



Danville Utility Commission
4:00 p.m. September 24, 2012 Meeting
Council Conference Room, City Hall
Minutes

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

Commission Members Absent: Steve Daniels, and Joe King

Staff Present: Michael Adkins, Ken Ashworth, Barry Dunkley, Barbara Dameron, Jason Grey, Jim Harr, Jennifer Holley, David Parrish, and Clarke Whitfield

Others Present: John Bentine, Sr. VP General Counsel, AMP
Pam Sullivan, Sr. VP Marketing and Operations, AMP

Call to Order & Announcements

Chairman Vaughan 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 August 27, 2012 Commission Meeting: Chairman Vaughan asked for any corrections, deletions, or adjustments to the minutes of August 27, 2012.

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: Michael Adkins reviewed the July 2012 financial statements.

Mr. Turpin asked when the Energy Efficiency charge would be reduced to \$0.0005 per kWh collected, and the amount applied to the PCA collection would be increased by a factor of \$0.0005 per kWh. Mr. Adkins said that he would research that and bring an answer to the next meeting.

Mr. Adkins then addressed additional questions from the Commissioners.

City of Danville's AMP Projects Update: Ken Ashworth introduced John Bentine, Sr. VP General Counsel and Pam Sullivan, Sr. VP Marketing and Operations from AMP who presented an update on AMP projects that Danville is subscribed to.

Ms. Sullivan spoke on the Fremont Energy Center explaining that there has been a savings of \$20 million between the cost of generation and market prices since January.

Ms. Sullivan then updated the Commissioners on four Hydro Projects saying that Cannelton is expected to be online in the second quarter of 2014, Smithland should be operational in the second quarter of 2015, Willow Island is set to be operational in the fourth quarter of 2014 and the Meldahl Hydro Project which is expected to come online in October of 2014. Ms. Sullivan detailed the construction phase of each project.

Ms. Sullivan also spoke on the Prairie State Plant saying that it exceeded both capacity and heat rate performance testing. Ms. Sullivan said that commercial operation is anticipated in December of 2012 and the plant meets or exceeds all of the new and currently proposed U.S. EPA regulations on coal fired power plants.

Ms. Sullivan and Mr. Bentine then updated the Commissioners on the litigation surrounding the cancelled AMPGS project stating that AMP will carry any stranded costs until all legal proceedings against Bechtel Power Corporation are finalized.

Ms. Sullivan and Mr. Bentine then addressed questions from the Commissioners.

Communications from the Deputy City Manager: Deputy City Manager David Parrish informed the Commission that the new Utilities Director, Steve Saum, would begin work on Monday, October 1st. Mr. Parrish thanked Jim Harr saying he did a great job as the interim director.

Communications from Commission Members: The Commissioners also thanked Mr. Harr and said the AMP presentation was well done and helped them to understand the status of Danville's AMP projects.

Director's Report: Jim Harr thanked the staff and the Commissioners for their support.

Adjournment

Chairman Vaughan stated the next meeting is scheduled for October 22, 2012. There being no further business, Chairman Vaughan adjourned the meeting at 6:10 p.m.

Submitted by Patti OKeefe
Secretary to the DUC

October 22, 2012

Date Approved

Chairman
Danville Utility Commission