

# Town Hall Meeting



**What does Madison's  
Electric Utility Mean to  
YOU?**

What does your Electric Utility mean to you?



**Facilitators:**

**Mayor Bob Conley**

**Councilman Dr. Vincent  
Esposito**

# What does your Electric Utility mean to you?

## Agenda

History

Benefits

Challenges

Operations

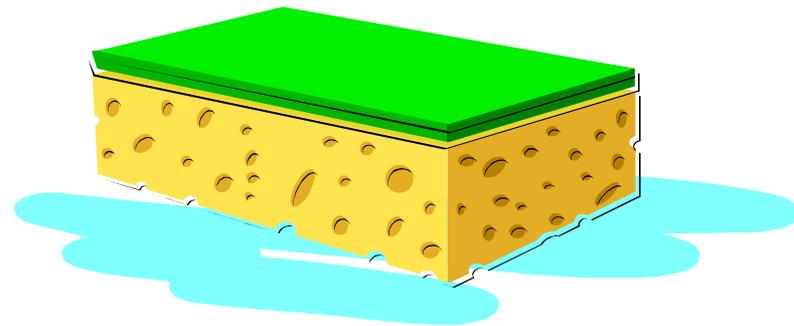
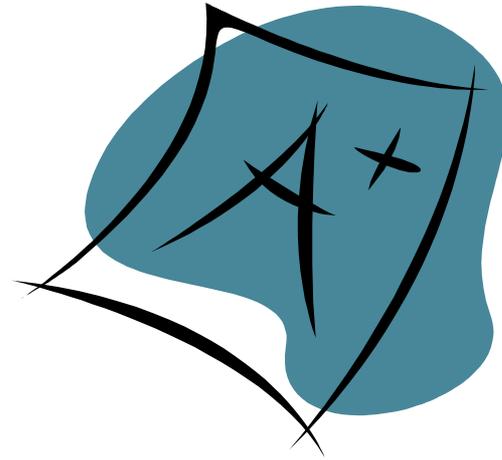
Future Goals

Questions & Discussion

Wrap Up



# What does your Electric Utility mean to you?



What does your Electric Utility mean to you?

**QUESTION**

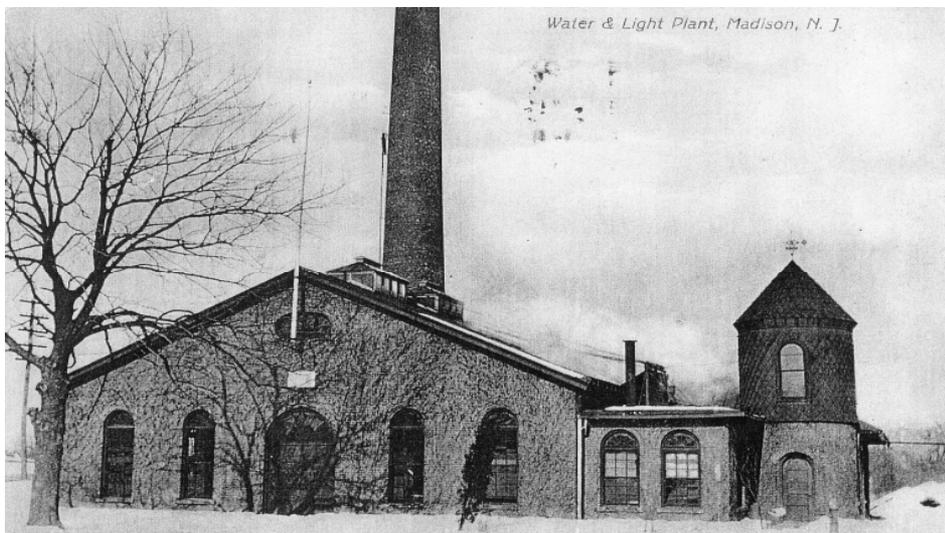
Who OWNS the Utility?

