

Metro Nashville
DISTRICT ENERGY SYSTEM



DES Annual Customer Meeting
For FY12
March 15, 2012



Agenda

1. Welcome!
2. Energy Uses and Costs
3. DES FY13 Budget
4. Capital Projects Review & How They Affect You
5. Music City Convention Center – Guest Speaker
6. Questions and Answers
7. Adjourn

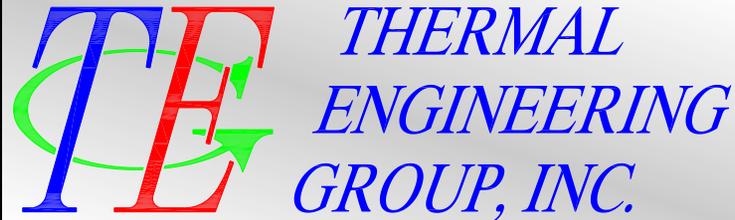
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1. Welcome DES Customers!



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Constellation Energy®



2. Energy Cost and Usage

- Table 2: Rolling 12 Customer Cost Comparison
- Figure 2A: Electric and Water Costs
- Figure 2B: Natural Gas Costs

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Summary Table 2: Customer Cost Comparison for the Previous 12 Months

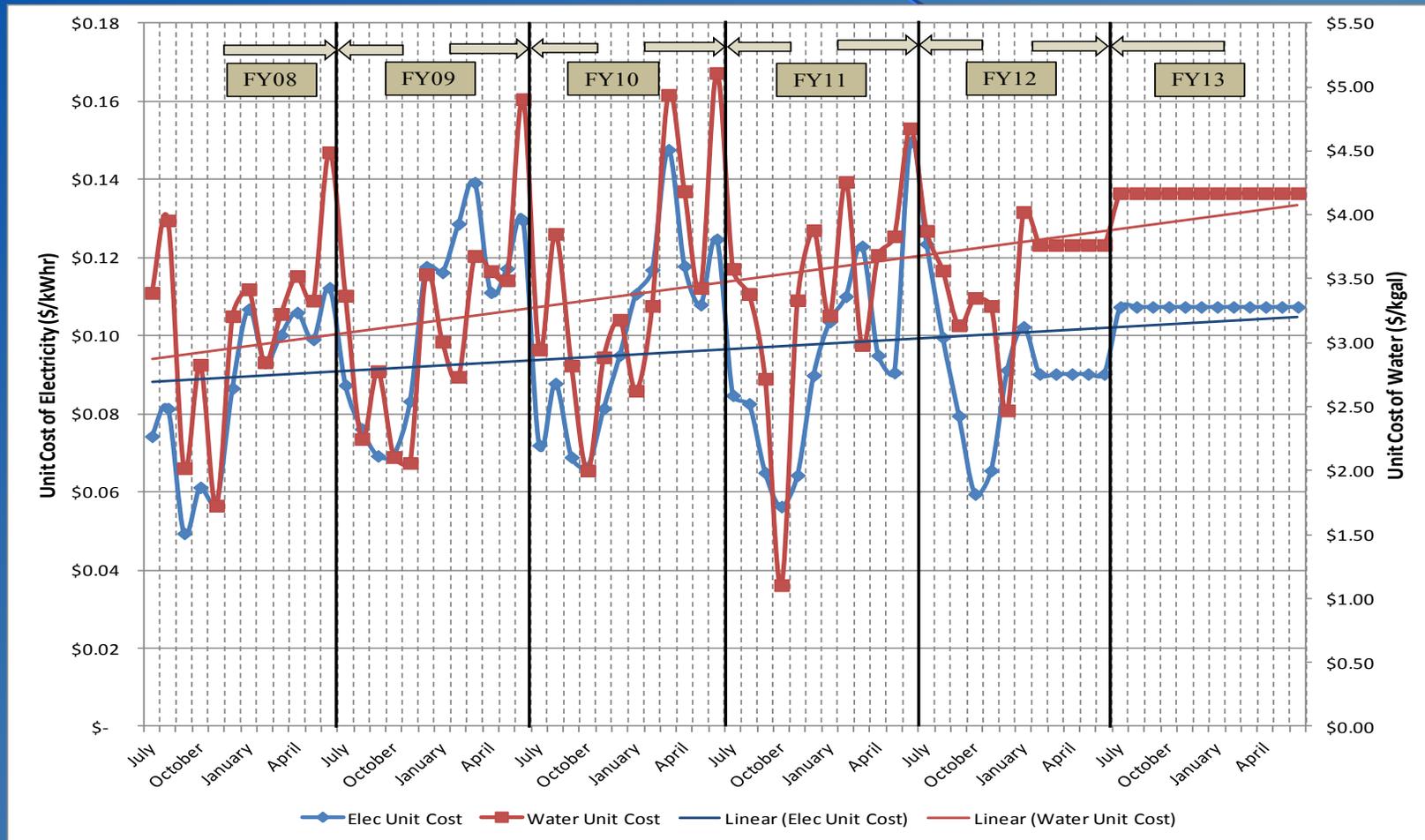
		Steam - Rolling 12 Month			Chilled Water - Rolling 12 Month		
		Jan 2010 - Dec 2010	Jan 2011 - Dec 2011	% Diff.	Jan 2010 - Dec 2010	Jan 2011 - Dec 2011	% Diff.
