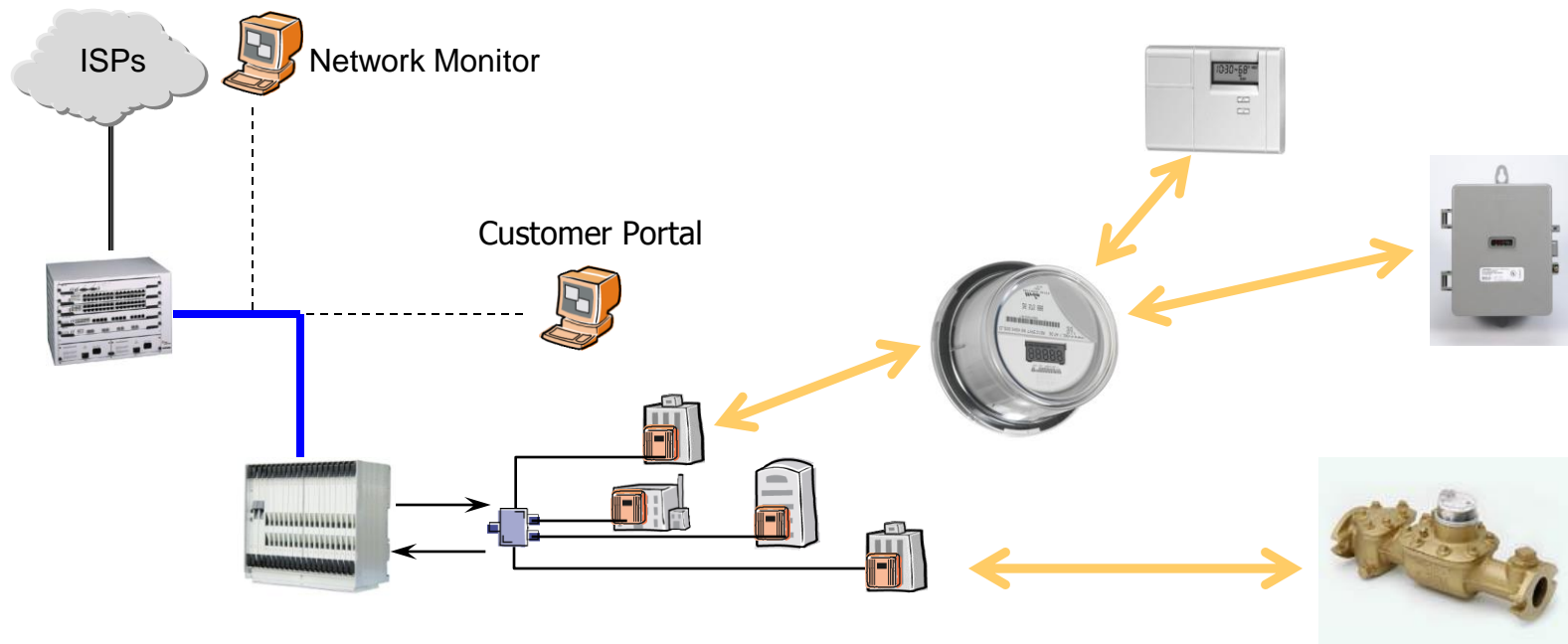


National Town Meeting SG/DR

July 14 2011

AMI Network





How did SG/AMI/DR program come about?

- Change in Purchase Power Agreement
- Vintage AMR system
- Fiber Optic Network
- Vintage LM/VR Program
- Value of Peaking Generation
- Expense of Water and Electric meter services
- Customer inquires
- Industry interest



The SG/AMI/DR Decision??

Major factors considered?

- Is The Technology available
- Utilization of current infrastructure
- Customer Education and Response
- Benefits to the customer
- Utility Operational Benefits
- Cost savings and rates structures
- Future Regulation and Legislation
- Net Metering
- Customer Generation Sources



The SG/AMI/DR Decision??

- AMI/DR is the foundation of the “Smart Grid” and fits well into our Five Utility Strategic Plan Focus Areas
 - Affordable rates for City Customers
 - Safe, Adequate, and Reliable Service
 - Quality and Safe Work Environment
 - Excellent Customer Service
 - Strong Environmental Stewardship



The SG/AMI/DR Decision??