**Answer...**

**YOU!**



# History



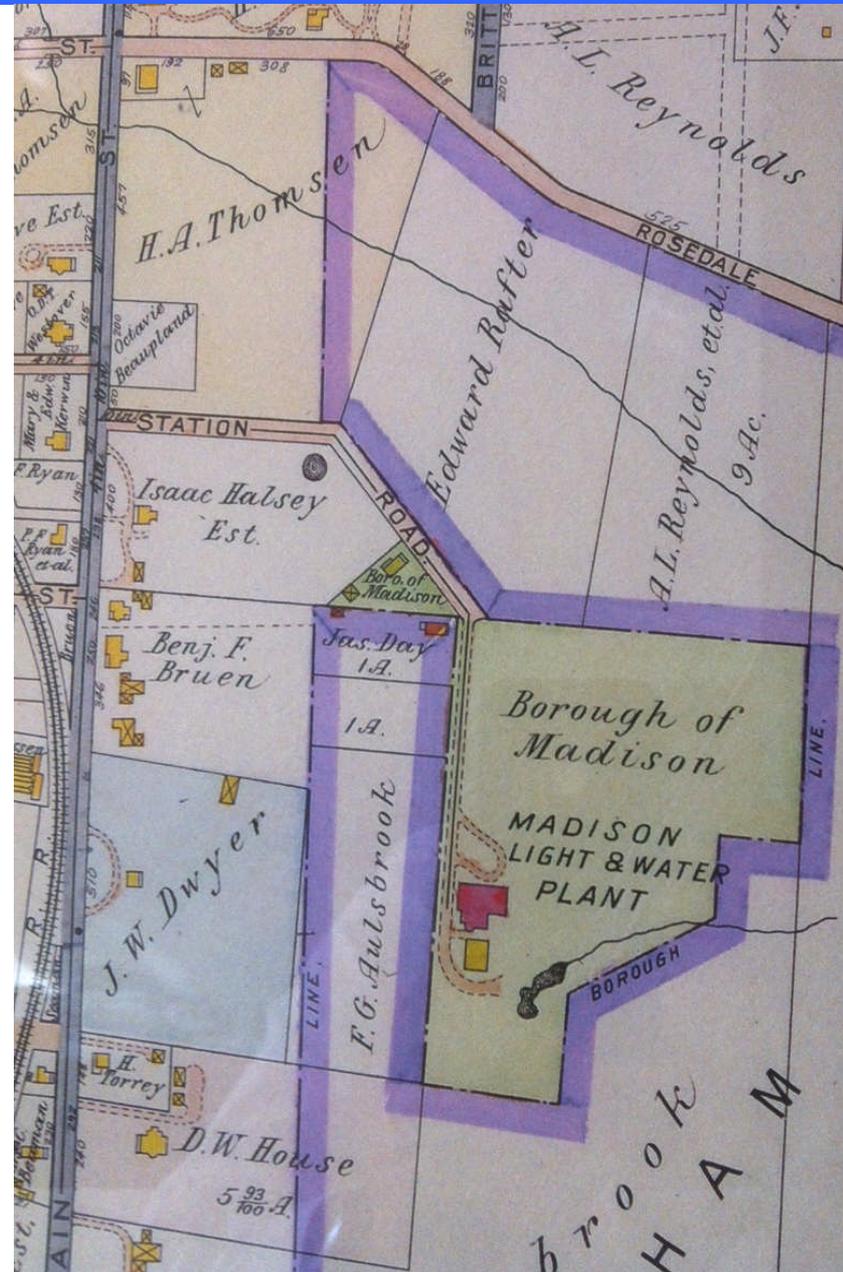
**Then...**  
(late 1800's)

