



**ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES - APPROVED
OCTOBER 19, 2009**

The Electric Utility Commission (EUC) convened in a regular meeting in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.

1. CALL TO ORDER

Phillip Schmandt, Chair, called the meeting to order at 6:00 p.m.

Commissioners in Attendance: Phillip Schmandt (Chair), Linda Shaw (Vice Chair), Gary 'Bernie' Bernfeld, Shudde Fath, Steve Smaha and Steven Taylor. Michael Webber was not present at the Call to Order, but arrived soon afterwards. A quorum was present.

Chair Schmandt welcomed new Commission member, Bernie Bernfeld.

2. APPROVAL OF MINUTES

The minutes for the September 14, 2009 meeting were approved on Commissioner Taylor's motion and Vice Chair Shaw's second, on a 6-0 vote.

Commissioner Webber arrived.

3. CITIZEN COMMUNICATIONS

David Ross addressed the Commission regarding problems he experienced with Austin Energy's customer service policies and procedures. J.J. Gutierrez, Customer Care VP, answered questions regarding procedures taken by the utility to communicate with customers prior to disconnection of services. She also reported that additional training for Customer Service Representatives was underway. Chair Schmandt suggested that, at a future meeting, the Commission review customer service policies and possibly make recommendations.

4. PUBLIC HEARING

A public hearing was held to review Austin Energy's recommendations regarding the 2007 amendments to the Federal Public Utility Regulatory Policies Act (PURPA). Andy Perny, Assistant City Attorney, outlined amendments to the Act. Suggestions by Chair Schmandt and Commissioner Bernfeld will be included in the final presentation to the Commission in November. There were no requests from the public to speak at the hearing.

5. NEW BUSINESS

- a. Action on City Council agenda items related to Austin Energy – The following Recommendations for Council Action (RCAs) were recommended for approval on consent, on Chair Schmandt's motion and Commissioner Fath's second, on a 7-0 vote: RCA 3 (solar rebate to Bull Creek Market) and RCA 7 (contract with Custom Crete for concrete).

RCAs 1, 2, 4, and 5 were pulled from the Consent Agenda, discussed and recommended on Commissioner Taylor's motion and Vice Chair Shaw's second, on a 7-0 vote.

(RCA 1 – acceptance of \$2.9 million ARRA grant for weatherization of homes; RCA 2 – interlocal agreement with Travis County for weatherization of homes; RCA 4 – contract

with BIS Tepsco for underground chilled water piping; and RCA 5 – contracts with three vendors for the collection of inactive delinquent utility accounts.)

RCA 6, an interlocal agreement with UT for an Austin Technology Incubator program, was also pulled from the Consent Agenda, discussed and recommended on Chair Schmandt's motion and Commissioner Fath's second, with Commissioner Webber abstaining, on a 6-0-1 vote.

- b. Discussion and action on an Ordinance amending the City Code relating to Tree Protection (Heritage Tree Ordinance) – Presentations were made by the City's Arborist Michael Embesi, Peter Cesaro of the Real Estate Council of Austin, and Greg Troxell and Michelle McAfee of Austin Energy. The Commission approved Austin Energy's recommendation to the proposed Ordinance with changes, on Chair Schmandt's motion and Commissioner Fath's second, on a 7-0 vote.
- c. Discussion on a proposed franchise agreement between Austin Energy and the City of West Lake Hills – Andy Perny explained the proposed agreement with West Lake Hills. The Commission will make a final recommendation at their November meeting.
- d. The following meeting schedule for 2010 was approved on Commissioner Webber's motion and Commissioner Taylor's second, on a 7-0 vote:

January 25	July 19
February 22	August 16
March 22	September 20
April 19	October 18
May 17	November 15
June 21	December 13

6. OLD BUSINESS

Discussion of Austin Energy's proposed Resource and Climate Protection Plan to 2020 – Chair Schmandt suggested that the Commission make a decision following recommendations by the Austin Generation Resource Planning Task Force. He announced the Task Force, for which he serves as Chair, could vote on the recommendations as early as next week.

Cheryl Mele, Austin Energy Chief Operating Officer, provided answers to questions about the Fayette Power Plant, including production and Austin Energy's responsibility for minimum load. Commissioners requested an estimated heat rate curve. Roger Duncan, General Manager, encouraged Commissioners to submit questions regarding the generation plan to staff prior to the November meeting.

7. REPORTS AND BRIEFINGS

- a. Monthly Reports: Steve Machicek, Corporate Accounting Director, presented the Financial Report.

A list of Upcoming Procurements provided by Rosemary Ledesma, Purchasing Manager, was reviewed. Commissioner Webber requested more information about the costs associated with above vs. below ground infrastructure.

J. J. Gutierrez, Customer Care VP, presented a Summer Disconnect and DPA Report. She reported that 75% of customers in the Deferred Payment Arrangement program were current on payments. Austin Energy staff continues to meet with non-profit organizations representing low-income and elderly populations to provide updates and receive suggestions.

- b. Karl Rabago, Distributed Energy Services VP, presented revisions and proposed revisions to Austin Energy's Solar Rebate Program.
- c. David Orr, Customer Information System (CIS) Project Manager, provided a six-month update on the implementation of the CIS project.

8. FUTURE AGENDA ITEMS

Commissioners requested a comparison of underground and above-ground distribution, a review of customer service policies, an estimated heat rate curve for FPP and updated data in preparation for a discussion in December regarding the General Fund transfer.

9. ADJOURNMENT

Chair Schmandt adjourned the meeting without objection at 8:40 p.m.