



ABAG POWER Executive Committee Meeting No. 2017-04
June 21, 2017 (11:00 a.m. - 1:00 p.m.)
Association of Bay Area Governments
375 Beale Street, Conference Room 7102 – Tamalpais (7th Floor)
San Francisco, CA 94105

AGENDA*

1. **Welcome and Introductions**
2. **Public Comments**
3. **Approve Summary Minutes of Executive Committee Meeting**
Action:
 - ATTACHMENT 3A – SUMMARY MINUTES OF APRIL 19, 2017
 - ATTACHMENT 3B – SUMMARY MINUTES OF MAY 31, 2017
4. **ABAG/MTC Staff Consolidation**
Information: Staff will provide an update on the ABAG-MTC staff consolidation, the associated Contract for Services, and potential impacts to ABAG POWER.
5. **Report on Natural Gas Program**
Information: Staff will review recent gas operations, including gas purchases; the program's long-term hedge position; gas imbalances; and other miscellaneous program items.
 - ATTACHMENT 5A – MONTHLY SUMMARY OF OPERATIONS FY 2016-17
 - ATTACHMENT 5B – GAS HEDGE CHART
 - ATTACHMENT 5C – MARKET PRICE CHART
6. **Natural Gas Program Goals and Purchasing Policy & Strategy**
Information/**Action:** Staff will review the current purchasing policy, goals, and strategy for the program.
 - ATTACHMENT 6A – GAS PROGRAM GOALS AND PURCHASING STRATEGY
7. **FY 2017-18 ABAG POWER Operating Budget**
Action: Staff will present the FY2017-18 budget for approval.
 - ATTACHMENT 7A1 – FY2017-18 OPERATING BUDGET
 - ATTACHMENT 7A2 – FY2017-18 OPERATING BUDGET – LEVELIZED CHARGES
8. **Energy Programs Update**
Information: Staff will provide members with an update of various ABAG energy programs and initiatives.
9. **Other Business**
10. **Adjournment**

*The Committee may take action on any item on this agenda



SUMMARY MINUTES

ABAG POWER Executive Committee
Regular Meeting 2017-02
April 19, 2017

Conference Room 7102 - Tamalpais
375 Beale Street, San Francisco, CA 94105

WELCOME AND INTRODUCTIONS

Committee member Chris Schroeder opened the meeting with introductions at 11:13 AM.

Present Committee Representatives

Angela Walton
Chris Schroeder
Dave Brees
Tonya Gilmore (Vice Chair)

Jurisdiction/Agency

City of Richmond
City of Milpitas
City of Los Altos
City of Orinda

Absent Committee Representatives

Julie Bueren (Chair)
Melissa Morton
Mintze Cheng

County of Contra Costa
Vallejo Sanitation & Flood Control District
City of Union City

Guests Present

Misty Mersich

City of Cupertino

Staff Present

Jerry Lahr
Ryan Jacoby
Courtney Ruby
Ken Moy

ABAG POWER
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PUBLIC COMMENTS & ANNOUNCEMENTS

There were no public comments.

APPROVAL OF SUMMARY MINUTES OF DECEMBER 14, 2016.

Motion was made by Schroeder/S/Walton/C/4:0:0 to approve the Summary Minutes of the February 15, 2017 Executive Committee meeting.

The aye votes were: Brees, Gilmore, Schroeder, Walton.

The nay votes were: None.



Abstentions were: None.

Absentees were: Bueren, Morton, Cheng.

ABAG/MTC STAFF CONSOLIDATION

Memo from ABAG POWER Chair

Lahr provided a memorandum dated March 20 commenting on the March 15 draft of the Contract for Services (CS) between ABAG and the Metropolitan Transportation Commission.

The memorandum expressed several comments and concerns regarding the current draft of the CS, including 1) noting its inability to legally bind ABAG POWER to the provisions of the agreement without ABAG POWER's explicit agreement; 2) required timing and written notification of changes in employee status or termination; 3) treasury functions; and 4) reiterating the program's cost-sensitive nature, given the currently unknown financial impacts of the consolidation.

Response Memo from ABAG Executive Management Team

On behalf of ABAG's Executive Management Team, Moy presented a response to the above referenced memorandum which proposed ABAG enter a memorandum of understanding (MOU) with POWER to explicitly address the concerns of ABAG POWER. Moy stated his intent to draft the MOU in the coming weeks, for presentation to, and review by the ABAG POWER Executive Committee.

REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations FY 2016-17

Lahr provided members with the Monthly Summary of Operations reports for FY 2016-17; members were updated on the percentage savings comparisons with PG&E. Lahr noted that financial statements for February, 2017 indicated a cumulative savings figure of -3.3%.

Gas Hedge Chart

Lahr provided information on the various current long-term gas purchases (contracts which are greater than one month in length). The group discussed potential pricing opportunities afforded by current futures indices.

Market Price Chart

Lahr provided information on gas prices.

Preliminary 2017-18 Operating Budget

Lahr and Ruby presented a preliminary FY 2017-18 Operating Budget, indicating decreases in program expenses and the program's total core rate. Staff noted that although ABAG Fees are generally expected to decrease as compared to FY 2016-17, the staff rate impacts of the MTC-ABAG staff consolidation remain under discussion.



NATURAL GAS SCHEDULING AGENT RFP

Staff presented the results of the Request for Proposals (RFP) for Gas Scheduling Services and a recommendation to negotiate a contract for scheduling services with DMJ Gas Marketing Consultants, LLC for the period July 1, 2017 to June 30, 2019, with an option to extend the contract for up to three years, exercisable at ABAG POWER's discretion.

Motion was made by Brees/S/Schroeder/C/4:0:0 to approve the recommendation determined by staff and the Proposal Review Committee to enter into negotiations with DMJ to enter a contract for gas scheduling services in accordance with the terms of the RFP.