**Now...**



# History

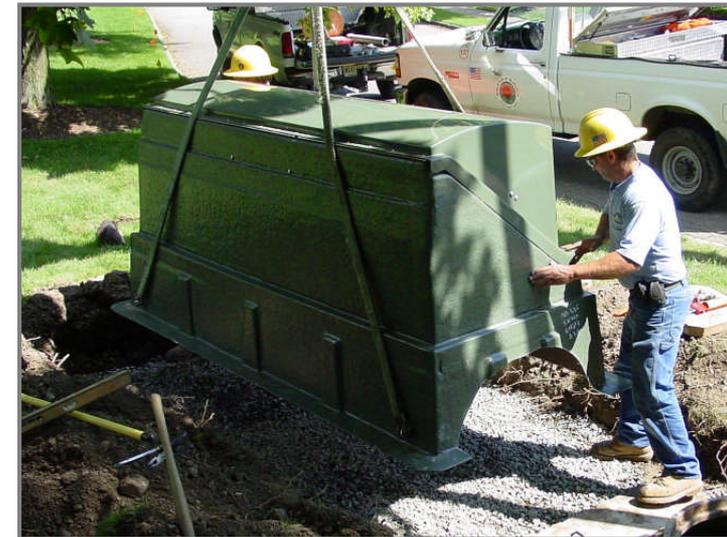
It is called Station Road because the Water & Light Station was at the end of the road.



# Electric Utility - Operations

## About the System

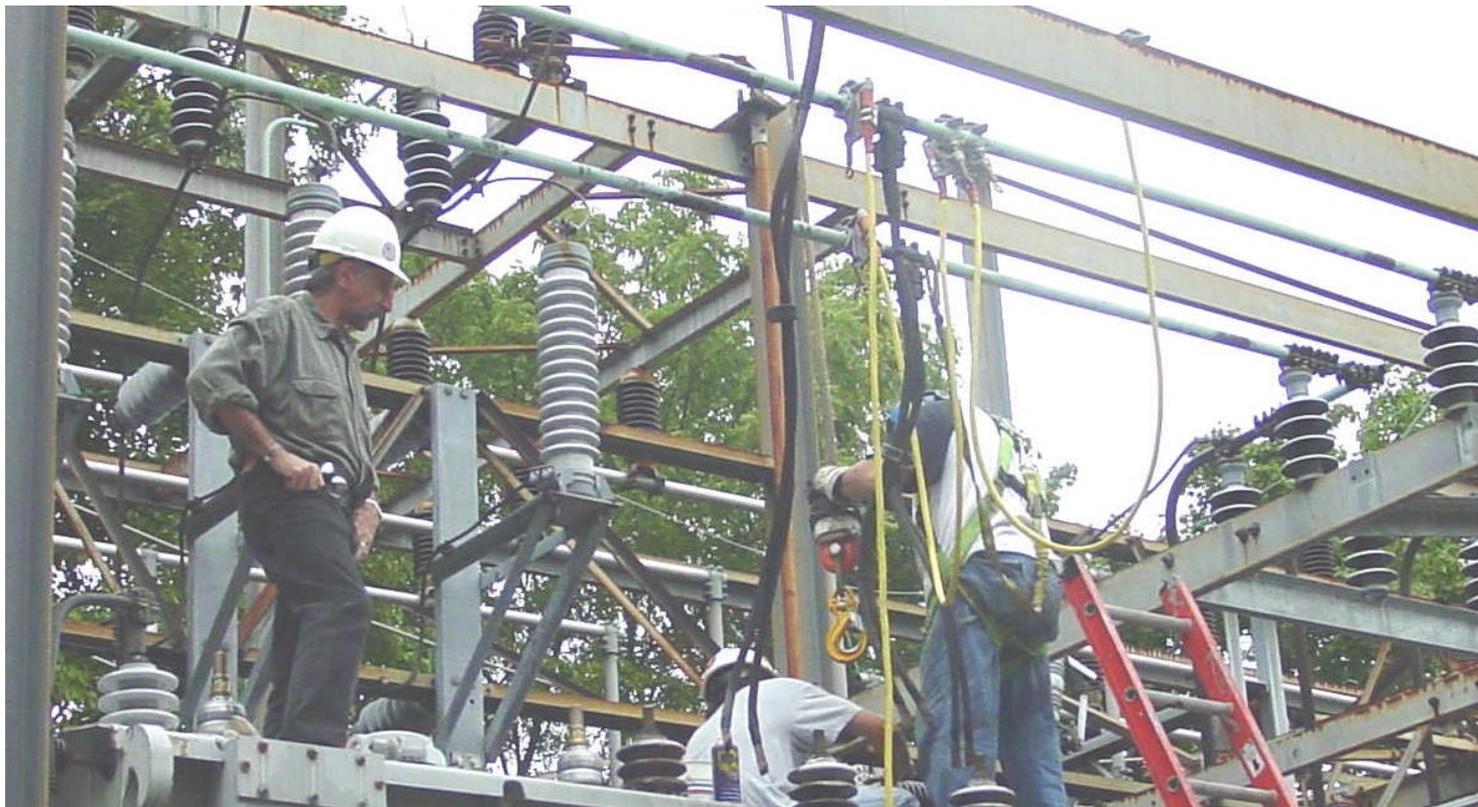
- Amazingly, we still read meters the old fashioned way with meter reader, pencil and book. (But our customer service is tops.)
- System serves over 6,500 customers from small residential to large corporate.
- 2 substations and nearly 300 miles of underground and overhead cables.



