Danville Utility Commission Meeting Agenda
4:00 p.m., June 24, 2019

City Council Chambers, Danville City Hall

I. Call to Order

A. Roll Call

B. Announcements

II. Discussion/Business Items

A. Minutes of the May 6, 2019 Commission Meeting

B. Review of Utilities' Financial Statements

C. Energy Efficiency Rebate Recommendations

D. Ringgold Energy Storage Proposal

E. Closed Session

III. Communications

A. City Manager

B. Utilities Staff

C. Commission Members

D. Public Comments

E. Director's Report

IV. Adjournment

Next Utility Commission Meeting

4:00 p.m. Monday, July 22, 2019

City Council Chambers
4th Floor, City Hall

Danville Utility Commission
4:00 p.m. May 6, 2019 Meeting
Council Chambers, City Hall
Minutes

Commission Members Present: Vanessa Cain, Bill Donohue, Bert Eades, Paul Liepe, Sheila Williamson-Branch, Fred Shanks, Helm Dobbins, Ken Larking

Commission Members Absent:

Staff Present: Alan Spencer, Lori Millner, Philip Haley, Jason Grey, Janet Davis, Alan Johnson, Kelly Kinnett, Mike Spencer, Jennifer Holley, Michael Adkins, Carolyn Evans, Laura Blackwell

Others Present: Jerry Shupe, Inframark

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 March 25, 2019 Commission Meeting

Chairman Donohue asked for any corrections, deletions, or adjustments to the minutes from March 25, 2019.

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

Review of Utilities' Financial Statements

Ms. Holley presented the March financial statements for each utility fund.

Mr. Donahue asked about the bad debt noted in the electric fund. Ms. Holley stated that this money could still be recouped should customers submit payment for the delinquent bills.

Transco Turn Back Capacity Proposal

Mr. Kinnett presented a proposal from Transco requesting that Danville Utilities consider granting as an option to take back a portion of unutilized production-area capacity in exchange for a discount on the reservation rate.

Mr. Shanks asked if the decrease would affect future rates. Mr. Kinnett responded that this decrease will only affect the Purchased Gas Adjustment (PGA).

A motion was made by Mr. Eades and seconded by Mr. Dobbins that the Danville Utility Commission recommend to City Council pursuing Transco's proposal of releasing 2,875 dekatherms per day of capacity between stations 30 to 65 with an additional option of 4,227 dekatherms per day at a discount rate of $0.08/ dekatherm. All members voted in favor, and the motion carried unanimously.

Schoolfield Hydro Renewable Energy Credit Strategy 2019-2020

Mr. Grey presented the a proposed strategy for selling renewable energy credits from the generation at the Schoolfield Hydro Plant.

A motion was made by Mr. Liepe and seconded by Mr. Dobbins that the Danville Utility Commission recommend to City Council selling the renewable energy credits (REC) associated with the generation at Schoolfield Hydro Plant for a minimum of $2.00/REC for calendar years 2019 and 2020. All members voted in favor, and the motion carried unanimously.

Power Supply and Peaking Generation Update

Mr. Grey provided an update on the City's 2018 power supply. He also provided a summary of technologies being reviewed to help reduce demand during transmission and capacity peaks for both winter and summer months.

Department Discussions

Mr. Larking said that unused transfers from previous years from the Utility Fund to the General Fund will be utilized to offset some of the deficit in the City's budget. He also mentioned that future new employees will pay towards their retirement.

Mr. Adkins introduced Laura Blackwell as the new Division Director of Customer Accounts.

There was no comment from Commission members or the public.

Adjournment
Mr. Donahue stated the next meeting is scheduled for June 24, 2019. Ms. Williamson-Branch made a motion to adjourn. Mr. Dobbins seconded the motion. There being no further business, Mr. Donohue adjourned the meeting at 5:35 p.m.

June 24, 2019
Date Approved

Submitted by Janet C. Davis
Secretary to the DUC

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Chairman
Danville Utility Commission

Commission Item Number: DUC190624 - 1
Utility Commission Meeting: June 24, 2019
Item: II. B. Review of Utilities' Financial Statements

Financial Report

April financials will be reviewed.

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
APRIL 30, 2019

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	APRIL 30, 2019
ASSETS						
Equity in pooled Cash and Investments	$ 9,617,087.98	11,195,387.25	15,526,903.78	38,639,411.36	1,158,922.42	76,137,712.79
Receivables (Net of allowances for Uncollectible):						
Accounts	1,132,225.78	537,283.59	1,777,313.14	16,040,995.94	76,489.70	19,564,308.15
Power/Gas Cost Recovery	-	-	(347,724.74)	5,788,672.20	-	5,440,947.46
Pension Assets	336,418.00	904,839.00	813,783.00	3,153,579.00	87,912.00	5,296,531.00
Inventory of Gas, Materials and Supplies, at Cost	-	589,437.06	549,548.92	1,780,170.71	207,422.46	3,126,579.15
Fixed Assets	97,510,328.22	73,101,429.35	69,485,874.33	301,314,773.88	10,549,837.71	551,962,243.49
Accumulated Depreciation	(45,937,808.89)	(38,400,174.58)	(28,448,059.09)	(132,420,140.86)	(2,925,868.28)	(248,132,051.70)
Deferred Outflows - Pension	136,399.00	366,865.00	329,945.00	1,278,610.00	35,644.00	2,147,463.00
TOTAL ASSETS	$ 62,794,650.09	48,295,066.67	59,687,584.34	235,576,072.23	9,190,360.01	415,543,733.34
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts Payable	$ 51,686.41	159,968.52	1,210,566.82	8,022,911.90	27,165.28	9,472,298.93
Accrued Interest Payable	62,482.72	61,105.31	24,935.13	542,451.85	-	690,975.01
Customer Deposits	-		-	3,692,430.80	-	3,692,430.80
Accrued Vacation, Sick Leave & Workers Comp.	-	98,928.48	71,182.76	620,069.56	4,024.53	794,205.33
Deferred Gain / Loss - Refunding Bonds	(142,429.95)	(131,767.79)	(81,627.31)	(1,313,003.02)	-	(1,668,828.07)
Original Issue Premium/Discount (Refunding Bonds)	152,490.65	138,743.05	90,581.74	3,366,211.10	-	3,748,026.54
General Obligation Bonds Payable	2,700,202.13	2,746,030.46	1,221,000.40	40,689,011.23	-	47,356,244.22
Revenue Bonds Payable	(0.17)	-	-	-	-	(0.17)
Long-Term Leases, Notes, and Contracts Payable	-	-	-	29,270.22	-	29,270.22
TOTAL LIABILITIES	$ 2,824,431.79	3,073,008.03	2,536,639.54	55,649,353.64	31,189.81	64,114,622.81
Net Assets						
Contributed Capital	$ 3,865,503.44	4,676,282.92	1,340,232.51	13,721,622.53	337,248.59	23,940,889.99
Retained Earnings:						
Restricted for Investment in Fixed Assets	$ 44,996,753.23	27,271,966.13	38,467,627.90	112,430,791.18	7,286,720.84	230,453,859.28
Restricted for Incomplete Projects	5,772,196.33	7,604,372.67	2,984,505.49	14,578,279.51	505,476.44	31,444,830.44
Restricted for Subsequent Expenses	876,991.84	65,774.98	104,834.95	781,017.31	8,566.59	1,837,185.67
Net Pension Assets	336,418.00	904,839.00	813,783.00	3,153,579.00	87,912.00	5,296,531.00
Deferred Outflows - Pension	136,399.00	366,865.00	329,945.00	1,278,610.00	35,644.00	2,147,463.00
Unrestricted	4,122,355.46	4,698,822.94	13,439,960.95	35,261,429.06	933,245.74	58,455,814.15
Total Retained Earnings	$ 56,104,714.86	40,545,775.72	55,810,712.29	166,205,096.06	8,821,921.61	327,488,220.54
TOTAL NET ASSETS	$ 59,970,218.30	45,222,058.64	57,150,944.80	179,926,718.59	9,159,170.20	351,429,110.53
TOTAL LIABILITIES AND NET ASSETS	$ 62,794,650.09	48,295,066.67	59,687,584.34	235,576,072.23	9,190,360.01	415,543,733.34

