

Metro Nashville
DISTRICT ENERGY SYSTEM



DES Customer Meeting

Spring FY13

March 21, 2013



Agenda

1. Welcome!
2. Historic Customer Costs
3. Historic Cost Escalation
4. DES FY14 Budget
5. Natural Gas Pricing
6. Capital Projects Review and How They Affect You
7. New DES Customers
8. Annual DES Shutdowns
9. Questions and Answers
10. Adjourn

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1. Welcome DES Customers!



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2. Historic Customer Costs

		Steam - Rolling 12 Month			Chilled Water - Rolling 12 Month		
		Jan 2011 - Dec 2011	Jan 2012 - Dec 2012	% Diff.	Jan 2011 - Dec 2011	Jan 2012 - Dec 2012	% Diff.
Private	Cost	\$ 1,513,198	\$ 1,319,314	-12.81%	\$ 3,328,840	\$ 3,359,932	0.93%
	Usage (lbs or tonhrs)	85,554,418	77,575,803	-9.33%	17,297,332	18,005,960	4.10%
	Unit Cost	\$ 17.69	\$ 17.01	-3.8%	\$ 0.192	\$ 0.187	-3.0%
State	Cost	\$ 1,978,488	\$ 1,790,353	-9.51%	\$ 3,445,895	\$ 3,440,191	-0.17%
	Usage (lbs or tonhrs)	99,028,505	91,611,133	-7.49%	17,072,222	17,144,596	0.42%
	Unit Cost	\$ 19.98	\$ 19.54	-2.2%	\$ 0.202	\$ 0.201	-0.6%
Metro	Cost	\$ 1,787,846	\$ 1,865,238	4.33%	\$ 3,885,384	\$ 4,245,321	9.26%
	Usage (lbs or tonhrs)	91,922,769	116,202,003	26.41%	21,249,225	25,212,490	18.65%
	Unit Cost	\$ 19.45	\$ 16.05	-17.5%	\$ 0.183	\$ 0.168	-7.9%
Aggregate	Cost	\$ 5,279,532	\$ 4,974,905	-5.77%	\$ 10,660,119	\$ 11,045,444	3.61%
	Usage (lbs or tonhrs)	276,505,692	285,388,939	3.21%	55,618,779	60,363,046	8.53%
	Unit Cost	\$ 19.09	\$ 17.43	-8.7%	\$ 0.192	\$ 0.183	-4.53%

