RESOLUTION NUMBER ______

RESOLUTION OF THE COUNCIL OF THE CITY OF PALO ALTO
APPROVING THE AGREEMENT FOR ASSIGNMENT OF RIGHTS
RELATING TO AND AMENDING THE SEATTLE CITY LIGHT
CAPACITY AND THIRD PHASE AGREEMENT BY AND AMONG
CERTAIN NORTHERN CALIFORNIA POWER AGENCY
MEMBERS, INCLUDING PALO ALTO, WHICH WILL TRANSFER
ITS INTERESTS IN THE AGREEMENT TO THE CITY OF SANTA
CLARA

WHEREAS, the City of Palo Alto ("City"), a municipal utility and a chartered city,
is a member of the Northern California Power Agency ("NCPA"); and

WHEREAS, NCPA entered into the "Capacity and Energy Exchange Agreement
Between the City of Seattle, City Light Department and the Northern California Power Agency
("Exchange Agreement"), to facilitate the exchange of capacity and energy between the parties
for their mutual benefit; and

WHEREAS, on October 6, 1992, pursuant to the Exchange Agreement, NCPA and
certain NCPA members, including the City, entered into the "Seattle City Light Capacity and
Energy Exchange Third Phase Agreement of the Northern California Power Agency" ("SCL
Agreement"), to realize the benefits of the Exchange Agreement to the SCL Agreement
members; and

WHEREAS, by Resolution No. 7128, adopted on August 10, 1992, the Council
authorized the City’s participation in the SCL Agreement, in the participation percentage of
18.333 percent, in order that the City might better manage commodity costs and its transmission
capacity rights in the California Oregon Transmission Project; and

WHEREAS, changes in the wholesale electric markets has resulted in a substantial
reduction in the benefits the City might gain from its projected ongoing participation in the SCL
Agreement, and the City is motivated to consider assigning its rights and obligations to interested
parties; and

WHEREAS, the City of Santa Clara ("Santa Clara") has expressed interest in
acquiring the City’s interests under the SCL Agreement and, pursuant thereto, on January 25,
2008, the NCPA Commission adopted its Resolution No. 08-02, effectively approving Santa
Clara’s acquisition of the City’s interest (and the interests of other NCPA members) in the SCL
Agreement, by adding Santa Clara as a party;

NOW, THEREFORE, the Council of the City of Palo Alto does hereby RESOLVE
as follows:

080416 jb 0073009
NOT YET APPROVED

SECTION 1. The Council hereby approves the City’s participation in the Agreement For Assignment Of Rights Relating To And Amending The Seattle City Light Capacity And Third Phase Agreement, whereby the City’s participation percentage will drop from 18.333 per cent to zero per cent and its rights and obligation under the SCL Agreement will transfer to Santa Clara.

SECTION 2. The Council finds that the adoption of this resolution does not constitute a project under the California Environmental Quality Act and the CEQA Guidelines and, therefore, no environment assessment is required.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST: 

APPROVED:

City Clerk

Mayor

APPROVED AS TO FORM:

City Manager

Senior Asst. City Attorney

Director of Utilities

Director of Administrative Services
Resolution No. 08-29

A RESOLUTION OF THE COMMISSION
OF THE NORTHERN CALIFORNIA POWER AGENCY
AUTHORIZING ASSIGNMENT AND AMENDING SEATTLE CITY LIGHT
CAPACITY AND ENERGY EXCHANGE THIRD PHASE AGREEMENT

WHEREAS, the Northern California Power Agency ("NCPA") and the Cities of Healdsburg, Lodi, Palo Alto, Roseville and Ukiah ("Project Participants") have executed the Seattle City Light Capacity and Energy Exchange Third Phase Agreement ("SCL Agreement") on or about October 6, 1992, which is attached hereto as Exhibit 1;

WHEREAS, pursuant to the SCL Agreement, each of the SCL Project Participants owns participation percentages and megawatts of Firm Capacity and Associated Energy, which is specified in the SCL Third Phase Agreement attached as Exhibit 1; and

WHEREAS, Section 8 of the SCL Agreement provides for the transfer of rights therein by SCL Project Participants to NCPA members who are not Project Participants and provides that those NCPA members have a right to purchase said rights from the Project Participants on the same terms and conditions set forth in the SCL Agreement; and

