



# SUMMARY MINUTES

**ABAG Power Executive Committee**

**Meeting 2002-08**

December 11, 2002

Metro Center 101 8<sup>th</sup> Street, Oakland CA 94607

## WELCOME AND INTRODUCTIONS

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

### Committee Representatives & Alternates Present

Jeff Kolin  
John Lisenko  
Terry Mann  
Dave Millican  
John Schofield  
Steve Sprotte  
Karen Stein (via teleconference)

### Jurisdictions

City of Santa Rosa  
City of Foster City  
County of Contra Costa  
City of Fremont  
City of Richmond  
City of Union City  
Town of Moraga

### Committee Representatives Absent

Richard Averett  
Wayne Green  
Alan Nadritch

City of San Carlos  
City of Salinas  
City of Benicia

### Staff Present

Joseph Chan  
Jerry Lahr  
Vina Maharaj  
Ken Moy

ABAG  
ABAG POWER  
ABAG POWER  
ABAG

## PUBLIC COMMENTS/ANNOUNCEMENTS

There were no public comments.

### **ABAG POWER/SPURR's Comments on Resolution G-3339**

Jerry Lahr presented the members with a copy of a joint letter and comments from ABAG POWER and SPURR (School Project for Utility Rate Reduction), addressed to the California Public Utilities Commission. The Comments were prepared in response to Commissioner Duque's draft resolution which recommends that PG&E be allowed to begin cost recovery for the El Paso pipeline charges. The draft resolution states that it is reasonable for PG&E to assess its core and noncore gas customers the El Paso pipeline charges on an equal-cents-per-therm basis.



ABAG POWER and SPURR contend that as applied to core aggregation customers, the equal-cents-per-therm approach recommended by Commissioner Duque would constitute an improper modification of the PG&E Gas Accord, and would impose an unfair and unreasonable burden on core aggregation customers. PG&E's newly acquired El Paso pipeline costs must not be allocated to core aggregation customers since core aggregation customers have not been allocated a share of this El Paso capacity and should not have to pay for it, even on an interim basis.

ABAG POWER/SPURR requests in their comments that if the Commission adopts Commissioner Duque's alternate draft resolution, the alternate draft resolution should be modified so as to exclude core aggregation customers from an allocation of the cost of PG&E's newly acquired El Paso capacity, otherwise, the Commission should reject Commissioner Duque's alternate draft resolution.

Lahr said that this item is on California Public Utilities Commission's upcoming agenda.

#### **ABAG's Comments on the ALJ Ruling Regarding 2003 Energy Efficiency Programs**

Lahr presented the members with a copy of comments which ABAG filed on November 15, 2002 at the CPUC. In its comments ABAG states its disappointment that no third-party local proposals were being sought at this time, and requests the CPUC to take up the issue of future administration of programs funded with Public Goods Charge funds. In addition, ABAG promoted the concept of a Regional Energy Office.

#### **APPROVAL OF SUMMARY MINUTES OF SEPTEMBER 18, 2002 MEETING**

Motion was made by Stein/S/Mann/C to approve the Summary Minutes of September 18, 2002 Executive Committee Meeting.

#### **APPOINTMENT OF NEW EXECUTIVE COMMITTEE MEMBER**

Chairman Jeff Kolin appointed and welcomed Dave Millican, Deputy City Manager of the City of Fremont as an executive committee member effective December 11, 2002.

#### **STATUS REPORT ON NATURAL GAS PROGRAM**

Jerry Lahr presented the executive committee with the monthly Summary of Operations of the Natural Gas Program. Lahr said that for the months of October, November and December, 2002, ABAG POWER gas rates compare very favorably with PG&E's rate. Lahr mentioned that he had revised the Monthly Summary of Operations report by adding several line items, as was requested at the last executive committee meeting.

Lahr said that ABAG POWER, in conjunction with the billing agent, IQ Solutions, had completed the true-up of all Natural Gas Program accounts which was conducted for the full history of the program ending June 30, 2002. The results of this analysis showed that as of June 30<sup>th</sup>, 2002, an aggregate total of \$1,501,181.64 was owed to members, out of total levelized billings of approximately \$32 million since the beginning of the program.



Lahr provided the members with a breakdown of this amount and actions that ABAG POWER had taken, as follows:

- Initiated final payments to opt-out members to complete the reconciliation of their accounts
- Directed billing agent to begin including the true-up amounts on members' bills for all members with a debit true-up balance (i.e. members who owe ABAG POWER). This would begin with the December invoice and would be amortized over the seven-month period (Dec. – June).
- Conducted a cash flow analysis to determine the amount of working capital necessary for program operation.

Lahr presented the members with various options that may be used to implement the necessary cash management procedure. After a lengthy discussion, it was decided as follows:

Motion was made by Millican/S/Sprotte/C as follows:

- Establish a working capital fund of \$1.25 million and allocate that to individual customers based on their annual usage. Each member's allocated amount will be collected in equal monthly installments through the remainder of the fiscal year (June 2003);
- Allocate the total true-up amount to all members. Each members' true-up allocation will be debited or credited (as appropriate) to their account in equal monthly installments through the remainder of the fiscal year.

### **CLOSED SESSION**

Conference with Legal Counsel – Existing Litigation [Govt. C. Sec. 54956.9(a)]

ABAG POWER v PG&E

ABAG POWER Executive Committee members were presented with documents on the above litigation. No action was taken in closed session.

### **ADJOURN**

The meeting adjourned at 1:35p.m.

/vm