



Metro Nashville

DISTRICT ENERGY SYSTEM

**Metro District Energy System Advisory Board
Regularly Scheduled Meeting of
November 20, 2014**

Minutes of Meeting

The meeting was held at the Energy Generation Facility at 90 Peabody Street Nashville, TN 37210

Facilitators: Harry Ragsdale, DES Project Contract Administrator and Kevin Jacobs, Thermal Engineering Group

Board Members Present:

Tom Eddlemon (*on behalf of Richard Riebeling*)
Alan Robertson
Brian Taylor

Board Members not Present:

Karen Bennett
Yuri Cunza
Richard Fletcher
Jim Harbison
Richard Riebeling
Tom Turner
Nancy Whitemore

Others Present:

Tim Hestle, CEPS General Manager
Bob Lackey, DES Liason
Johanna Young, DES Advisory Board Secretary

The meeting was called to order by the Vice-Chair and began at 10:09 A.M.

At the request of the Vice-Chair, Mr. Ragsdale proceeded with the presentation to the Board.

Mr. Ragsdale reviewed the customer cost comparison table for the first quarter of FY15. On an aggregate basis for the previous twelve (12) months, the steam costs were up 8.6% and chilled water costs were also up 8.9%. *Due to energy prices and weather conditions, there was a significant increase in steam and chilled water usage.*

Mr. Ragsdale and Mr. Jacobs reviewed and discussed graphs comparing first quarter expenses and revenues. The total revenues for the first quarter of FY15 made up 92.9% of the total expenses. Expenses associated with the debt service of self-funded bonds are not totally covered by customer demand charges and are paid from the Metro Funding Amount.

Mr. Ragsdale and Mr. Jacobs discussed the contractor's performance for the current fiscal year and reviewed conversion tables for electricity, water, and plant efficiency. The contractor's performance continues to remain excellent in all areas.

Mr. Ragsdale and Mr. Jacobs discussed the contractor's performance for water treatment. The contractor's performance is excellent in steam and condensate and condensing water treatment. In the first quarter of FY15, a foreign material was discovered at some isolated locations having a small effect on customer's equipment. Constellation is investigating the matter.



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Mr. Ragsdale and Mr. Jacobs reviewed the results of the inspections of both the Energy Generating Facility (EGF) and the Energy Distribution System (EDS). Mr. Jacobs stated that Constellation does an excellent job with maintaining and operating the facility. Due to serious work and maintenance on the vaults, the distribution system has been well maintained and efficiency has increased.

Mr. Jacobs discussed graphs showing a comparison of the actual and projected gas costs for FY15. The plant operated more efficiently than budgeted, but steam use exceeded the budgeted amount by 26.7%. The total cost of gas was 17% higher than budgeted not including contingencies. The unit cost of fuel was 4.9% less than expected.

Mr. Ragsdale and Mr. Jacobs reviewed the FY15 operating costs to date and the FY15 budget. Through the end of this period of operations, approximately 26.76% of the FY15 budget has been expended. The Metro Funding Amount was 5.55% less than the FY14 budget.

Mr. Jacobs provided the Board with an update on capital expenditures. Bond fund expenditures and available balances were reported and summarized. The total amount spent in the first quarter of FY15 is \$8,837. The total remaining balance as of 10/31/14 was \$2,720,179.

Mr. Ragsdale and Mr. Jacobs provided the Board with updates on the various active DES capital projects. The Active Capital projects include tunnel repairs, West Riverfront Park Manhole Repairs, MCH Chilled Water Mods, and developing a TOU (Time of Use) program to deal with more accurately addressing the Time of Use charges from NES. There are no projects in close out at this time.

Mr. Ragsdale discussed the possibility of a joint project with the city relating to the park development at the old NTTCC site which would provide infrastructure enhancements to the park project while reducing operating costs at the DES.

Without further discussion, and upon a motion, the meeting was adjourned by the Chair.

The next Board Meeting will be held Thursday, February 19, 2015 at 10:00 A.M.

Approved: [Signature]
Seretha Nobbin, DES Advisory Board Secretary
(Minutes prepared by Johanna Young)

Date: 3/19/15

Approved: [Signature]
Karen Bennett, Chair, DES Advisory Board

Date: 3/19/15

Approved: [Signature]
Bob Lackey, DES Liaison

Date: 3-19-15