# Electric Utility - Operations

## Value of System

***Replacement cost of system would be over \$40 million dollars***



# Electric Utility - Operations

## System Maintenance

*All of the distribution system is installed, maintained and repaired by an 8 man crew.*

*Crews are well trained with over 150 years of combined industry experience.*



# Service benefits of owning our electric utility



Dedicated linemen get Madison back on-line quickly and safely.

Aggressive tree trimming minimizes outages



# Service benefits of owning our electric utility

## Hurricane Irene, September 2011



# Service benefits of owning our electric utility

Quick, coordinated response from the utility linemen, police and public works also shortens outage times.



# Service benefits of owning our electric utility

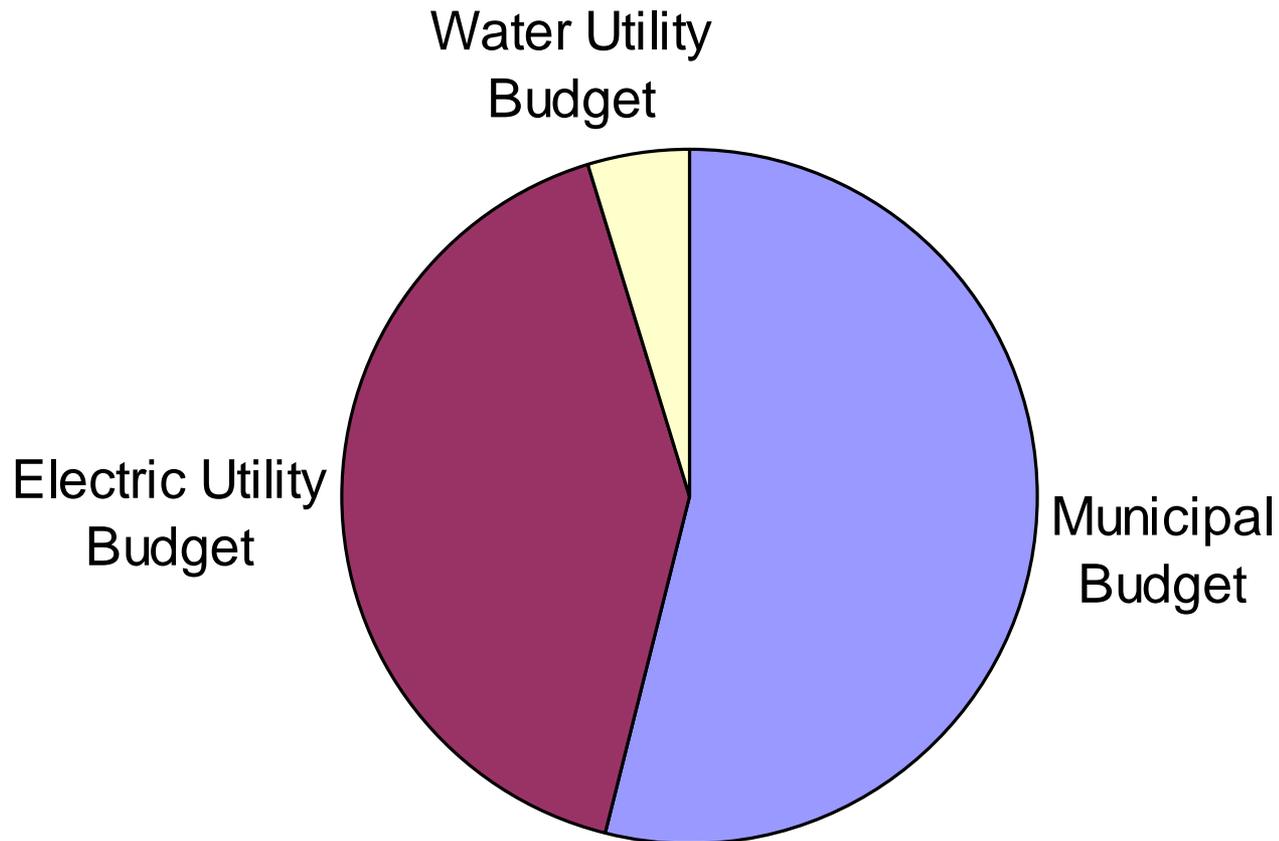
**Billing staff dedicated to personally taking care of Madison customers.**