The aye votes were: Brees, Gilmore, Schroeder, Walton.

The nay votes were: None.

Abstentions were: None.

Absentees were: Bueren, Cheng, Morton.

CORE TRANSPORT AGENT (CTA) REGULATIONS

Lahr reminded the committee members of SB 656, which became effective on January 1, 2014 and established a regulatory framework for CTAs by implementing various consumer protections measures, resulting in the addition of Sections 980 to 989.5 to the state's Public Utilities Code (PUC). As a public agency, ABAG POWER is exempt from many, but not all of the statutory requirements associated with this proceeding.

Lahr noted that a 'Scoping Memo' had recently been released to address a number of other consumer protections safeguards imposed on CTAs by SB 656. He called attention to PUC § 985, which states that certain minimum standards must be adopted by "the governing body of a public agency offering gas services to core gas customers within its jurisdiction." He recommended staff review current program policies and draft a resolution adopting rules in compliance with the minimum standards in PUC § 985.

ENERGY PROGRAMS UPDATE

Lahr summarized the recent accomplishments and goals of the Bay Area Regional Energy Network (BayREN), BayREN Integrated Commercial Retrofits (BRICR), and the Berkeley Energy Assurance Transformation (BEAT). Local Community Choice Aggregation efforts were also discussed.

ADJOURNMENT

Vice Chair Tonya Gilmore adjourned the meeting at 12:42 PM.

*Example of a motion – [Member No. 1/S/Member No. 2/roll call vote/C/8:0:0] means Member No.1 motions, seconded by Member No.2, after roll call vote, motion carries, 8 = "yes" votes, 0 = "no" votes and 0 = abstention.



SUMMARY MINUTES

ABAG POWER Executive Committee

Special Meeting 2017-03

May 31, 2017

Teleconference Meeting

375 Beale Street, San Francisco, CA 94105

WELCOME AND INTRODUCTIONS

Chair Julie Bueren opened the meeting with introductions at 2:05 P.M.

<u>Present Committee Representatives</u>	<u>Jurisdiction/Agency</u>
Angela Walton	City of Richmond
Chris Schroeder	City of Milpitas
Dave Brees	City of Los Altos
Julie Bueren (Chair)	County of Contra Costa
Melissa Morton	Vallejo Flood & Wastewater District
Mintze Cheng	City of Union City
Tonya Gilmore (Vice Chair)	City of Orinda

Staff Present

Jerry Lahr	ABAG POWER
Ryan Jacoby	ABAG POWER
Courtney Ruby	ABAG
Ken Moy	ABAG

PUBLIC COMMENTS & ANNOUNCEMENTS

There were no public comments.

ABAG/MTC STAFF CONSOLIDATION

ABAG-ABAG POWER Memorandum of Understanding

Lahr and Moy informed members of the approval of the ABAG-MTC Contract for Services (CS) by the agencies' respective Boards, noting that none of the terms of the CS are binding on POWER but that the inclusion of POWER in ABAG's Budget & Work Plan obligates MTC to provide services to POWER and obligates ABAG to pay for such services.

Moy presented the Committee with a Memorandum of Understanding (MOU) seeking to address the concerns raised by the ABAG POWER memo dated March 20 regarding the draft Contract for Services. The MOU specifically addressed, among other matters, requiring ABAG to consult with POWER on various matters, including the process, timing, and criteria for selecting successors to current POWER staff; retention of specialized legal services; and, acknowledgement of POWER's right to remove ABAG as the administering member for POWER. The MOU will also be presented

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to the ABAG Executive Board for approval. Moy requested committee approval of the MOU as to form which allows minor non-substantive changes to the MOU, including the insertion of standard 'boilerplate' provisions.

Motion was made by Schroeder/S/Brees/C/7:0:0 to approve as to form the Memorandum of Understanding between ABAG and ABAG POWER. Parties agreed that should the document undergo substantive changes during finalization, the Committee would be notified and re-approval would be required before the agreement is considered effective.

The aye votes were: Brees, Bueren, Cheng, Gilmore, Morton, Schroeder, Walton.

The nay votes were: None.

Abstentions were: None.

Absentees were: None.

FY 2017-18 ABAG POWER OPERATING BUDGET – ABAG FEES

Preliminary 2017-18 Operating Budget

Lahr and Ruby presented a preliminary FY 2017-18 Operating Budget, indicating decreases in program expenses and the program's total core rate. Staff noted that although ABAG Fees are generally expected to decrease as compared to FY 2016-17, the detailed impacts of staff overhead remains under discussion.

ABAG Budget & Work Program [Excerpt]

Lahr provided members ABAG's Proposed FY 2017-18 Budget & Work Program, noting on page 41 the inclusion of ABAG POWER's "Purchasing Pool Fees" line item included in the Service Programs budget.

ADJOURNMENT

Chair Julie Bueren adjourned the meeting at 2:55 PM.

*Example of a motion – [Member No. 1/S/Member No. 2/roll call vote/C/8:0:0] means Member No.1 motions, seconded by Member No.2, after roll call vote, motion carries, 8 = "yes" votes, 0 = "no" votes and 0 = abstention.