Private	Cost	\$ 1,695,147	\$ 1,513,198	-10.73%	\$ 3,157,321	\$ 3,328,840	5.43%
	Usage (lbs or tonhrs)	72,933,828	85,554,418	17.30%	16,833,341	17,297,332	2.76%
	Unit Cost	\$ 23.24	\$ 17.69	-23.9%	\$ 0.188	\$ 0.192	2.6%
State	Cost	\$ 2,267,230	\$ 1,978,488	-12.74%	\$ 3,344,044	\$ 3,445,895	3.05%
	Usage (lbs or tonhrs)	93,930,258	99,028,505	5.43%	17,254,239	17,072,222	-1.05%
	Unit Cost	\$ 24.14	\$ 19.98	-17.2%	\$ 0.194	\$ 0.202	4.1%
Metro	Cost	\$ 2,006,354	\$ 1,765,271	-12.02%	\$ 3,117,595	\$ 3,284,490	5.35%
	Usage (lbs or tonhrs)	84,545,163	91,922,769	8.73%	18,348,969	18,951,992	3.29%
	Unit Cost	\$ 23.73	\$ 19.20	-19.1%	\$ 0.170	\$ 0.173	2.0%
Aggregate	Cost	\$ 6,024,641	\$ 5,279,532	-12.37%	\$ 10,191,587	\$ 10,660,119	4.60%
	Usage (lbs or tonhrs)	251,469,481	276,505,692	9.96%	54,849,432	55,618,779	1.40%
	Unit Cost	\$ 23.96	\$ 19.09	-20.3%	\$ 0.186	\$ 0.192	3.15%

