



Commission Members Present: Bill Donohue, Joe King, Michael Nicholas, Bob Schasse, Fred Shanks, Phillip Smith, Jim Turpin

Commission Members Absent: Dawn Witter

Staff Present: Michael Adkins, Meagan Baker, Patricia Conner, Betty Custer, Barry Dunkley, Carolyn Evans, Jason Grey, Arnold Hendrix, Jennifer Holley, Warren Martin, Becky Meadows, Neil Hankins, Clarke Whitfield and Allen Wiles

Others Present: John Gilstrap
Dr. Gary Miller
Representatives from AEP and PJM

Call to Order & Announcements

Chairman Smith opened the meeting and asked that the attendance be recorded. As a quorum was present, the meeting was called to order.

Discussion / Business Items

Minutes of February 23, 2015 Commission Meeting: Chairman Smith asked for any corrections, deletions, or adjustments to the minutes of February 23, 2015. There were none.

Mr. Turpin made a motion to approve the minutes. Mr. Nicholas seconded the motion. The motion was unanimously approved.

Review of Utilities' Financial Statements: Patricia Conner reviewed the Utilities' financial statements.

Ms. Conner then addressed questions from the Commissioners.

AEP/PJM Presentation: Members of Appalachian Power Company gave an overview on American Electric Power's relationship with PJM saying that AEP is not charged high transmission fees because they own substantial generation facilities within the RTO.

Representatives from PJM then spoke on the organizations role in the delivery of power from the RTO to Danville Utilities.

The representatives from both organizations then addressed questions from the Commissioners.

Discussion on the 2015 Biennial Rate Study: Commissioners and staff discussed the 2015 Biennial Rate Study and its recommendations for rate increases. Mark Beauchamp from Utility Financial Services joined the meeting by telephone.

Mr. Smith suggested that fire hydrant services be once again paid from the City's general fund. He said the change would eliminate the need for a rate increase in the water fund in Fiscal 2017.

Mr. Donohue said that, with no decrease in the PCA's negative balance, other alternatives should be researched. Mr. Donohue asked for a variance analysis.

Mr. Smith moved that the Danville Utility Commission approve the 2015 Biennial Utility Rate Study with the Commission's recommendation of proposed changes in Water in FY2016 and as recommended for Electric, Water and Gas in FY2017 be adopted by City Council.

Department Discussions: Barry Dunkley discussed the problems with the smell and taste of Danville's Water. Mr. Dunkley said that more samples will be tested but that the water has remained safe to drink.

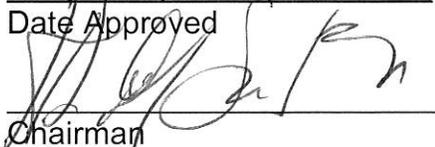
Mr. Dunkley then addressed questions from the Commissioners.

Adjournment

Chairman Smith stated the next meeting is scheduled for April 27, 2015. There being no further business Chairman Smith adjourned the meeting at 5:15 p.m.

Submitted by Patti OKeefe
Secretary to the DUC

April 27, 2015

Date Approved


Chairman
Danville Utility Commission