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED APRIL 30, 2019

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	APRIL 30, 2019
Operating revenues:							
Charges for Services	$	8,369,482.09	6,520,653.09	21,752,047.61	101,384,115.22	781,964.38	138,808,262.39
Operating Expenses:							
Purchased Services	$	-	-	12,240,785.34	77,908,906.17	47,726.77	90,197,418.28
Production		-	-	-	562,118.91	-	562,118.91
Transmission & Treatment		1,920,920.74	1,339,664.92	-	1,199,796.86	-	4,460,382.52
Engineering		-	168,116.27	227,447.56	577,237.08	-	972,800.91
Distribution		1,976,401.98	459,413.76	467,942.98	9,691,897.04	-	12,595,655.76
Service		33,301.02	43,744.07	43,667.10	-	-	120,712.19
Meters & Regulators		-	99,350.10	127,040.80	225,592.71	104.72	452,088.33
Administrative		1,410,546.45	2,187,701.09	3,432,887.59	4,424,162.11	628,937.73	12,084,234.97
Total Operating Expenses	$	5,341,170.19	4,297,990.21	16,539,771.37	94,589,710.88	676,769.22	121,445,411.87
Operating Income (Loss)	$	3,028,311.90	2,222,662.88	5,212,276.24	6,794,404.34	105,195.16	17,362,850.52
Non-Operating Revenues (Expenses):							
Jobbing Income (Loss)		44,990.85	42,860.40	80,501.53	185,865.40	25,536.10	379,754.28
Interest Income		176,129.23	206,026.95	226,149.66	720,295.60	19,584.91	1,348,186.35
Energy Efficiency Recovery		-	-	-	(383,705.00)	-	(383,705.00)
Gain (Loss) on Disposal of Property		-	6,045.68	68.25	30,081.00	-	36,194.93
Recoveries and Rebates		7,649.15	15,445.90	234,460.02	(517.50)	-	257,037.57
Interest Expense		(167,262.91)	(168,186.15)	(62,376.70)	(1,597,470.65)	-	(1,995,296.41)
Total Non-Operating Revenues (Expenses)	$	61,506.32	102,192.78	478,802.76	(1,045,451.15)	45,121.01	(357,828.28)
Income (Loss) Before Operating Transfers	$	3,089,818.22	2,324,855.66	5,691,079.00	5,748,953.19	150,316.17	17,005,022.24
Operating Transfers:							
Transfers In (Out)		(3,578,133.30)	(785,250.00)	(2,549,441.70)	(8,401,341.70)	(67,500.00)	(15,381,666.70)
Total Operating Transfers	$	(3,578,133.30)	(785,250.00)	(2,549,441.70)	(8,401,341.70)	(67,500.00)	(15,381,666.70)
Net Income (Loss)	$	(488,315.08)	1,539,605.66	3,141,637.30	(2,652,388.51)	82,816.17	1,623,355.54
Net Assets - July 1, 2018, as restated		60,426,114.95	43,682,452.98	54,009,307.50	182,579,107.10	9,076,354.03	349,773,336.56
Net Income (Loss)		(488,315.08)	1,539,605.66	3,141,637.30	(2,652,388.51)	82,816.17	1,623,355.54
Contribution In Aid of Construction		32,418.43	-	-	-	-	32,418.43
Net Assets - April 30, 2019	$	59,970,218.30	45,222,058.64	57,150,944.80	179,926,718.59	9,159,170.20	351,429,110.53

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED APRIL 30, 2019

WASTEWATER - FINAL

	ORIGINAL BUDGET 2018-19	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2018-19	APRIL 2019	PERCENT OF CURRENT BUDGET	APRIL 2018
OPERATING REVENUE	9,644,240.00		9,644,240.00	8,369,482.09	86.78%	7,980,736.92
COST OF SALES						
PURCHASED SERVICES						
PRODUCTION						
TOTAL COST OF SALES						
GROSS PROFIT						
GROSS PROFIT %						
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	2,984,790.00	63,824.16	3,048,614.16	1,920,920.74	63.01%	1,991,648.03
ENGINEERING	-		-	-		-
DISTRIBUTION	2,510,580.00	79,936.07	2,590,516.07	1,976,401.98	76.29%	1,543,953.25
SERVICE	133,640.00		133,640.00	33,301.02	24.92%	70,814.76
METERS & REGULATORS	-		-	-		-
BAD DEBT	35,400.00		35,400.00	29,639.62	83.73%	18,812.26
GENERAL & ADMINISTRATIVE	1,768,050.00		1,768,050.00	1,380,906.83	78.10%	1,427,298.24
TOTAL OPERATING EXPENSES	7,432,460.00	143,760.23	7,576,220.23	5,341,170.19	70.50%	5,052,526.54
OPERATING INCOME (LOSS)	2,211,780.00	(143,760.23)	2,068,019.77	3,028,311.90	146.44%	2,928,210.38
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	104,000.00		104,000.00	176,129.23	169.36%	108,455.15
RECOVERIES AND REBATES	-		-	7,649.15		4,259.35
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBBING INCOME (LOSS)	51,800.00		51,800.00	44,990.85	86.85%	30,201.16
INTEREST ON LONG TERM INDEBTEDNESS	(168,950.00)		(168,950.00)	(167,262.91)	99.00%	(215,786.38)
NET INCOME (LOSS)	2,198,630.00	(143,760.23)	2,054,869.77	3,089,818.22	150.37%	2,855,339.66
OPERATING TRANSFERS IN (OUT)	(693,760.00)	(3,000,000.00)	(3,693,760.00)	(3,578,133.30)	96.87%	(578,133.34)
NET INCOME AFTER TRANSFERS	1,504,870.00	(3,143,760.23)	(1,638,890.23)	(488,315.08)	29.80%	2,277,206.32
CONTRIBUTION IN AID	35,000.00		35,000.00	32,418.43	92.62%	
REGULAR CAPITAL MAINTENANCE	(440,860.00)	(4,189.66)	(445,049.66)	(47,287.62)	10.63%	
CAPITAL PROJECTS	(1,350,000.00)	(4,312,562.56)	(5,662,562.56)	(338,128.27)	5.97%	
DEBT SERVICE	(1,038,450.00)		(1,038,450.00)	(1,038,423.98)	100.00%	
DEPRECIATION	2,083,000.00		2,083,000.00	1,681,437.30	80.72%	
CONTINGENCY	(100,000.00)		(100,000.00)		0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED APRIL 30, 2019

