



In This Edition:

- [General Manager's Corner](#)
- [DES Receives IDEA System of the Year Award](#)
- [Meet DES Advisory Board Member Charles Harrison](#)
- [Customer Spotlight: Schermerhorn Symphony Center](#)
- [Metering Update: MODBUS Connection Reminder](#)

Visit our Web site:
www.nashville.gov/des

Mayor Purcell Receives Leadership Award

International District Energy Association Recognizes Mayor for Public Sector Leadership in the Energy Field



Nashville Mayor Bill Purcell receives his award from Rob Thornton, executive director of the International District Energy Association.

Nashville Mayor Bill Purcell was recently recognized with the Public Sector Leadership Award by the International District Energy Association (IDEA).

Continued on page 2 >

General Manager's Corner

By: Tim Hestle

High energy costs are affecting everyone, and significant relief is not likely to occur soon. According to the Energy Information Administration, monthly average crude oil and gasoline prices reached new highs in July, but remained below the peak inflation-adjusted levels of the early 1980s. In addition, international events continue to add uncertainty and upward price pressure on more active months of the hurricane season.



Tim Hestle

The heat wave that descended on much of the country in July resulted in records for electricity demand, and during the first six months of the year, average U.S. electricity prices rose by approximately 11 percent compared to the same period last year. The surge in electric prices was due to the increased cost of fuels used for electricity generation. For example, coal and natural gas, the sources of about 68 percent of the electricity generated, increased in price by 11 percent and 12 percent on average, respectively, during the first half of 2006. Natural gas inventories fell in late July, which was the first decline ever recorded during the summer months. In Nashville, there were 20 days in July in which the temperature exceeded 90 degrees, and on July 19-20 the temperature reached 100 degrees for the first time in six years.

There were 22 days in August in which the temperature exceeded 90 degrees, making it the eighth-hottest August on record. The DES plant saw its peak cooling load for the year, 17,300 tons per hour, during the month of August.

The new chilled-water meters that have been installed in customers' buildings have been set to maintain contractual return temperatures. Some customers have experienced flow issues since the new installations. Everyone is encouraged to check their building cooling systems, perform preventive maintenance and explore energy-conservation options.

Cooling degree-days for the third quarter this year are expected to be about 8 percent lower than the third quarter of 2005, but still almost 11 percent above normal. Energy prices are expected to continue to increase over the next year, but at a slower rate, as moderation in natural gas and coal costs are passed through to retail customers. *Continued on page 2 >*

The award is given annually to the public entity or individual who has demonstrated public leadership in the energy field.

“Mayor Purcell’s leadership was instrumental in the city’s seamless transition from the Nashville Thermal Transfer Corporation plant to the new district energy system and recycling program,” said Harvey Gershman, president of Gershman, Brickner & Bratton, Inc., and Metro’s project administrator for DES. “No one deserves this award more.”

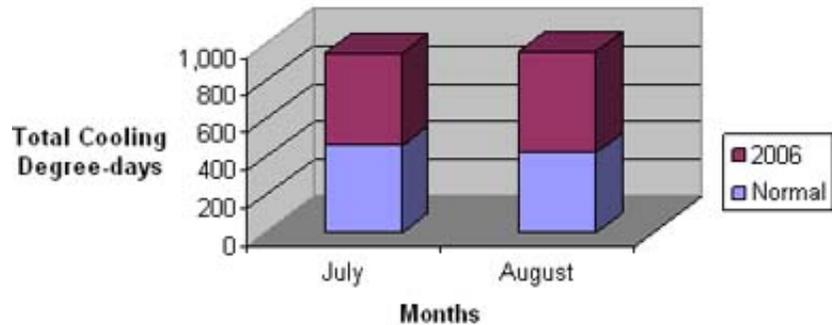
IDEA is an international organization headquartered in Boston that promotes the growth and use of district energy systems. The group’s 97th Annual Conference and Trade Show was held at the Nashville Convention Center last June. The event was co-hosted by Constellation Energy Projects and Services Group and Metro Nashville DES.