WHEREAS, pursuant to Section 8 of the SCL Agreement, certain Project Participants, specifically, the Cities of Roseville, Palo Alto and Healdsburg desire to transfer their surplus project capacity to Silicon Valley Power, the municipal utility of the City of Santa Clara, who is a NCPA member, but not a SCL Project Participant; and

WHEREAS, SVP is the sole NCPA member that has an interest in obtaining the surplus SCL Agreement Project capacity;

WHEREAS, the SCL Agreement permits NCPA to transfer project participants rights between the Cities of Roseville, Palo Alto and Healdsburg to SVP;

WHEREAS, Section 15 of the SCL Agreement permits NCPA and the Project Participants to amend said agreement in writing executed by all parties;

WHEREAS, NCPA's General Counsel has prepared an Agreement for Assignment of Rights Relating to and Amending the Seattle City Light Capacity and Energy Exchange Third Phase Agreement, ("Amended Agreement") attached hereto as Exhibit 2, which has been reviewed by the Project Participants and SVP;
NOW, THEREFORE, BE IT RESOLVED by the Commission of the Northern California Power Agency as follows:

Section 1. The Commission hereby approves the Agreement for Assignment of Rights Relating to and Amending the Seattle City Light Capacity and Energy Exchange Third Phase Agreement, attached hereto and incorporated herein as Exhibit 2;

Section 2. The Commission hereby authorizes the General Manager to effect the necessary transfer of energy and capacity rights from the Cities of Healdsburg, Palo Alto and Roseville to SVP as set forth the Amended Agreement attached as Exhibit 2;

Section 3. The Commission grants NCPA authority to invoice either credits or charges to each Project Participant of the SCL Project as specified in as the Amended Agreement attached as Exhibit 2;

PASSED AND ADOPTED this 30th day of April, 2008 by the following vote on roll call:

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PATRICK KOLSTAD
Chairman

Attest: DENISE DOW
Assistant Secretary
AGREEMENT FOR ASSIGNMENT OF RIGHTS RELATING TO AND AMENDING SEATTLE CITY LIGHT CAPACITY AND THIRD PHASE AGREEMENT

This Agreement for Assignment of Rights Relating to and Amending Seattle City Light Capacity and Third Phase Agreement "Agreement" between certain Project Participants of the Seattle City Light ("SCL") Capacity and Energy Exchange Third Phase Agreement ("SCL Agreement"), and amending said SCL Agreement, dated as of ______, 2008 (the "Effective Date"), is by and among the Northern California Power Agency, a joint powers agency of the State of California ("NCPA"), and the Cities of Healdsburg, Lodi, Roseville, Palo Alto and Ukiah (all of whom, are jointly referred to as "the SCL Project Participants"), and the City of Santa Clara doing business as Silicon Valley Power ("SVP"), who is currently not a SCL Third Phase Project Participant, (all of whom are jointly referred to as "the Parties")

WITNESSETH:

WHEREAS, NCPA and the Project Participants have previously executed that certain Agreement called Seattle City Light Capacity and Energy Exchange Third Phase Agreement dated October 6, 1992 (the "SCL Agreement"); and

WHEREAS, pursuant to the SCL Agreement, each of the SCL Project Participants owns participation percentages and megawatts of Firm Capacity and Associated Energy, which is specified in the SCL Third Phase Agreement; and

WHEREAS, Section 8 of the SCL Agreement provides for the transfer of rights therein by SCL Project Participants to NCPA members who are not Project Participants and provides that those NCPA members have a right to purchase said rights from the Project Participants on the same terms and conditions set forth in the SCL Agreement; and

WHEREAS, pursuant to Section 8 of the SCL Agreement, certain Project Participants, specifically, the Cities of Roseville, Palo Alto and Healdsburg desire to transfer their surplus project capacity to SVP, who is a NCPA member, but not a SCL Project Participant; and

WHEREAS, SVP is the sole NCPA member that has an interest in obtaining the surplus SCL Agreement Project capacity;

WHEREAS, NCPA’s Capacity and Energy Exchange Agreement permits NCPA to transfer project participants rights between the Cities of Roseville, Palo Alto and Healdsburg to SVP;

WHEREAS, Section 15 of the SCL Agreement permits NCPA and the Project Participants to amend said agreement in writing executed by all parties;
WHEREAS, capitalized terms used in this Agreement and not expressly defined herein shall have the same meanings as such terms have in the SCL Agreement;