WATER - FINAL

	ORIGINAL BUDGET 2018-19	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2018-19	APRIL 2019	PERCENT OF CURRENT BUDGET	APRIL 2018
OPERATING REVENUE	8,317,890.00		8,317,890.00	6,520,653.09	78.39%	6,704,241.04
COST OF SALES						
PURCHASED SERVICES						
PRODUCTION						
TOTAL COST OF SALES						
GROSS PROFIT						
GROSS PROFIT %						
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,835,210.00	35,205.09	1,870,415.09	1,339,664.92	71.62%	1,509,391.98
ENGINEERING	266,240.00	(3,418.76)	262,821.24	168,116.27	63.97%	212,774.79
DISTRIBUTION	667,110.00	(10,414.33)	656,695.67	459,413.76	69.96%	590,835.29
SERVICE	144,770.00		144,770.00	43,744.07	30.22%	41,575.56
METERS & REGULATORS	167,020.00		167,020.00	99,350.10	59.48%	80,737.51
BAD DEBT	31,600.00		31,600.00	20,674.69	65.43%	14,195.20
GENERAL & ADMINISTRATIVE	2,909,650.00	19,406.70	2,929,056.70	2,167,026.40	73.98%	2,282,425.62
TOTAL OPERATING EXPENSES	6,021,600.00	40,778.70	6,062,378.70	4,297,990.21	70.90%	4,731,935.95
OPERATING INCOME (LOSS)	2,296,290.00	(40,778.70)	2,255,511.30	2,222,662.88	98.54%	1,972,305.09
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	126,000.00		126,000.00	206,026.95	163.51%	141,617.06
RECOVERIES AND REBATES	10,000.00		10,000.00	15,445.90		9,938.51
GAIN/LOSS ON DISPOSAL	12,500.00		12,500.00	6,045.68		217.00
JOBBING INCOME (LOSS)	120,330.00		120,330.00	42,860.40	35.62%	69,902.00
INTEREST ON LONG TERM INDEBTEDNESS	(153,690.00)		(153,690.00)	(168,186.15)	109.43%	(207,371.96)
NET INCOME (LOSS)	2,411,430.00	(40,778.70)	2,370,651.30	2,324,855.66	98.07%	1,986,607.70
OPERATING TRANSFERS IN (OUT)	(942,300.00)		(942,300.00)	(785,250.00)	83.33%	(785,250.00)
NET INCOME AFTER TRANSFERS	1,469,130.00	(40,778.70)	1,428,351.30	1,539,605.66	107.79%	1,201,357.70
CONTRIBUTION IN AID	-		-	-		
REGULAR CAPITAL MAINTENANCE	(1,008,800.00)	(172,734.10)	(1,181,534.10)	(856,550.49)	72.49%	
CAPITAL PROJECTS	(5,500,000.00)	(3,354,938.70)	(8,854,938.70)	(1,717,427.97)	19.40%	
DEBT SERVICE	(928,370.00)		(928,370.00)	(928,352.59)	100.00%	
DEPRECIATION	1,680,000.00		1,680,000.00	1,308,641.40	77.90%	
CONTINGENCY	(100,000.00)		(100,000.00)	-	0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED APRIL 30, 2019

GAS - FINAL

	ORIGINAL BUDGET 2018-19	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2018-19	APRIL 2019	PERCENT OF CURRENT BUDGET	APRIL 2018
OPERATING REVENUE	22,462,280.00		22,462,280.00	21,752,047.61	96.84%	19,429,756.90
COST OF SALES						
PURCHASED SERVICES	13,343,220.00		13,343,220.00	12,240,785.34	91.74%	11,712,232.48
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	13,343,220.00	-	13,343,220.00	12,240,785.34		11,712,232.48
GROSS PROFIT	9,119,060.00	-	9,119,060.00	9,511,262.27		7,717,524.42
GROSS PROFIT %	40.60%		40.60%	43.73%		39.72%
						0.04006
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-			-		-
ENGINEERING	421,730.00	166,621.02	588,351.02	227,447.56	38.66%	323,812.43
DISTRIBUTION	654,250.00	139.50	654,389.50	467,942.98	71.51%	429,009.55
SERVICE	129,790.00		129,790.00	43,667.10	33.64%	27,943.05
METERS & REGULATORS	190,620.00	67.00	190,687.00	127,040.80	66.62%	107,419.37
BAD DEBT	49,700.00		49,700.00	41,970.99	84.45%	19,174.62
GENERAL & ADMINISTRATIVE	3,917,080.00		3,917,080.00	3,390,916.60	86.57%	2,968,065.17
TOTAL OPERATING EXPENSES	5,363,170.00	166,827.52	5,529,997.52	4,298,986.03	77.74%	3,875,424.19
OPERATING INCOME (LOSS)	3,755,890.00	(166,827.52)	3,589,062.48	5,212,276.24	145.23%	3,842,100.23
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	141,000.00		141,000.00	226,149.66	160.39%	139,816.16
RECOVERIES AND REBATES	-		-	234,460.02		235.28
GAIN/LOSS ON DISPOSAL	7,100.00		7,100.00	68.25		-
JOBBING INCOME (LOSS)	183,790.00	(4,841.99)	178,948.01	80,501.53	44.99%	60,665.05
INTEREST ON LONG TERM INDEBTEDNESS	(58,030.00)		(58,030.00)	(62,376.70)	107.49%	(71,842.93)
NET INCOME (LOSS)	4,029,750.00	(171,669.51)	3,858,080.49	5,691,079.00	147.51%	3,970,973.79
OPERATING TRANSFERS IN (OUT)	(3,059,330.00)		(3,059,330.00)	(2,549,441.70)	83.33%	(2,549,441.66)
NET INCOME AFTER TRANSFERS	970,420.00	(171,669.51)	798,750.49	3,141,637.30	393.32%	1,421,532.13
CONTRIBUTION IN AID	-		-			
REGULAR CAPITAL MAINTENANCE	(974,810.00)	(221,523.90)	(1,196,333.90)	(652,497.32)	54.54%	
CAPITAL PROJECTS	(1,100,000.00)	(2,001,917.26)	(3,101,917.26)	(761,248.35)	24.54%	
DEBT SERVICE	(234,390.00)		(234,390.00)	(234,384.89)	100.00%	
DEPRECIATION	1,565,000.00		1,565,000.00	1,326,869.30	84.78%	
CONTINGENCY	(100,000.00)		(100,000.00)	-	0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED APRIL 30, 2019