ABAG POWER Natural Gas Program
FY 2016-17 Monthly Summary of Operations

	days/mo.	Jul 31	Aug 31	Sep 30	Oct 31	Nov 30	Dec 31	Jan 31	Feb 28	Mar 31	Apr 30	May 31	Jun 30	Total
Gas Purchases⁽¹⁾														
Purchase 1	Qty	15,446	15,339	14,930	15,500	15,000	15,500	15,500	14,000	15,500	15,000	15,500	15,000	182,215
	Price	\$2.29	\$2.29	\$2.29	\$2.71	\$2.71	\$2.71	\$3.06	\$3.06	\$3.06	\$3.06	\$3.06	\$3.06	
Purchase 2	Qty	20,275	19,840	19,593	20,336	25,440	33,700	26,288	23,744	15,500	15,000	15,500		235,216
	Price	\$2.63	\$2.62	\$2.72	\$2.77	\$2.28	\$3.79	\$3.31	\$2.66	\$2.37	\$2.75	\$2.73		
Purchase 3	Qty	31,000	31,000	13,250	15,650	10,300	26,288	40,200	25,300	33,400	38,000	31,350		295,738
	Price	\$3.00	\$3.22	\$3.37	\$3.25	\$2.88	\$3.51	\$3.64	\$3.26	\$3.15	\$3.33	\$3.40		
Purchase 4	Qty													0
	Price													
Purchase 5	Qty													0
	Price													
Total Quantity Purchased		66,721	66,179	47,773	51,486	50,740	75,488	81,988	63,044	64,400	68,000	62,350	15,000	713,169
Total Purchase Cost		\$181,805	\$186,797	\$132,141	\$149,250	\$128,369	\$262,101	\$280,928	\$188,536	\$189,272	\$213,859	\$196,304	\$45,900	\$2,155,264
Backbone Shrinkage (Dths)		(484)	(499)	(433)	(437)	(510)	(527)	(527)	(476)	(372)	(360)			
WACOG ⁽²⁾		\$2.74	\$2.84	\$2.79	\$2.92	\$2.56	\$3.50	\$3.45	\$3.01	\$2.96	\$3.16	\$3.15	\$3.06	\$3.02
Storage/Inventory														
Total Injections/ (Withdrawals)		12,615	14,530	4,000	3,494	(8,450)	(15,800)	(15,500)	(14,000)	(6,105)	6,667			(18,549)
Total Inventory Quantity (Dths)		37,831	52,361	56,361	59,855	51,405	35,605	20,105	6,105	0	6,667			
Total Inventory (\$)		\$130,594	\$171,471	\$182,847	\$192,599	\$165,407	\$114,562	\$64,683	\$19,631	\$0	\$21,081			
Avg. Inventory Rate (\$/Dth)		\$3.45	\$3.27	\$3.24	\$3.22	\$3.22	\$3.22	\$3.22	\$3.22	#DIV/0!	\$3.16			
Gas Program Monthly Expenses (from Financial Reports)														
Cost of Energy Used ⁽³⁾		\$ 167,169	\$ 172,683	\$ 148,381	\$ 166,766	\$ 190,189	\$ 343,325	\$ 365,214	\$ 269,288	\$ 234,243	\$ 219,261			\$ 2,276,520
Program Operating Expenses ⁽⁴⁾		20,848	34,208	29,210	32,472	22,478	21,671	23,203	24,069	25,991	28,970			263,120
Subtotal		\$ 188,017	\$ 206,891	\$ 177,591	\$ 199,239	\$ 212,667	\$ 364,996	\$ 388,417	\$ 293,357	\$ 260,235	\$ 248,231	\$ -	\$ -	\$ 2,539,640
Rate (\$/Dth)		\$4.50	\$4.88	\$3.97	\$3.87	\$3.58	\$4.16	\$4.21	\$4.13	\$3.95	\$4.81			\$4.17
PG&E Pass-through costs ⁽⁵⁾		249,039	184,806	169,540	297,817	235,930	537,322	651,325	429,681	477,099	343,408			3,575,968
Total ABAG POWER Cost		\$ 437,056	\$ 391,696	\$ 347,131	\$ 497,055	\$ 448,597	\$ 902,318	\$ 1,039,742	\$ 723,038	\$ 737,334	\$ 591,640			\$ 6,115,607
Actual (metered) Gas Usage														
Core ⁽⁶⁾		34,337	33,252	35,006	42,963	53,182	81,138	85,508	65,416	59,200	45,758			535,762
Non Core		7,471	9,159	9,760	8,561	6,160	6,514	6,779	5,579	6,748	5,887			72,617
Total Program Usage		41,808	42,410	44,766	51,524	59,342	87,652	92,287	70,996	65,947	51,645	0	0	608,379
ABAG POWER Total Core Rate		\$ 11.75	\$ 10.44	\$ 8.81	\$ 10.80	\$ 8.02	\$ 10.79	\$ 11.83	\$ 10.70	\$ 12.01	\$ 12.31			
PG&E Rate⁽⁷⁾														
Procurement Charge ⁽⁸⁾		2.58	2.94	2.79	3.70	4.42	3.78	4.36	4.26	3.86	4.06	3.82	3.75	
Transportation/Other Charge ⁽⁹⁾		7.25	5.56	4.84	6.93	4.44	6.62	7.62	6.57	8.06	7.50			
Total PG&E Rate		\$ 9.83	\$ 8.49	\$ 7.64	\$ 10.63	\$ 8.86	\$ 10.40	\$ 11.98	\$ 10.83	\$ 11.92	\$ 11.57	\$ 3.82	\$ 3.75	

