

**PIQUA ENERGY BOARD
MEETING
JANUARY 26, 2010**

- TIME & PLACE:** A regular meeting of the Piqua Energy Board was held on Tuesday, January 26, 2010 at Piqua Power System's office. Chairman Bill Gilius called the meeting to order at 12:02 P.M.
- ATTENDANCE:** See attached Attendance Report.
- RECOGNITION OF SERVICE:** Ed Krieger recognized Jim Hartzell's 23 years of service to the Energy Board. The Power System appreciates Jim's leadership and guidance that he demonstrated throughout his time on the Energy Board.
- MONTHLY MINUTES:** Bill Vogt moved to approve the minutes of the November 24, 2009 meeting. Jim Hartzell second and the motion carried.
- MONTHLY REPORT:** Ed Krieger reviewed the 2009 year-end monthly financial reports. Year-end kWh sales finished 9.7% below budget, and revenues are down 6.4% from budget. The year-end total electric revenue for 2009 was down 8.65% from Budget and the year-end total electric expenditures are down 13.9% from Budget. The year-end electric-system adjusted margin is \$1,339,794, which is \$1,399,607 better than budget. The year-end cash and investments are \$11,240,320. In 2009, the total power cost was \$55.66/MWH compared to the 2008 cost of \$55.48/MWH. Frank Patrizio move to accept the monthly reports. Bill Vogt second and the motion carried.
- AMP CREDIT SCORING (2008):** Chris Deeter, the Director of Member Accounting and Finance from AMP, explained the American Municipal Power, Inc. Member Credit Scoring Program. This program was developed to complete a financial review of municipalities with current membership in AMP. Chris fielded several questions from Energy Board members on the calculation of Piqua's credit rating and a discussion followed.

**ECONOMIC
RECOVERY
RIDER:**

Ed Krieger reviewed the Economic Recovery Rider (ERR). The rider would credit customer bills \$2,000,000 in 2010 and would be funded from existing electric fund balances. The result would decrease customer bills approximately 9% in 2010 and increase approximately 12.5% in 2011. After a long discussion, the Energy Board advised the Power System to develop a Cash Reserve Policy to determine adequate fund balance before considering reducing customer rates.

**SERVICE CENTER
PROPERTY
PURCHASES:**

Ed Krieger reviewed the need and advantages of the service center property site, which is located on Hemm/Bassett Avenue. Jim Hartzell moved to recommend the purchase of 5.026 acres from DP&L and Clifford Blacke at a total cost of \$71,148. Frank Patrizio second and the motion carried.

**TRANSFORMER
PURCHASES:**

Nick Berger reviewed bid results and recommended distribution transformer purchases for 2010. Frank Patrizio moved to recommend the purchase of 29 distribution transformers from Ermco and Westco for a not to exceed price of \$129,020. Joe Drapp second and the motion carried.

**2009 WORK
LISTING-4TH QTR
UPDATE:**

In the interest of time, Ed Krieger requested that a presentation to review 2009 accomplishments be delayed until the March Energy Board meeting. The updated 2009 Work Listing was available for review in the Energy Board packet.

**2010 WORK
LISTING:**

Ed Krieger referred to the Energy Board packet for a complete listing of the 2010 budgeted initiatives and also responded to a few questions concerning the 2010 work plan.

**2009 RELIABILITY
STATISTICS:**

In the interest of time, Ed Krieger requested that a presentation to review 2009 Reliability Statistics be delayed until the March Energy Board meeting. The 2009 Reliability Statistics were available for review in the Energy Board packet.

**AMPGS
TERMINATION:**

Ed Krieger reviewed the plans for the likely conversion of the AMPGS project. AMP will explore developing the project as a natural gas combined cycle facility supplemented with market purchases and pursue future enhancements for the project, such as biomass or another advanced energy technology.

**CLIMATE
CHANGE
LEGISLATION:**

Ed Krieger reviewed and discussed several articles and letters concerning proposed Federal Energy activity included in this month's Energy Board packet, pertaining to potential Climate Change legislation and the Federal EPA's announcement pertaining to Green House Gases regulation.

OLD BUSINESS:

None to report.

NEW BUSINESS:

None to report.

ADJOURN:

With no further business to discuss, Joe Drapp moved to adjourn the meeting at 1:42 P.M. Bill Vogt second and the motion carried.

SIGNED:

Ed Krieger
Power System Director