ELECTRIC - FINAL

	ORIGINAL BUDGET 2018-19	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2018-19	APRIL 2019	PERCENT OF CURRENT BUDGET	APRIL 2018
OPERATING REVENUE	133,009,810.00		133,009,810.00	101,384,115.22	76.22%	108,071,071.81
COST OF SALES						
PURCHASED SERVICES	102,237,000.00		102,237,000.00	77,908,906.17	76.20%	85,555,059.62
PRODUCTION	921,400.00	172,235.64	1,093,635.64	562,118.91		531,379.01
TOTAL COST OF SALES	103,158,400.00	172,235.64	103,330,635.64	78,471,025.08		86,086,438.63
GROSS PROFIT	29,851,410.00	(172,235.64)	29,679,174.36	22,913,090.14		21,984,633.18
GROSS PROFIT %	22.44%		22.31%	22.60%		20.34%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,705,580.00	59,873.74	1,765,453.74	1,199,796.86	67.96%	1,224,894.95
ENGINEERING	987,030.00	32,638.32	1,019,668.32	577,237.08	56.61%	614,146.60
DISTRIBUTION	12,446,280.00	(7,960.00)	12,438,320.00	9,691,897.04	77.92%	10,104,418.14
SERVICE	-		-	-		-
METERS & REGULATORS	349,610.00		349,610.00	225,592.71	64.53%	242,175.63
BAD DEBT	309,500.00		309,500.00	337,396.56	109.01%	121,280.88
GENERAL & ADMINISTRATIVE	4,543,160.00	582,089.60	5,125,249.60	4,086,765.55	79.74%	3,677,322.34
TOTAL OPERATING EXPENSES	20,341,160.00	666,641.66	21,007,801.66	16,118,685.80	76.73%	15,984,238.54
OPERATING INCOME (LOSS)	9,510,250.00	(838,877.30)	8,671,372.70	6,794,404.34	78.35%	6,000,394.64
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	502,000.00		502,000.00	720,295.60	143.49%	493,002.51
ENERGY EFFICIENCY RECOVERY	-	(864,670.49)	(864,670.49)	(383,705.00)	44.38%	(280,223.66)
RECOVERIES AND REBATES	6,200.00		6,200.00	(517.50)	-8.35%	640,635.79
GAIN/LOSS ON DISPOSAL	30,500.00		30,500.00	30,081.00	98.63%	14,065.05
JOBBING INCOME (LOSS)	77,410.00	4,584.19	81,994.19	185,865.40	226.68%	88,534.82
INTEREST ON LONG TERM INDEBTEDNESS	(1,626,050.00)	(10,000.00)	(1,636,050.00)	(1,597,470.65)	97.64%	(1,296,170.47)
NET INCOME (LOSS)	8,500,310.00	(1,708,963.60)	6,791,346.40	5,748,953.19	84.65%	5,660,238.68
OPERATING TRANSFERS IN (OUT)	(10,071,610.00)		(10,071,610.00)	(8,401,341.70)	83.42%	(8,351,341.66)
NET INCOME AFTER TRANSFERS	(1,571,300.00)	(1,708,963.60)	(3,280,263.60)	(2,652,388.51)	80.86%	(2,691,102.98)
CONTRIBUTION IN AID	-		-	-		
FEDERAL AID - CAPITAL PROJECTS	-		-	-		
REGULAR CAPITAL MAINTENANCE	(3,482,900.00)	(381,322.15)	(3,864,222.15)	(1,593,321.84)	41.23%	
CAPITAL PROJECTS	(1,000,000.00)	(14,431,354.60)	(15,431,354.60)	(7,958,837.93)	51.58%	
DEBT SERVICE	(2,686,600.00)		(2,686,600.00)	(2,686,607.75)	100.00%	
DEPRECIATION	8,635,000.00		8,635,000.00	6,799,601.20	78.74%	
CONTINGENCY	(500,000.00)		(500,000.00)	-	0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED APRIL 30, 2019

TELECOMMUNICATIONS - FINAL

	ORIGINAL BUDGET 2018-19	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2018-19	APRIL 2019	PERCENT OF CURRENT BUDGET	APRIL 2018
OPERATING REVENUE	634,600.00		634,600.00	781,964.38	123.22%	1,191,704.95
COST OF SALES						
PURCHASED SERVICES	63,600.00		63,600.00	47,726.77	75.04%	46,082.98
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	63,600.00	-	63,600.00	47,726.77		46,082.98
GROSS PROFIT	571,000.00	-	571,000.00	734,237.61		1,145,621.97
GROSS PROFIT %	89.98%		89.98%	93.90%		96.13%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	-		-	-		-
DISTRIBUTION	-		-	-		-
SERVICE	-		-	-		-
METERS & REGULATORS	-		-	-		-
BAD DEBT	-		-	104.72		69.63
GENERAL & ADMINISTRATIVE	873,180.00		873,180.00	628,937.73	72.03%	626,214.14
TOTAL OPERATING EXPENSES	873,180.00	-	873,180.00	629,042.45	72.04%	626,283.77
OPERATING INCOME (LOSS)	(302,180.00)	-	(302,180.00)	105,195.16	-34.81%	519,338.20
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	13,000.00		13,000.00	19,584.91	150.65%	14,369.49
RECOVERIES AND REBATES	-		-	-		-
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBBING INCOME (LOSS)	19,550.00		19,550.00	25,536.10	130.62%	6,277.56
INTEREST ON LONG TERM INDEBTEDNESS	-		-	-		-
NET INCOME (LOSS)	(269,630.00)	-	(269,630.00)	150,316.17	-55.75%	539,985.25
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(67,500.00)	83.33%	(251,666.66)
NET INCOME AFTER TRANSFERS	(350,630.00)	-	(350,630.00)	82,816.17	-23.62%	288,318.59
CONTRIBUTION IN AID	-	-	-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(105,000.00)	(10,000.00)	(115,000.00)	(87,691.08)	76.25%	
CAPITAL PROJECTS	(600,000.00)	(30,750.00)	(630,750.00)	(452,582.48)	71.75%	
DEPRECIATION	459,200.00	-	459,200.00	327,263.70	71.27%	
CONTINGENCY		-	-	-		

KEY IN YELLOW CELLS ONLY. TWEAK THE PCA IN COLUMN "L" TO ACHIEVE THE DESIRED RECOVERY.