ABAG POWER Natural Gas Program

FY 2016-17 Monthly Summary of Operations

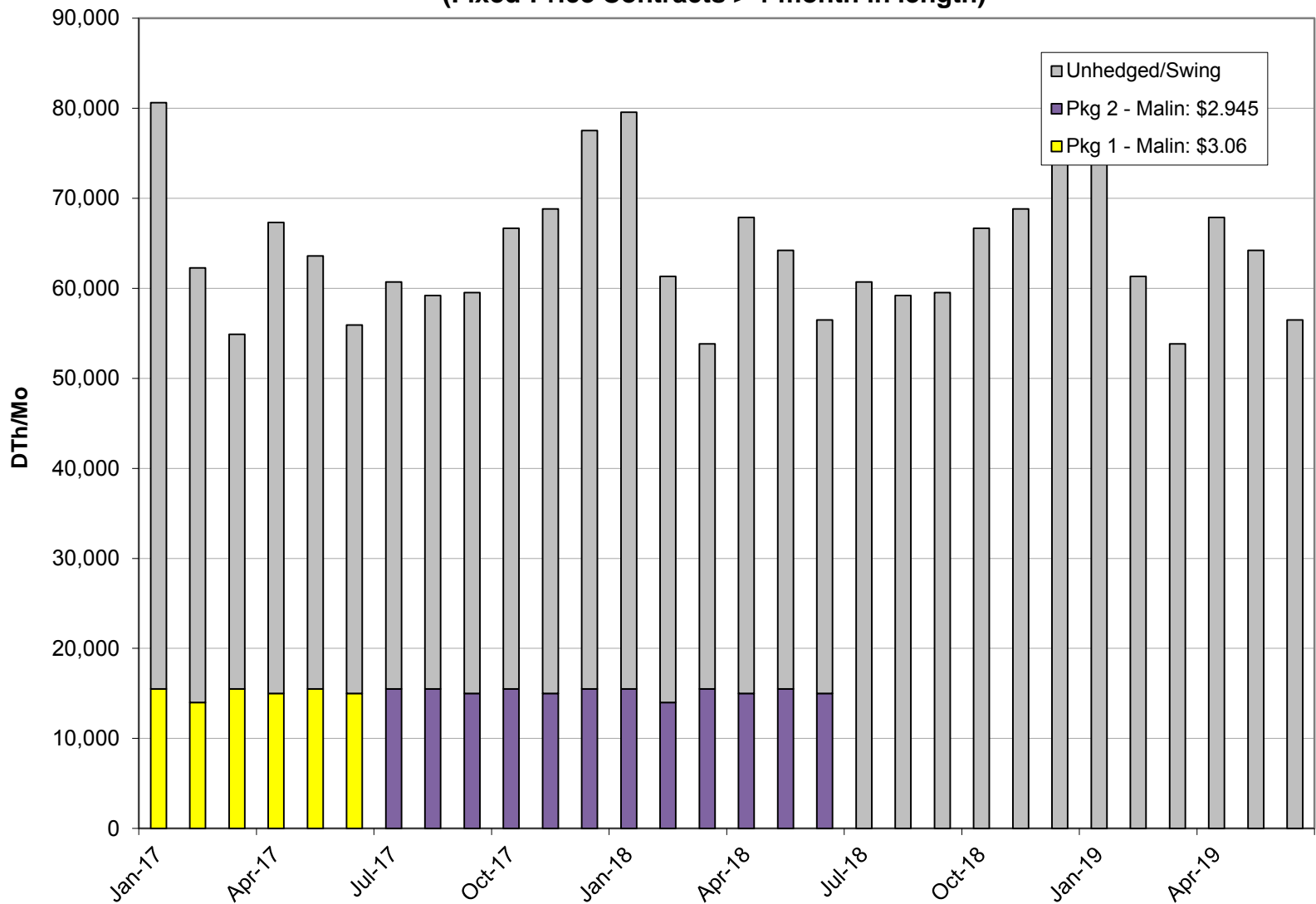
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
<u>Rate Comparison</u>													
Monthly Rate Difference (\$/Dth)	1.92	1.94	1.17	0.17	(0.84)	0.38	(0.16)	(0.13)	0.09	0.74			
Monthly Savings (\$)	(65,763)	(64,558)	(41,047)	(7,243)	44,729	(31,136)	13,331	8,318	(5,292)	(34,090)			
Cumulative 'Savings' (\$)	(65,763)	(130,321)	(171,368)	(178,611)	(133,882)	(165,018)	(151,687)	(143,369)	(148,662)	(182,751)			
Cumulative 'Savings' (%)	-19.5%	-21.0%	-19.3%	-13.3%	-7.4%	-6.2%	-4.1%	-3.3%	-2.9%	-3.2%			
<u>Monthly Index Postings</u>													
NGI Bidweek for PG&E Citygate	\$3.04	\$3.08	\$3.31	\$3.40	\$3.25	\$3.55	\$3.95	\$3.71	\$2.99	\$3.23	\$3.24	\$3.42	
Gas Daily Avg. for PG&E Citygate	\$2.98	\$3.20	\$3.36	\$3.24	\$2.82	\$3.76	\$3.62	\$3.26	\$3.14	\$3.31	\$3.38		
NGI Bidweek for Malin	\$2.62	\$2.61	\$2.71	\$2.76	\$2.67	\$3.08	\$3.74	\$3.22	\$2.36	\$2.74	\$2.72	\$2.89	

Notes:

- (1) All gas quantities in Dth and rates in \$/Dth. (Does not include imbalance purchases traded to storage.)
- (2) Weighted Average Cost of Gas (WACOG) at PG&E Citygate
- (3) Includes costs to transport gas to PG&E Citygate from alternate delivery points, as well as physical storage costs.
- (4) Includes scheduling fees, billing fees, administrative costs and misc. expenses; less interest income.
- (5) PG&E charges billed to ABAG POWER via EDI process and passed through to customers. These costs do not necessarily tie directly to the actual gas usage shown above due to timing difference in reporting.
- (6) From billing data
- (7) Based on PG&E's G-NR1 rate schedule.
- (8) Includes: Procurement Charge, Capacity Charge, Brokerage Fee, Shrinkage, and Storage.
- (9) PG&E Transportation Charge; Customer Charge, and surcharge for Public Purpose Programs. Does not include Franchise Fees and City Taxes.

