

**PIQUA ENERGY BOARD  
MEETING  
JUNE 28, 2011**

**TIME & PLACE:** A regular meeting of the Piqua Energy Board was held on Tuesday, June 28, 2011 at Piqua Power System's office. Chairman Joe Drapp called the meeting to order at 12:01 P.M.

**ATTENDANCE:** See attached Attendance Report.

**AMP SCHOLARSHIP PRESENTATION:** Eric Loyd from American Municipal Power, Inc. (AMP) presented the Richard H. Gorsuch Scholarship to Kyle Krieger. Every year AMP awards three Richard H. Gorsuch Scholarship to high school seniors whose parent or guardian is employed by either an AMP member municipal electric system or by AMP. Each applicant is judge on personal achievement, knowledge of public power, scholastic record, and an essay.

**MONTHLY MINUTES:** Bill Vogt moved to approve the minutes of the May 24, 2011 meeting. John Martin second and the motion carried.

**MONTHLY REPORT:** Ed Krieger reviewed the May 2011 year to date (YTD) monthly financial reports. YTD KWH sales and revenues are on target with the budget. The YTD total electric revenues are on target with budget and the YTD total electric expenditures are 9.5% below Budget. The YTD electric-system adjusted margin is \$453,456. The YTD cash and investments are \$13,542,733. John Alexander moved to accept the monthly reports. Bill Vogt second and the motion carried.

**#8 GAS TURBINE EMERGENCY REPAIRS** Ed Krieger and Jim Vines, City of Piqua's gas turbine consultant, reviewed the damages to #8 gas turbine that occurred during the June 7, 2011 PJM mandatory test run. The damages will not allow the turbine to operate at this time. The potential repairs will include the following:

- The main gas turbine rotor will have to be removed, un-

- stacked, blades repaired/replaced and the rotor re-stacked
- The stationary blades in the turbine shell will have to be repaired/replaced as necessary
  - The compressor bearing will have to be checked and repaired as necessary
  - The exhaust bearing will have to be checked and repaired as necessary
  - The turbine 1<sup>st</sup> and 2<sup>nd</sup> stage nozzles will have to be checked and repaired as necessary
  - The 1<sup>st</sup> and 2<sup>nd</sup> stage buckets will have to be checked and repaired as necessary.

Jim Vines recommends Sulzer Turbo Services to perform the necessary repairs. Sulzer Turbo Services is a leading independent provider of repair and maintenance services for turbomachinery, generators, and motors with expertise in rotating equipment. John Alexander made the motion to recommend utilizing Sulzer Turbo Services to perform the necessary repairs to #8 gas turbine at a not-to-exceed price of \$995,000. Pat Jenkins second and the motion carried unanimously.

**GAS TURBINE  
PLANNED  
MAINTENANCE:**

Ed Krieger reviewed the five bid packages for the City of Piqua Unit 8 and 9 Control System Replacement opened on June 16, 2011. Overall, Emerson provided the lowest bid for the Unit 8 turbine and generator controls, Unit 9 turbine and generator controls, and Unit 9 throttle valve replacement and installation. S. T. Cotter and ProEnergy provided the two lowest bids for the Unit 8 exhaust diffuser and flex seals and installation.

John Alexander made the motion to recommend Emerson to perform the Combustion Turbine Controls Systems for Unit 8 and 9 turbine and generator controls, including the Unit 9 throttle valve and installation, and ProEnergy to perform the Unit 8 exhaust diffuser and flex seals and installation for a not-to-exceed price of \$1,109,920. Jim Froning second and the motion carried unanimously.

**SERVICE CENTER  
EARLY SITE  
WORK:**

Ed Krieger reviewed the four bid packages for the early site work on the Piqua Power Service Center project opened on Jun 16, 2011. Star Ex., Inc. had the low bid and references returned excelled comments.

John Alexander made the motion to recommend Star Ex., Inc. to perform the early site work on the Piqua Power Service Center project at a not-to-exceed price of \$443,855. Lynn Severs second and the motion carried unanimously.

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**ADJOURN:** With no further business to discuss, Bill Vogt moved to adjourn the meeting at 1:07 P.M. John Martin second and the motion carried.

**SIGNED:**

\_\_\_\_\_  
Ed Krieger  
Power System Director