BILLING MONTH	TOTAL POWER COST	HLF POWER COST	NON-HLF POWER COST	TOTAL kWh SALES	HLF kWh SALES	NON-HLF kWh SALES	PCA / kWh	POWER COST / kWh RECOVERED IN BASE RATE	TOTAL POWER COST / kWh RECOVERED	HLF STRANDED COSTS RECOVERED	NON-HLF POWER COST RECOVERED	NON-HLF POWER COST OVER / (UNDER) RECOVERY	ADJUSTMTS	CUMULATIVE POWER COST RECOVERY NON-HLF CUSTOMERS (+ / - $4,000,000)	
Nov-18	$ 7,601,565.79	$ 1,338,025.80	**$ 6,263,539.99**	68,978,618	12,141,600	**56,837,018**	$0.030000	$0.086200	$0.116200		**$ 6,604,461.53**	$ 340,921.54		**$ (7,533,729.70)**	ACTUAL
Dec-18	$ 7,899,266.27	$ 1,116,202.35	**$ 6,783,063.92**	80,702,278	11,403,600	**69,298,678**	$0.020000	$0.086200	$0.106200		**$ 7,359,519.61**	$ 576,455.69		**$ (6,957,274.01)**	ACTUAL
Jan-19	$ 7,980,103.07	$ 1,064,168.33	**$ 6,915,934.74**	81,312,186	10,843,200	**70,468,986**	$0.007500	$0.086200	$0.093700		**$ 6,602,944.01**	$ (312,990.73)		**$ (7,270,264.73)**	ACTUAL
Feb-19	$ 7,274,271.30	$ 978,018.59	**$ 6,296,252.71**	88,316,008	11,874,000	**76,442,008**	$0.007500	$0.086200	$0.093700		**$ 7,162,616.17**	$ 866,363.46		**$ (6,403,901.28)**	ACTUAL
Mar-19	$ 7,493,172.31	$ 1,093,856.02	**$ 6,399,316.29**	72,922,136	10,645,200	**62,276,936**	$0.012000	$0.086200	$0.098200		**$ 6,115,595.13**	$ (283,721.16)		**$ (6,687,622.43)**	ACTUAL
Apr-19	$ 6,964,238.77	$ 1,179,694.87	**$ 5,784,543.90**	69,247,161	11,730,000	**57,517,161**	$0.030000	$0.086200	$0.116200		**$ 6,683,494.14**	$ 898,950.24		**$ (5,788,672.20)**	ACTUAL
May-19	$ 7,245,521.00	$ 1,195,713.07	**$ 6,049,807.93**	68,199,380	11,254,800	**56,944,580**	$0.030000	$0.086200	$0.116200		**$ 6,616,960.14**	$ 567,152.21		**$ (5,221,519.98)**	PROJECTED
Jun-19	$ 7,579,650.00	$ 1,284,522.52	**$ 6,295,127.48**	73,315,675	12,424,800	**60,890,875**	**$0.020000**	$0.086200	$0.106200		**$ 6,466,610.93**	$ 171,483.45		**$ (5,050,036.54)**	PROJECTED
Jul-19	$ 8,032,569.00	$ 1,101,822.40	**$ 6,930,746.60**	88,996,547	12,207,600	**76,788,947**	$0.005000	$0.086200	$0.091200		**$ 7,003,151.99**	$ 72,405.39		**$ (4,977,631.15)**	PROJECTED
Aug-19	$ 7,904,363.00	$ 1,069,548.16	**$ 6,834,814.84**	95,655,114	12,943,200	**82,711,914**	$0.005000	$0.086200	$0.091200		**$ 7,543,326.59**	$ 708,511.75		**$ (4,269,119.40)**	PROJECTED
Sep-19	$ 7,501,165.00	$ 1,171,310.32	**$ 6,329,854.68**	86,147,684	13,452,000	**72,695,684**	$0.012000	$0.086200	$0.098200		**$ 7,138,716.21**	$ 808,861.53		**$ (3,460,257.87)**	PROJECTED
Oct-19	$ 7,037,097.00	$ 1,240,142.57	**$ 5,796,954.43**	72,382,975	12,756,000	**59,626,975**	$0.020000	$0.086200	$0.106200		**$ 6,332,384.78**	$ 535,430.35		**$ (2,924,827.52)**	PROJECTED

Future months (still in blue) show projections.
Use "PGA_Table" in Column U to key projected PGA's

After PGA's are determined, hard code them before reconciling the month

Mo Rate Applied	WACOG	WACOG Plus Losses	Demand Rate Firm	Demand Rate Interruptible	Adjustments	PGA (f)	PGA (i)	DEMAND FYI - Recovers Completely in FY (Not included in Commodity Recovery at Right) Cumulative Demand Cost	Cumulative Demand Recovery	Over (Under) Demand Recovery	COMMODITY - Rolling Recovery Monthly Commodity Cost	Monthly Commodity Recovered	Monthly Commodity Over (Under) Recovery	Adjustments	Commodity Recovery Balance Over (Under) +/- $2,000,000	
Nov-18	$ 3.77122	$ 3.80931	$ 3.08400	$ 0.2500	$ (0.14405)	$ 6.96979	$ 4.13579	$ 1,254,521.71	$ 442,614.52	$ (811,907.19)	$ 1,198,824.12	$ 940,706.67	$ (258,117.45)		$ 397,144.44	Final
Dec-18	$ 3.89169	$ 3.93100	$ 3.12660	$ 0.2500	$ (0.15005)	$ 6.83410	$ 3.95750	$ 1,520,163.61	$ 1,203,191.91	$ (316,971.70)	$ 1,556,110.93	$ 1,544,761.55	$ (11,349.38)		$ 385,795.06	Final
Jan-19	$ 3.71492	$ 3.75244	$ 3.12660	$ 0.2500	$ (0.15005)	$ 6.74869	$ 3.87209	$ 1,786,114.23	$ 1,987,511.10	$ 201,396.87	$ 1,655,128.14	$ 1,384,484.76	$ (270,643.38)		$ 115,151.68	Final
Feb-19	$ 3.75423	$ 3.79215	$ 3.12660	$ 0.2500	$ (0.09497)	$ 6.71460	$ 3.83800	$ 2,024,478.67	$ 2,893,716.85	$ 869,238.18	$ 1,177,470.51	$ 1,528,038.03	$ 350,567.52		$ 465,719.20	Final
Mar-19	$ 3.27158	$ 3.30463	$ 3.12660	$ 0.2500	$ (0.14596)	$ 6.36156	$ 3.48496	$ 2,367,283.47	$ 3,416,199.93	$ 1,048,916.46	$ 1,079,291.13	$ 682,473.34	$ (396,817.79)		$ 68,901.41	Final
Apr-19	$ 3.91335	$ 3.95288	$ -	$ 0.2500	$ (0.14596)	$ 3.58558	$ 3.83558	$ 2,681,589.15	$ 3,423,432.84	$ 741,843.69	$ 673,250.93	$ 952,074.26	$ 278,823.33		**$ 347,724.74**	Final
May-19	$ 3.63540	$ 3.67212	$ -	$ 0.2500	$ (0.14596)	$ 3.52427	$ 3.77427	$ 3,005,018.91	$ 3,428,733.12	$ 423,714.21	$ 544,125.83	$ 567,285.94	$ 23,160.11		$ 370,884.85	Est
Jun-19	$ 3.79532	$ 3.83366	$ -	$ 0.2500	$ (0.14596)	**$ 3.68770**	**$ 3.93770**	$ 3,319,127.94	$ 3,435,143.08	$ 116,015.14	$517,366.77	$ 515,332.69	$ (2,034.08)		$ 368,850.76	Est
Jul-19	$ 3.77088	$ 3.80897	$ -	$ 0.2500	$ (0.12457)	$ 3.68440	$ 3.93440	$ 207,414.62	$ 4,130.95	$ (203,283.67)	$ 480,452.41	$ 438,686.36	$ (41,766.04)		$ 327,084.72	Est
Aug-19	$ 3.51820	$ 3.55374	$ -	$ 0.2500	$ (0.12457)	$ 3.42917	$ 3.67917	$ 530,844.38	$ 9,542.55	$ (521,301.83)	$ 463,535.79	$ 428,280.94	$ (35,254.85)		$ 291,829.87	Est
Sep-19	$ 3.98388	$ 4.02412	$ -	$ 0.2500	$ (0.12457)	$ 3.89955	$ 4.14955	$ 844,953.40	$ 15,043.30	$ (829,910.10)	$ 494,096.13	$ 483,085.80	$ (11,010.34)		$ 280,819.53	Est
Oct-19	$ 3.76716	$ 3.80521	$ 1.70475	$ 0.2500	$ (0.12457)	$ 5.38539	$ 3.93064	$ 1,168,383.16	$ 90,095.26	$ (1,078,287.90)	$ 665,873.97	$ 519,875.47	$ (145,998.51)		$ 134,821.03	Est

Commission Item Number: DUC190624 - 2
Utility Commission Meeting: June 24, 2019
Item: II. C. Energy Efficiency Rebate Recommendations

Energy Efficiency Rebate Recommendations

At the March 2019 meeting, Nexant presented energy efficiency rebate recommendations to help improve peak demand. It was the Utility Commission's recommendation for staff to go back and determine the value of several natural gas measures that would lower electric demand during peak times. Nexant will provide a brief presentation showing their recommendations from the feedback given at the March meeting.