# Electric Utility Budget vs Municipal Budget?



Municipal Budget	\$25,150,936	54%
Electric Utility Budget	\$19,333,042	41%
Water Utility Budget	\$2,265,223	5%



# Financial benefits owning our electric utility

The Electric Utility Surplus (profit) helps pay for services and reduce property taxes.

## Last year

Municipal Property taxes	\$13,437,208
Elec. Utility Surplus	\$3,516,000

*What would happen if we lost \$3,516,000 of revenue in the budget?*

**Property taxes on the average home\* would increase by \$693.80**

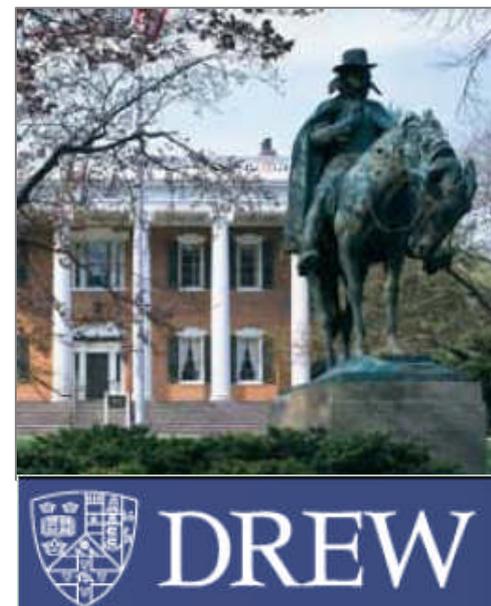
\*The market value of an 'average home' in Madison is \$691,000.



# Financial benefits of owning our electric utility

Other Benefits. Owing the Electric Utility...

...allows us to generate revenue from organizations that don't pay property taxes.



...means we control the rates.

# Financial benefits of owning our electric utility

Other Benefits of owning the Electric Utility.



*Shops on Waverly Place*

Photograph by Joseph Mezzacca, Jr.

What is missing from this picture?

**Answer:  
Utility Poles.**

**Owning our electric utility gives us better control of the infrastructure.**

# Financial benefits of owning our electric utility

Other Benefits of owning the Electric Utility.



**The electricity the municipality consumes is traditionally purchased at a very reasonable price.**

# Challenges of owning our electric utility



## Challenges of owning our electric utility

# Challenges of owning our electric utility

- Buying \$16 million of electricity every year.

UNCERTAINTY.  
WHEN TO BUY?

CHANGING  
MARKET  
CONDITIONS

PEAK DEMAND  
CHARGES



# Challenges of owning our electric utility

If both JCP&L feeder lines go down,  
the entire town goes dark.