Greg Clark: CEPS Employee, Lead Project Manager for Metro DES



Greg Clark is the lead project manager for construction projects for Metro Nashville DES.
Continued on page 2 >

Nashville Cooling Degree-days* vs Normal



*Degree-days are used to evaluate energy demand and consumption. Each degree of temperature above a comfort level of 65 °F is counted as one cooling degree-day.

The U.S. Department of Energy reported, after the recovery from the 2005 hurricanes and the mild weather during the first quarter of 2006, that natural gas inventories rose substantially in the month of August. Levels are up 280 billion cubic feet from last year, and 320 billion cubic feet more than the five-year average. Because of high inventory levels, natural gas prices have fallen over the past several months. In anticipation of the upcoming heating season and in an effort to keep customer prices within budgeted amounts, Metro has already pre-purchased or hedged approximately 77 percent of DES’ natural gas supply for the next 12 months.

DES Receives IDEA System of the Year Award

DES was recently awarded the International District Energy Association System of the Year Award during the 97th annual IDEA Conference and Trade Show. Given annually, the award is the top honor IDEA confers on a district energy system.

The award recognizes the outstanding district energy system that exemplifies a high level of performance in providing energy service and furthers the goals of the district energy industry. It provides an industry benchmark for overall excellence and a platform for sharing ideas and efforts that make systems successful.

“Everyone involved with DES is extremely honored to receive the IDEA System of the Year Award,” said David Manning, Metro Nashville director of Finance. “I think it is a testament to the great partnership between Metro and Constellation Energy Projects and Services Group, to the vision of the city of Nashville, and to the staff at the facility.” *Continued on page 3 >*



Clark oversees projects such as piping upgrades and incorporating new customers into DES. He contributed to the successful construction and start-up of the Energy Generation Facility that replaced the old Nashville Thermal Transfer Corporation Plant after CEPS hired him as the construction manager in 2002.

Clark has more than 30 years of experience in the waste energy industry. Before joining CEPS in 2000, he worked for Metro Nashville at the Thermal Transfer Plant as the project administrator overseeing client projects. Clark has also worked for Professional Engineering Services, Wheelabrator, and the state of Tennessee as a power plant operator and mechanic.

He and his wife, Betty, have been married for 29 years and reside in Gallatin, Tenn.

“My job is very rewarding because I help integrate new customers into DES,” Clark said. “It’s fun to see them get excited about being able to cut their energy costs and minimize their building maintenance demands. We offer a simpler approach to heating and cooling, and customers really appreciate that.”

Systems were judged on the following criteria by a panel of five industry professionals:

- System Energy Efficiency
- Reliability and Availability
- Environmental Benefits and Compliance Strategy
- Employee Safety and Training Programs
- Customer Relations, Service Improvements, Communications and Marketing
- Involvement in the Community and Professional Organizations

Metro DES and Constellation Energy Projects and Services Group co-hosted the conference and trade show at the Renaissance Nashville Hotel, Wildhorse Saloon, and Nashville Convention Center, all DES customers. More than 400 district energy professionals from 15 countries, including the United States, came to participate.

With headquarters in Boston, the 800-member IDEA comprises district heating and cooling executives, managers, engineers, consultants and equipment suppliers from 12 countries. The organization’s core mission is to support the growth and utilization of district energy as a means of conserving fuel and increasing energy efficiency to improve the global environment.

Meet DES Advisory Board Member Charles Harrison

Charles Harrison, CGFM, CPA, is a member of the DES advisory board that was established by Mayor Purcell in 2004 to continually review DES and make reports and recommendations to the Mayor. Harrison was appointed to represent the state of Tennessee, DES’ largest customer, on the board. He is committed to helping the DES advisory board ensure dependable and cost-effective services to customers.