MFA not included in values shown



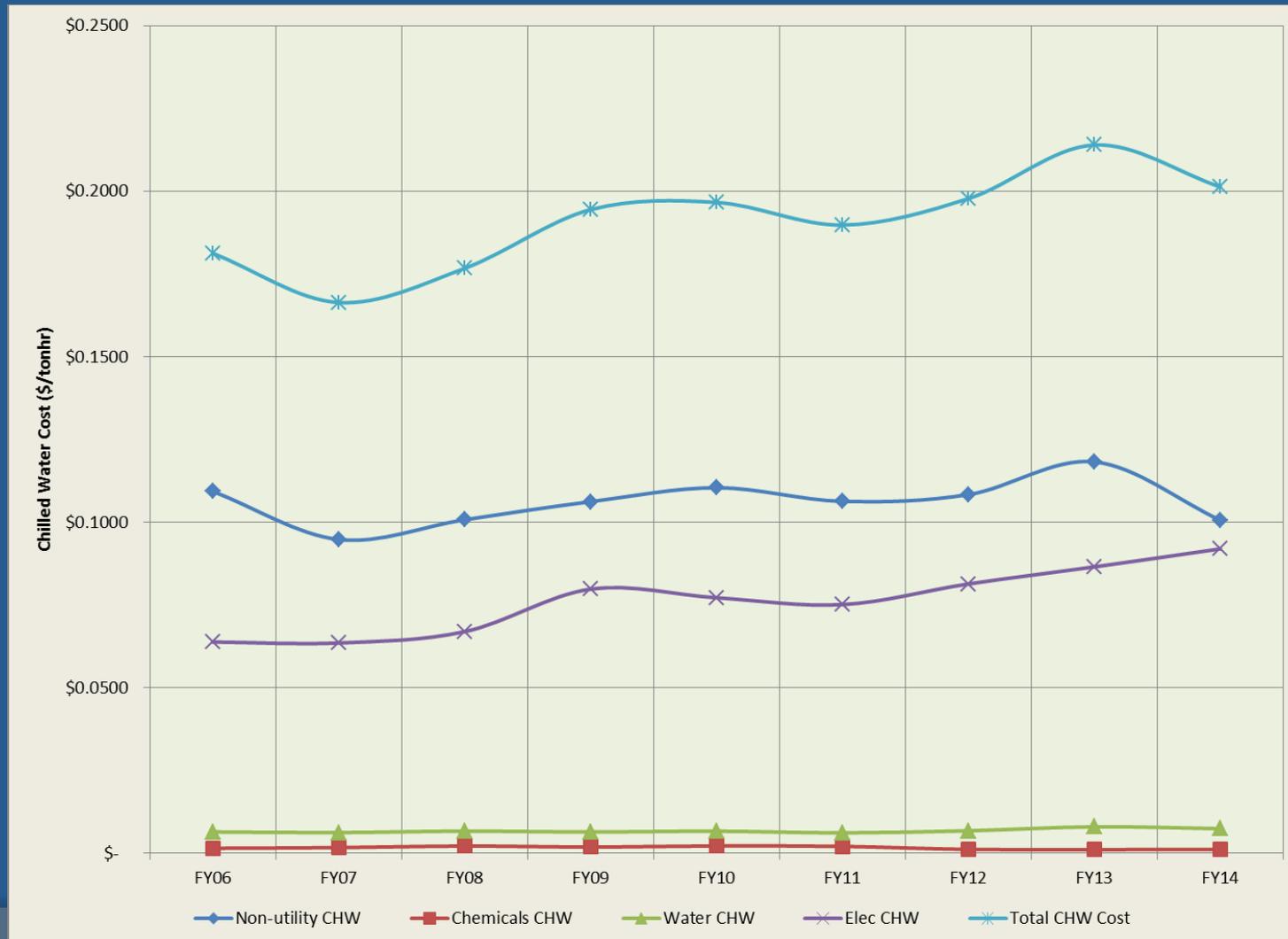
3. Historic Cost Escalation

- ❖ Figure 3A. Historic CHW Costs
- ❖ Figure 3B. Historic Steam Costs
- ❖ Table 3. Summary of Price Changes

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Figure 3A. Historic CHW Costs



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Figure 3B. Historic Steam Costs