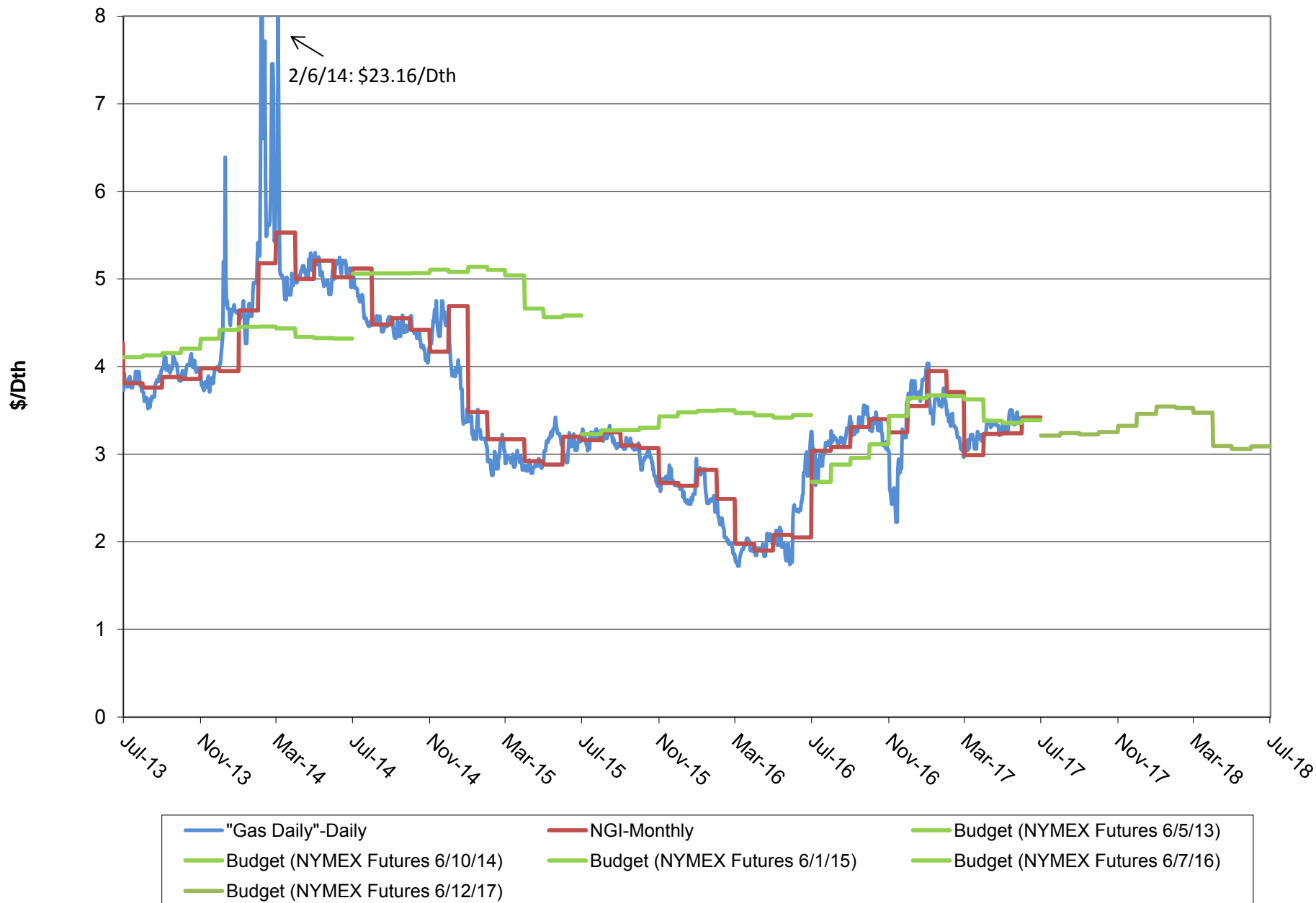
Gas Hedge Chart

**ABAG POWER Long Term Gas Purchases
(Fixed-Price Contracts > 1 month in length)**



Market Price Chart

5-Yr Historical/Future Market Price Indices @ PG&E Citygate





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DATE: June 14, 2017

TO: ABAG POWER Executive Committee

FROM: Gerald L. Lahr, Manager, ABAG POWER

RE: **Natural Gas Program Purchasing Policy, Goals and Strategy**

Below represents the current purchasing policy, goals and strategy for the ABAG POWER natural gas aggregation program.

Gas Purchasing Policy

The ABAG POWER Board and Executive Committee set policy on POWER's natural gas purchasing strategy. ABAG staff executes this strategy, including identifying suitable gas suppliers and signing master gas purchase agreements. These master purchase agreements enable the parties to engage in transactions for the purchase and sale of natural gas, but they do not by themselves authorize a transaction. These master purchase agreements are reviewed by ABAG's legal department and signed by the ABAG POWER President (i.e., ABAG Executive Director).

The ABAG POWER Program Manager has been delegated the authority to enter into actual gas purchase and sales transactions. The delivery terms for these transactions can range from one day to three years, and over the past 15 years prices have ranged from below \$2.00/Dth to over \$12.00/Dth. The pricing of the transactions may be fixed-price or variable-priced (index-based). Individual gas transactions are recorded in a Gas Purchase Log which is reviewed and acknowledged by the Finance Director. Absent specific direction from the Executive Committee or Board, the Program Manager's gas purchases are limited to a three year contract term, but are not limited by price or total dollar commitment.

Program Goals

Since 2002 the ABAG POWER Natural Gas Program has operated with the dual, and often competing, goals of *Cost Savings* and *Price Stability*.

- **Price Stability.** It is desirable that the Program's purchasing strategy and costs allocation methods be such that will provide members a reasonable degree of certainty of the costs to be shared within any given program year.
- **Cost Savings.** Given the desire for price stability, the Program shall attempt to provide gas procurement services for less than the equivalent services provided by the default provider (i.e. PG&E).