WHEREAS, on January 25, 2008, at a regularly schedule meeting of the NCPA Commission, SCL Agreement Project Participants reviewed and approved this transaction pending approval from Project Participants’ governing boards; and

WHEREAS, on January 25, 2008, the NCPA Commission also directed the General Manager and General Counsel to prepare the necessary Agreement to effect this transfer and assignment by seeking Project Participants’ governing boards approvals;

NOW, THEREFORE, the Parties agree as follows:

Section 1. Purpose. The purpose of this Agreement is to (a) amend the SCL Capacity and Exchange Third Phase Agreement to allow SVP to become a Project Participant; (b) enable certain SCL Project Participants, specifically, the Cities of Healdsburg, Palo Alto and Roseville, to transfer their rights to Project Capacity and Associated Energy and all benefits and burdens associated with the SCL Agreement to SVP; and (c) permit NCPA to effect the transfer of this surplus Project Capacity and energy related to the SCL Agreement and to reimburse NCPA for all reasonable costs incurred in effecting this transfer and assignment; and to (d) amend the SCL Agreement so that SVP becomes a Project Participants and agrees to be bound by the irrevocable assignment of the obligations and rights of the Cities of Roseville, Palo Alto and Healdsburg under the SCL Agreement.

Section 2. Amendment to SCL Third Phase Agreement

2.1 Pursuant to Section 15 of the SCL Agreement, the Project Participants and NCPA hereby amend and modify the SCL Agreement to add SVP as a Project Participant.

2.2 SVP agrees to be added as a Party to the SCL Agreement, and becomes a Project Participant of the SCL Agreement and expressly agrees to be bound to all terms, conditions, obligations, responsibilities and duties set forth in the SCL Agreement as of the Effective Date of this Agreement.

2.3 All Project Participants, including the Cities of Lodi and Ukiah, whose interests, rights and responsibilities pursuant to the SCL Agreement, remain unchanged, expressly consent to and agree to add SVP as Project Participant to the SCL Third Phase Agreement.

2.4 All other terms and conditions of the SCL Agreement that are not amended or modified herein remain unchanged and shall continue in force and effect.

Section 3. Transfer of Surplus Capacity and Energy
3.1 Pursuant to Section 8 of the SCL Agreement, as of May 31, 2008, the “Transfer Date,” the Cities of Healdsburg, Palo Alto and Roseville shall transfer and assign their surplus Project Capacity and the Project Entitlement Percentages to SVP as set forth in Appendix A, which is attached to this Agreement and is incorporated herein. Such Project Capacity Associated Energy is hereby deemed as “surplus” by the Cities of Healdsburg, Palo Alto and Roseville, and shall be transferred to SVP for its beneficial use. NCPA and the Project Participants acknowledge and agree that Healdsburg, Palo Alto and Roseville’s surplus Project Capacity and Energy interests shall be deemed to be transferred to SVP as of the Transfer Date, pursuant to Appendix A.

3.2 Said transfers and assignments shall be irrevocable and shall take effect on the Transfer Date. After the Transfer Date, the participation percentages of the Project Participants shall be adjusted on a going forward basis pursuant to Appendix A.

3.3 After the transfer and assignment of surplus Project Capacity and Project Entitlement percentages to SVP, the Cities of Healdsburg, Palo Alto and Roseville, shall have a remaining Project Entitlement Percentages as set forth in Appendix A. The participation percentages of the Cities of Lodi and Ukiah remain unchanged.

3.4 NCPA shall undertake all necessary actions to effect this transfer and assignment and will continue to perform the duties set forth in the SCL Agreement for all Project Participants, including SVP.

3.5 NCPA shall make all necessary adjustments to the budget and billing statements to all Parties pursuant to Section 6 of the SCL Agreement. A new monthly billing statement shall be sent to SVP, showing its share of costs and other charges payable pursuant to this Agreement, and any other credit or debit adjustments in accordance with the SCL Agreement.

3.6 The Parties recognize that NCPA will incur expense in administering this assignment. The Parties expressly agree to reimburse all costs and fees, including attorney’s fees, incurred by NCPA in effecting this transfer and assignment of surplus Project Capacity and Project Entitlement percentages to SVP in an amount not to exceed $10,000 in total.