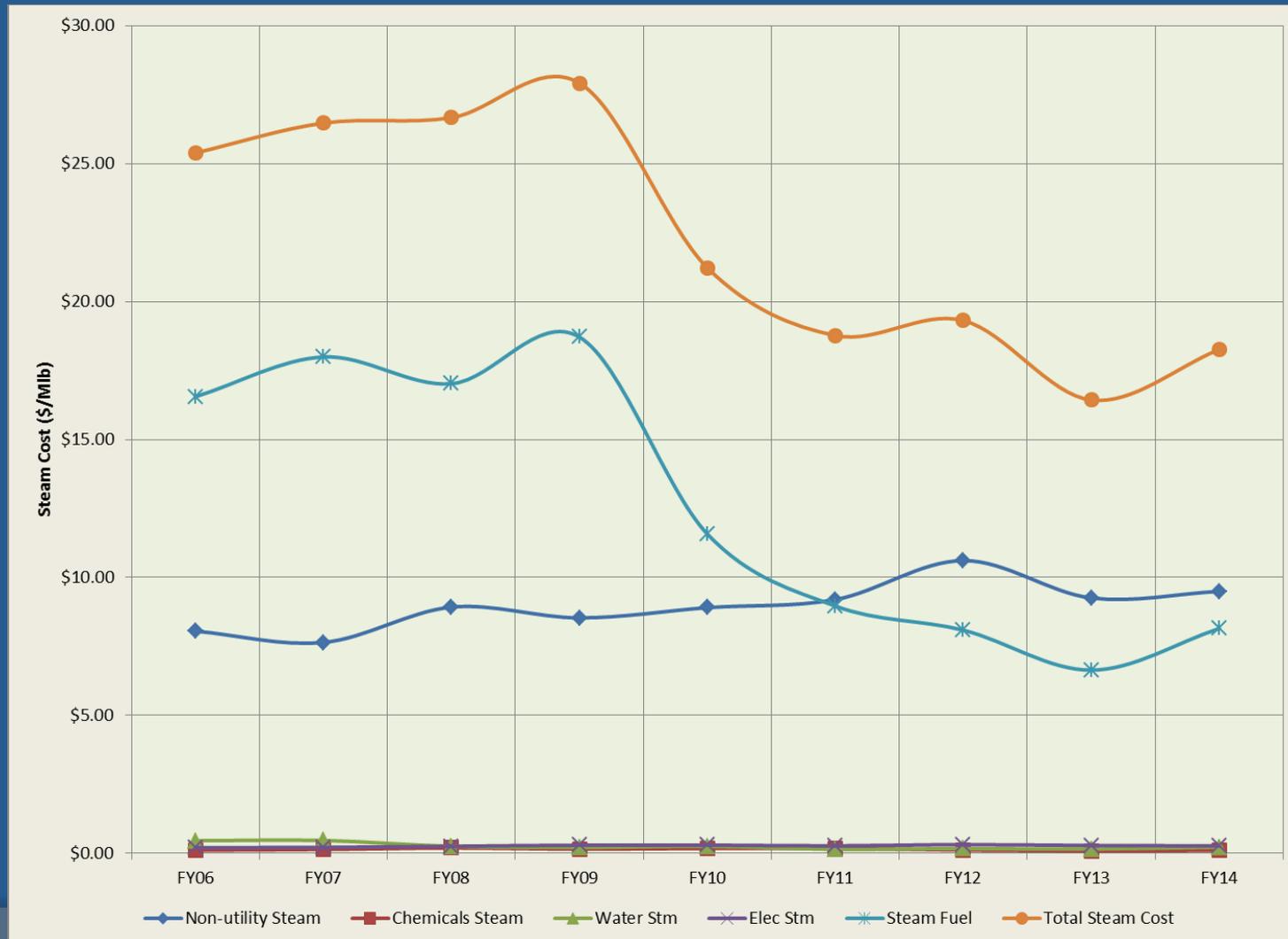




Table 3. Summary of Price Changes

- CPI from FY06 to FY13 (Avg) = +2.70%
- Chilled Water Costs:
 - Fixed Non-utility = +1.38%
 - Chemicals = -1.56%
 - Water/Sewer = +3.43%
 - Electricity = +4.68%
 - Total CHW = +2.58%
- Steam Costs:
 - Fixed Non-utility = +2.50%
 - Chemicals = -0.02%
 - Water/Sewer = -10.59%
 - Electricity = +5.43%
 - Fuel = -10.73%
 - Total Steam = -5.41%

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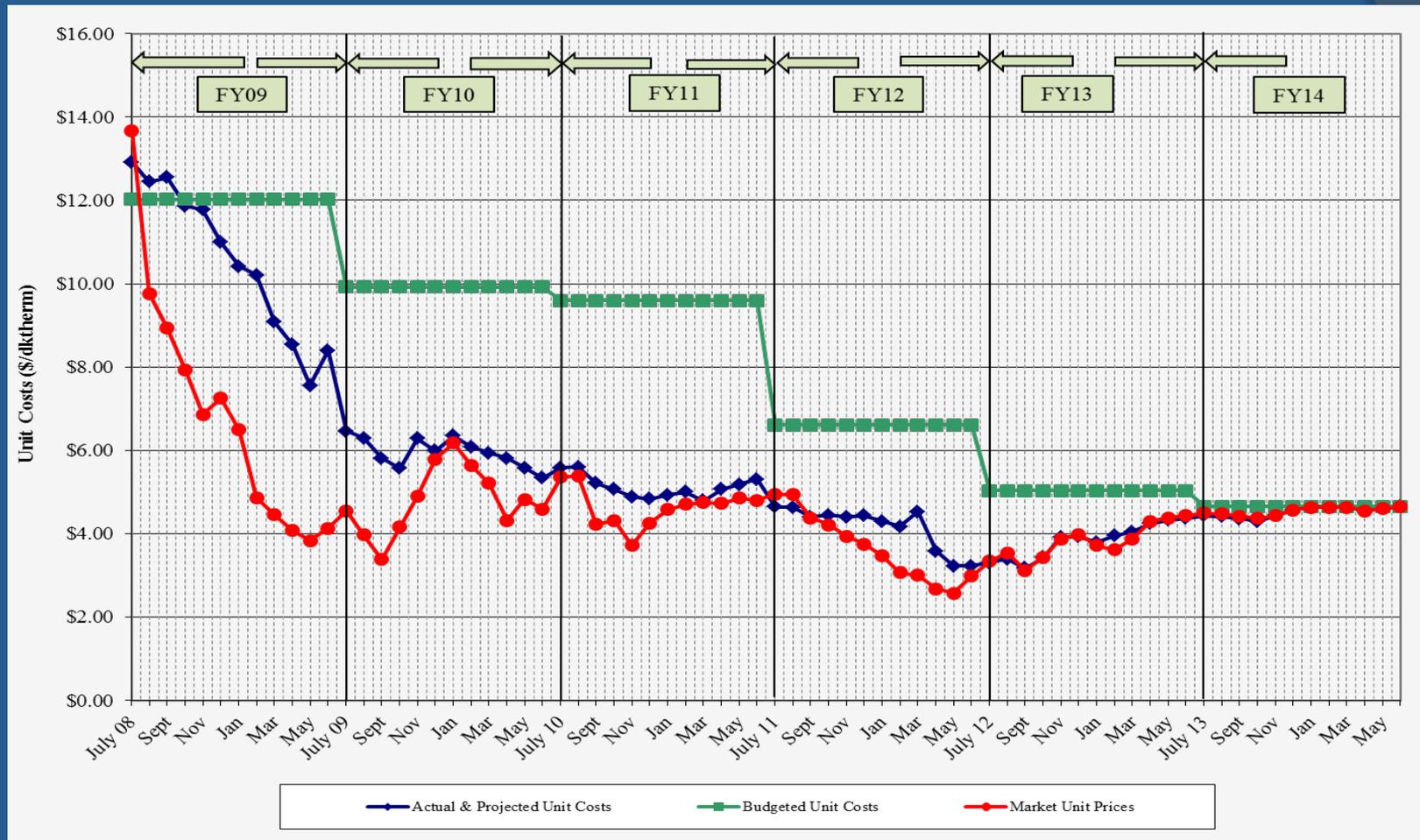


