

Danville Utility Commission

4:00 p.m. May 18, 2020 Meeting

Council Chambers, City Hall

Minutes

Pursuant to City of Danville Ordinance Number 2020-04.01, the format for the meeting was modified to decrease the spread of the Coronavirus or COVID-19. The changes were designed to accommodate public input for the public comments while encouraging the public to continue self-quarantining and practicing social distancing, as recommended by Governor Northam. The public was asked to refrain from attending the meeting in person and was encouraged to watch the meeting live via River City TV or on Facebook Live on the City of Danville's Facebook page. Citizens who wanted to make comments were able to e-mail or call in those comments in advance.

Commission Members Present: Bill Donohue, Michael Adkins*, Helm Dobbins, Paul Liepe, Bert Eades

*Mr. Larking assigned Mr. Adkins to acting City Manager in his absence

Commission Members Absent: Sheila Williamson-Branch, Vanessa Cain, Fred Shanks

Staff Present: Ryan Dodson, Jason Grey, Janet Davis, Jennifer Holley, Laura Blackwell, Jeanne Scott

Others Present:

Call to Order and Announcements

Chairman Donohue 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 April 20, 2020 Commission Meeting

Chairman Donohue asked for any corrections, deletions, or adjustments to the minutes of April 20, 2020.

Mr. Dobbins made a motion to approve the minutes. Mr. Liepe seconded, all members voted in favor, and the motion carried unanimously.

Review of Utilities' Financial Statements

Ms. Holley reviewed the utilities financial statements and addressed questions from the commissioners.

Mr. Donohue asked why the PCA is not having a consistent over recovery like it has in prior months. Mr. Grey explained that the projected kilowatt hours were 73 million versus the actual kilowatts hours of 58 million, accounting for the difference.

Customer Billing Timeline and Fees

Mr. Adkins discussed the delinquent account collection timeline. He also discussed how late payment fees and delinquent processing charges are applied to customer accounts.

Mr. Liepe asked if the process is the same for residential as for industrial customers. Mr. Adkins said they are treated the same for delinquent accounts. Ms. Jeanne Scott added that commercial accounts are given 20 days to pay.

Mr. Donohue asked how the Governor's decisions will affect Danville Utilities decisions for payment. Mr. Grey responded that even though we are not governed by the SCC, we will follow their guidelines for consistency.

Mr. Dobbins asked for a breakdown in the future of delinquent accounts and the recovery of those funds.

Discussion on Temporarily Extending the Power Cost Adjustment Balance

Mr. Grey presented recommendations to the Utility Commission that the PCA balance be allowed to surpass (\$4,000,000) with the expectations that the balance will be back in compliance by December 2021.

Mr. Dobbins asked if there was a ceiling for the deficit. Mr. Grey responded that because it can't be predicted, there was no ceiling number proposed.

Mr. Donohue asked for some form of plan or forecast in order to approve the recommendations. Mr. Grey responded that he could bring one back to the Commission at a future meeting.

Mr. Liepe noted that his understanding of the PCA is that it was set up to allow it to be changed as needed in order to not have to adjust the rates, and now that it needs to be adjusted, the discussion is occurring regarding whether or not to use it for its purpose.

Mr. Donohue requested that the proposal be tabled until more information can be provided.

Mr. Eades noted that the PCA is already being exceeded, so something needs to be acted on.

Mr. Liepe requested seeing alternatives other than raising the PCA.

A motion was made by Mr. Liepe and seconded by Mr. Dobbins that the proposed motion be tabled until a future Danville Utility Commission meeting. All members voted in favor, and the motion carried unanimously.

Discussion on modifying the existing PSEG Capacity Hedge Agreement

Mr. Grey presented a request to the Utility Commission that the City modify the original capacity hedge agreement to include language that makes either party (PSEG or City of Danville) whole when there are differences in PJM zone prices. PSEG owns generation assets in the MAAC zone which is valued at a higher rate than the contracted RTO zone within PJM. The existing contract requires that all capacity be delivered at the RTO zone.

Mr. Dobbins asked who defines the zones. Mr. Grey responded that PJM defines the zones with oversight by FERC. Mr. Dobbins requested to see the contract terms for review by the Utility Commission.

Mr. Eades asked if there is a relationship issue and if not approving the recommendations would negatively impact the Danville Utilities with PSEG. Mr. Grey responded that it could negatively impact future fiscal years and any future transactions.

A motion was made by Mr. Eades and seconded by Mr. Liepe that the Danville Utility Commission recommend to City Council to allow the City Manager to amend the 2016 PSEG agreement with the proposed revisions. Mr. Dobbins opposed. All other members voted in favor, and the motion carried.

Department Discussions

Mr. Donohue apologized for being late to the meeting.

There were no additional comments from Utilities staff.

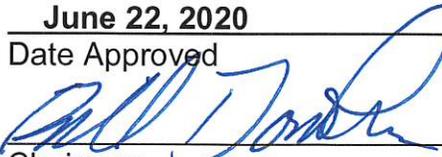
Mr. Eades stated his appreciation to staff for their work.

Mr. Grey updated staff on the substation upgrades and the solar farm construction.

Adjournment

Chairman Donohue stated the next meeting is scheduled for June 22, 2020. There being no further business, Mr. Eades made a motion to close that was seconded by Mr. Dobbins. Mr. Donohue adjourned the meeting at 5:37 p.m.

Submitted by Janet C. Davis
Secretary to the DUC

June 22, 2020
Date Approved

Chairman
Danville Utility Commission