# Future Goals our Electric Utility



## Future Goals of Our Electric Utility

# Future Goals our Electric Utility

## Full Asset Management Review

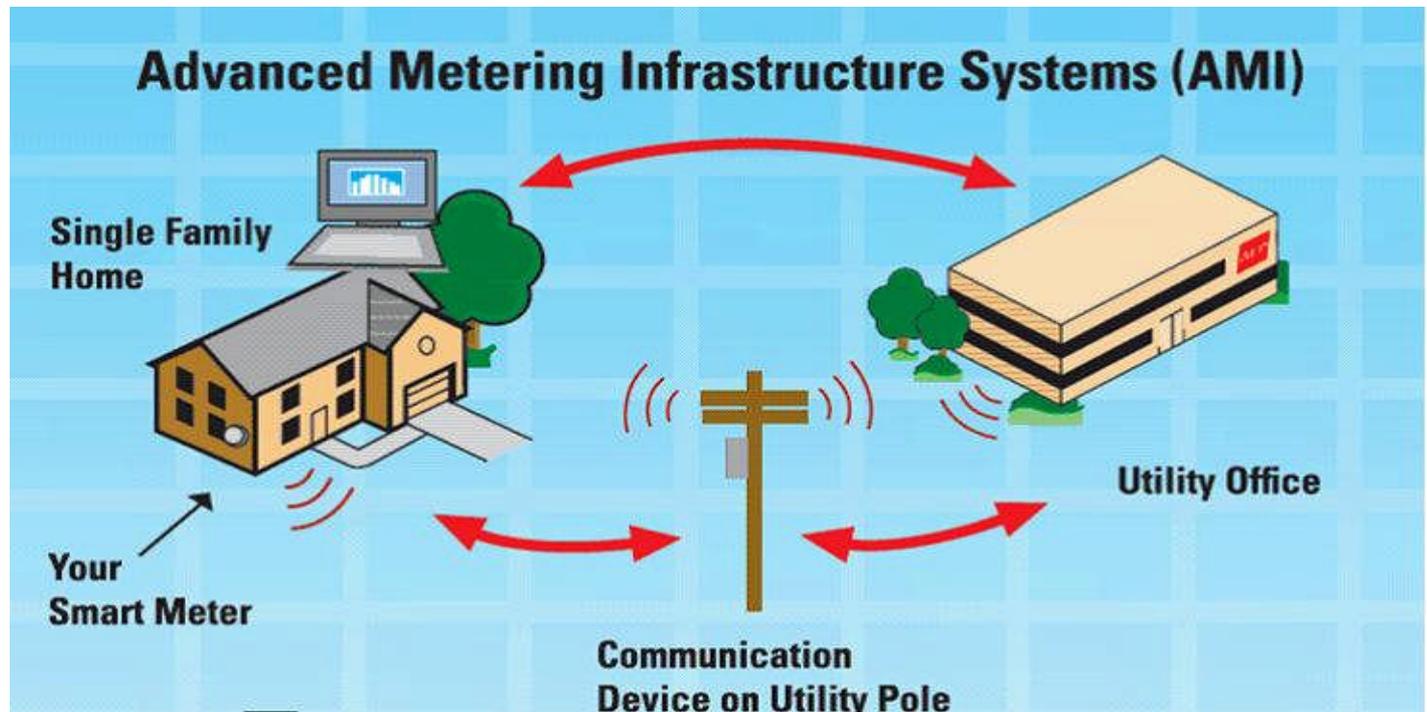
*Review of all equipment and infrastructure,  
then rank each piece based on...*

- Age and general condition*
- Replacement cost*
- Importance of the piece  
of equipment to the overall  
operation of the utility*



# Future Goals our Electric Utility

## Automated Meter Reading



More data will allow for Time of Use Rates  
(seasonal, day vs eve)

# Future Goals our Electric Utility

The ability to see and manage your consumption from computer, home display or smart phone



# Future Goals our Electric Utility

Possibly build our own generation plant.

This generation could be a large solar facility, wind or other renewable energy power plant.



We want to hear from you.



What do you think?  
We want to hear from you.



# Discussion Topics



**Is Madison a better place  
because of our Electric  
Utility?**

# Discussion Topics



**Should we pursue smart meters and our own generation plants?**

# Discussion Topics



**Should we use the utility  
to advance sustainability  
and become a leading  
environmental town in the  
state?**

**If so, how?**

# Discussion Questions

*Feedback on tonight's meeting*

*Was the informational session helpful?*

*Did the discussion questions help bring out ideas?*

*Next Steps?*