4. DES FY14 Budget

Item	FY12 Actual	FY13 Budget	FY14 Budget	Percent Change from FY13
FOC's	\$ 4,303,100	\$ 4,448,321	\$ 4,584,700	3.07%
Pass Throughs				
Non-Energy	\$ 842,241	\$ 1,098,400	\$ 1,091,000	-0.67%
Water/Sewer	\$ 433,255	\$ 616,500	\$ 714,300	15.86%
Natural Gas	\$ 2,025,943	\$ 3,185,100	\$ 3,153,900	-0.98%
Electricity	\$ 4,737,502	\$ 5,673,500	\$ 6,584,900	16.06%
Debt Service	\$ 4,928,191	\$ 4,604,855	\$ 5,671,400	23.16%
Total Expenses	\$17,270,232	\$19,626,676	\$21,800,200	11.07%
Total Revenues	\$15,644,921	\$17,263,800	\$19,759,800	14.46%
Metro Funding Amount	\$ 1,625,312	\$ 2,362,876	\$ 2,040,400	-13.65%



5. Natural Gas Pricing





6. Capital Projects and How They Affect You!

- ❖ Table 6. Capital Expenditures to Date
- ❖ Capital Projects Review: Active Projects
- ❖ Capital Projects Review: Closed Projects



Table 6. Capital Expenditures to Date

	Spent to End of FY12	FY13 Spending	Balance to Date (01/31/13)
R&I Projects	\$1,543,008	\$549,243	\$32,465
2005B Bond	\$8,186,500	\$0	\$0
2010 Bond	\$1,876,222	\$5,701	\$528,077
MCCC Fund	\$5,264,022	\$120,165	\$3,115,814
Total	\$16,869,752	\$675,109	\$3,676,356



