



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

Commission Members Absent: Steve Daniels

Staff Present: Michael Adkins, Barbara Dameron, Barry Dunkley, Carolyn Evans, Jason Grey, Jim Harr, Jennifer Holley, Patricia Knutti, Nate Lewis, and Clarke Whitfield

Others Present: Dr. Gary Miller, Danville City Council
Michael Vigeant, The Center for Research
Jim Herndon, Nexant
Doug Handley, Utility Consulting Services

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 March 28, 2011 Commission Meeting: Chairman Vaughan asked for any corrections, deletions, or adjustments to the minutes of March 28, 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: Michael Adkins reviewed the February 2011 financial statements. Mr. Adkins said that with two thirds of the year completed all funds are performing close to budget.

Mr. Smith questioned the Water Fund figures saying that it appeared the fund was in deficit. Mr. Smith asked that more detail be brought to the next meeting.

Residential Appliance Saturation Survey Overview: Nate Lewis turned the floor over to Michael Vigeant, President of The Center for Research who presented information on the Residential Appliance Saturation Study that The Center for Research will be

conducting for Danville Utilities. Mr. Vigeant said there would be 800 completed calls placed by live representatives between April 20th and May 6th and a final report would be delivered around May 16th. The survey, he said, would gauge appliances currently in use and the residents' attitudes towards energy efficiency.

Mr. Vigeant then addressed questions from the Commissioners.

Energy Efficiency Rebate Program Overview: Jim Herndon, Senior Program Manager for the energy efficiency program implementation firm Nexant, presented the Commission with information on Danville's proposed residential Energy Efficiency Rebate Program. Mr. Herndon explained that areas targeted for rebates would be HVAC equipment, Weatherization, Appliances and Lighting. Nexant would Design, implement and market the rebates and recruit trade allies to assist with the program, he said.

Mr. Herndon then answered questions from the Commissioners and stated that the program is tentatively set to begin in early June.

Continued 2011 Utility Rate Study Review: Doug Handley, rate consultant from Utility Consulting Services, gave an update on the Biennial Rate Study. Mr. Handley said that Danville's tap fees were very low compared to other utilities and he proposed that the charge should be raised to \$1500. The Commissioners inquired what the Pittsylvania County Service Authority charged per tap and if the fee is sufficient to cover Danville Utilities cost. Mr. Handley stated that the recommended fee does not cover all of the costs associated with the installation.

Mr. Handley then discussed Gas Transportation Rate options. Mr. Handley said that the gas transportation rates are much lower than the delivery charge for the Firm Industrial Rate. Mr. Handley presented options to make the rates comparable.

Mr. Handley then spoke on how a Time of Use Rate may be calculated explaining that peak times in the summer and winter are not the same. The Commissioners asked if the Time of Use Rate needed to be optional and if the time periods could be extended.

Mr. Handley stated that he would bring suggestions back to the Commission.

Public Hearing and Consideration of Public Regulatory Policy Act Standards: At 6:20 P.M. Chairman Vaughan opened the public hearing required by the Energy Policy Act of 2001 and the Energy Independence and Security Act of 2007 for the purpose of considering the Public Utility Regulatory Policies Act of 1978 (PURPA). Mr. Handley explained that the public hearing would stay open until May 23rd for written public comment as well as comments at the next meeting.

Mr. Handley explained Danville Utilities has previously made a determination on six of the nine standards and that three remaining standards must be addressed in conjunction with the 2011 biennial rate study. These standards include integrated

resource planning, rate design modifications to promote energy efficiency investments, and smart grid information. Mr. Handley then detailed the standards and options available.

At the May 23rd meeting, Mr. Handley stated, the Commission will consider any further findings and evidence, make a motion to close the Public Hearing and make a motion to adopt the standards as modified. After the May meeting, the determinations would be summarized in writing and made available to the public.

Communications

Communications from City Manager: There were none.

Communications from Utilities Staff: Ken Ashworth spoke on the American Public Power Associations Safety Award of Excellence that was granted to Danville Utilities and Power and Light Division projects.

Carolyn Evans stated that notifications would be mailed stating that monthly billing for County customers would begin on June 1st

Communications from Commissioners: Mr. Smith expressed that the meeting was very informative.

Director's Report: Jim Harr stated the Gas Transportation rate increase would phase in over 4 years.

Public Comments: There were none.

Adjournment

Chairman Vaughan stated the next meeting is scheduled for May 23rd, 2011. There being no further business, Chairman Vaughan adjourned the meeting at 6:40 p.m.

May 23, 2010
Date Approved

Chairman
Danville Utility Commission

Submitted by Patti OKeefe
Secretary to the DUC