

**PIQUA ENERGY BOARD  
MEETING  
MARCH 22, 2011**

**TIME & PLACE:** A regular meeting of the Piqua Energy Board was held on Tuesday, March 22, 2011 at Piqua Power System's office. Chairman Joe Drapp called the meeting to order at 12:02 P.M.

**ATTENDANCE:** See attached Attendance Report.

**MONTHLY MINUTES:** John Martin moved to approve the minutes of the January 25, 2011 meeting. Bill Vogt second and the motion carried.

**MONTHLY REPORT:** Ed Krieger reviewed the February 2011 year to date (YTD) monthly financial reports. YTD KWH sales are 2.6% below budget, and revenues are 1.7% below budget. The YTD total electric revenues are 1.5% below budget and the YTD total electric expenditures are 13.7% below Budget. The YTD electric-system adjusted margin is \$473,634. The YTD cash and investments are \$13,083,015. Ed Krieger reviewed the minimum electric fund balance of \$5,102,267, and the ideal electric fund balance of \$11,194,163.

There was a discussion about the 2011 electric sales and revenue budget forecast, which was conservatively set based on a rolling three year average. Bill Vogt moved to accept the monthly reports. John Martin second and the motion carried.

**2010 YEAR END REVIEW:** Ed Krieger presented the board with the 2010 highlights of the Power System. The presentation covered the major achievements of 2010, which included generation projects, and new/upgrade construction projects.

**COMBUSTION TURBINE ENGINEERING:** Ed Krieger reviewed the need to obtain Sega Inc.'s engineering service in regards to Unit #8 and #9 combustion turbine control system and mechanical upgrades. In the fall of 2010, extensive testing of combustion turbines #8 and #9 revealed the high possibility of

nuisance shutdown due to control and controls related malfunctions. Sega Inc. services will include preparing a detailed I/O list for each control system to be replaced. Sega Inc. will provide a specification for the City to procure the PLC or DCS hardware, software and installation services for the control system upgrade. Sega will review and analyze clarifications, resolve technical issues with bidders and submit a bid evaluation with recommendations to the City. Sega Inc. will update existing drawings or produce new drawings as necessary to reflect changes made as part of the project. Sega Inc. will provide other necessary tasks as needed for the completion of the GT control system upgrade.

John Alexander moved to obtain the services of Sega Inc. to provide professional engineering services in regards to Unit #8 and #9 combustion turbine control system and mechanical upgrade for a not-to-exceed price of \$79,100. Pat Jenkins second and the motion carried.

**FREMONT ENERGY CENTER:**

Ed Krieger reviewed the potential sale of First Energy Corp.'s Fremont Energy Center to American Municipal Power, Inc. The Fremont Energy Center is a natural gas combined cycle generation plant, which includes two natural gas turbines and a steam turbine capable of producing 544 MW of load-following capacity and 163 MW of peaking capacity. A recommendation concerning Piqua's potential participation in this project will be presented at a future Energy Board meeting.

**LEGISLATIVE UPDATES:**

Included in this month's Energy Board packet are legislative briefs from AMP covering the following topics: National Emission Standards for Hazardous Air Pollutants, Energy and Environment Policy, Wholesale Electric Market Issues, Tax and Financing Issues, and U.S. EPA's Industrial Boiler MACT Rulemaking.

**OLD BUSINESS:**

None

**NEW BUSINESS:**

Ed Krieger informed the Energy Board of Jerry Perkins' overall 3<sup>rd</sup> place finish in the apprentice section of the 2011 APPA's Lineman Rodeo.

Joe Drapp recommended a possible improvement to the format of the electric bills. It was decided to review the format after the new billing system is implemented later this year.

**ADJOURN:**

With no further business to discuss, Bill Vogt moved to adjourn the meeting at 1:10 P.M. John Martin second and the motion carried.

**SIGNED:**

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Ed Krieger  
Power System Director