

The Washington City Council met in a continued session on Monday, April 26, 2010 at 5:30 p.m. at the Civic Center. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman; Ed Moultrie, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Bobby Roberson, Mayor Pro tem; Jim Smith, City Manager; Cynthia Bennett, City Clerk.

Also present were: Matt Rauschenbach, Chief Financial Officer; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Mick Reed, Police Chief; Gloria Moore, Library Director; Philip Mobley, Parks and Recreation Director; Susan Hodges, Human Resources Director; John Rodman, Planning Director; Keith Hardt, Electric Director; Mike Voss, of the Washington Daily News; and Delma Blinson of the Beaufort Observer; Ken Raber, SVP of NCEMPA/ElectriCities; and members of the Utilities Advisory Board.

Mayor Jennings called the meeting to order and Councilman Moultrie delivered the invocation.

Mayor Jennings noted the primary purpose of this meeting will be a presentation by Ken Raber, SVP of ElectriCities Services/NCEMPA as well as presentations by Keith Hardt, Electric Director and members of the Utilities Advisory Board. (begin presentation)

- More than 2,000 communities across the country provide electric service
- Municipal electric utilities are community owned and governed democratically
- Public power provides for the electric needs of 40 million Americans – almost 15% of electricity consumers
- 72 public power cities and towns in NC
- Many cities and towns in electric business more than 100 years
- NC Public Power services 550,000 residential, commercial and industrial customers
- In 1965, North Carolina began dividing up the state electric utility territory
- Public power municipalities were not asked to participate
- Public power municipalities needed a unified voice
- Public power municipalities formed a non-profit organization in 1965 to protect the interest of public power and their communities
- National Energy Crisis – 1970's
- NC Legislature, State Treasurer, North Carolina Utilities Commission and voters of NC all approved the plan to create the Power Agencies
- Municipal Power Agencies created in 1976
- NCMPA1 — 19 members, bought ownership in Duke power plants
- NCEMPA — 32 members, bought ownership in CP&L (now Progress Energy) power plants
- Recent Rate Adjustments

March 2005 1.5% Increase	January 2007 1.5% Decrease
May 2005 5.0% Increase	August 2008 14% increase
January 2006 10.0% Increase	February 2009 4.0% increase
- LM switches provide direct credits to retail customers for participation
- Demand Side Management (DSM) and Load Side Generation (LSG) programs reduce demand costs
- Coincident Peak (CP) demand charges are \$12.56/kW per month
- Peak Shaving Generators for C& I customers
- Demand control or load shifting for C & I customers
- Load Management Switches for Residential Customers
- LM switches for AC & WH save ~ \$10 per month wholesale

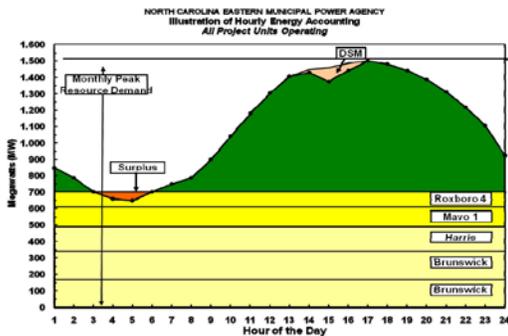
Washington System

	Washington
Established	1905
Employees	40
2009 Customers	13,399
2009 Population	9,583
% NCEMPA Share	5.8920

Business Operations

Electric System Operating Data (2009)				
	Circuit Line Miles	% of Customers Outside City	Operating Cost per Mile	Customers per Mile
Washington	400	60%	\$90,516	33
City A	215	2%	\$139,512	56
City B	561	35%	\$105,620	38
City C	178	7%	\$149,531	34

NCEMPA Hourly Load



Business Operations

	Washington
Current Debt as of 1 January 2010	\$143,844,047
Total Operating Revenue (2009 Electric Sales)	\$36,206,480
Total Power Costs (2009 Electric Purchases)	\$28,551,601

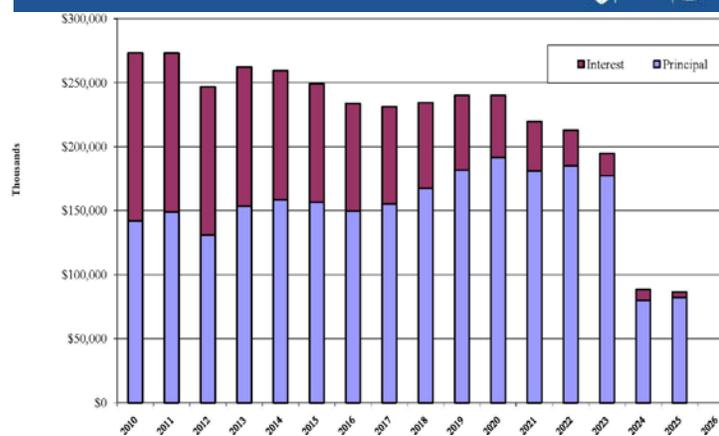
Business Operations

Customers by Rate Class (2009)				
	Residential	Commercial	Industrial	Total
Washington	10,968	2,427	4	13,399
% of total	82%	18%	<1%	
% outside City limit	62%	50%	25%	60%
City A	9,863	2,112	7	11,982
% of total	82%	18%	<1%	
% outside City limit	2%	1%	0%	2%
City B	17,662	3,489	7	21,158
% of total	84%	16%	<1%	
% outside City limit	35%	35%	0%	35%
City C	5,176	903	20	6,099
% of total	85%	15%	<1%	
% outside City limit	8%	0%	0%	7%

