



**Commission Members Present:** Steve Daniels, Joe King, Phillip Smith, James Turpin, Adam Tomer, and Bob Vaughan

**Commission Members Absent:** Jeff Liverman and Bob Schasse

**Staff Present:** Ken Ashworth, Barry Dunkley, Barbara Dameron, Carolyn Evans, Jim Harr, Joe King, Nate Lewis, Denise Sandlin, and Alan Spencer.

**Others Present:** Fred Shanks, Danville City Council  
Robert Taylor, CEO of Gamewood, Inc.  
David Bennett, Operations Manager for Intertape  
Mike Jones, Plant Engineer for Intertape

### **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 22, 2010 Commission Meeting:** Chairman Vaughan asked for any corrections, deletions, or adjustments to the minutes of March 22, 2010. There were none. Mr. Smith made a motion to approve the minutes. Mr. Turpin seconded the motion. The motion was unanimously approved.

**Demonstration of the My eAccount Program:** Joyce Obstler demonstrated the My eAccount online tool that will enable Danville Utilities customers access to their billing, meter reading and consumption histories. Joyce showed that the system would also allow customers to update their mailing address, and enter moving dates and meter readings.

Joyce said that the system should be operational in one month. Joyce then addressed questions from the Commissioners.

**Industrial Rate Comparisons:** Doug Handley presented information on Danville's industrial utility rates. Doug explained that he gathered information on Danville rates compared to other area utilities as well as utilities where Intertape, one of Danville's key

accounts, operated other plants. Doug said that Danville is in the middle when compared to the neighboring utilities. But when reviewing the areas nationwide where Intertape located other plants, Doug said that Danville's industrial electric rates are relatively high.

Doug explained that the only way to lower rates would be to operate at a loss, to have residents subsidize the industrial customers, to operate more efficiently or to buy from lower cost sources such as coal and own shares of generation facilities.

Doug reminded the Commission that AMP reports power costs should be lower in 2012.

David Bennett from Intertape spoke on the effect of Danville's rates on the growth of the Danville plant. Mr. Bennett said that each one cent increase in the industrial rates costs his plant \$750 thousand annually and gives his competitors a big advantage. Mr. Bennett said that Intertape is not willing to send growth money to the Danville plant because the operating costs are too high. Mr. Bennett said that the Danville Intertape plant can't charge more for its product and stay competitive therefore it is operating at a deficit.

Doug answered questions from the Commissioners including if part B of the Electric Rate Stabilization Strategy would make Danville's industrial rates more competitive. Doug stated that he would bring that information to the May meeting.

Update on nDanville's Phase III – Fiber to the Home Project: Jason Grey continued the discussion from the March Commission meeting by saying that the nDanville project has followed the same business plan as developed six years ago. Jason explained nDanville's business plan by explaining that Danville would receive a 20% share of the internet provider's sales plus a flat fee of \$8.80 monthly per household. Jason told the Commissioners that equipment could be reused when a customer leaves nDanville.

Jason then introduced Rob Taylor, CEO of Gamewood, Inc., who demonstrated IPTV. Mr. Taylor explained that Gamewood, Inc. had plans to expand into the Voice over IP, data storage, security and data back up fields. Mr. Taylor and Jason responded to questions by saying that the internet provider would be responsible for marketing the product and that the pilot project was planned for the Averett College area.

Joe King explained that the project would need City Council approval to issue bonds. Mr. King suggested a joint meeting between the Utility Commission and City Council to get comfortable with the project.

## **Communications**

Communications from the City Manager: There was none.

Communications from Utilities Staff: Jim Harr said that Phase IX of the Pipeline Replacement Project was 75% completed.

Denise Sandlin said her staff was working on the year end closeout. Denise also said that she had accepted another position and would be leaving Danville Utilities and that she appreciated the assistance and respect given her while she was here. Mr. Vaughan thanked her for her service and said the respect was well deserved.

Barry Dunkley updated the Commissioners on projects in the Water and Wastewater Division and said that there was still no word on the fines that may be leveled by the Department of Environmental Quality due to the recent violations because of flooding. Barry also said that the 2009 Water Quality Reports would be ready for distribution in June.

R.B. Sloan said that there was good attendance at the "Flip the Switch" ceremony and that the readings for the photovoltaic panels installed on the Community Market could be accessed on Danville Utilities' website. R.B. also said that Denise's departure would leave a big hole and that Betty Custer would be filling in until a replacement was found.

Communications from Commissioners: Mr. Tomer, Mr. Daniels and Mr. Smith told Denise that she had done a great job and would be missed.

Mr. Smith also said that there was a lot of discussion with residents about insulation and that Danville Utilities should reach out to the Housing Authority for assistance.

### **Adjournment**

Mr. Vaughan stated the next meeting is scheduled for May 24, 2010. There being no further business, Chairman Vaughan adjourned the meeting at 5:55 p.m.

**May 24, 2010**  
Date Approved

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Chairman  
Danville Utility Commission

Submitted by Patti OKeefe  
Secretary to the DUC