Recommendation: A suggested motion follows:

I move that the Danville Utility Commission approve the changes presented for the FY2020 and FY2021 residential energy efficiency Home$ave program.

Danville Utilities

Energy Efficiency
New 2019 Measures

Prepared for Danville Utilities

Nexant
Reimagine tomorrow.

June 24, 2019

Confidential

Existing Measures

Measures	Proposed Changes	Incentive
Tier 1 & 2 High Efficiency Central AC	None	$145 / $250 ea
Tier 1 & 2 High Efficiency Air-Source HP	None	$350 / $500 ea
Tier 1 High Efficiency Mini-Split HP	Increase SEER 15 to 16	$50 per ½ ton
Tier 2 High Efficiency Mini-Split HP	Increase SEER 18 to 19	$100 per ½ ton
Tier 1 & 2 High Eff. CAC w/ Nat. Gas	None	$1,250 / $1,400 ea
Single Family Smart Prog. T'stat	None	$75 ea
ENERGY STAR Windows	None	$1 per sq ft
Attic Insulation	None	$0.10 per sq ft
Wall Insulation	None	$0.45 per sq ft
Floor Insulation	None	$0.15 per sq ft
Crawl Space Insulation	None	$0.15 per sq ft

Proposed Electric-to-Gas Conversion Measures

Measures	Proposed Changes	Incentive
Instantaneous Gas Water Heater *NEW!*	Energy Factor >= 0.75	$200
High Efficiency Gas Water Heater *NEW!*	Energy Factor >= 0.67	$200
Condensing Gas Water Heater *NEW!*	Energy Factor >= 0.80	$200
Gas Range *NEW!*	No ENERGY STAR label for residential ranges	$100
Gas Clothes Dryer *NEW!*	Combined Energy Factor >= 3.48	$100
Gas Logs *NEW!*	No ENERGY STAR label for gas log heating	$50

Commission Item Number: DUC190624 - 3
Utility Commission Meeting: June 24, 2019
Item: II. D. Ringgold Energy Storage Proposal

Ringgold Energy Storage Proposal

Staff has been reviewing electric peaking resources that will lower peak demand that will be both economical and environmentally friendly to the community. Strata Solar is the developer constructing the twelve megawatt solar facility at the Ringgold Golf Course. They have proposed leveraging the 30% Federal Investment Tax Credit to add a twelve megawatt battery storage system in conjunction with the solar facility. The 30% tax credit benefit can be passed along to the City if 75% of the storage system is charge using the solar system and the system is at least 5% complete by December 31, 2019. After December 2019 the tax credit falls 4% annually until 2022 until the credit is no longer available. This resource would save the City approximately $100,000/megawatt in transmission and capacity cost avoidance.

Recommendation: A suggested motion follows:

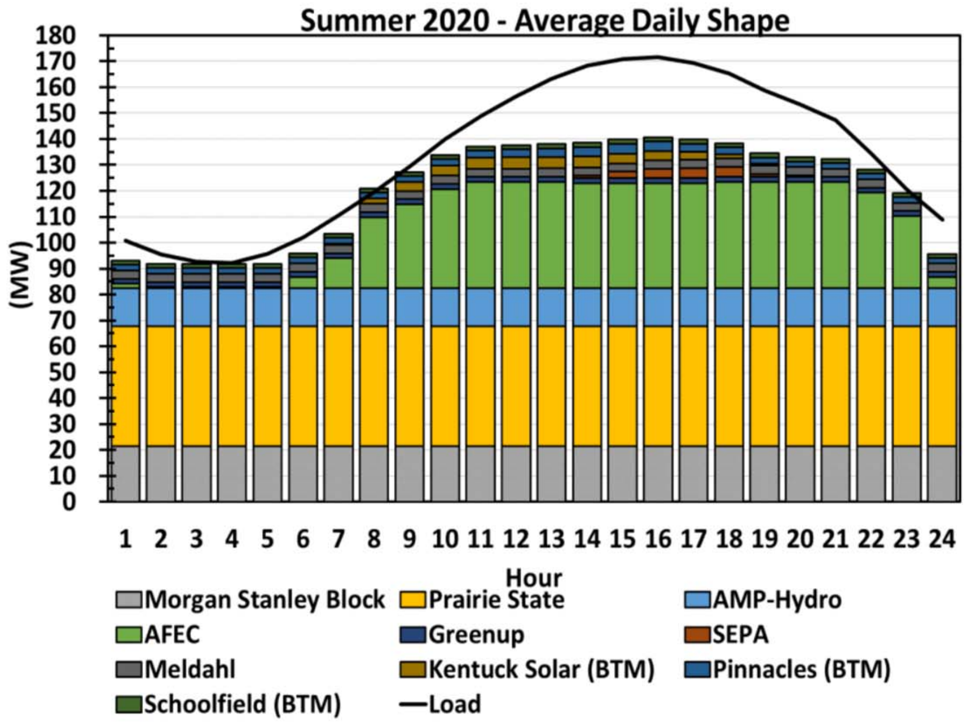
I move that the Danville Utility Commission recommend to City Council that staff enter into a capacity agreement for up to twelve megawatts of energy storage to be constructed, owned and operated by Strata Solar.