Business Operations

Gross Revenue by Rate Class (2009)				
	Residential	Commercial	Industrial	Total
Washington	\$18,964,933	\$14,959,210	\$2,021,936	\$36,206,480*
% of total	52%*	41%*	5%*	
Average c/kWh	14.3	12.6	10.6	13.2
City A	\$12,692,000	\$15,653,000	\$1,650,000	\$29,995,000
% of total	42%	52%	6%	
Average c/kWh	13.4	10.6	7.0	11.3
City B	\$31,140,000	\$25,777,000	\$2,336,000	\$59,253,000
% of total	53%	44%	3%	
Average c/kWh	13.7	13.4	10.6	13.4
City C	\$8,576,933	\$8,709,796	\$9,329,844	\$26,616,573
% of total	32%	33%	35%	
Average c/kWh	14.5	13.0	9.0	11.6

NCEMPA Debt Service



RESIDENTIAL ENERGY COST

Electric Furnace (1,400 square foot dwelling; 68° F setting in winter)

Monthly Cost = \$471.93

- Each Heating Degree Setting above 68° Increases Energy Consumption by 3% to 5%, compounded.
- A Heat Setting of 72° would increase heating costs by 12.6% to 21.6%
- A Heat Setting of 75° would increase heating costs by 23.0% to 40.7%

Electric Heat Pump (1,400 square foot dwelling; 68° F setting in winter)

Monthly Cost = \$218.23

- Each Heating Degree Setting above 68° Increases Energy Consumption by 3% to 5%, compounded.
- A Heat Setting of 72° F would increase heating costs by 12.6% to 21.6%
- A Heat Setting of 75° F would increase heating costs by 23.0% to 40.7%

Portable Heater

21¢ per Hour to Operate

6 hours per day / 30 days per month : Monthly Cost = \$37.80, each

24 hours per day / 30 days per month : Monthly Cost = \$151.20, each

Electric Blanket

8 hours per day / 30 days per month : Monthly Cost = \$13.33, each

12,000 Btu Window Air Conditioner

6 hours per day / 30 days per month : Monthly Cost = \$55.04, each

24 hours per day / 30 days per month : Monthly Cost = \$220.17, each

Electric Heat Pump (1,400 square foot dwelling; 80° F setting in summer)

- Monthly Cost = \$155.17
- Each A/C Cooling Degree Setting below 80° Increases Energy Consumption by 3% to 5%, compounded.
- An A/C Setting of 76° F would increase cooling costs by 12.6% to 21.6%
- An A/C Setting of 74° F would increase cooling costs by 19.4% to 34.0%

Electric Water Heater (40 gallon; family of four)

<120° F : Monthly Cost = \$44.21

<130 °F : Monthly Cost = \$52.41

>130°F : Monthly Cost = \$64.69

Participating on our Load Management Program will save you an additional 5% on your monthly water heating costs.

Incandescent Light Bulb – 75 watt

3 hours per day / 30 days per month : Monthly Cost = \$0.89, each

24 hours per day / 30 days per month : Monthly Cost = \$7.23, each

Compact Fluorescent Light Bulb – 20 watt (75 watt equivalent)

3 hours per day / 30 days per month : Monthly Cost = \$0.23, each

24 hours per day / 30 days per month : Monthly Cost = \$1.92, each

LOAD MANAGEMENT Peak Shaving Generators

- Units are installed at various industrial and commercial customers locations on the electric system
- Most of the units are owned and operated by the City
- Units are powered by diesel fuel
- Generators are controlled remotely by our Communicators located in our Operation Center
- The City's generation program saved \$650,000 in wholesale purchase costs in 2009

System Voltage Reduction

- Voltage is regulated on the electric system so that voltage limits set by the North Carolina Utilities Commission are met
- This voltage has some flexibility to be adjusted for system conditions
- During peak loading periods the voltage on the electric system is reduced by 5%
- When the system voltage is reduced the customer's demand for electricity is reduced
- This reduction in voltage activity saved \$200,000 in wholesale power purchase cost in 2009

Water Heater and Heat Pump Rebates

- When current customers replace their water heater with a new electric water heater they are eligible for a \$150 rebate on the installation.
- When current customers replace HVAC systems with a new Heat Pump they are eligible for up to a \$525 rebate on the installation.
- The customer agrees to have load control devices installed on the new equipment for a period of at least three years.

Residential Electric Appliance Control

- The program consists of a radio-controlled device installed on the customers electric appliance (water heater, central air conditioner, heat pump, or other electrical appliances).
- The appliances are controlled remotely from our Operations Center to reduce electrical consumption during the peak usage periods.
- Participating customers with water heater and A/C control can receive from \$44 to \$135 per year in credits.
- Customers participating saved \$213,000 in 2009.
- Some customers of the electric system elect to participate in the residential load management program.

When the meeting started those in attendance had many questions and it is the hope of Council and staff that this Town Hall meeting answered many of them.

ADJOURN

By motion of Mayor Pro tem Roberson seconded by Councilman Pitt, Council adjourned the meeting until May 3, 2010 at 4:30pm in the City Council Chambers at the Municipal Building.

Cynthia S. Bennett
City Clerk