Gas Purchasing Strategy

Historically, the program has strived to achieve these goals through implementing a gas purchasing strategy that emphasizes multiple layers of long-term, fixed-price contracts for a majority of its gas load, while the remaining portion of gas is purchased with short-term, indexed-based contracts. This strategy has generally resulted in positive savings during times of rising markets, and negative savings during falling markets, while maintaining price stability.

In late 2014, ABAG POWER's Executive Committee voted to alter its gas purchasing strategy by shifting its emphasis from long-term, fixed-price contracts to short-term, indexed-based contracts. The decision was based

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on comparatively low market prices of natural gas and served as an effort to combat increased costs related to the pipeline capacity issues.

The current gas purchasing strategy established by the Executive Committee is as follows:

- The program will purchase the majority of its gas requirements based on a monthly or daily index that will float with the market price of gas.
- The program will attempt to have a maximum of 500 Dth/day in long-term, fixed-price contracts.
- Staff will monitor the price volatility of the overall portfolio and recommend actions necessary to ensure adequate cash flow, including changes to members' monthly levelized payments.
- No firm-quantity gas contract shall extend longer than three years.

Additional Considerations. In addition, the Executive Committee has been continuously reviewing the viability of the program ever since Core Transportation Agents (CTAs) received an unfavorable ruling at the CPUC regarding pipeline capacity costs (2015). This ruling confirmed that CTAs, including ABAG POWER, are required to pay for a prorated share of the pipeline capacity contracted for by PG&E.

Due to the potential that the increased costs that may occur as a result of this CPUC decision may outweigh any program benefits, for the past two years the Executive Committee has instructed the ABAG POWER Program Manager to limit forward gas purchase and sale transactions to no longer than one year into the future. In February 2017, the Executive Committee authorized forward gas purchase and sale transactions to June 2018.

During the past year ABAG POWER purchased approximately 24% of its gas in long term,¹ fixed price contracts.

Gas Transaction Authority

As noted above, the ABAG POWER Program Manager currently has broad authority to make gas purchase and sales transactions. However, as part of the due diligence necessary with the ABAG –MTC staff consolidation, and the resulting modifications to accounting procedures and oversight, it may be prudent for the ABAG POWER Executive Committee to provide further guidance and/or limitations related to natural gas transactions.

Examples of potential gas purchase limitations:

- The Program Manager is authorized to make forward gas purchase transactions extending to [date]. (e.g., extend to 6/30/19)
- The Program Manager's authority to approve gas purchase and sales transactions is limited to [\$ amount] per transaction. (e.g., limit to \$1,500,000)
- The Program Manager's authority to approve variable priced transactions is limited to a purchase term of [time period]. (e.g., 6 months)
- If the average year-to-date price of gas exceeds the rate approved in the annual budget by 20%, the Program Manager will convene a meeting of the Executive Committee to discuss potential increases to the budget.

(See attached examples of theoretical gas purchase transactions.)

¹ Contracts longer than one month in length.

ABAG POWER

Operating Budget

Fiscal Year Ending June 30, 2018

	<u>Natural Gas</u>			% Change
	<u>FY 2016-17</u> <u>Approved (1)</u>	<u>FY 2016-17</u> <u>Projected (2)</u>	<u>FY 2017-18</u> <u>Proposed</u>	
Revenues				
Sale of Energy	\$ 7,908,190	\$ 7,972,140	\$ 7,438,552	-5.9%
Interest Income - Banks/LAIF	12,000	20,566	12,000	0.0%
Total revenues	<u>7,920,190</u>	<u>7,992,706</u>	<u>7,450,552</u>	-5.9%
Cost of energy				
Cost of Energy Used	2,963,332	2,731,824	2,739,186	-7.6%
PG&E Pass-Through Costs	4,520,926	4,291,162	4,355,605	-3.7%
Total cost of energy	<u>7,484,259</u>	<u>7,022,985</u>	<u>7,094,790</u>	-5.2%
Other Energy Costs				
Meter fees	-	-	-	
Total Other Energy Costs	-	-	-	
Program Expenses				
Billing Costs, external	900	(824)	900	0.0%
Scheduling agent fees	16,800	16,800	16,800	0.0%
ABAG fees	398,731	312,706	318,561	-20.1%
Interest Expense/Bank Charges	9,500	9,233	9,500	0.0%
Legal Expenses (outside)	10,000	-	10,000	0.0%
Other Expenses	-	-	-	
Total Program Expenses	<u>435,931</u>	<u>337,915</u>	<u>355,761</u>	-18.4%
Total expenses	<u>7,920,190</u>	<u>7,360,900</u>	<u>7,450,552</u>	-5.9%
True-up Adjustment	-	631,806	-	
Core Annual Usage (Dths):	637,316	646,153	616,539	-3.3%
Noncore Annual Usage (Dths):	69,364	88,976	80,993	16.8%
Core Gas Commodity (3) (\$/Dth):	\$4.23	\$3.74	\$3.96	-6.2%
Noncore Gas Commodity (3) (\$/Dth):	\$3.88	\$3.54	\$3.65	-5.9%
PG&E Pass-through (\$/Dth):	\$7.09	\$6.64	\$7.06	-0.4%
Program Expenses (4) (\$/Dth):	\$0.60	\$0.43	\$0.49	-17.8%
Core Total Rate (\$/Dth):	\$11.92	\$10.81	\$11.52	-3.4%
Noncore Total Rate (\$/Dth):	\$4.48	\$3.97	\$4.15	-7.5%

Notes:

- (1) Approved budget June 2016
- (2) Actual April 2017 financials projected through June
- (3) Storage costs allocated to core accounts only
- (4) Program expenses minus interest income

