

**SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY TO BE HELD  
WEDNESDAY, NOVEMBER 11, 2009 AT 9:00 AM, BRINSON BOARD ROOM,  
ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE,  
FLORIDA**

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Present were Chairman Nancy Gemskie, Vice Chairman Fred Cumbie, Director James Kasper, Director Reginald Hardee, Director George Gant, General Counsel Grant Lacerte and Recording Secretary Leticia Rivera. General Manager James Welsh participated via telephone and Mayor Jim Swan was not present.

A. MEETING CALLED TO ORDER

Chairman Gemskie called the meeting to order at 9:00 a.m.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and staff recited the Pledge of Allegiance.

C. HEAR THE AUDIENCE – None

Chairman Gemskie thanked the Board and noted that all Board members were present. She thanked staff for attending the meeting on such short notice and on a holiday. Mr. Welsh also thanked the Board for their commitment.

D. OLD BUSINESS

1. GENERAL SERVICE CONSERVATION RATE CHANGE: CONSIDERATION  
OF GENERAL SERVICE CUSTOMER CREDIT FOR RATE INCREASE  
EFFECTIVE NOVEMBER 1, 2009

Mr. Welsh advised that at Chairman's Gemskie request a special meeting has been called. Mr. Welsh requested Grant Lacerte, Vice President and General Counsel to read the body of the agenda item and also the recommendation.

Mr. Lacerte read the item. Mr. Lacerte advised the Board that the term rebate in staff's recommendation has been replaced with the word credit.

Chair Gemskie advised, that what started out to be a conservation rate that the Board thought would be really helpful to the community, is causing angst and discomfort to many. Chair Gemskie also advised that hopefully this credit could be applied to affected accounts as soon as practicable.

Chair Gemskie opened the floor for questions and discussion.

Director Cumbie asked if the credit would amount to a rate change. Mr. Lacerte advised that the credit is not considered a rate change however; the rescission of the rate is a rate change. If KUA rescinds the rate after the public hearing, December 9<sup>th</sup>, the effective date of the change would be January 1<sup>st</sup> and that is why the credit would have to start on November 1<sup>st</sup> and continue through January 1, 2010.

Mr. Welsh advised that as a utility, there are times when credits are applied to customer's accounts. These types of credits are not due to rate changes but to instances where a customer was billed incorrectly. These types of credits tend to be small and minor. The Customer Service department handles these types of situations. KUA has the ability to apply credits for a variety of reasons to customer accounts.

In this case, the credit is fairly widespread and includes a large number of customers; therefore staff may not want to take this on unilaterally since it was applied in rate format. However, the Board can direct staff to do this and apply the credits equivalent to what has been in place for two months and now planned to be rescinded.

Mr. Lacerte included that if the Board wants to give a credit without changing the actual rate, the Board has the authority to do so without the PSC's consent.

Mr. Lacerte wanted to clarify any inaccuracies with PSC's jurisdiction over KUA's rates. The PSC has a rule in place that applies to KUA that no change in rates can take effect without giving the PSC 30 days before final approval and KUA has done this.

Mr. Welsh wanted to clarify for the record that the Board voted for staff to send the rate change to the PCS last month.

Chair Gemskie informed more and more businesses are going out of business and KUA is getting a lot of flack and negativity. Chair Gemskie advised this will stop the negative attitudes toward KUA. The public will see that KUA has made the commitment and KUA is following through.

Mr. Welsh informed that with the angst within the community, it may be strategic to let the community know what the Board's final intentions are instead of having it hang on for another month. Mr. Welsh advised the Board that Chris Gent, Vice President of Corporate Communications was made aware of an editorial in the News Gazette that may be somewhat negative and he is waiting on any action the Board may take this morning to relay to the press. Mr. Gent advised this will go to press at 10 am today.

Director Hardee asked would the Board's decision today help staff address the issue versus waiting until December. Joe Hostetler, Vice President of Finance & Risk Management advised KUA will need assistance from our software supplier and this will give them time to set up the software necessary to do this.

Director Cumbie asked what will this new programming cost KUA. Jef Gray, Vice President of Information Technology advised the last time KUA worked on a similar program, the total cost was \$9K. Mr. Gray informed that he would not suspect a dollar figure higher than that.

Director Hardee asked if it is possible to discontinue billing the 2.9% now. Mr. Welsh advised no. The Board has to have a public hearing, and would have to have it to the PSC for 30 days.

**ACTION: Director Gant made a motion, seconded by Director Kasper to apply a credit to those General Service Rate customers with consumption in excess of 1,500 kWh who were subject to the 2.9% increase put into effect by the Board on November 1, 2009 with the credit to be applied to customers bills as soon as practicable after the 2.9% increase goes out of effect.**

Director Kasper asked if this motion can be release to the media. Mr. Gent advised he will send it out.

**MOTION CARRIED 5 - 0**

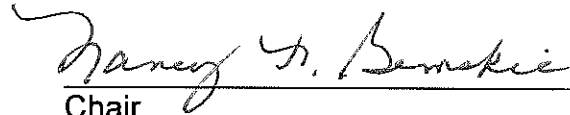
**E. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS**

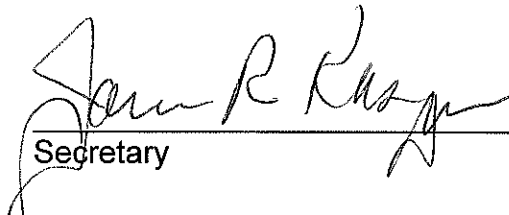
Mr. Welsh thanked everyone taking this extra effort to respond to what is perceived as a need to our customers.

Chairman Gemskie again thanked the Board and staff on addressing the need of the rate payers.

F. ADJOURNMENT

Chairman Gemskie adjourned the meeting @ 9:25am.

  
Chair

  
Secretary