

68 District Energy System-At a Glance

Mission The mission of the Metro Nashville District Energy System is to provide Chilled Water and Steam as a utility service to Metro, State and Private customers of the system so that they can heat and cool their facility spaces in order to support their business functions.

Budget Summary

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Expenditures and Transfers:			
DES Enterprise Fund	\$ 21,648,600	\$ 22,175,100	\$ 21,982,700
Total Expenditures and Transfers	<u>\$ 21,648,600</u>	<u>\$ 22,175,100</u>	<u>\$ 21,982,700</u>
Revenues and Transfers:			
Program Revenue			
Charges, Commissions, and Fees	\$ 0	\$ 0	\$ 0
Other Governments and Agencies	0	0	0
Other Program Revenue	0	0	0
Total Program Revenue	\$ 0	\$ 0	\$ 0
Non-program Revenue	0	0	0
Transfers From Other Funds and Units	21,648,600	22,175,100	21,983,700
Total Revenues	<u>\$ 21,648,600</u>	<u>\$ 22,175,100</u>	<u>\$ 21,983,700</u>
Expenditures Per Capita	\$ 33.39	\$ 33.67	\$ 32.89

Positions Total Budgeted Positions 0 0 0

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Accomplishments

- Through a long-term operating contract with Constellation NewEnergy, Inc. the Metro District Energy System continues to operate within budget while providing a high level of service to system customers.
 - The Metro District Energy System facility continued to operate at a high level of efficiency without any unplanned service interruptions during the past year. All contract performance measures were met by the operating contractor and customer service remains at a high level.
 - The Energy Distribution System infrastructure is in extraordinarily good condition for a system of its age which is a result of routine monitoring and maintenance and contributes to reduced system losses and outages.
 - DES Customers experienced another historically cold winter. Although the energy plant's primary fuel supply was curtailed, full steam service to system customers was maintained without interruption.
 - On-going inspections and performance audits have continued to ensure a high level of contract compliance.
 - The system is recycling 99.0% of chilled water and more than 79.0% of steam condensate return water, resulting in reduced water utility costs.
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Goals

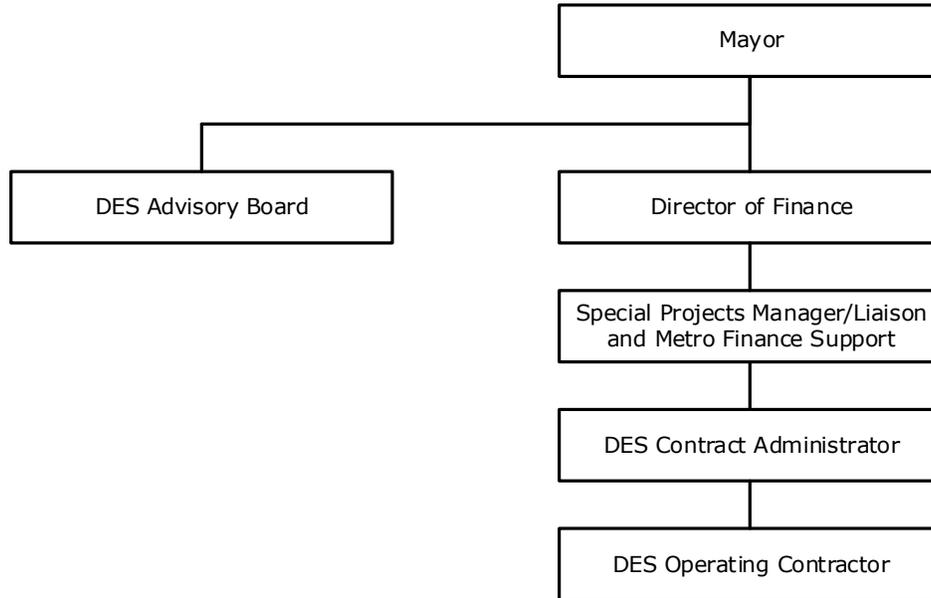
- Continue to maintain customer satisfaction at levels not less than 97.5% favorable with an objective of achieving 100% satisfaction
 - Continue to explore opportunities to secure new customer contracts to reduce Metro's contribution to total operating costs (MFA)
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Strategic Issues

- Long-term management agreements between Metro Government and the District Energy System Operating Contractor, if not properly managed, could result in
 - Decreased quality of services provided
 - Ineffective utilization of funding resources
 - Decreased customer satisfaction
 - Loss of customers
- The City's contract with the Project Contract Administrator provides the necessary oversight to insure compliance with the provisions of the System Operator Contract, oversight of budgeting and expenditures, system engineering and technical support, Customer and Public relations.
- The majority of the Energy Distribution System (EDS) infrastructure has provided more than forty years of service. Due to long term service commitments extending for more than 30 years, prudent care and capital investments will be required to insure continued reliable service to system customers.

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Organizational Structure



Programs

Chilled Water Generation and Distribution

Chilled Water Generation and Distribution

Steam Generation and Distribution

Steam Generation and Distribution

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Budget Changes and Impact Highlights

Recommendation	SPF**	\$(198,200)	Impact
DES Operations			
DES Fund Adjustment	SPF**	\$(198,200)	Reduction in Metro funding with no impact on performance.
Non-allocated Financial Transactions			
Internal Service Charges*	SPF	6,000	Delivery of centrally provided services including information systems, fleet management, radio, and surplus property
LOCAP Adjustments	SPF	(200)	No impact on performance
Special Purpose Funds Total		\$(192,400)	
TOTAL		\$(192,400)	

* See Internal Service Charges section for details

** SPF – Special Purpose Funds