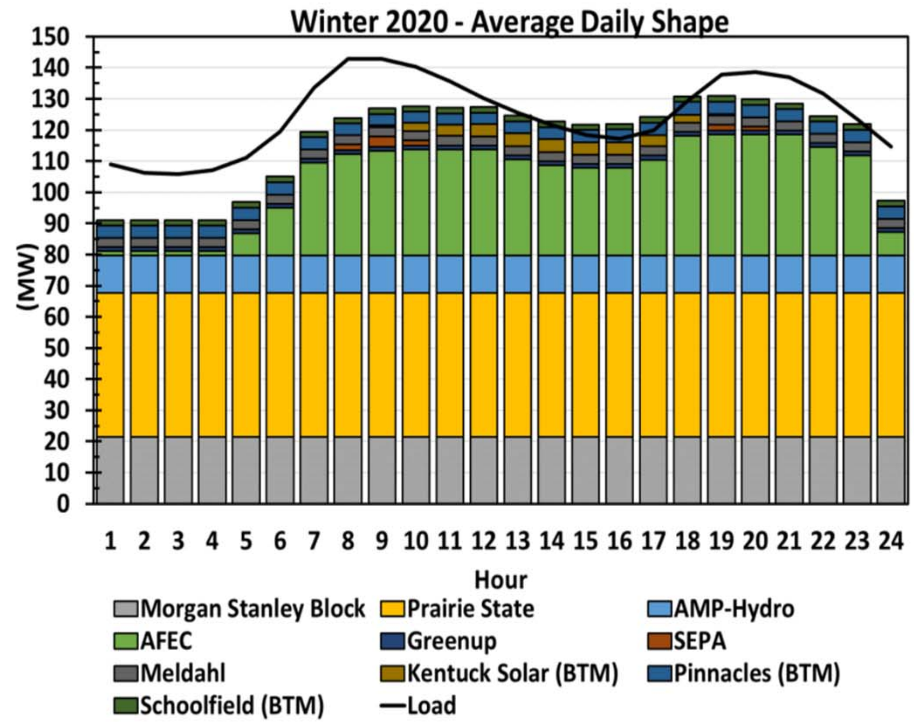
Ringgold Energy Storage Project

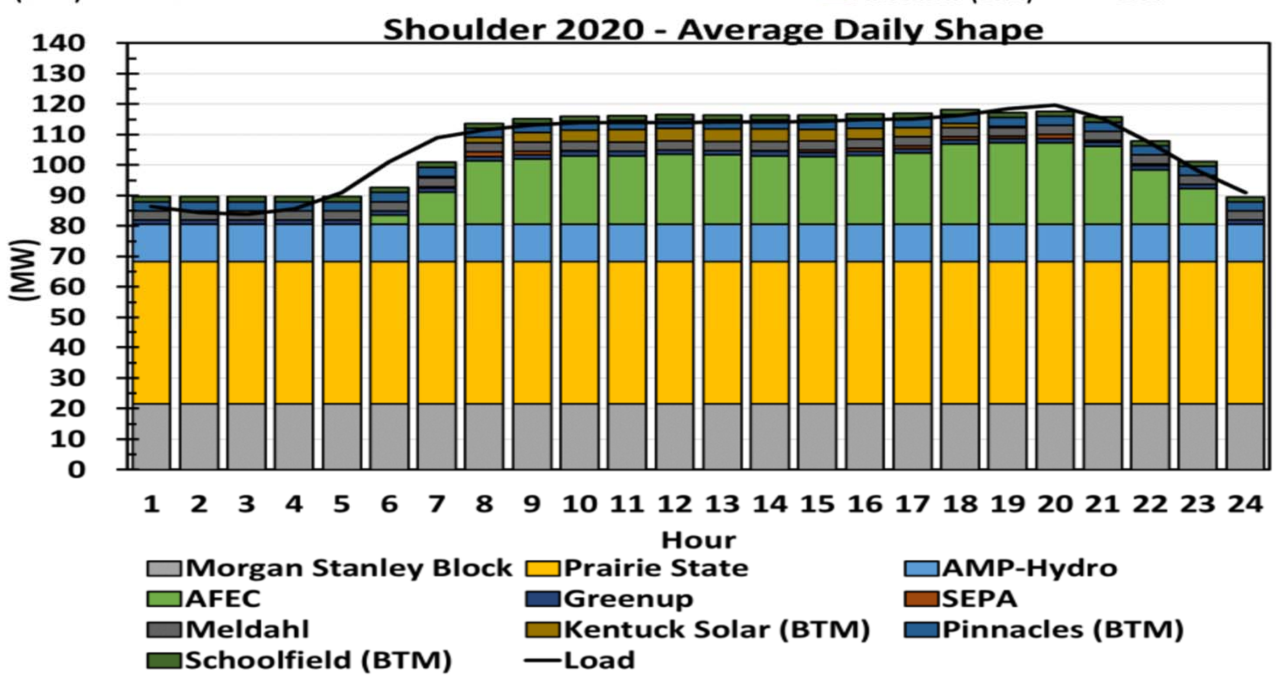
Danville Utility Commission
June 24, 2019

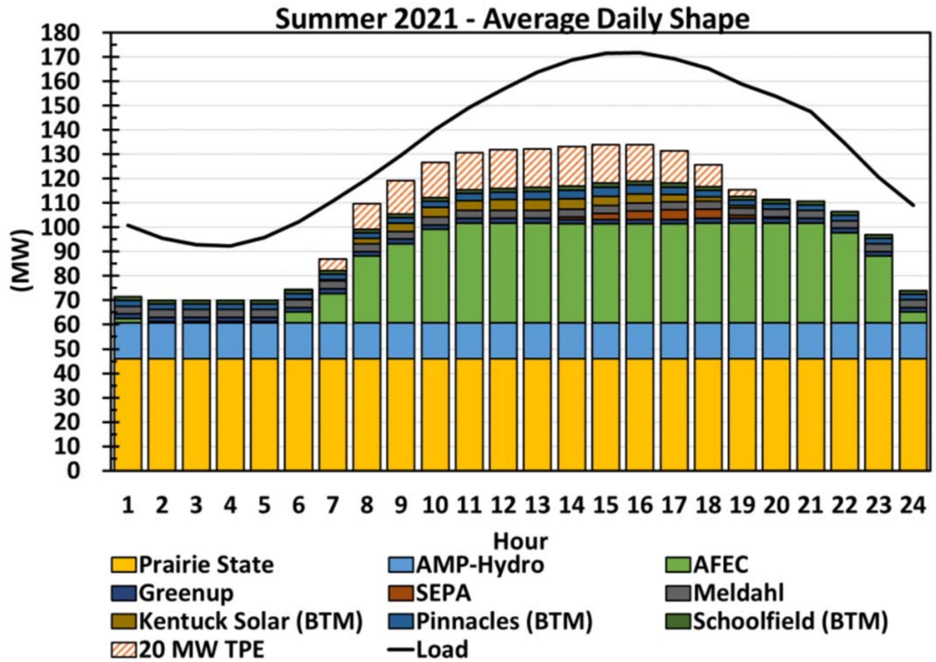
Peaking Capacity

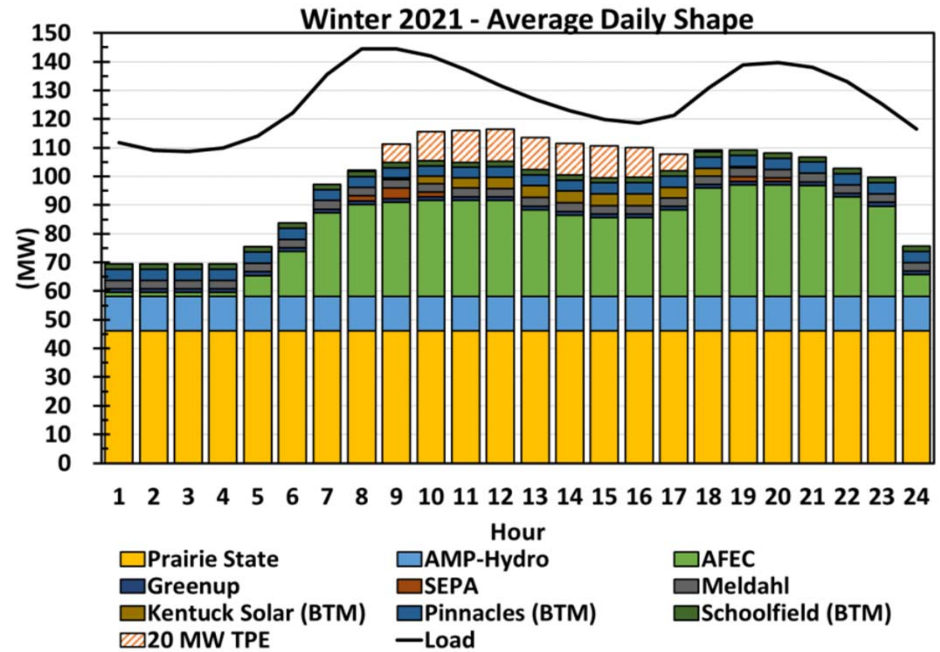
- 12 MW Ringgold Solar and 10 MW Whitmell Solar
- Federal Investment Tax Credit ("ITC") for renewable generation
  - 30%-if project is at least 5% completed before Dec 31, 2019
  - 26%- 2020
  - 22%-2021

