

BULK POWER COST ADJUSTMENT DECREASES.

As a result of a decrease in fuel costs, effective October 1, 2008 the Bulk Power Cost Adjustment (BPCA) has decreased from \$0.08776 to \$0.05631 per kilowatt hour.

Fuel costs are the largest variable operating expense for electric utilities and can vary greatly according to the basis of supply and demand and the type of fuel used to generate electricity.

The BPCA is the fuel component of the total energy bill. The Ocala City Council reviews and approves the BPCA. The BPCA is passed on to the customer at cost and OEU does not profit from increased fuel charges.



Your feedback is powerful.

This newsletter serves to inform and empower our customers and the community with the latest programs and services offered by the City of Ocala Electric Utility. If there are any issues or topics you would like to see covered — or if you have any feedback — please contact us.

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E-mail us by logging on to the website and clicking on “Contact Us”.





OCALA ELECTRIC UTILITY

CURRENT MATTERS

NEWSLETTER FOR THE COMMERCIAL COMMUNITY

CRUNCH TIME

The economy. Fuel costs. The weather. They're all related, and they all have an effect on business profit margins.

With recent crisis events in the mortgage and financial industries, money is now much tighter. While the world's business community works feverishly to stabilize and restructure the system, the jury is out on this dilemma and the resulting uncertainty will lead to caution in the lending markets.



Conversely, according to the Kiplinger Business Resource Center, energy costs are predicted to moderate in 2009, despite the blip up from Gulf storm interruptions in the early fall. However, the costs have dropped from their \$150-a-barrel range due in part to reduced demand stemming from a slowing economy. It's a two-edged sword.

Speaking of weather, the Farmer's Almanac has relatively good news for the Southeast, including Ocala: our weather will be near-normal to brisk and wet this winter, compared to numbing cold for the two-thirds of the country. That cold, however, will work to increase demand nationally for heating oil and natural gas.

So, considering all of this, crunch all the numbers and what have you got? We don't pretend to have the answers. But we do know conserving energy can help keep hard earned money in your pocket!

Here are some ideas including some things you can put to work in minutes, at no cost to you, to save on your energy consumption this winter.

- Turn equipment and lights off after hours.
- Always choose ENERGY STAR products whenever possible for the best efficiency.
- Set energy saving features on all your office equipment to put them into sleep mode when not in use.
- Set the thermostat in your workspace to 68 degrees during work hours, and lower the setting to 55 degrees when the space is unoccupied. For every degree you lower the heat in the 60-degree to 70-degree range; you save up to 5% on heating costs.
- Use a programmable thermostat and make it easy to adjust the settings as well as regulate the temperature when you are closed to avoid unnecessary heating costs. Consider a locking cover over the thermostat to avoid having employees change temperature settings.
- When the weather is cooler, keep your exterior and freight doors closed as much as possible.
- Insulate water heaters and supply pipes.
- Keep your heating and ventilation systems tuned. Maintain a regular filter replacement and cleaning schedule. Don't forget to check duct and pipe insulation.
- Keep refrigerators full. A full refrigerator retains the cold longer and will turn on less frequently.
- Install automatic door-closers and strip curtains on walk-in freezers or coolers.
- Make sure oven doors fit tightly by adjusting door latches, and that gaskets are in good condition.
- Consider replacing broilers with smooth or grooved griddles... your energy consumption will be significantly reduced.

For more energy saving information visit www.energystar.gov.

WELCOME MATTHEW BROWER



Welcome to Matthew Brower who came on board with the City of Ocala on October 6th as Assistant City Manager / Utility Services. Matt comes from Santa Clara City, Utah after serving as City Manager since 2000. Previous to Santa Clara, Matt was the Administrative Assistant to the City Manager for the City of Newnan, Georgia. He has twelve years experience in senior public management with a Master's in Public Administration from Florida State University and a Bachelor of Science degree from the University of Utah. Matt will be in charge of Electric Utility, Telecommunications, and Water & Sewer.

