent domain to get that, and you'll hear some version of that if you sit in the proceedings. So, from my prospective I found that it was at least disingenuous to say that this was always going to be a distribution station when clearly it never was, not in our case. So, I just felt that was, I had a problem with that.

Commissioner Diesen stated and the first you knew of it was 30 days ago.

Mr. Rodi stated well, it was in the last two weeks right. I think Randy Walter had a phone call from someone on Bob Coleman's staff telling us, oh, that's a distribution substation, and we said no.

Commissioner Diesen stated because the financial consequences, the potential financial consequences to us are ...

Mr. Rodi stated are at some point in the future, yes. The thing is the consequences are not immediate, the consequences are when the road is widened to the point where someone is told to relocate their facilities. You see by that time none of us would be here, so I felt obligated to bring this forward by saying no, and at this point have Mr. Coleman on the record, because I have other testimony he's made with regards to asking for a distribution substation for Edgewater with the County that was never approved to my knowledge, and he said well it needs to be in the neighborhood. And he's just trying to do his job, please understand, you know, that's what he's got to do is look out for the interest of his employer, and I'm trying to look for our interest saying all of that is well and good, here's the consequence to us, in addition to the way this was framed, you know formulated, conveyed.

Commissioner Diesen stated because there is no plus for us to having that, nothing.

Mr. Rodi stated no, not at all.

Commissioner Diesen stated and he could easily do it somewhere else.

Mr. Rodi stated I think so, I understand that it is difficult to site, but the point is the Laws in Florida were changed that the zoning can't exclude a substation, an electrical substation. So, I mean there was recognition on the part of the Legislature, that many times placements of substations were frustrated because of zoning applications, but yet people wanted their power. See this is like an onion, every time you peel off a layer there's another one, and another one.

(8) Possible Other Business – Time for Commissioners (cont.):

Commissioner Diesen stated yes, but I appreciate the opportunity though to have a little extra discussion, because I understand it more fully.

Chairman Allen commented Jacksonville has a couple substations that actually look like homes, and I believe even Orlando may have one or two of them. You wouldn't know they were a substation there, built to look like a home right inside the subdivision, air conditioned and everything, you wouldn't even know they're a substation.

Commissioner Reynolds asked if he could have a follow up question to Commissioner Diesen's.

Chairman Allen stated yes.

Commissioner Reynolds stated let's just say that this never came up but they're going to widen Pioneer Trail, we're still out of relocating or is that compensated by the State.

Mr. Rodi stated we're in the road right of way, so whoever and you heard, and it's true for FPL too, whoever's in the road right of way will have to pay their own relocation. The trade off is you get to use it for free and when, and that's why we chase the easements, if you're in an easement, and you heard him say, he has, FP&L has a transmission easement, and if they're forced out of it, someone is going to have to pay. So, in the case of the road widening, and they said we're going to widen on the south side of the road because we have many cutouts already, then we would likely be the ones impacted, and we would have to pay. And that's where I came up, it's about two and a half miles from Airport Road to the cross over bridge of I-95, and so depending upon how much per mile, but at that point.

Commissioner Reynolds stated we would be buying easement.

Mr. Rodi stated well I don't know that we would, it would just be we'd spend the money and be in road right of way again. Or we would be assuming at that time if we were able to have easements for our waterlines that we're planning to install along Pioneer, which would be on the south side, then we would have easement to put things, but we would have the road right of way too, for that. He then asked have I confused the issue?

Commissioner Reynolds stated no.

Chairman Allen then confirmed Commissioner Diesen and Commissioner Hall did not have anything further.

Chairman Allen then stated I just had one thing I wanted to kind of bring up. I found it interesting when I got the agenda package to see the FEC Railway item here, because I believe it was a month ago at the City Commission Meeting, Mr. Storch was commenting about the development of this piece of track of land, and inside the comments that were talked about, there was a little bit about the contamination that was on the property. And red flags go up when you talk about contamination, especially large diesel fuel spills and trying to clean it up. The comment was made that it would be beneficial, if I remember correctly, it'd be beneficial if government entities were involved in this also to help the clean up. Well the governmental entities are the tax payers of this community.

(8) Possible Other Business – Time for Commissioners (cont.):

Commissioner Diesen stated that would be us.

Chairman Allen stated you know when that came up you just begin thinking what's going on here, and there is, anybody that's been around here for awhile knows there's a major spill over there.

Commissioner Diesen stated well all up and down there, I mean that was the rip track too, and all the way down to the ice house.

Chairman Allen stated but you know, we look and we think about, and to see this item come on the agenda was kind of a flag.

Mr. Rodi stated but also if I may add, that you know when we make these comments, part of what happens is that for example FP&L will go over our minutes to look at how to structure their defense. S&S reviews our minutes to see what we're saying in these meetings. So, you know, from a legal defense posture you try not to put all of your theory out there, but in terms of being transparent and open, for you to make, I think, bona fide decisions, you have to hear genuine responses. So be that as it may, I still tender them knowing that it exposes more of our thinking, for those who aren't so inclined to be genuine with us.

Commissioner Reynolds stated I would like to go on record to say that we will notify all our tax payers of the increase and why it comes about; let them get on the railroad track.

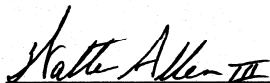
Chairman Allen stated the other thing is the article you sent out, I believe it was today, again looking at trade and cap, and to look at the different emission gases that continue to be added to that listing, it's going to be a nightmare in the future. He then stated that's all the comment I have.

Mr. Rodi stated yes.

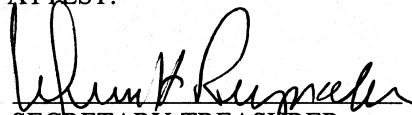
Chairman Allen then stated if there's no other business, do we have a motion to adjourn.

There being no further business to come before the Commission, Commissioner Diesen made a motion to adjourn. Chairman Allen closed the regular U.C. meeting at 7:21 p.m.

APPROVED:


CHAIRMAN

ATTEST:


SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their May 16, 2009 meeting.