Section 4. Authority. Each signatory to this Agreement represents and warrants that he/she has been duly authorized by the signatory’s governing board for whom he/she executed it as demonstrated by a resolution from each signatory’s governing board.

Section 5. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute a single instrument.
Section 6. **Notice.** Any notice, demand or request required or authorized by this Agreement to be given to any Party shall be in writing, and shall be personally delivered to the Party’s representative on the NCPA Commission or transmitted to the Party at the address shown on the signature page hereof. The designation of such address may be changed at any time by written notice given to the Secretary of the NCPA Commission who shall thereupon give written notice of such change to each Party.

Section 7. **Waiver.** No waiver of the performance by a Party of any obligation under this Agreement with respect to any default or any other matter arising in connection with this Agreement shall be effective unless in writing.

Section 8. **Withdrawal by Project Participants.** No Project Participant, which term now includes SVP, may withdraw from this Agreement. However, NCPA will use its best efforts to assist any Participant that wishes to assign all or any portion of its rights pursuant to terms of the SCL Third Phase Agreement.

Section 9. **Counsel Representation.** Pursuant to the provisions of California Civil Code section 1717(a), each Party to this Agreement was represented by counsel in the negotiation and execution of this Agreement. In light of this representation, this Agreement shall not be construed as drafted by or be construed against any particular one of the Parties.

Section 10. **Dispute Resolution.** The Parties agree to make best efforts to settle all disputes related to this Agreement among themselves, and to meet and confer in good faith to that end. In the event that a dispute cannot be resolved by consultation and good faith meet and confer processes, the Parties agree that any such dispute shall be submitted to binding arbitration. The arbitration shall be governed by the Commercial Arbitration Rules of the American Arbitration Association from time to time in force. Costs and attorney’s fees shall be recoverable by the prevailing party.

Section 11. **Amendments.** This Agreement may be amended only in writing.

Section 12. **Integrated Agreement.** This is an integrated agreement. It contains all of the understandings of the Parties.

Section 13. **Severability.** This Agreement is severable. In the event that any of the terms, covenants or conditions of this Agreement or the application of any such term, covenant or condition is held invalid as to any person or circumstance by any court having jurisdiction, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in full force and effect unless the court holds that they are not severable from the other provisions of this Agreement.
Section 14. Governing Law. This Agreement shall be governed by the law of the State of California.

***

IN WITNESS WHEREOF, each Party has executed this Agreement with the approval of its governing body.

NORTHERN CALIFORNIA POWER AGENCY

By__________________________
Its:__________________________

Attested by:___________________
Secretary
__________________________
Approved as to form

General Counsel
__________________________

CITY OF HEALDSBURG

By__________________________
Its:__________________________

Attest by:____________________
City Clerk
__________________________
Approved as to Form

City Attorney
__________________________

CITY OF LODI

By__________________________
Its:__________________________

Attested by
City Clerk
__________________________

CITY OF PALO ALTO

By__________________________
Its:__________________________

Attested by
City Clerk
__________________________
Approved as to form

City Attorney

CITY OF ROSEVILLE

By____________________

Its:____________________

Attested by

City Clerk

Approved as to form

City Attorney

CITY OF SANTA CLARA

By____________________

Its:____________________

Attested by

City Clerk

Approved as to Form

City Attorney

CITY OF UKIAH

By____________________

Its:____________________

Attest by

City Clerk

Approved as to form

City Attorney
APPENDIX A

AMENDED
NCPA / SCL CAPACITY AND ENERGY EXCHANGE
THIRD PHASE AGREEMENT

PARTICIPATION PERCENTAGES AND MEGAWATTS

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<td>Ukiah</td>
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Percentages amended as of Effective Date of May 31, 2008
UTILITIES ADVISORY COMMISSION
MINUTES OF APRIL 2, 2008

CALL TO ORDER
Chairman Rosenbaum called to order at 7:00 P.M. the scheduled meeting of the Utilities Advisory Commission (UAC).

Present: Commissioners George Bechtel, Dexter Dawes, John Melton, and Dick Rosenbaum
Absent: Commissioner Marilyn Keller and Council Liaison Yiaway Yeh

ORAL COMMUNICATIONS
Bruce Hodge, Palo Alto resident, spoke to the Commission regarding carbon emissions. He asked for the utilities plan to reduce emissions over the next 20 years. Chair Rosenbaum directed him to recent memos updating the Commission on such efforts.