- SG/AMI/DR Benefits
 - **Purchased Power Cost reduction**
 - Emissions Footprint Reduction
 - Position the Utility for the Future
 - Advantage of New Technologies (HAN)
 - New Legislation & Regulations
 - **Operational Benefits**
 - New Business Opportunities



The SG/AMI/DR Decision??

- **SG/AMI/DR Benefits**

- **Purchased Power Cost Reduction**

- Demand Response

- Gain increased participation in Load Management
- Verifiable impact of Load Management
- 1.5KW+ reduction in demand per participant per month
- \$16.92 per KW per Month under the current contract
- Expected to change under new contract in 2011 (\$17.50)

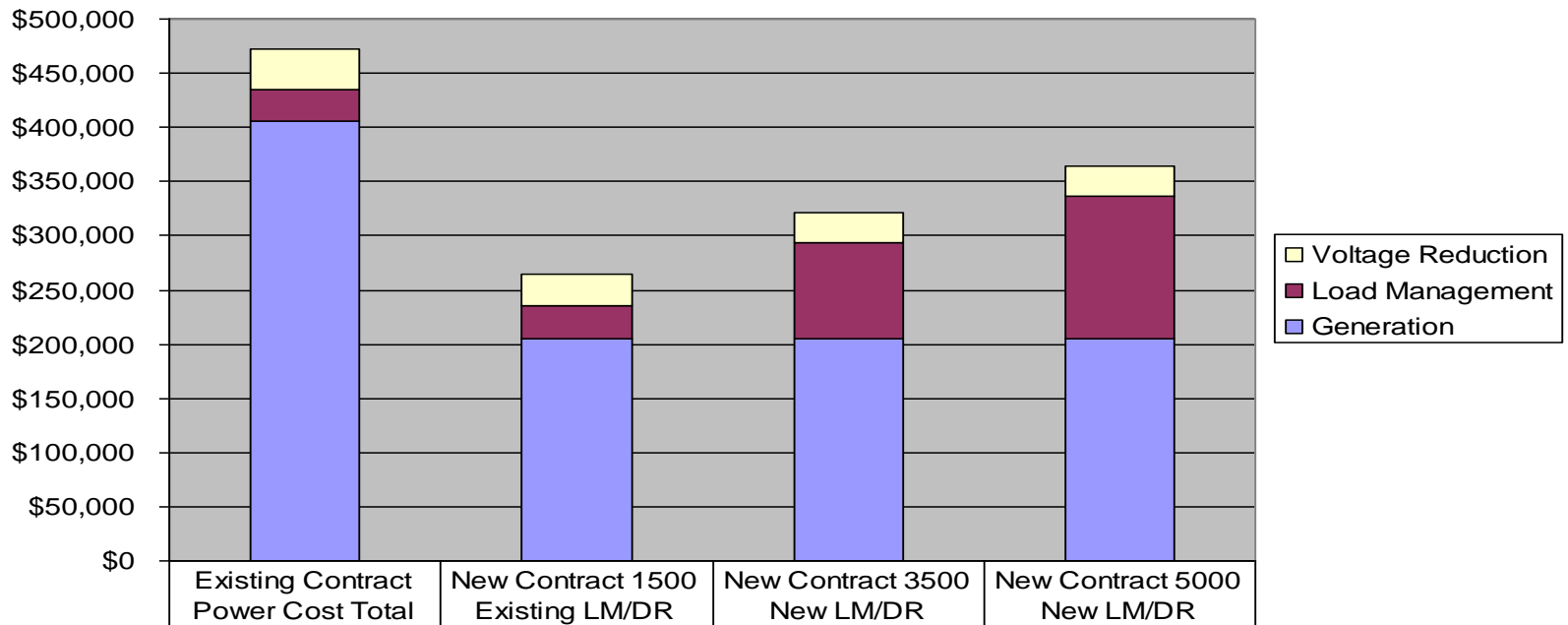
- **Operational Cost Benefits**

- Reduced Annual O&M costs

- Reducing Meter Reading Costs
- Avoided cost of Distribution Improvements
- Customer Service Benefits
- Outage Management
- New rate structures