*FY09 MFA = \$3,217,986; FY10 MFA = \$2,661,553; FY11 MFA = \$2,444,100; post-True-up; MFA not included in values shown

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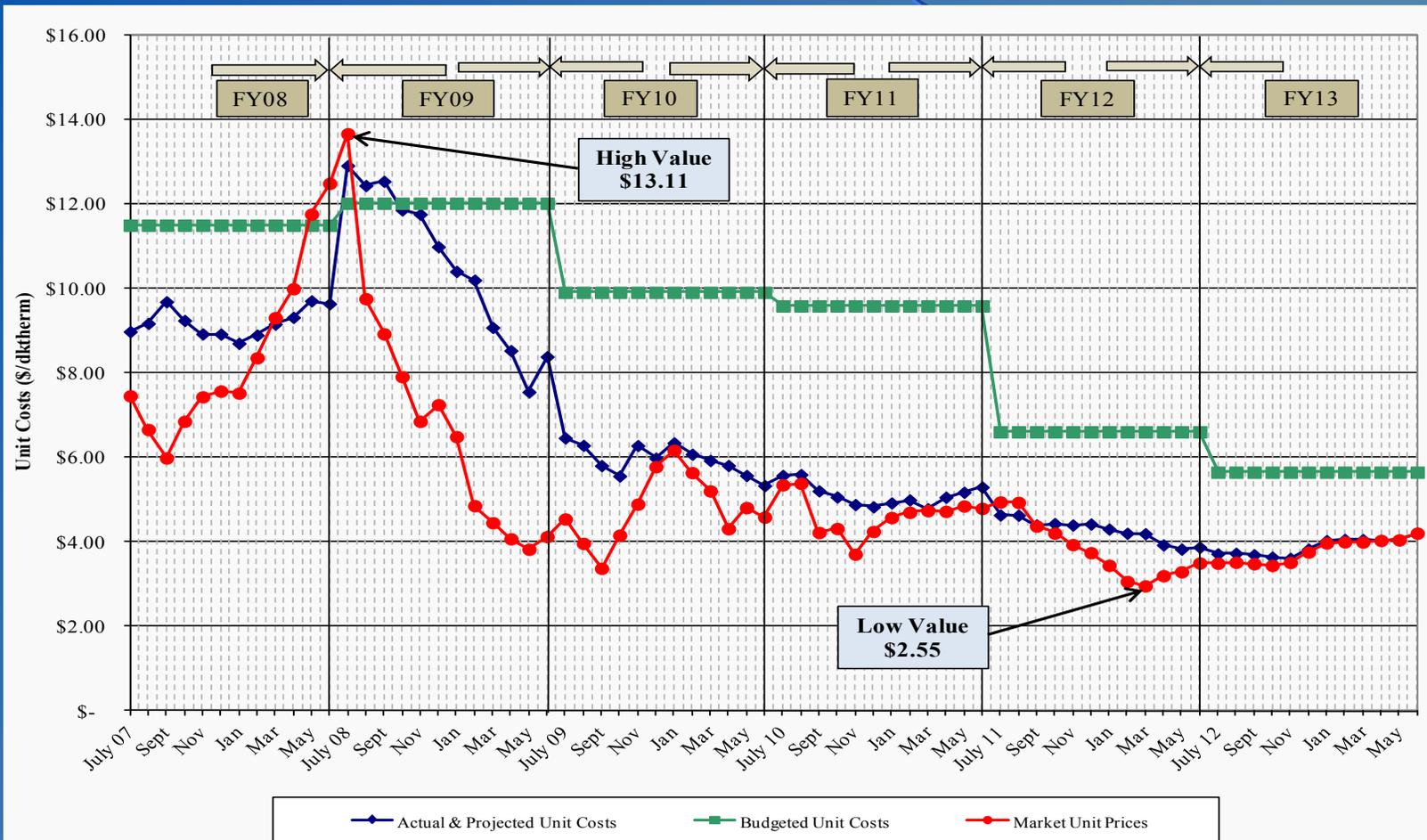
Figure 2A: Electric and Water Costs



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Figure 2B: Natural Gas Costs



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3. DES FY13 Budget

Item	FY11 Actual	FY12 Budget w/MCCC	FY13 Budget w/MCCC	% Increase from FY12 Budget
FOC's	\$ 4,129,302	\$ 4,303,100	\$ 4,401,100	2.28%
Pass Throughs				
Non-Energy	\$ 859,795	\$ 1,031,400	\$ 1,054,800	2.27%
Water/Sewer	\$ 396,869	\$ 597,700	\$ 616,500	3.15%
Natural Gas	\$ 2,496,141	\$ 3,939,300	\$ 3,185,100	-19.15%
Electricity	\$ 4,310,054	\$ 5,192,900	\$ 5,673,500	9.25%
Debt Service	\$ 5,042,150	\$ 5,703,700	\$ 5,177,130	-9.23%
Total Expenses	\$ 17,234,310	\$ 20,768,100	\$ 20,108,130	-3.18%
Total Revenues	\$ 15,395,261	\$ 18,405,100	\$ 17,792,400	-3.33%
Metro Funding Amount	\$ 1,839,049	\$ 2,363,000	\$ 2,315,730	-2.00%



4. *Capital Projects Review*

	Spent to End of FY11	FY12 Spending	Balance to Date (01/18/12)
R&I Projects	\$1,313,613	\$127,250	\$493,446
2005B Bond	\$8,139,071	\$22,997	\$24,433
2010 Bond	\$1,461,651	\$66,151	\$882,199
MCCC Fund	\$3,856,349	\$978,254	\$3,665,397
Total	\$14,770,684	\$1,194,652	\$5,065,474