APPROVAL OF THE MINUTES
The minutes from the March 5, 2008, were unanimously approved.

AGENDA REVIEW
No changes to the agenda were requested.

REPORT FROM COMMISSION MEETINGS/EVENTS
There were no reports.

UTILITIES DIRECTOR REPORT
Utilities Director Valerie Fong gave the following updates:
Retail Rate: The UAC and staff recommendation for retail rates was unanimously approved by Finance Committee on March 18th and is expected to go to the full Council on June 9th. Fong also provided a quick update on past and upcoming customer communications regarding the rate increases including press releases, Frank’s Weekly memos, and notifications through customer bills, letters, postcards and customer meetings.

Hydro Conditions: Northern Sierra precipitation is at 80% of average to date and because of low reservoir levels (about 80% of average), hydro electric generation is expected to be below average if precipitation resumes median levels for the rest of the season.

New Lodi: NCPA’s 250MW new natural gas-fired Lodi project has been fully subscribed and permitting work has begun, however, Palo Alto declined to participate in the project as the City’s long term capacity needs require generation to be sited within the Great Bay Area.

Local Cogen: Staff continues to explore customer-sited cogeneration options within the City.

Earth Month Activities: Copies of Earth Month activities provided to the Commission, and also posted on the City’s website, indicate special presentations planned for April 3, April 12, and April 16 with the Greenlight Film Festival planned for Thursday April 17.

Compact fluorescent lights: The City of Palo Alto Utilities (CPAU) is offering 5 for $1 compact fluorescent lights through Palo Alto Hardware and Peninsula Hardware. Commissioner Dawes noted that the supplies are quickly snapped up at these locations, and suggested better inventory management for the inevitable customer demand for the item.

UNFINISHED BUSINESS
NEW BUSINESS


Karl Van Orsdol, Energy Risk Manager, summarized the quarterly report. He noted that there were no exceptions to report and that all transactions were fully in accordance with the City Energy Risk Management Policies, Procedures and Guidelines. Van Orsdol noted that the overall credit exposure was approximately $7.5 million for gas and electricity combined. This exposure is significantly lower than from previous years. Van Orsdol also noted that the load resource balance is within limits and reflects the increasing importance of non-carbon sources of electricity in the City's electricity purchases. He pointed out that all but one of the City's counterparties maintains an excellent credit rating, but that the City has no exposure with that one outlier.

ITEM 2: ACTION ITEM:  Proposed Increase in Utility Water, Gas, Wastewater, and Electric Connection Fees and Water and Wastewater Capacity Fees

Roland Ekstrand, Senior Engineer gave a short presentation explaining the methodology for calculating each of the two separate groups of one time charges (connection fees and capacity fees) for new or upgraded utility services.

Eckstrand replied to questions regarding the impact of the capacity fees on low income housing, calculating the capacity fees for single family housing, and the completeness of the connection fees in capturing the City's cost of installing new services.
Commissioner Rosenbaum requested that the connection fees and the capacity fees be voted on separately. The connection fees were approved unanimously. The capacity fees were approved 3 to 1 with Rosenbaum the dissenting vote.

Action: Commissioner Dawes moved to approve the recommended connection fee increase. Commissioner Bechtel seconded the motion. The motion carried unanimously. Commissioner Dawes moved to approve the recommended capacity fee increases. Commissioner Melton seconded the motion. The motion carried by a vote of 3 to 1 with Commissioner Rosenbaum dissenting.

ITEM 3: ACTION ITEM: Recommendation to Assign the Seattle City Light Exchange Contract to Another NCPA Member Agency
Senior Resource Planner Shiva Swaminathan explained the rationale for the recommended assignment of the Seattle City Light (SCL) Contract. He noted that flows from the SCL exchange contract (Palo Alto receives energy in June through October and provides energy from November through March) do not fit with the electric portfolio since the hydro generation is highest in the spring and summer months and the portfolio has excess energy, but is deficit in the winter, when Palo Alto must return the energy. In addition, Swaminathan said that the value of the exchange is and is projected to be negative given the energy price differences between summer and winter.