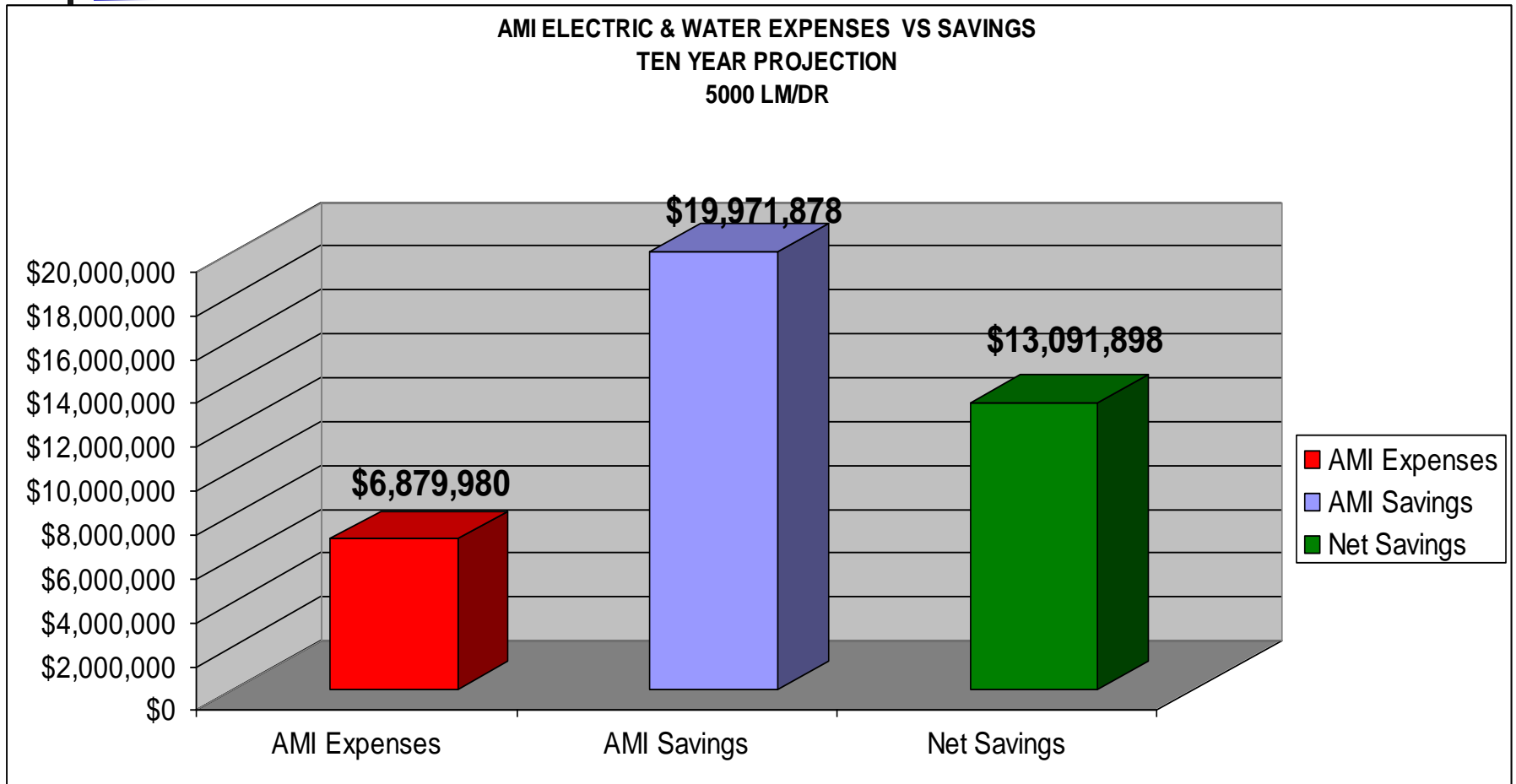
Summary Load Reduction Savings Updated New Contract

