

**PIQUA ENERGY BOARD  
MEETING  
OCTOBER 22, 2013**

**TIME & PLACE:** A regular meeting of the Piqua Energy Board was held on Tuesday, October 22, 2013 at Piqua Power System's office at 201 Hemm Ave. Chairman Sharon Lyons called the meeting to order at 12:00 P.M.

**ATTENDANCE:** See attached Attendance Report.

**MONTHLY MINUTES:** John Alexander moved to approve the minutes of the September 24, 2013 meeting. Roger Hartley second and the motion carried.

**MONTHLY REPORT:** Ed Krieger reviewed the September 2013 year to date (YTD) monthly financial reports. YTD kWh sales are 1.3% below budget and revenues are 3.6% below budget. The YTD total electric revenues are 6.7 % below budget. The YTD total electric expenditures are 11.8% below budget. The YTD electric-system margin is \$(1,702,221). The YTD cash and investments are \$7,689,421. The minimum electric fund balance is \$6,375,213 and the ideal electric fund balance is \$11,375,213.

Lynn Sever moved to accept the monthly reports. John Martin second and the motion carried.

**P&G POWER CONTRACT TERMINATION:** Ed Krieger informed the Energy Board that the Power System terminated its contract with P&G Power on October 11<sup>th</sup>. P&G Power was contracted to complete the 69kV transmission line hardening project which included replacing 32 transmission poles. P&G Power completed 16 of the 32 pole replacements before the contract was terminated.

Ed Krieger reviewed the 69kV transmission line hardening project bids received on April 16<sup>th</sup>. The next best bid was Vaughn Industries, LLC. Vaughn has performed well on previous Piqua projects.

John Alexander moved to recommend to Piqua City Commission to award a contract to Vaughn Industries to complete the 69kV transmission line hardening project in the amount of \$445,000. Roger Hartley second and the motion carried unanimously.

**POWER SUPPLY COSTS:**

Ed Krieger reviewed past, present, and future projected power supply costs. Ed Krieger reviewed the impact of moving to project ownership verses market purchases and how it will serve to stabilize long-term power supply costs. Ed Krieger discussed the AMP rate levelization program as an alternative to reduce the rate impact to our customers over an extended time period.

**2013 WORKPLAN – 3rd QUARTER UPDATE:**

Ed Krieger reviewed the most recent update of the 2013 work listing. The Power System remains on target to complete the vast majority of budgeted initiatives for 2013.

**OLD BUSINESS:**

Joe Drapp inquired about the gas turbine insurance situation. Ed Krieger explained that the City has been unable to find an agency to insure the gas turbines which highlights the importance of maintaining adequate cash reserves as it appears Piqua's gas turbines will be self-insured for the foreseeable future.

**NEW BUSINESS:**

The Energy Board requested information on recently constructed coal-fired power plants. Ed Krieger informed the Energy Board that he would research further and report back via e-mail.

**ADJOURN:**

With no further business to discuss, Joe Drapp moved to adjourn the meeting at 1:26 P.M. John Martin second and the motion carried.

**SIGNED:**

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Ed Krieger  
Power System Director