Customer		Estimated Annual Usage	Gas Cost	Distribution Shrinkage	Storage Costs	PG&E Pass-through Costs (1)	Program Expenses (2)	Total Cost	FY2017-18 Monthly Levelized Charge	FY2016-17 Monthly Levelized Charge
							\$343,761			
rate (\$/th):			\$0.365	2.7%	\$0.021	\$0.727	\$0.049			
Core										
<u>Alameda, City</u>										
Alameda, City	ALAACPC001	53,839	\$19,653	\$537	\$1,146	\$39,151	\$2,653	\$63,140	\$5,270	\$11,590
Alameda Municipal Power	ALAACPC002	892	\$326	\$9	\$19	\$649	\$44	\$1,046	\$90	\$130
Alameda Total		54,731	\$19,978	\$546	\$1,165	\$39,800	\$2,697	\$64,186	\$5,360	\$11,720
Alameda City Housing Authority	ALAACPC003	47,236	\$17,243	\$471	\$1,005	\$49,083	\$2,328	\$70,130	\$5,850	\$4,410
Albany, City	ALBACPC001	10,976	\$4,007	\$110	\$234	\$7,982	\$541	\$12,873	\$1,080	\$1,090
Atherton, Town	ATHACPT001	4,361	\$1,592	\$44	\$93	\$3,171	\$215	\$5,114	\$430	\$390
Benicia, City	BENACPC001	61,906	\$22,597	\$618	\$1,317	\$45,017	\$3,051	\$72,600	\$6,060	\$5,840
Contra Costa County GSD	CONACPN001	1,214,666	\$443,389	\$12,119	\$25,845	\$883,295	\$59,862	\$1,424,509	\$118,710	\$127,420
Cupertino, City	CUPACPC001	35,782	\$13,062	\$357	\$761	\$26,021	\$1,763	\$41,964	\$3,500	\$3,490
Fremont, City	FREACPC001	158,436	\$57,834	\$1,581	\$3,371	\$115,213	\$7,808	\$185,807	\$15,490	\$17,280
Gonzales, City	GONACPC001	8,543	\$3,119	\$85	\$182	\$6,213	\$421	\$10,019	\$840	\$490
Golden Gate Bridge	GOLACPC001	55,803	\$20,370	\$557	\$1,187	\$40,579	\$2,750	\$65,443	\$5,460	\$5,110
Half Moon Bay, City	HALACPC001	4,271	\$1,559	\$43	\$91	\$4,438	\$210	\$6,340	\$530	\$470
Hercules, City	HERACPC001	38,353	\$14,000	\$383	\$816	\$27,890	\$1,890	\$44,979	\$3,750	\$2,890
Los Altos, City	LOSACPC001	25,090	\$9,159	\$250	\$534	\$18,245	\$1,237	\$29,425	\$2,460	\$2,580
Mill Valley, City	MILACPC001	62,611	\$22,855	\$625	\$1,332	\$45,530	\$3,086	\$73,428	\$6,120	\$4,460
<u>Millbrae, City</u>										
Millbrae, City	MILACPC003	30,449	\$11,115	\$304	\$648	\$22,142	\$1,501	\$35,709	\$2,980	\$4,220
Millbrae WWTP	MILACPC004	101,789	\$37,156	\$1,016	\$2,166	\$53,948	\$5,016	\$99,302	\$8,280	\$11,250
Millbrae Total		132,238	\$48,271	\$1,319	\$2,814	\$76,090	\$6,517	\$135,011	\$11,260	\$15,470
Milpitas, City	MILACPC002	143,982	\$52,558	\$1,437	\$3,064	\$104,702	\$7,096	\$168,856	\$14,080	\$14,900
Monte-Sereno, City	MONACPC001	825	\$301	\$8	\$18	\$600	\$41	\$968	\$90	\$70
Moraga, Town	MORACPT001	5,086	\$1,857	\$51	\$108	\$3,699	\$251	\$5,965	\$500	\$460
<u>Napa County</u>										
Napa County001	NAPACPN001	1,377	\$503	\$14	\$29	\$1,001	\$68	\$1,614	\$140	\$130
Napa County002	NAPACPN002	14,647	\$5,346	\$146	\$312	\$10,651	\$722	\$17,177	\$1,440	\$1,830
Napa County004	NAPACPN004	11,715	\$4,276	\$117	\$249	\$8,519	\$577	\$13,739	\$1,150	\$1,020
Napa County005	NAPACPN005	82,502	\$30,116	\$823	\$1,755	\$59,995	\$4,066	\$96,755	\$8,070	\$7,230
Napa County Total		110,241	\$40,241	\$1,100	\$2,346	\$80,166	\$5,433	\$129,286	\$10,800	\$10,210
<u>Oakland, City</u>										
Oakland, City	OAKCPC001	699,499	\$255,338	\$6,979	\$14,883	\$508,670	\$34,473	\$820,343	\$68,370	\$67,050
Oakland Zoological	OAKCPC002	13,756	\$5,021	\$137	\$293	\$10,003	\$678	\$16,132	\$1,350	\$1,200
Oakland, City Total		713,255	\$260,359	\$7,116	\$15,176	\$518,673	\$35,151	\$836,476	\$69,720	\$68,250