**Load Reduction Cost Savings
Based on July 2008 Load Profile**

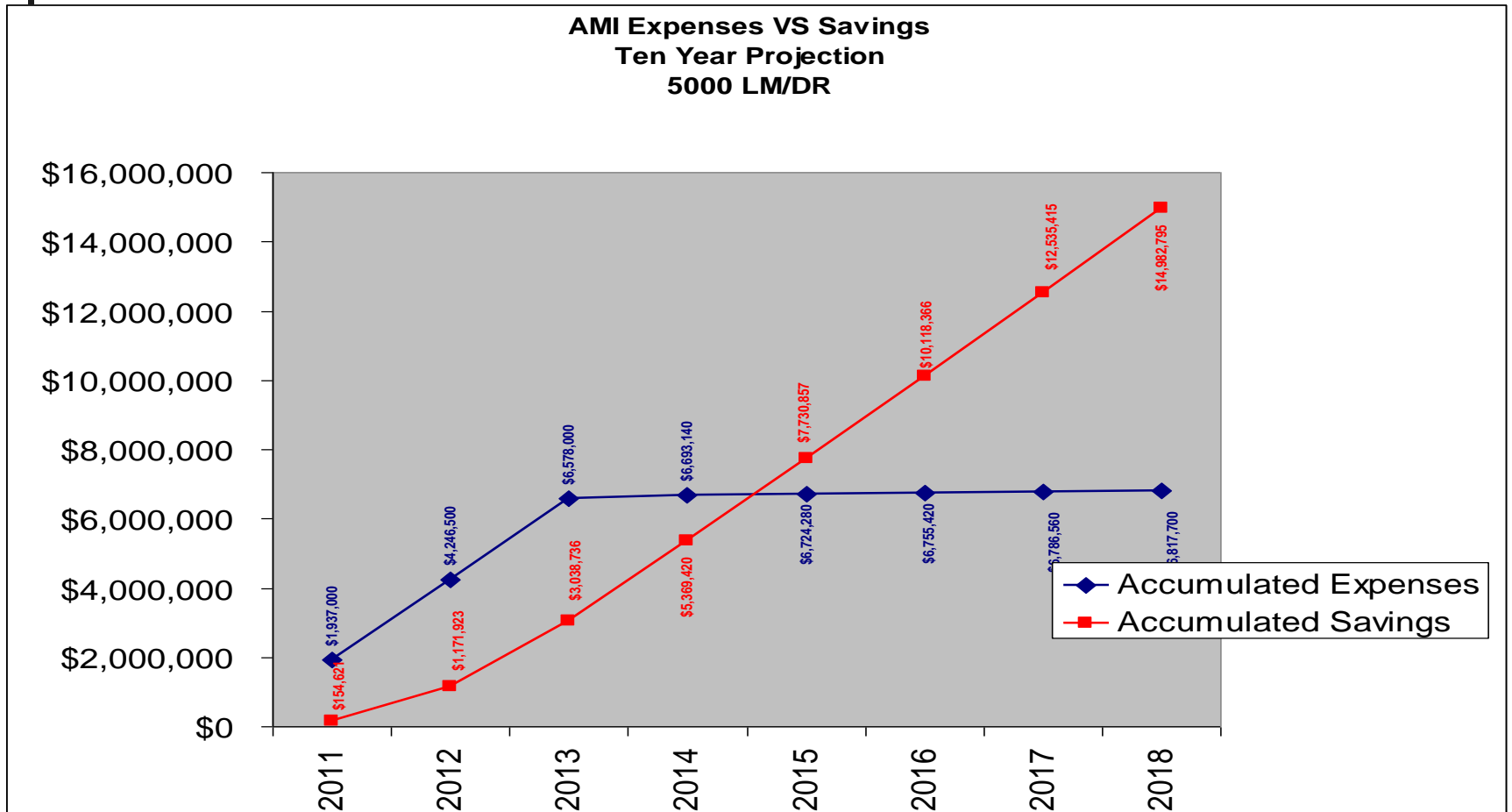


□ Voltage Reduction	\$36,588	\$28,106	\$28,106	\$28,106
■ Load Management	\$29,277	\$30,275	\$87,500	\$131,250
■ Generation	\$406,144	\$205,576	\$205,576	\$205,576

Updated Electric & Water Savings



Updated Electric & Water Savings





Summary

- AMI is the Foundation of the Smart Grid
- AMI LM/DR allows partial recovery of lost Generation Benefit
- Many Operational Benefits
- Allows New Rate Structures
- Educates the Customer
- Water Meter Expense recovered through Lost Revenue Recovery
- Electric Expense recovered through LM/DR and O&M savings
- Payback in Two Years After Full Deployment



QUESTIONS?