Capital Projects Review

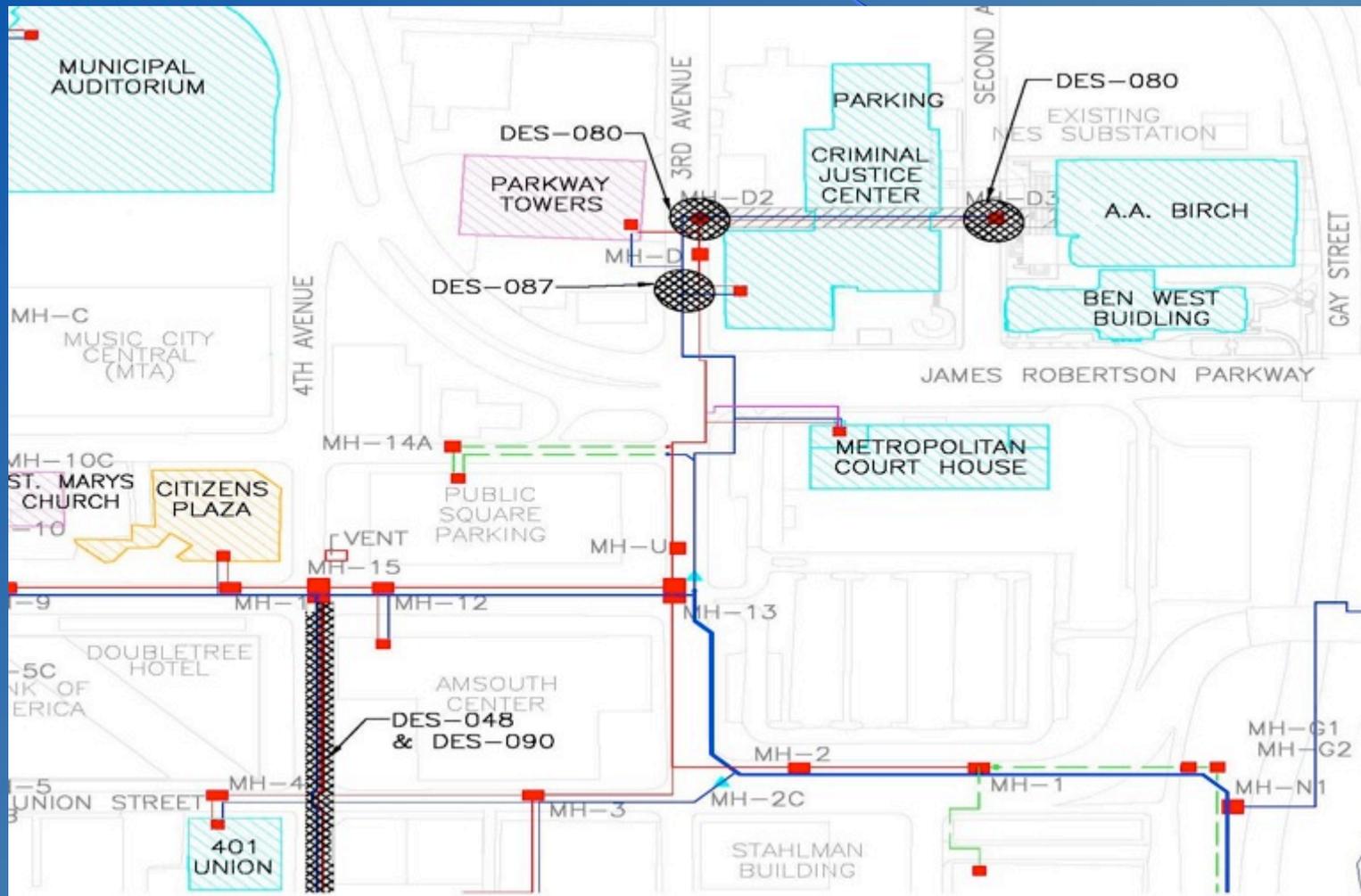
Active Capital Projects

- DES 048: Tunnel Lighting Replacement Phase III – in construction
- DES 061: MH & Tunnel Steel Corrosion Repair & Prevention – in construction/ongoing
- DES 076: MH-S4A State Manhole Rebuild – in construction
- DES 080: Misc. MH & Tunnel Safety Repairs – in construction
- DES 088: Andrew Jackson PRV Control – in construction
- DES 090: MH/Tunnel Insulation - in construction/ongoing
- DES 091: Thermal Storage System – in design/evaluation phase
- DES 092: Sheraton Hotel CHW Pumps – in construction
- DES 093: Manhole 6 Repair and Structural Rehabilitation – in construction
- DES 094: Molloy Street Exploratory Dig – Phase I complete; Phase II to start construction during Third Quarter FY12

