



## POWER SYSTEM

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### PIQUA ENERGY BOARD MEETING NOVEMBER 26, 2013

**TIME & PLACE:** A regular meeting of the Piqua Energy Board was held on Tuesday, November 26, 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:** Roger Hartley moved to approve the minutes of the October 22, 2013 meeting. Pat Jenkins second and the motion carried.

**MONTHLY REPORT:** Ed Krieger reviewed the October 2013 year to date (YTD) monthly financial reports. YTD kWh sales are 0.8% below budget and revenues are 3.1% below budget. The YTD total electric revenues are 14% below budget. The YTD total electric expenditures are 12% below budget. The YTD electric-system margin is \$(1,749,799). The YTD cash and investments are \$7,439,106. The minimum electric fund balance is \$6,375,213 and the ideal electric fund balance is \$11,375,213.

Bill Vogt moved to accept the monthly reports. Jim Froning second and the motion carried.

**EFFICIENCY SMART PHASE II:** Ed Krieger reviewed the Efficiency Smart Phase II program offered by AMP in partnership with Vermont Energy Investment Corporation. The Efficiency Smart Program would cost approximately \$450,000 a year for Piqua to participate. Energy Board Members questioned whether this program would benefit Piqua electric customers and stressed concern with raising electric rates to recover the program cost. Roger Hartley moved to not participate in the Efficiency Smart Phase II program. John Martin second and the motion carried unanimously.

**AMP DUES:**

Ed Krieger reviewed the benefits of Piqua's annual membership dues in AMP. AMP has been Piqua's power supplier since 2007. Membership in AMP has grown to 129 members located in seven states. Piqua is participating in several long-term generation assets owned by AMP, including the Prairie State Energy Campus and Fremont Energy Center. Joe Drapp moved to recommend to Piqua City commission to continue Piqua's membership in AMP in 2014 at a cost of \$82,500. Pat Jenkins second and the motion carried.

**SAWVEL AND ASSOCIATES:**

Ed Krieger reviewed the services provided by the independent consulting and engineering firm, Sawvel and Associates (Sawvel). Services provided by Sawvel have included cost-of-service and rate design, electric power supply and transmission arrangements, advice and recommendations on Piqua's potential participation in AMP joint-venture generating projects. Roger Hartley moved to recommend to Piqua City Commission to authorize the City of Piqua Power System to retain the services of Sawvel and Associates to provide professional consulting and engineering services in 2014 at a cost of up to \$80,000. Lynn Sever second and the motion carried.

**PEAKER FUEL PURCHASES:**

Ed Krieger reviewed the need for authorization to purchase #2 fuel oil for use in the two combustion turbine generators in 2014. The two generators are valuable in Piqua's power portfolio. Pat Jenkins moved to recommend to Piqua City Commission to authorize the City of Piqua Power System to purchase up to \$75,000 of #2 fuel oil as needed in 2014. Roger Hartley second and the motion carried.

**COOPERATIVE RESPONSE CENTER:**

Ed Krieger reviewed the after-hours customer call and dispatch services provided by Cooperative Response Center, Inc. (CRC). CRC has been fully integrated into the operations of the Power System, and provides a significant advantage to our customers. Bill Vogt moved to recommend to Piqua City Commission to authorize the City of Piqua Power System to retain the services of CRC at a cost of up to \$30,000 to provide professional customer call and dispatch services in 2014. John Martin second and the motion carried.

**2012 APPA RATE SURVEY:**

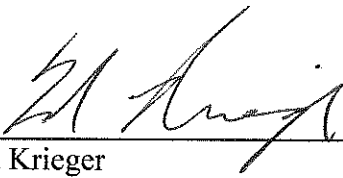
Ed Krieger reviewed the 2012 APPA Rate survey which favorably compared Piqua's residential, commercial and industrial electric rates to state averages and local neighboring utilities.

**OLD BUSINESS:** None to report

**NEW BUSINESS:** Ed Krieger reviewed the Dayton Power and Light (DP&L) proposal to upgrade their Supervisory Control and Data Acquisition (SCADA) equipment in Piqua's substations. Piqua has requested DP&L to interface with the new fiber optic network to increase reliability and eliminate the lease lines from AT&T which will reduce unnecessary expenses. Joe Drapp move to recommend to Piqua City's Commission to upgrade DP&L's SCADA equipment at a cost not to exceed \$180,000. Roger Hartley second and the motion carried.

**ADJOURN:** With no further business to discuss, Bill Vogt moved to adjourn the meeting at 12:40 P.M. John Martin second and the motion carried.

**SIGNED:**

  
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Ed Krieger  
Power System Director