NEIGHBORS WHO CARE

With the cost of products and services increasing all around us, most budgets are being stretched thin. For some, it is a far more serious situation. There are those in our community who have genuinely fallen on hard times and need a helping hand. It could be someone who has been laid off from work, a family that has incurred large medical bills or a working single parent struggling to support a family.

You Can Help!

As a way of helping, the City of Ocala Electric Utility offers the "Neighbors Who Care" energy assistance program. This program helps those experiencing tough economic times to pay their utility bills. We invite you to make a one-time donation or to pledge a monthly amount that will be added to your utility bill. The amount is up to you. Your donation will be turned over to United Way, which forwards it to a service agency for distribution. The agency screens potential recipients and administers the program. All of the money stays in our community and helps local people – your neighbors! None of the money is used for administration.

Here's How!

If you are in a position to offer a helping hand to a deserving neighbor, please fill out the form below and send it in with your utility bill payment. If you choose to make a one-time contribution, just add the donation to your utility payment. For example, if your bill is \$100 and you wish to contribute \$5 to the "Neighbors Who Care" program, write

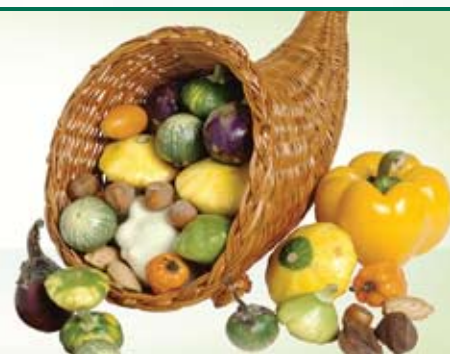
your check for \$105. If you prefer to make a monthly donation, the amount you pledge will automatically be added to your bill each month. Customer contributions are totaled and forwarded to the United Way of Marion County quarterly, along with 10% in matching funds from OEU.



Your contribution will go a long way toward bringing a little cheer into the lives of others. Thank you for caring!

For more information, please call **352-629-8411** or visit OEU's Website at **www.ocalaelectric.com**.

N O V E M B E R





UPDATING METERS GENERATES SAVINGS AND IMPROVES SERVICE FOR OCALA

As the City of Ocala Electric Utility (OEU) provides information on how to make your business more energy efficient, we also need to apply the same measures to our own operations. That's why we're looking at our own facilities and systems to find better, more efficient ways to do business and provide services to our customers.

One way to improve efficiency is through a utility metering initiative that will upgrade the City's over 75,000 residential and commercial electric and water meters. Implementing this technology solution, called an Automated Meter Reading (AMR) system, will allow us to improve accuracy and lower the operational costs of reading meters.



Over the next 14 months, the City will be working with Johnson Controls to integrate a more robust and precise equipment. This upgrade provides needed customer service enhancements, infrastructure improvements, technological advancements and a heightened level of operating efficiency that will convert the City's utility meter reading process to a 100 percent automated meter reading system. Employees will no longer need to enter customers' property to read meters. We can simply download information from collection points that are strategically placed throughout our system. This means we are able to redeploy our meter-reading labor force to more critical needs.



Overall, the new automated reading system will improve communications, increase efficiency and generate substantial savings for the City of Ocala. OEU will also have the ability to identify water leaks more quickly, improving response time and associated costs. In addition, we'll save on water and electric meter maintenance!

Through a performance contract, we are able to make these system improvements that are self-funding via cost savings. Under such a contract, the cost of upgrades is paid for over a specified number of years by the energy, water and operational cost savings the project generates.

Business customers will be contacted by phone to schedule a conversion time at their business facility. Some businesses will experience a short power interruption. City water service will be interrupted approximately 30 minutes while converting the meter.

The City of Ocala looks forward to implementing AMR technology to improve operational efficiency and enhancing service to our customers. For more information on AMR, visit www.ocalaelectric.com or call 352-629-8411.