UTILITY COMMITTEE

The Utility Committee Meeting was held on December 12, 2011 at 5:30 p.m. with Chairman Bonar presiding. Members present were Mrs. Williams, Mr. Blakeman, and Mr. Snaman. Mr. Lynn was absent. Other members of Council present were Council President Leary, Mr. Hare, Mr. Hutchison, and Mrs. Russell. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

By unanimous consent, the agenda was approved as presented.

Net Energy Metering Tariff Revision *(Deferred by Committee on November 28, 2011)*

Mr. Ron Lunt, Public Utilities Director, reviewed a proposed revision to the Electric Service Handbook relating to the net energy metering tariff. He advised members that the 145th General Assembly approved an amendment to the net energy metering standards, Delaware Code – Title 26, Chapter 10, Subsection 1014. The purpose of this amendment was to encourage private investment in customer-owned renewable energy generation facilities. On November 28, 2011 the Utility Committee recommended that Council approve modifications to the Electric Service Handbook (Handbook) to incorporate these new standards. The recommended net energy metering tariff would codify the monetary compensation payable to customers who deliver energy to the City of Dover, as outlined in the "Rate" section of the tariff and the Handbook. Additionally, staff recommended inclusion of a new subsection "4.11 Definitions," to the Handbook to provide further clarity to the intent of Section 4. Mr. Lunt explained that these proposed changes would bring the City of Dover tariff into compliance with the Delaware Code and were approved by Mr. Kirk Betts, Betts and Holt, LLC, City of Dover utility attorney.

Mr. Lunt advised members that the new provisions outline the exact amount of money that the City will pay customers who generate more electricity than they use. If customers send energy over the distribution system, the City will pay them the applicable wholesale rate so that they are still supporting the cost of the distribution system. He indicated that staff recommended using a rate of $0.07045 per kWh for the City's Fiscal 2012 budget year, which is the wholesale power cost projected for this year. Mr. Lunt stated that this figure was obtained from The Energy Authority's reported cost of energy during the month of October.

Mr. Blakeman moved to recommend approval of the revised net energy metering tariff portion of the Electric Service Handbook and the addition of a new subsection "4.11 Definitions" to Section 4 of the Handbook, seconded by Mrs. Williams and unanimously carried.

In response to Mr. Blakeman, Mr. Lunt advised members that these proposed revisions were not included in the Electric Service Handbook Revisions that were scheduled for consideration by City Council later in the evening; therefore, the changes being discussed would be reviewed by Council at a subsequent meeting.

Review of Utility Related Capital Investment Plan (Electric and Water/Wastewater) *(September and October)*

Members reviewed Project Tracking Reports, as of September 30, 2011 and October 31, 2011, for the Utility Related (Electric and Water/Wastewater) Capital Investment Plan (CIP). Mr. Ron Lunt, Director of Public Utilities, noted that the Route 13 water project is nearing completion and is now in the checklist and inspection phase. He advised members that the contractor performed some additional paving over the trench that was created and that the contractor felt that this was an addition to the contract; staff and the engineering firm that is managing the project disagreed with that assessment. As result, the contractor issued a change order, which the City has denied.

In response to Mr. Bonar, Mr. Lunt explained that it was originally envisioned that the contractor would repave all three (3) lanes; however, the Delaware Department of Transportation (DelDOT) requested that DelDOT be allowed to perform this work under their contract. This project (including work on handicapped ramps) was taken from the contractor performing the Route 13 water project and given to DelDOT, including the handicapped ramps. It was Mr. Lunt's understanding that paving this entire section of Route 13 would be undertaken by DelDOT in late spring. He noted that the City will reimburse DelDOT for the portion of the cost of repaving those lanes that the City disrupted.

Mr. Lunt stated that all other CIP projects are moving forward fairly well.

By unanimous consent, the meeting adjourned at 5:36 P.M.

David L. Bonar
Chairman

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