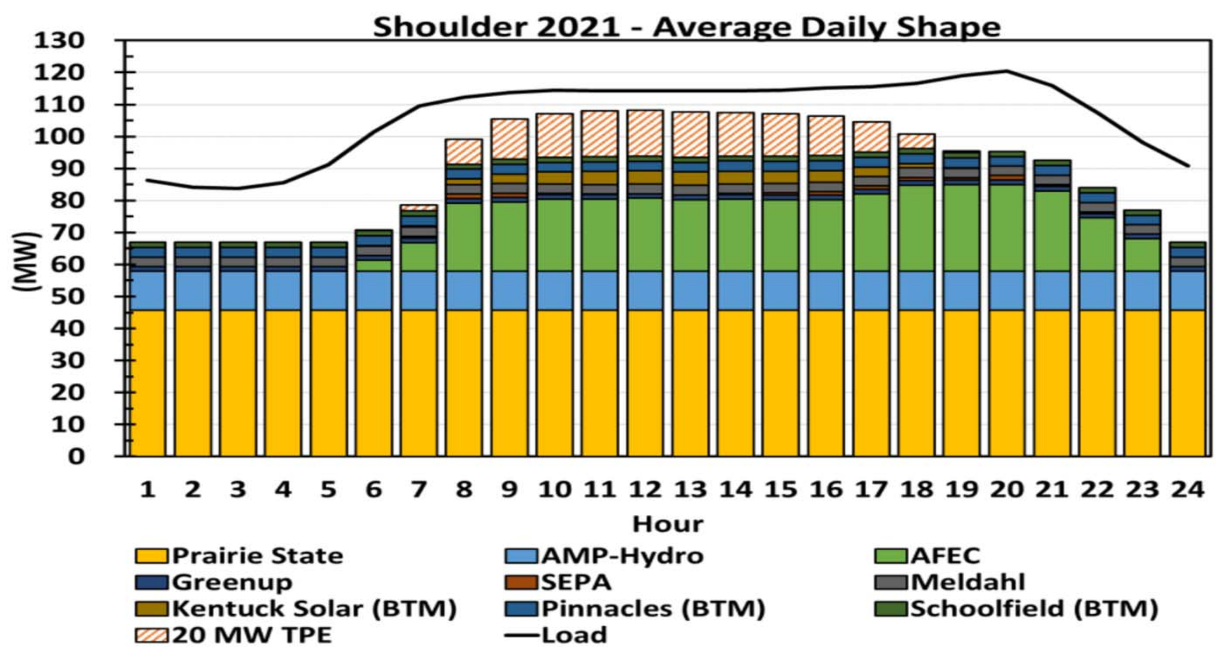

Summer 2020 - Average Daily Shape
(MW)
Hour
Morgan Stanley Block
Prairie State
AMP-Hydro
AFEC
Greenup
SEPA
Meldahl
Kentuck Solar (BTM)
Pinnacles (BTM)
Schoolfield (BTM)
Load


Winter 2020 - Average Daily Shape
(MW)
Hour
Morgan Stanley Block
Prairie State
AMP-Hydro
AFEC
Greenup
SEPA
Meldahl
Kentuck Solar (BTM)
Pinnacles (BTM)
Schoolfield (BTM)
Load


Shoulder 2020 - Average Daily Shape
(MW)
Hour
Morgan Stanley Block
Prairie State
AMP-Hydro
AFEC
Greenup
SEPA
Meldahl
Kentuck Solar (BTM)
Pinnacles (BTM)
Schoolfield (BTM)
Load


Summer 2021 - Average Daily Shape
(MW)
Hour
Prairie State
AMP-Hydro
AFEC
Greenup
SEPA
Meldahl
Kentuck Solar (BTM)
Pinnacles (BTM)
Schoolfield (BTM)
20 MW TPE
Load


Winter 2021 - Average Daily Shape
(MW)
Hour
Prairie State
AMP-Hydro
AFEC
Greenup
SEPA
Meldahl
Kentuck Solar (BTM)
Pinnacles (BTM)
Schoolfield (BTM)
20 MW TPE
Load


Shoulder 2021 - Average Daily Shape
(MW)
Hour
Prairie State
AMP-Hydro
AFEC
Greenup
SEPA
Meldahl
Kentuck Solar (BTM)
Pinnacles (BTM)
Schoolfield (BTM)
20 MW TPE
Load

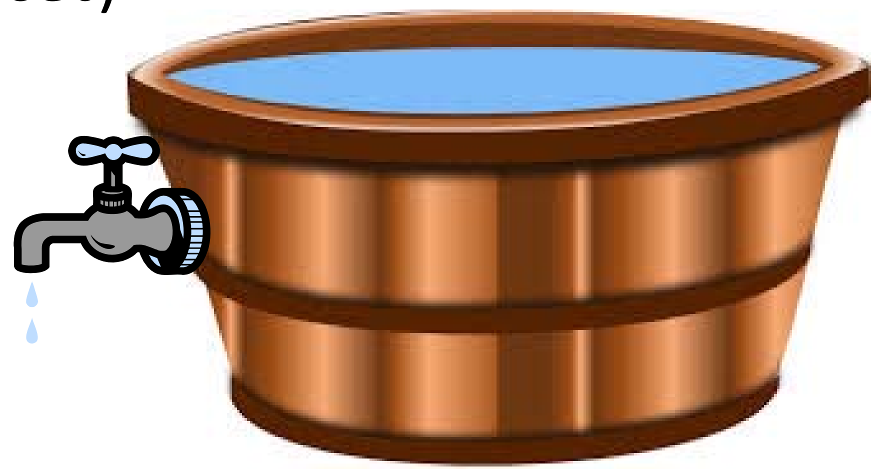
4

2021 Portfolio

- Summer: 30 MW unhedged (afternoon; 4-6 pm)
- Winter: 30MW unhedged (early morning; 7-9 am)
- Shoulder: Fully hedged

Energy Storage Technology

- 12 MW capacity (*Storage*)
- 1 hour battery duration (*Faucet*)
- Can be extended
  - 6 MW/2 hour
  - 4 MW/3 hour



Ringgold Solar 12 MW Solar+ 12MW/1 MWH Storage

- Strata Solar
- 20-year capacity agreement
  - City would not be responsible for the capital costs or maintenance of the solar facility
  - Strata to guarantee capacity available
- Winter peaking resource
- Leverage the Federal ITC credit if 75% charged from solar farm
- Utilize only during 5CP capacity peaks and 1CP transmission peaks
- Environmentally friendly energy resource
- Danville to realize all other behind-the-meter benefits
- Explore future revenue streams
  - Frequency regulation and Ancillary credits

Project Site

- Ringgold Golf Course
- Near two Danville substations/behind Cane Creek Industrial Park
- May 2020 COD

Ringgold Storage Economics

- Strata Solar 12 MW energy storage- $4.35/kW-month
- AEP Transmission avoidance-$6.50+/kW-month
- PJM Capacity avoidance-$5.50/kW-month

- $12/kW-month (avoidance) - $4.35/kW-month

  =$7.65/kW-month

- $7.65/kW-month (savings) * 12,000/kW-month *12 months

  $1,101,600 Annual Savings

Questions?

Commission Item Number: DUC190624 - 4
Utility Commission Meeting: June 24, 2019
Item: II. E. Closed Session

Closed Session

Discussion or consideration of the acquisition and/or disposition of real property for a public purpose where discussion in an open meeting would adversely impact the bargaining position of the City as permitted by Subsection (A) (3) of Section 2.2-3711 of the Code of Virginia, 1950, as amended.