



ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES – Approved 11/15/2010
OCTOBER 18, 2010

The Electric Utility Commission (EUC) convened in a regular meeting on October 18, 2010 in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.

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, Stephen Smaha, Michael E. Webber, and Steve Taylor.

Staff in attendance: Larry Weis, Cheryl Mele, Kerry Overton, Elaine Hart, Andy Perny, Mark Dreyfus, Karl Rabago, David Wood, Jawana J.J. Gutierrez, Pat Alba, Alan Claypool, Jackie Sargent, Ann Little, Fred Yebra, Jeff Vice, Rosemary Ledesma, Pat Sweeney, Christopher Frye, Shawn Harris, Patricia Alofsin, Jamie Mitchell, David Kutach, Bill Starks, Peggy Pleasant, Drusilla Saenz, Adrienne Brandt, Chris Smith, Steve Machicek, and Toye Goodson Collins.

APPROVAL OF MINUTES

1. Approve minutes of the September 20, 2010 regular meeting. **Motion to approve minutes by Commissioner Webber, seconded by Commissioner Smaha, passed on a vote of 7-0.**

CITIZEN COMMUNICATIONS: GENERAL

Chris Searles, Roger Wood, and Paul Robbins, members of the Transparency Working Group, spoke regarding the ongoing review of the Competitive Matters Resolution. Mr. Searles and Mr. Wood suggested that recommendations be presented at the Commission's meeting in November, with subsequent action in December. Mr. Wood of Freescale Semiconductor, also spoke about affordability as it relates to the Resource, Generation and Climate Protection Plan. John Sutton of BOMA, Robin Rather, and Mike Sloan also addressed the Commission on affordability. Scott Johnson spoke about the Climate Protection Program and sustainable purchasing practices.

Chair Schmandt welcomed Larry Weis, Austin Energy's new General Manager.

NEW BUSINESS

Chair Schmandt read the following corrections+ to Item 2:

2. Authorize award, negotiation and execution of a ~~professional~~ 12-month requirements services contract with E Source Companies, LLC, Boulder, CO, for subscription services of independent data and analysis of retail energy markets, services, and technologies in an amount not to exceed \$145,870, with four 12-month extension options in an estimated amount not to exceed \$145,870 per extension option, for a total estimated contract amount not to exceed \$729,350. **Motion to approve by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**
3. Recommend authorization to award and execute a 24-month requirements service contract with KELI LABS TEXAS, Grand Prairie, TX, for Test Instrument Calibration Services in an estimated amount not to exceed \$64,930, with three 12-month extension options in an amount not to exceed \$32,465 per extension option, for a total contract amount not to exceed \$162,325. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Fath, passed on a vote of 7-0.**
4. Recommend authorization to award and execute a contract with THIELSCH ENGINEERING, INC., Del Valle, TX, for the upgrade of a simple cycle cooling tower at the Sand Hill Energy Center in an amount not to exceed \$142,770. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Fath, passed on a vote of 7-0.**
5. Recommend authorization to award, negotiate, and execute Amendment No. 3 to a contract with MOTOROLA INC., Shalimar, FL, for a software upgrade, additional licenses, implementation,

support, and hosting services for the existing Customer Service Request system and to replace the remaining two 12-month extension options with one 36-month extension option in an amount not to exceed \$1,792,006, with two additional 12-month extension options in an amount not to exceed \$336,744 per extension option, for a total revised contract amount not to exceed \$2,627,212.

Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Fath, passed on a vote of 7-0.

6. Recommend authorization to award and execute a 12-month requirements contract with U. S. SECURITYASSOCIATES, INC. Austin, TX, for unarmed uniformed security guard services in an amount not to exceed \$1,478,110.40 with four 12-month extension options in an estimated amount not to exceed \$1,478,110.40 per extension option, for a total estimated contract amount not to exceed \$7,390,552. **Motion to approve by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**
7. Approve meeting schedule for 2011 – Chair Schmandt suggested that the Commission consider holding several meetings at City Hall during the rate review discussions to accommodate greater public participation. Staff suggested those discussions may occur in the Spring of 2012. Chair Schmandt asked the staff liaison to arrange to hold one meeting in 2011 and several meetings in the Spring of 2012 at City Hall. **Motion to approve by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**

OLD BUSINESS

8. Presentation and discussion of Affordability Metrics by Mark Dreyfus, Regulatory and Governmental Affairs Director. After the staff presentation, Chair Schmandt invited the public to comment. Robin Rather and Mike Sloan addressed the Commission. Chair Schmandt urged staff to focus on the costs of generation included in the Resource, Generation, and Climate Protection Plan. He suggested that staff bring forward a matrix and a goal, and, as an example, suggested: “The generation costs from new generation sources during the first ____ years of operation of that new generation source will not cause Austin Energy’s generation costs to rise by more than ____% greater than would have been caused by the construction of a new natural gas plant plus a natural gas fuel contract for that ____-year period.”

STAFF REPORTS AND BRIEFINGS

9. Monthly Financial Report – Chair Schmandt suggested that members review the report included in the agenda backup materials in lieu of an oral report by staff.
10. Quarterly Update on the Austin Climate Protection Program by Ester Matthews, Climate Protection Program Director. Commissioner Smaha asked Ms. Matthews for additional information regarding Boulder, Colorado’s carbon calculator responses.
11. Presentation regarding options for potential Energy Efficiency Rate Rider by Karl Rabago, Distributed Energy Services Vice President. Commissioners requested that staff present a range of options for their consideration at next month’s meeting, including safeguards for low-income customers.
12. Update on the Rate Review Process by Mark Dreyfus, Regulatory and Governmental Affairs Director.

FUTURE AGENDA ITEMS

13. Request agenda items including briefings related to the Upcoming Procurements Report – No new agenda items were requested. Commissioner Fath requested a breakdown of the shared expenses included in the City’s Budget with allocation by department.

ADJOURNMENT

Chair Schmandt adjourned the meeting at 9:27 p.m. without objection.