Commissioner Melton asked why others value the SCL Contract while Palo Alto does not. Swaminathan replied that other agencies have different portfolio profiles. Moreover, they might be able to achieve additional value by doing their own scheduling and trading, and the nature of their transmission assets may provide more pathways for buying and selling energy.

Action: The UAC acted on a combined motion with Item 4 below.
ITEM 4: ACTION ITEM: Recommendation to Lay-off the City's Share of the California-Oregon Transmission Project

Swaminathan explained that the primary justification for the recommended long-term lay-off of the California-Oregon Transmission Project (COTP) is that the cost of the asset is greater than its value. COTP, located within the Western Area Power Administration-Sacramento Municipal Utility District (SMUD) control area has more value to entities within the SMUD control area.

Commissioner Dawes asked what the risks of the layoff are to Palo Alto. Fong responded that, as outlined in the report, the risks include: 1) Palo Alto's access to resources in the northwest will be reduced and these resources could become valuable to meet the City's Renewable Portfolio Standard (RPS) goals; and 2) the risk that the counterparties harvest some value from COTP, but do not pay the bills – this could conceivably occur for a maximum of two months.

Action: Commissioner Dawes moved to approve both the recommended SCL assignment and the COTP layoff. Commissioner Bechtel seconded the motion. The motion carried unanimously.


Staff offered no presentation on this item, but answered questions from Commissioners.

On the water report, Commissioner Dawes asked about the likelihood of litigation on San Francisco Public Utilities Commission's Program Environmental Impact Report for the Water System Improvement Program. Assistant Director Jane Ratchye responded that it depends on what alternative San Francisco selects. Commissioner Melton noted the grim progress on the new water contract negotiations.
There were no questions on the gas report.

Regarding the electric report, Commissioner Bechtel asked what the definition of "local" means in terms of the local capacity requirements. Senior Resource Planner Shiva Swaminathan explained that this is defined by the California Independent System Operator and that not all of it needs to be in the Greater Bay Area load pocket.

On the financial report, Commissioner Melton asked why the expenses are front loaded in the first half of the fiscal year. Utility Rates Analyst Eric Keniston responded that the amounts in the first half of the fiscal year include commitments as well as actual expenses. Commissioner Dawes remarked on the great profitability of the fiber fund.

**ITEM 6: INFORMATION ITEM: Energy Policy Act (EPACT) Reporting Update on Time Based Metering and Pricing**

Commissioner Melton stated that CPAU is not expanding its time-based metering options due to short-term software and hardware issues. However, the report also says that even if all the software and hardware were in place, this doesn’t make sense given CPAU’s portfolio costs and profile. Director Fong agreed that even if everything was in place, it still may not make sense to offer these rates, however we must study them under the EPACT of 2005 and make a decision whether we implement them or not. Commissioner Bechtel also noted that it would make sense when/if customers demanded it. Given that TOU rates have been in existence for six years and customers have not taken them suggests that they are not in demand. Commissioner Rosenbaum offered that another reason that this wouldn’t make sense at least for the
residential sector is the fact that the residential customer load is only 16% of the total load, which is not enough to provide much mutual benefit. He suggested that this should also be mentioned in the report.

ITEM 7: INFORMATION ITEM: 2007 Statewide and Palo Alto Business Customer Satisfaction Survey Results

Commissioner Dawes observed that it was mildly disappointing to see CPAU’s ratings fall from 2 years ago and be lower than other NCPA members. He wondered if staff has developed any programs to address the concerns raised on the report. Director Fong responded there were a few things to mention here. Unfortunately this year the number of major accounts surveyed was much smaller, and they usually provide more favorable evaluation of utility services. Second, there is greater focus on customer service to small (non key) accounts. We are somewhat restricted in terms of our customer service representatives for smaller accounts due to other projects, and that may have also impacted the results. We also know that the web site could be improved and we have plans to tweak the web site so that information is more easily accessible. Commissioner Melton perceived that the power delivery score declined and that reliability is always the customer’s most important issue. He said that he personally had not experienced power outages, but asked whether outages are more common in some areas of the city. Fong replied that capital improvement projects have been moved up to address problems in some targeted areas (e.g. California Avenue business district). In summary, we are disappointed that these are the results, we are not surprised, and we are taking action to address the issues raised in this survey.

The next schedule meeting is set for May 7.

Meeting adjourned at 8:45 P.M.

Respectfully submitted,
Marites Ward
City of Palo Alto Utilities