

**PIQUA ENERGY BOARD
MEETING
NOVEMBER 22, 2016**

TIME & PLACE: A regular meeting of the Piqua Energy Board was held on Tuesday, November 22, 2016 at Piqua Power System's office at 201 Hemm Ave. Chairman Joe Drapp called the meeting to order at 12:00 P.M.

ATTENDANCE: See attached Attendance Report.

MONTHLY MINUTES: Lynn Sever moved to approve the minutes of the August 23, 2016 meeting. Stu Shear second and the motion carried.

MONTHLY REPORT: Ed Krieger reviewed the October 2016 year to date (YTD) monthly financial reports. YTD kWh sales are 0.4% below budget and revenues are 1.1% above budget. The YTD total electric revenues are 1% above budget. The YTD total electric expenditures are 11.3% below budget. The YTD total power cost is \$65.53 /mWh.

The YTD electric-system margin is \$413,476. The YTD cash and investments are \$8,484,416. The minimum electric fund balance is \$6,438,081. Roger Hartley moved to accept the monthly reports. Lynn Sever second and the motion carried.

AMP DUES: Ed Krieger reviewed the benefits of Piqua's membership in American Municipal Power (AMP). AMP has been Piqua's power supplier since 2007. Membership in AMP has grown to 135 members located in nine states. Piqua is participating in several long-term generation assets owned by AMP, including the Prairie State Energy Campus and Fremont Energy Center.

John Martin moved to recommend Piqua City Commission approve payment of AMP membership dues of \$75,000 for 2017. Pat Jenkins 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.

Stu Shear moved to recommend Piqua City Commission 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 2017. John Martin second and the motion carried.

**PEAKER FUEL OIL
PURCHASES:**

Ed Krieger reviewed the need to purchase #2 fuel oil for the City's two combustion turbine generators in 2017. Piqua's two generators are valuable in Piqua's power portfolio. These units operate as part of PJM's demand response program, as well as for shaving the City's transmission peak, both of which provide significant financial benefit.

John Martin moved to recommend Piqua City Commission authorize the City of Piqua Power System purchase up to \$75,000 of #2 fuel oil as needed in 2017. 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, as well as recommendations on Piqua's potential participation in AMP joint-venture generating projects.

John Martin moved to recommend Piqua City Commission authorize the City of Piqua Power System to retain the services of Sawvel and Associates to provide professional consulting and engineering services in 2017 at a cost of up to \$60,000. Roger Hartley second and the motion carried.

**2015 AMP CREDIT
SCORE:**

Ed Krieger reviewed the 2015 AMP Member Credit Scoring Program. This program was developed to complete a financial review of municipalities within AMP membership. Piqua earned a score of 92% for 2015, which falls in the Upward Performance Category.

2015 APPA RATE STUDY:

Ed Krieger reviewed the 2015 APPA rate comparison report that summarizes the U.S. Department of Energy's EIA 861 Form. Piqua's electric rates are among the lowest statewide.

2016 WORK PLAN UPDATE:

Ed Krieger reviewed the most recent update of the 2016 work listing. The Power System remains on target to complete the vast majority of budgeted initiatives for 2016.

OLD BUSINESS:

None to report.

NEW BUSINESS:

None to report.

ADJOURN:

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

SIGNED:

Ed Krieger
Power System Director