Prior to his appointment, Harrison served as a board member for the Nashville Thermal Transfer Corporation. In 2001, when the Thermal board decided to replace NTTC with DES, Harrison was very involved with the transition. In 2002, he represented the state in negotiations for a service agreement between the state of Tennessee and the Metropolitan Government of Nashville and Davidson County. The agreement was to provide heating and cooling services to 14 state buildings, including the state Capitol. The negotiations resulted in fixed charges and improvements in thermal efficiency of state buildings and the state’s steam distribution system. *Continued on page 4 >*



Charles Harrison

Constellation Energy and Nashville District Energy, LLC, Host Third Annual Golf Tournament



Constellation Energy Projects and Services Group hosted their third annual golf tournament on July 22 at Pine Creek Golf Course in Mt. Juliet, Tenn. Eighty-four people participated, including CEPS and DES staff, customers, contractors, vendors and friends.

The golf course, approximately 20 miles east of Nashville, was in great shape, and the participants enjoyed a pleasantly overcast day. The winning team of Harry Ragsdale, Dickey Moran, Kevin Bellamy and John Schaffer finished at 9-under par. Only seven strokes separated first and last place.

Many DES customers, contractors, vendors and friends generously sponsored holes and donated gifts to be given away as prizes. CEPS sponsored a hole-in-one contest on all of the par-3 holes and the barbecue luncheon immediately following the tournament. The event was a tremendous success and everyone had a great time.

“Nashville’s downtown business district is very fortunate to have a world-class district energy facility dedicated to providing efficient and cost-effective energy to our businesses,” Harrison said. “What I appreciate about the advisory board is that there’s a partnership between the board and customers. We offer advice and provide input to management plans, but at the same time we learn about DES plans. We then communicate this to our customers – in my case, the state of Tennessee.”

Harrison is an assistant to the comptroller of the Treasury for Management Services and is responsible for providing administrative support services to the 13 divisions of the comptroller’s office. In June 2006, Harrison won the Outstanding CPA in Government Award presented at the Tennessee Society of Certified Public Accountants’ annual conference for his contributions to the state. He is a member of the Association of Government Accountants’ Nashville chapter and is past national president of the Association of Government Accountants. Harrison earned his bachelor of science degree from the University of Tennessee, where he majored in accounting.

Customer Spotlight: Schermerhorn Symphony Center

The Schermerhorn Symphony Center is one of more than 40 buildings that DES

provides heating and cooling services to in downtown Nashville. On Sept. 9, the center hosted its inaugural concert to a sold-out audience.



Photo by Marie Lancaster

Located on a full city block in downtown Nashville west of the Shelby Street Pedestrian Bridge, the center serves as the home for the Nashville Symphony Orchestra and the Nashville Chamber Orchestra.

The Schermerhorn Symphony Center is the final element of Gateway Plaza, a civic park flanked by the Country Music Hall of Fame and Museum to the south, the Gaylord Entertainment Center to the west and the Hilton Nashville Downtown to the north. The public space is expected to become a popular and central destination for arts in the revitalized downtown area.

Ted DeDee, executive director of the Nashville Symphony Association, committed to district energy for the new center even before the building was designed.

“Choosing DES was a critical budget decision for the construction of our new center,” DeDee said. “Our capital expenditures are reduced by not having to purchase our own chillers and boilers. And we will cut our expenses by not having to repair and maintain equipment on an ongoing basis. DES really simplifies the complex process of heating and cooling a large building.”



Metering Update: MODBUS Connection Reminder

Earlier this year, DES updated the metering panels in customer buildings. One feature of the new system is the ability for real-time energy data to be sent and downloaded to customers' building energy management systems. This data allows customers to manage their buildings' energy use more efficiently and can also be viewed by logging on to the DES Web site. In addition, e-mail alarms can be sent to customers when peak energy usage is exceeded.

However, customers cannot enjoy these benefits if they do not connect their building EMS to the metering panel through the MODBUS gateway.

By connecting to the gateway, customers will gain a clearer knowledge of their buildings' energy performance, which will allow them to identify and eliminate undesirable trends in energy consumption. Customers can also easily compare monthly energy consumptions to historical data and forecast their buildings' energy consumption.

If customers are interested in connecting their EMS to the metering panel, they should contact Matt Nicholson of Gresham, Smith and Partners at (615) 770-8590.