Customer		Estimated Annual Usage	Gas Cost	Distribution Shrinkage	Storage Costs	PG&E Pass-through Costs (1)	Program Expenses (2)	Total Cost	FY2017-18 Monthly Levelized Charge	FY2016-17 Monthly Levelized Charge
							\$343,761			
rate (\$/th):			\$0.365	2.7%	\$0.021	\$0.727	\$0.049			
Orinda, City	ORACPC001	8,643	\$3,155	\$86	\$184	\$6,285	\$426	\$10,136	\$850	\$830
Pacifica, City	PACACPC001	29,711	\$10,845	\$296	\$632	\$21,605	\$1,464	\$34,843	\$2,910	\$2,470
Petaluma, City	PETACPC001	21,542	\$7,863	\$215	\$458	\$15,665	\$1,062	\$25,263	\$2,110	\$1,980
Pleasanton, City	PLEACPC001	165,267	\$60,327	\$1,649	\$3,516	\$120,181	\$8,145	\$193,818	\$16,160	\$16,070
Regional Admin. Facility	RAFACPC001	46,774	\$17,074	\$467	\$995	\$34,014	\$2,305	\$54,855	\$4,580	\$5,570
Richmond, City	RICACPC001	434,506	\$158,607	\$4,335	\$9,245	\$315,969	\$21,414	\$509,570	\$42,470	\$34,200
Salinas, City	SALACPC001	83,845	\$30,606	\$837	\$1,784	\$60,971	\$4,132	\$98,329	\$8,200	\$6,880
San Carlos, City	SANACPC003	41,586	\$15,180	\$415	\$885	\$30,241	\$2,049	\$48,770	\$4,070	\$5,000
<u>San Mateo County</u>										
San Mateo County006	SANACPC006	346,268	\$126,398	\$3,455	\$7,368	\$251,803	\$17,065	\$406,088	\$33,850	\$46,150
San Mateo County007	SANACPC007	547,690	\$199,923	\$5,465	\$11,653	\$273,583	\$26,992	\$517,615	\$43,140	\$65,660
San Mateo County008	SANACPC008	5,709	\$2,084	\$57	\$121	\$5,042	\$281	\$7,585	\$640	\$520
San Mateo County009	SANACPC009	3,558	\$1,299	\$35	\$76	\$2,587	\$175	\$4,173	\$350	\$300
San Mateo County011	SANACPC011	9,073	\$3,312	\$91	\$193	\$6,598	\$447	\$10,641	\$890	\$1,940
San Mateo County013	SANACPC013	52,361	\$19,113	\$522	\$1,114	\$38,076	\$2,580	\$61,406	\$5,120	\$5,760
San Mateo County015	SANACPC015	52,221	\$19,062	\$521	\$1,111	\$37,975	\$2,574	\$61,243	\$5,110	\$5,350
San Mateo County016	SANACPC016	7,489	\$2,734	\$75	\$159	\$5,446	\$369	\$8,783	\$740	\$750
San Mateo County Total		1,024,369	\$373,925	\$10,221	\$21,796	\$621,109	\$50,484	\$1,077,534	\$89,840	\$126,430
San Rafael, City	SANACPC001	75,214	\$27,455	\$750	\$1,600	\$54,695	\$3,707	\$88,208	\$7,360	\$7,510
Santa Clara County	SANACPN001	797,049	\$290,946	\$7,953	\$16,959	\$579,607	\$39,281	\$934,745	\$77,900	\$76,930
Santa Rosa, City	SANACPC005	288,340	\$105,252	\$2,877	\$6,135	\$209,678	\$14,210	\$338,152	\$28,180	\$26,550
Saratoga, City	SARACPC001	11,942	\$4,359	\$119	\$254	\$8,684	\$589	\$14,005	\$1,170	\$1,030
Union City	UNIACPC001	9,002	\$3,286	\$90	\$192	\$6,546	\$444	\$10,558	\$880	\$760
Vallejo, City	VALACPC001	73,316	\$26,762	\$732	\$1,560	\$53,315	\$3,613	\$85,981	\$7,170	\$7,460
Vallejo Sani.& Flood Control Dist	VALACPD001	91,981	\$33,576	\$918	\$1,957	\$66,888	\$4,533	\$107,871	\$8,990	\$10,000
Watsonville, City	WATACPC001	71,079	\$25,946	\$709	\$1,512	\$51,688	\$3,503	\$83,359	\$6,950	\$6,440
Winters, City	WINACPC001	2,829	\$1,033	\$28	\$60	\$2,057	\$139	\$3,317	\$280	\$230

Customer	Estimated Annual Usage	Gas Cost	Distribution Shrinkage	Storage Costs	PG&E Pass-through Costs (1)	Program Expenses (2)	Total Cost	FY2017-18 Monthly Levelized Charge	FY2016-17 Monthly Levelized Charge
rate (\$/th):		\$0.365	2.7%	\$0.021	\$0.727	\$343,761 \$0.049			
TOTAL - Core	6,165,387	\$2,250,547	\$61,515	\$131,181	\$4,355,605	\$303,846	\$7,102,694	\$592,160	\$633,340
Rate (\$/th)		\$0.365	\$0.010	\$0.021	\$0.706	\$0.049	\$1.152		
	Total ABAG POWER Commodity Cost - Core:			\$0.396					
	Member Rate - Core:			\$0.446					
Non-Core			0.1%						
Contra Costa, County	0	\$0	\$0			\$0	\$0	\$0	\$0
San Mateo County	426,776	\$155,786	\$156			\$21,033	\$176,974	\$14,750	\$16,180
Santa Rosa, City (Co-gen)	171,583	\$62,633	\$63			\$8,456	\$71,151	\$5,930	\$11,220
Watsonville, City (Co-gen)	211,568	\$77,229	\$77			\$10,427	\$87,732	\$7,320	\$7,230
TOTAL - Non-core	809,927	\$295,647	\$296	\$0	\$0	\$39,915	\$335,858	\$28,000	\$34,630
Rate (\$/th)		\$0.365	\$0.000	\$0.000	\$0.000	\$0.049	\$0.415		
	Total ABAG POWER Commodity Cost - Non-core:			\$0.365					
	Member Rate - Non-core:			\$0.415					
GRAND TOTAL (Core + Non-core)	6,975,314	\$2,546,194	\$61,811	\$131,181	\$4,355,605	\$343,761	\$7,438,552	\$620,160	\$667,970
							% Change:	-7.2%	

Working Capital Deposits: \$ 2,000,785
Months: 3.23

Notes:

- (1) Includes estimates for: Customer Charge, Transportation Charge, Public Purpose Programs surcharge, and franchise fee.
- (2) Program expenses less interest income.