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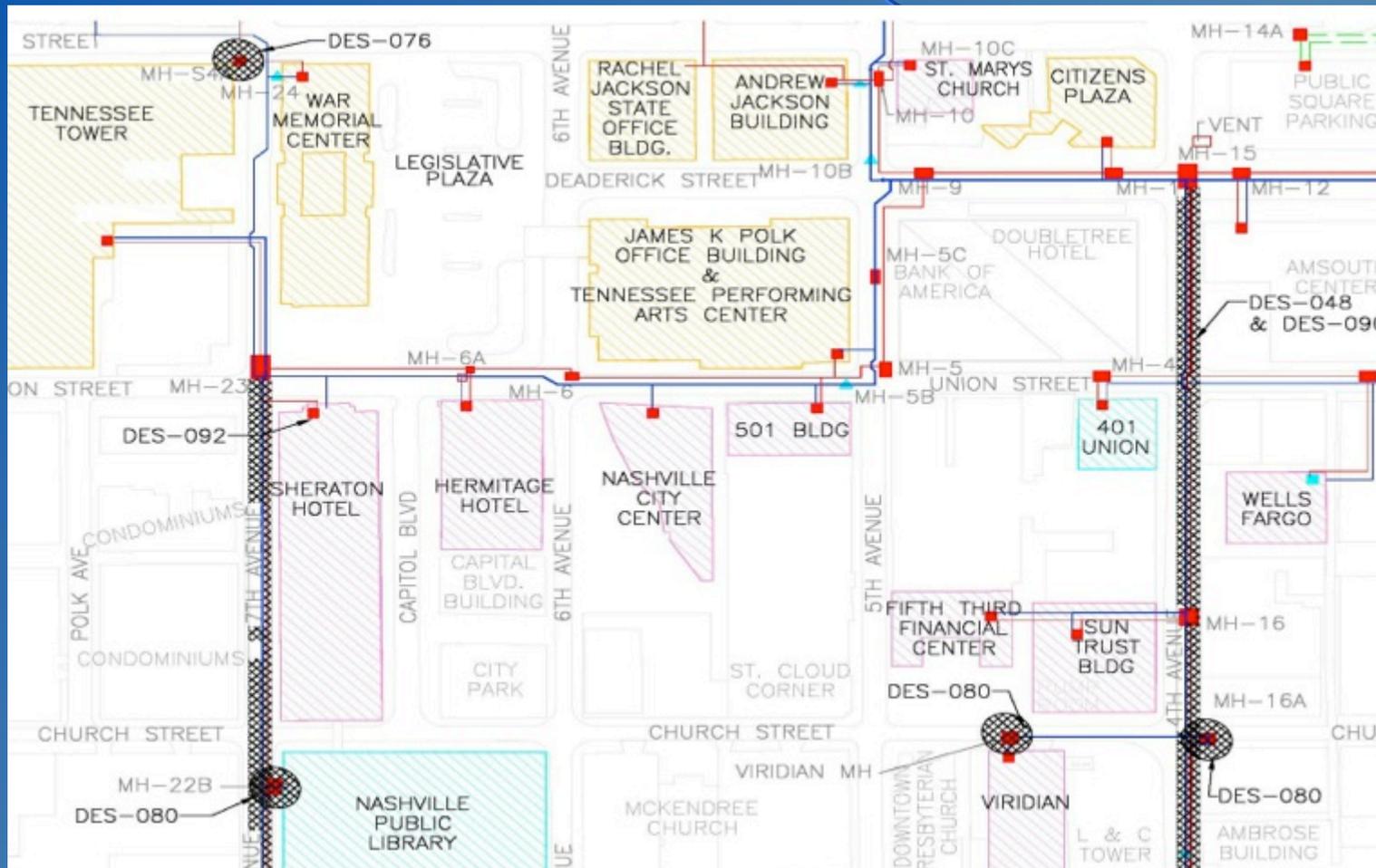
Active Capital Projects



