



## **Danville Utility Commission**

4:00 p.m. July 24, 2017 Meeting

Council Chambers, City Hall

### **Minutes**

**Commission Members Present:** Vanessa Cain, Helms Dobbins, Bill Donohue, Ken Larking, Michael Nicholas, Fred Shanks, Jim Turpin, and Sheila Williamson-Branch

**Commission Members Absent:** none

**Staff Present:** Michael Adkins, Amy Chandler, Greg Disher, Carolyn Evans, Jenny Holley, Alan Johnson, Kelly Kinnett, Mike Spencer, and Clarke Whitfield

**Others Present:** Jerry Shupe and Charles Overby of Severn Trent; Dominic Sung of BP.

### **Call to Order and Announcements**

Mr. Whitfield opened the meeting and asked that the attendance be recorded. As a quorum was present, the meeting was called to order.

### **Discussion/Business Items**

#### **Election of Officers**

Mr. Whitfield announced that the Chairman and Vice-Chairman positions were up for election. He stated that these positions serve a one-year term through July 2018.

He opened the floor for nominations for Chairman. Mr. Turpin nominated Mr. Donohue for Chairman. All members voted in favor and Mr. Donohue was elected to serve as Chairman. Mr. Whitfield then opened the floor for nominations for Vice-Chairman. Ms. Cain nominated Mr. Turpin for Vice-Chairman. All voted in favor and Mr. Turpin was elected Vice-Chairman. Mr. Whitfield then turned the meeting over to Mr. Donohue.

Chairman Donohue requested a moment of silence in memory of Samuel Thompson, a lineman who was fatally injured in the line of duty and in honor of David Ward and Charles Sutton who were recently wounded on the job. Mr. Disher provided an update on the memorial service conducted in Louisiana for Samuel Thompson.

### Review of Utilities' Financial Statements

Ms. Chandler presented the utility financial statements for each utility fund and addressed questioned from the commissioners.

### BP Gas Supply Update

Mr. Dominic Sung, Director of Structured Products for BP's Houston office presented an overview of the natural gas supply and demand markets, pricing and transportation issues. Mr. Song demonstrated the change in natural gas storage from 2016 to the present and the increase in rig counts. The EIA is projecting a return to growth in the U.S. gas production. Net pipeline imports are decreasing while net exports are increasing indicating a shift towards a net export market. There is a shift towards natural gas demand from the power sector as coal facilities are retired and the uncertainty of proposed nuclear facilities coming online. The prospect of additional demand from the power sector adds volatility to the natural gas demand projections. Mr. Sung explained the ten-year historical range for natural gas pricing and that its downward trend has allowed the City of Danville to take advantage of the market structure and to make hedged purchases of natural gas for additional future years.

Mr. Sung provided information regarding proposed new pipeline expansions in Transco Zone 5 where Danville is located, including Transco's Atlantic Sunrise Project, the Atlantic Coast Pipeline Project, and the Mountain Valley Pipeline interconnect to Transco which will terminate in Pittsylvania County. Mr. Sung answered questions from the commissioners regarding new nuclear facilities, the proposed pipeline expansions, risk management, and natural gas supply.

Mr. Kinnett presented the City's Gas purchasing plan from June 2016 – October 2024. He then answered questions posed by Mr. Donohue and Mr. Turpin regarding the City's past and present gas hedges. Mr. Kinnett stated that historically the City has procured approximately 75% of the base load (does not consider transportation customers) through hedging. For some years with milder winters, hedged gas has represented a larger percentage of the base. Recently staff has made new hedges for future years representing 25% of the base load.

### Department Discussions

Mr. Larking encouraged the Commissioners to contact either Jason Grey or him with questions during the month reiterating that it is not preferable to wait until meeting dates to ask questions.

Ms. Evans communicated that The Center for Research and Public Policy will present their survey results at the August 2017 meeting.

There was no further communication from staff, commission members or the public.

**Adjournment**

Chairman Donohue stated the next meeting is scheduled for August 28, 2017. There being no further business, Chairman Donohue adjourned the meeting at 5:31 p.m.

Submitted by Jennifer Holley  
Acting Secretary to the DUC

**August 28, 2017**  
Date Approved

\_\_\_\_\_  
Chairman  
Danville Utility Commission