Capital Projects Review

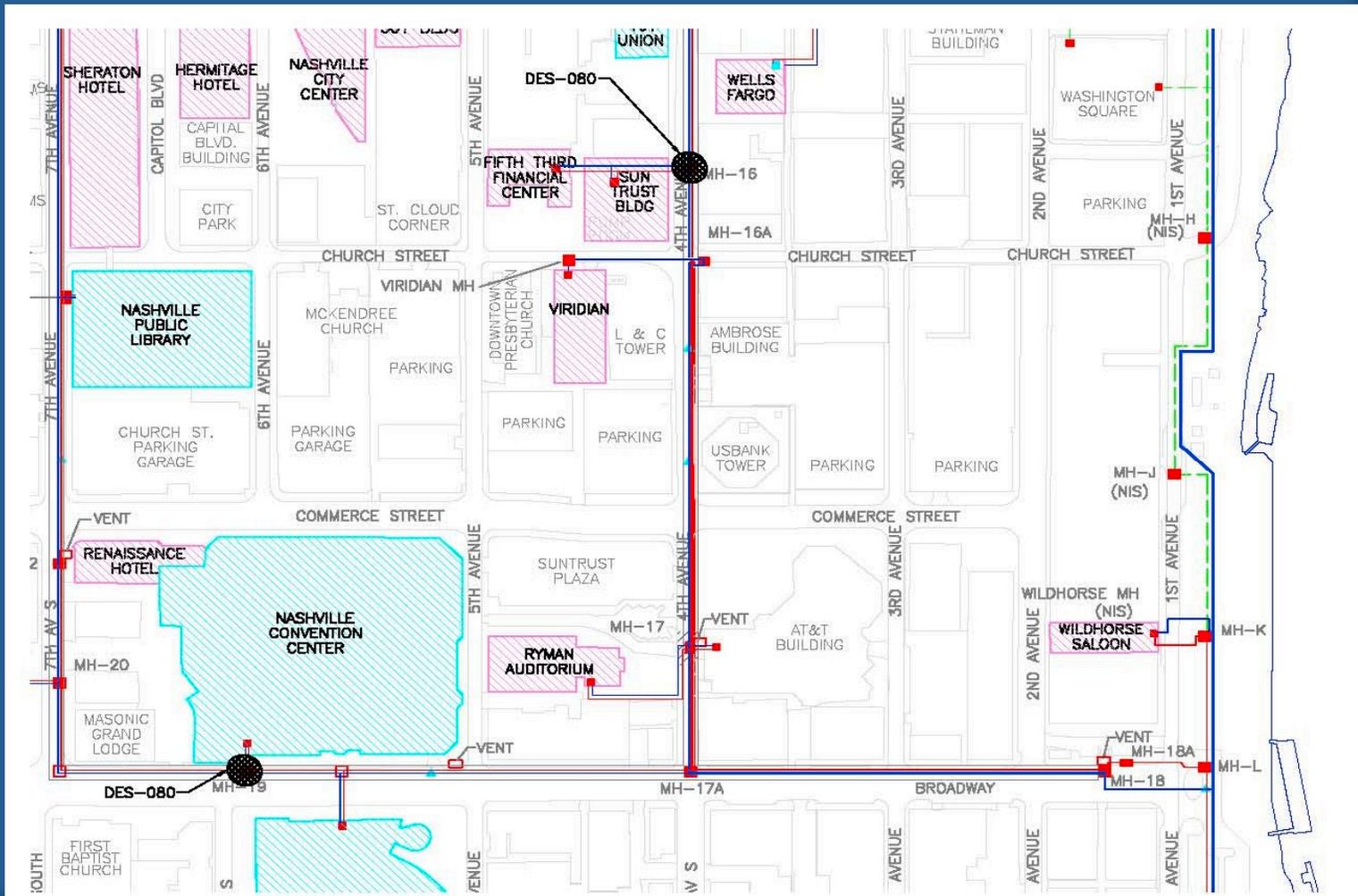
Active Capital Projects

- DES 061: MH & Tunnel Steel Corrosion Repair & Prevention – ongoing
- DES 080: Misc. MH & Tunnel Safety Repairs – in closeout
- DES 091: TOU and Thermal Storage – developing TOU customer rates
- DES 094: Molloy Street Exploratory Dig – in closeout
- DES 095: MH B2 Water Infiltration Remediation – in closeout
- DES 098: Service Connection to Nashville Hyatt Place – complete; waiting for instrumentation installation – coordinating with building contractor
- DES 100: MH-10 Sump Pump – in design

