

SUMMARY MINUTES

ABAG Power Executive Committee

Meeting 2002-05

May 23, 2002

Metro Center 101 8th Street, Oakland CA 94607

WELCOME AND INTRODUCTIONS

Jeff Kolin, Chairman, opened the meeting with introductions at 12:05 p.m.

Committee Representatives Present

Jeff Kolin (via teleconference)
John Lisenko
John Schofield
Steve Sprotte
Terry Mann
Wayne Green

Jurisdictions

City of Santa Rosa
City of Foster City
City of Richmond
City of Union City
County of Contra Costa
City of Salinas

Committee Representatives Absent

Alan Nadritch
Davida Amenta
Michael Garvey
Natasha Merkuloff-Nichols

City of Benicia
County of Contra Costa
City of San Carlos
County of Napa

Staff Present

Eugene Leong
Jerry Lahr
Joseph Chan
Ken Moy
Vina Maharaj

ABAG
ABAG POWER
ABAG
ABAG
ABAG POWER

PUBLIC COMMENTS

There were no public comments.

APPOINTMENT OF NEW EXECUTIVE COMMITTEE MEMBER

Chairman Jeff Kolin announced the appointment of John Schofield from the City of Richmond, as a new member of the ABAG POWER Executive Committee.

Natasha Merkuloff-Nichols resigned from the ABAG POWER Executive Committee effective June, 2002. Jerry Lahr mentioned that while Natasha had left a vacancy for her position, an additional position needed to be filled in the ABAG POWER Executive Committee in order to comply with the membership requirements of the ABAG POWER bylaws.

APPROVAL OF SUMMARY MINUTES OF FEBRUARY 20, 2002 MEETING

Motion was made by Lisenko/S/Mann/Abstention/Green/C to approve the Summary Minutes of February 20, 2002 Executive Committee Meeting.

APPROVAL OF SUMMARY MINUTES OF APRIL 17, 2002 MEETING

Motion was made by Green/S/Lisenko/Abstention/Sprotte/C to approve the Summary Minutes of April 17, 2002 Executive Committee Meeting.

ELECTRIC PROGRAM ISSUES

ABAG POWER Protest to PG&E Advice Letter

At the last Executive Committee meeting, members had agreed to go forward with Dan Douglas' recommendations, the attorney handling the case for ABAG POWER's Petition for Modification.

Dan Douglas prepared and filed comments on PG&E's advice letter, stating that ABAG POWER did not object to the elimination of the surcharge. However, ABAG POWER requests that Commission approval of the PG&E proposal be conditioned upon an express statement that such approval does not constitute resolution of any claims that ABAG POWER may have with regard to a refund of such surcharges.

Lahr said that subsequent to the filing of the ABAG POWER comments, PG&E filed their own comments saying that the advice letter should go forward since ABAG POWER was not really protesting the removal of the surcharge. CPUC has since filed a draft decision which halts the whole advice letter process and puts off the removal of the half-cent surcharge.

Update on PG&E Bankruptcy Proceedings

Jerry Lahr provided the Committee with the status of the PG&E Bankruptcy proceedings. Lahr mentioned that there are now two reorganization plans, PG&E and CPUC. He said that disclosure statements for both reorganization plans have been approved by the Judge, which allows the process to move forward and voting is scheduled to take place starting on June 17. ABAG POWER will follow-up with the voting process and legal proceedings and come back to the Executive Committee with recommendations.

STATUS REPORT ON NATURAL GAS PROGRAM

Jerry Lahr presented the executive committee with a Summary of the Natural Gas Program pointing out that ABAG POWER is still maintaining a relatively stable price but is currently paying higher than PG&E's price for gas.

Lahr said members have until June 1st, 2002 to opt-out of the Gas Program. He said there were two official opt-outs to date, the City of Daly City and the City of Pinole. John Lisenko announced that the City of Foster City had also decided to opt-out of the Gas Program.

A short discussion followed regarding members' status, what their relationship was to the ABAG POWER Pool if they opt-out both from the gas as well as the electric pool. Lahr said that members still remained part of the ABAG POWER JPA. There was some discussion about the appropriate bodies within the Executive Committee who would direct particular decisions. Ken Moy said he will discuss these issues with Jerry Lahr and Eugene Leong, look at the bylaws and determine whether amendments will need to be made.

RESULTS OF BILLING SERVICES RFP

Lahr presented the members with a Summary of Natural Gas Billing Proposals and recommendations for a Billing Service Provider for ABAG POWER. Lahr presented the members with three options and said that his recommendations were based on a review of the submitted proposals and discussions with select key individuals at the responding companies, as well as a check of references.

Motion was made by Green/S/Mann/abstention/Lisenko/C to approve staff recommendation as presented, with an additional clause, of Option 1a. as follows:

Retain IQ Solutions as the billing agent; continue Consolidated Billing, and immediately upgrade to full EDI processing.

- Additional Clause: One-year contract with the ability for one-year extensions.

FINANCIAL REPORT

Joseph Chan presented the Audited Financial Statements for FY 2000-2001.

The Executive Committee decided to postpone the approval of the June 30, 2001 Audited Financial Statements pending on the Auditor's revision of the opinion page addressing separately the book amounts and the final settlement values of the PG&E and PX deposits and their related liabilities.

ADJOURN

The meeting adjourned at 1:30 p.m.

Next Executive Committee Meeting is scheduled for June 19, 2002 (12 p.m. – 2 p.m.), Metro Center, 101 8th Street, First Floor, Oakland, CA 94607.

/vm