



Commission Members Present: Joe King, Jeff Liverman, Bob Schasse, Fred Shanks, Phillip Smith and Jim Turpin

Commission Members Absent: Steve Daniels and Bob Vaughan

Staff Present: Barry Dunkley, Carolyn Evans, Jason Grey, Jim Harr, Jennifer Holley, Patricia Knutti, Nate Lewis, and Alan Spencer

Others Present: Doug Handley, Utility Consulting Services

Call to Order & Announcements

Vice-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 April 11, 2011 Commission Meeting: Vice-Chairman Smith asked for any corrections, deletions, or adjustments to the minutes of April 11, 2011. There were none. Mr. Turpin made a motion to approve the minutes. Mr. Schasse seconded the motion. The motion was unanimously approved.

Review of Utilities' Financial Statements: Patricia Knutti reviewed the March 2011 financial statements. Ms. Knutti said that with 75% of the year completed all funds are performing close to budget.

Ms. Knutti then addressed questions from the Commissioners.

Review of 2010 Water Quality Report: Barry Dunkley stated that the 2010 Water Quality Reports would be included in the customers' June bills. Mr. Dunkley explained that the report is required by state and federal law to be sent to each City water customer every year.

Mr. Dunkley then answered questions from the Commissioners.

City of Danville Power Supply Plan: Doug Handley, rate consultant from Utility Consulting Services, spoke in detail on Danville's energy usage and need to secure power to cover intermediate and peaking hours to prevent the need to purchase energy on the open market at higher rates. Mr. Handley recommended that Danville subscribe to the combined cycle capacity of the AMP Freemont Energy Center equal to the projected intermediate capacity requirements. Upon securing the subscription, Mr. Handley explained, Danville will have met its requirements for both base and intermediate future loads.

To satisfy the need for peaking capacity, Mr. Handley recommended that Danville investigate options such as AEP's Wolf Hills Generating Station.

Mr. Handley then addressed the Commissioner's questions after which Mr. Turpin moved that the Danville Utility Commission recommend that City Council approve the City of Danville, VA – Power Supply Plan.

Mr. Schasse seconded the motion. A vote was cast and the motion passed unanimously.

Continued 2011 Biennial Utility Rate Study Review: Doug Handley then gave an update on the 2011 Biennial Utility Rate Study. Mr. Handley said that the changes requested at the last meeting were made to the document. Mr. Handley said staff would bring back changes to the non consumption charges at a future meeting after publicizing a public hearing.

Mr. Handley answered questions from the Commissioners regarding the Time of Use Rate, the Energy Efficiency Resource Rider and the Gas Transporter Rate. Mr. Schasse expressed that removing the tier structure in Schedule 40 may deter businesses from locating in Danville.

Mr. Turpin moved that the Danville Utility Commission approve the 2011 Biennial Utility Rate Study and direct Danville Utilities staff to prepare documents for City Council with the Commission's recommendation that the proposed changes be adopted.

Mr. King seconded the motion. A vote was cast. Mr. Schasse abstained from the vote. All others present voted in favor. The motion passed.

Public Hearing and Consideration of Public Regulatory Policy Act Standards:

Mr. Schasse made a motion to close the public hearing. Mr. King seconded the motion. A vote was cast and the motion passed unanimously.

As there were no comments from the public, Mr. King made a motion to adopt the Public Regulatory Policy Act Standards as modified. Mr. Schasse seconded the motion. A vote was cast and the motion passed unanimously.

Communications

Communications from City Manager: There were none.

Communications from Utilities Staff: Ken Ashworth said that staff will attempt to have a ribbon cutting soon for the third delivery point.

Carolyn Evans stated that the County customers would start receiving monthly bills in June.

Nate Lewis said that the final reports on the Residential Survey were completed and that Michael would be at the next meeting to review the survey results.

Jenny Holley said that the Water and Gas warehouse inventory was complete.

Jim Harr said that Phase X of the Gas Pipeline Replacement Project was 99% complete.

Communications from Commissioners: Mr. Schasse questioned the time of use wording in the rate schedule. Doug Handley said that he would check that section and make any corrections necessary.

Director's Report: There was none.

Public Comments: There were none.

Adjournment

Vice-Chairman Smith stated the next meeting is scheduled for June 27th, 2011. There being no further business, Vice-Chairman Smith adjourned the meeting at 6:40 p.m.

June 27, 2010
Date Approved

Chairman
Danville Utility Commission

Submitted by Patti OKeefe
Secretary to the DUC