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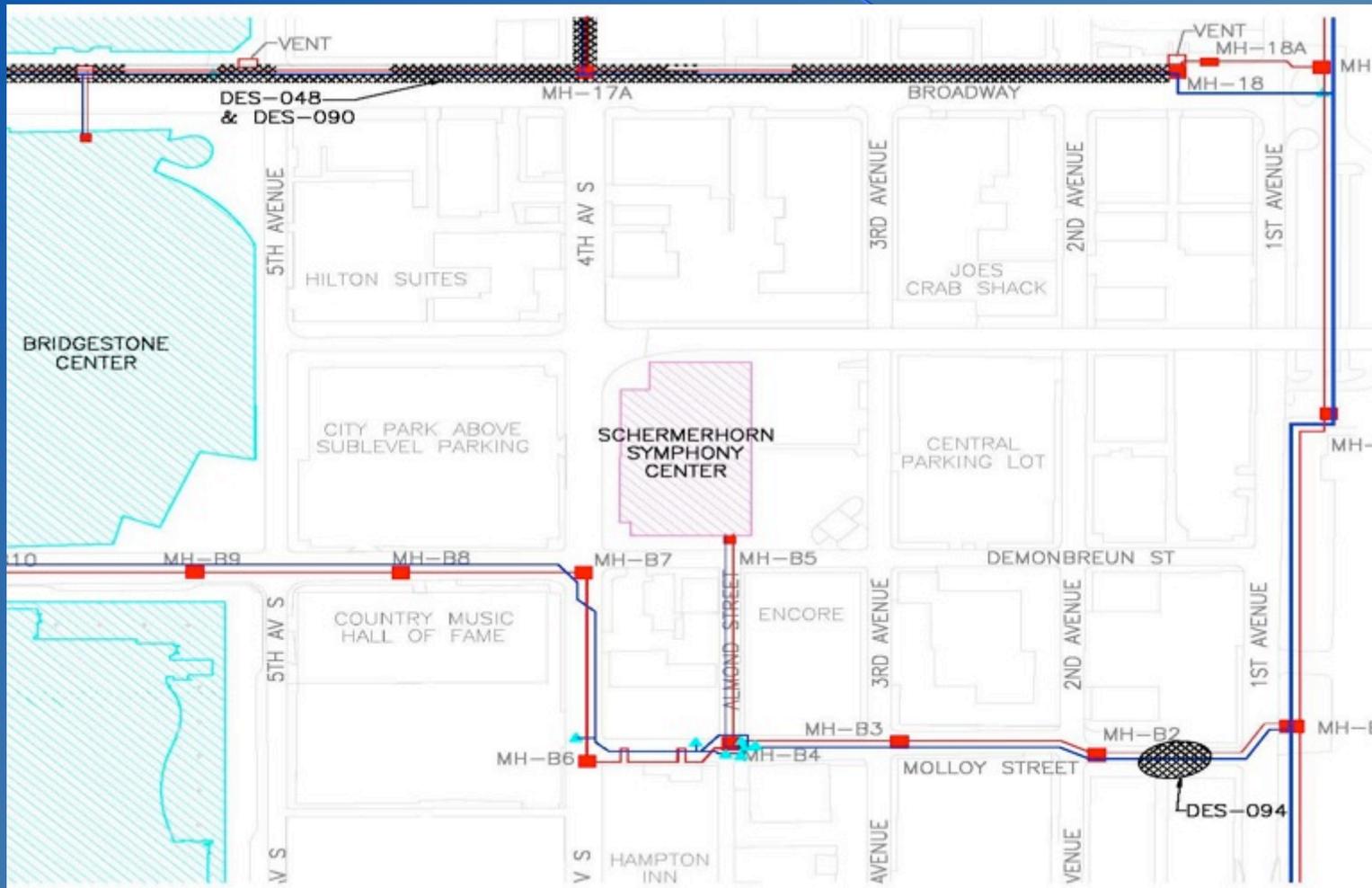
Active Capital Projects



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Active Capital Projects





Capital Projects Review

Capital Projects in Close-out

- DES 061B: Structural Repairs to MH 3 and MH4 - closed
- DES 077: Expansion of Service to the Music City Convention Center – complete; awaiting service connection; meter connection; pump modification nearing completion
- DES 083: Manhole 13 Leak & Structural Component Repair – closed



Thermal Storage & Time of Use Rates

- Developing Capital Estimate
- Storage Tank Proposed Location at MDHA Property between Woodland St and James Robertson Bridges
- Anticipate 10 to 12 year Simple Return
- Benefits Include:
 - Reduced Electric Peak Demand Charge
 - Reduced Monthly Energy Cost (slightly)
 - Increased Potential for Customer Expansion North of Broadway



*5. Music City Convention Center
- Guest Speaker Larry Atema*





6. Questions and Answers

7. Adjourn