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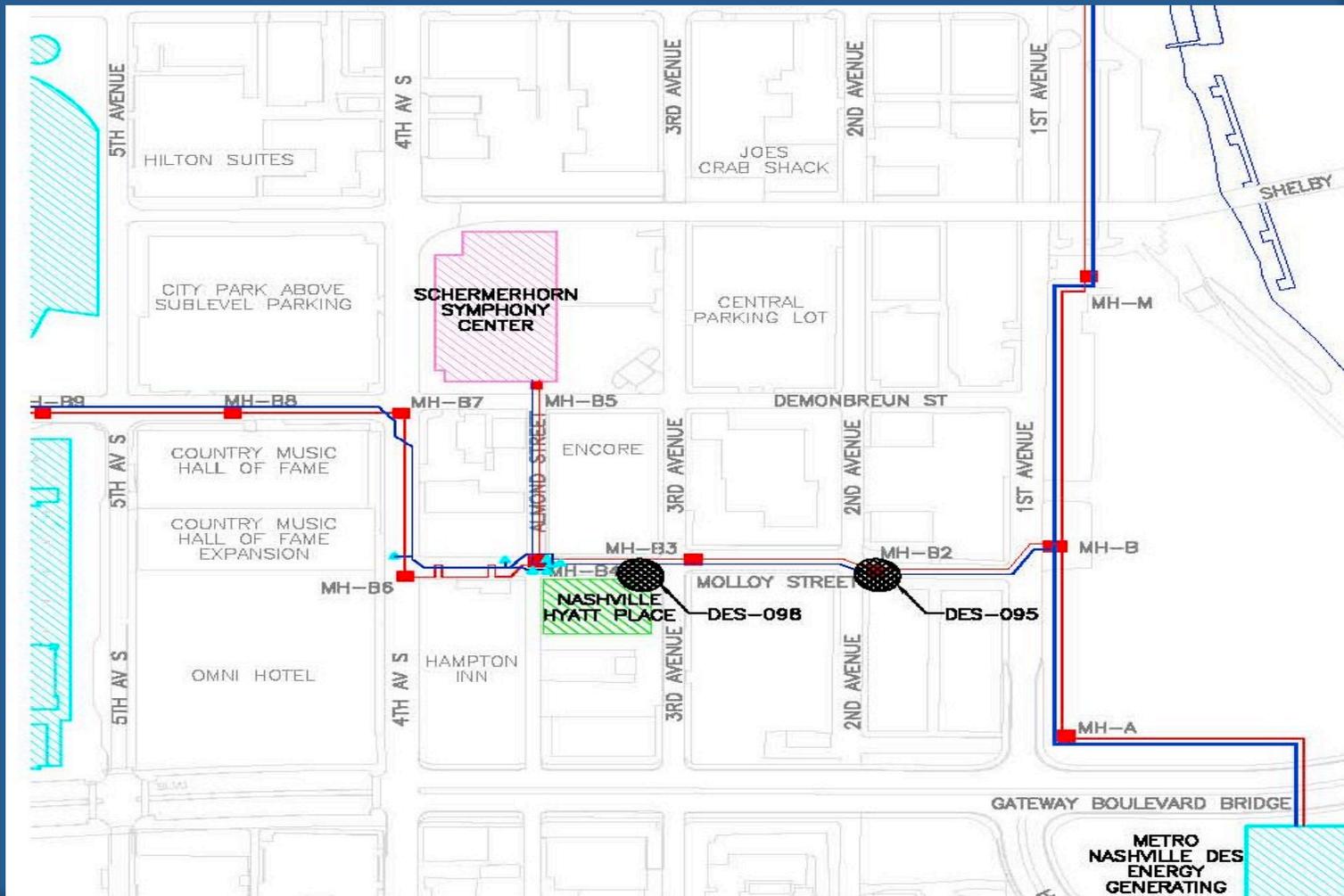
Active Capital Projects



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Active Capital Projects





Capital Projects Review

Capital Projects in Close-out

- DES 080: Misc. MH & Tunnel Safety Repairs
- DES 090: Manhole & Tunnel Insulation – closed (ongoing)
- DES 094: Molloy Street Exploratory Dig
- DES 095: MH B2 Water Infiltration Remediation
- DES 099: 2012 Steam Shut-down (MH-B Valve Removal) – completed



7. *New DES Customers*

- ❖ Music City Convention Center
 - ❖ Steam Online (July 2012)
 - ❖ Chilled Water Online (April 2012)

- ❖ Nashville Hyatt Place (3rd Ave South & Molloy St)
 - ❖ Service Available (Dec 2012)
 - ❖ Anticipated Start-up Summer 2013



8. Annual DES Shutdowns

- ❖ Steam Shutdown – Last Monday in June
- ❖ CHW Shutdown – Third Monday in December
- ❖ Any Comments or Discussion?



9. Questions and Answers

10. Adjourn