



City of Chattanooga

Mayor Andy Berke

May 31, 2014

EPB Board Members
10 West MLK Boulevard
Chattanooga, TN 37402

Dear Board Member,

Since taking office last year, I have worked each day to ensure our city government is more transparent, more efficient, and more effective in providing our citizens the services they fund. Whether through our Chattanooga Violence Reduction Initiative, Budgeting for Outcomes, pension reform, or our sweeping reorganization of government, our administration has focused on making sure our taxpayers get their money's worth. I know you hold similar values and apply them to your service on EPB's board.

In 2011, EPB management issued a letter to City Hall staff stating that overbilling had occurred for electricity, but concluded that due to other chargers not being included, no net overbilling had actually occurred. Earlier this month, confusion and controversy again arose over this issue. EPB recently released an independent report acknowledging overcharges for electrical service to city government but concluded again that they did not result in net inflated payments by the City of Chattanooga to EPB. The report asserted that the misclassifications resulted in undercharges for hardware that were greater than overcharges for power consumption.

I urge you and the management at EPB to address these issues in a clear and financially responsible manner. Through my discussions with EPB management and the City Auditor, it is my understanding that the utility has been working closely with the Internal Audit office to assess the report's conclusions. I strongly encourage this collaboration and would like to request that you take this work a step further.

Management should (1) calculate specific amounts for any undercharges for hardware as well as any overcharges for energy consumption, (2) calculate any effect of such charges on EPB customers who reside within Chattanooga, and (3) recommend action steps should a report conclude that city government has been overcharged. This undertaking should be made to audit standards and publicly released.

Please undertake these steps and respond as quickly as possible but no later than July 1, 2014.

My goal is to ensure taxpayers are protected. We will pay for the energy we consume -- no more and no less. I truly appreciate the effort that EPB management has put into providing information and cooperating with regards to this information.

I appreciate your attention and look forward to receiving this information. Please let me know if my office can be of assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andy Berke". The signature is fluid and cursive, with the first name "Andy" and last name "Berke" clearly distinguishable.

Andy Berke