

**Virginia Energy Governmental Purchasing Association  
(VEPGA)**

County Manager's Conference Room  
Henrico County Administration Building  
4301 East Parham Road

April 25, 2003  
9:30 A.M.

**Minutes**

Present were VEPGA board members Chairman Proto, Mr. Colbert, Mr. Bowers, Mr. Spivey, Mr. Corwine, Mr. Neve, Mr. Groff, Mr. Sinclair, Mr. Gilman, Mr. Pitzer, Mr. Ringler, Mr. Raike and Ms. Newquist. Guests included Mr. Levine and Mr. Reinsel with Fairfax County Schools. Also present were Mr. Monacell and Ms. Robb with Christian & Barton and Mr. Craig with Virginia Municipal League.

I. Call to Order

Chairman Proto called the meeting to order at 9:30 a.m.

II. Additions to the Agenda

Chairman Proto called for additions to the agenda. Mr. Craig noted the need to approve the minutes of the January 24, 2003 meeting, which were previously distributed to the board.

III. Approval of Minutes From Prior Meeting (1/24/2003)

Chairman Proto called for a motion to approve the minutes from the prior meeting. A motion to approve the minutes from the January 24, 2003 meeting was made by Mr. Gilman and seconded by Mr. Colbert. The motion was passed unanimously.

IV. Ratification of New Members - Attachment A

Mr. Craig presented the attached list of new members. A motion to ratify the new members was made by Mr. Sinclair and seconded by Mr. Neve. The motion was passed unanimously.

V. Updates from Legal Counsel

Mr. Monacell informed the board that Virginia Power had credited local government accounts with \$300,000 resulting from an error in the purchased power portion of the fuel factor calculation applied in 2002. He reminded the board that the Columbia Group discovered the error. Mr. Monacell noted that fuel factor audits continue and that a more thorough trend analysis is planned.

Ms. Robb presented information concerning Virginia Power's analysis of switching accounts from one rate schedule to another. She reminded the board that Virginia Power is contractually obligated to provide such an analysis and that the next analysis should be completed very soon. Ms. Robb informed the board that Virginia Power would provide VEPGA with aggregate data and that Christian & Barton was preparing information for distribution to the membership on how to take advantage of the potential savings by switching rate schedules. Ms. Robb also noted that Virginia Power wants a list of accounts to consider for schedule 132 as the contract limits the number accounts that can switch to schedule 132 to 25 per year. She further noted that Christian & Barton is preparing a questionnaire for VEPGA members to determine which accounts should be analyzed.

Ms. Robb then presented the attached information on the status of negotiations with Virginia Power on terms and conditions of the seven-year contract, unbundling of standard rate schedules and methodology and pricing for shopping credits. Ms. Robb asked the board for guidance as to the net metering component of the negotiations. Specifically, she inquired as to the board's thinking on acceptance of net metering provisions equivalent to those of jurisdictional customers or to more tailored net metering provision for local governments. The consensus of the board was that a more tailored approach with an increased kWh ceiling to include solar power and landfill gas would better meet local governments' needs.

Mr. Monacell provided the board with an update of legislative and regulatory activity. He noted that the 2003 General Assembly had passed and the Governor had signed a bill delaying the date by which investor owned utilities were to join a regional transmission organization. The legislation had to do with maintaining state jurisdiction through the State Corporation Commission (SCC) rather than turning it over to the Federal Energy Regulatory Commission (FERC). Subsequent to the end of the session, the SCC asked the Governor's office to amend the bill to suspend customer choice, but the Governor declined to do so. Mr. Monacell also informed the board that the SCC is studying the over/under collection of wires charges. Its first report is due in July and its second report is due in November.

Mr. Monacell also informed the board that Virginia Power had filed plans with the SCC for three pilot programs for jurisdictional customers. The pilots are to run for two years including 2004 and 2005. For each pilot, Virginia Power is offering to waive 50% of the wires charges. Mr. Monacell asked for guidance from the board on whether to approach Virginia Power about offering a similar pilot to local governments. The consensus of the board was that Christian & Barton should approach Virginia Power, but that it would further examine the merits of conducting a pilot program after understanding the specifics of a proposed pilot.

VI. 2002-03 Statement of Revenue & Expense through March 31 – Attachment C

Mr. Craig presented the attached Statement of Revenue and Expense through March 31, 2003.

VII. 2002-03 YTD Budget through March 31 – Attachment D

Mr. Craig presented the attached year-to-date budget through March 31, 2003.

VIII. Executive Committee Report – Attachment E

Chairman Proto presented the attached Executive Committee report.

IX. Joint Action Committee Report – Attachment F

Mr. Pitzer presented the attached Joint Action Committee report.

X. Nominations for Board of Directors – Attachment G

Chairman Proto presented the attached list of interested parties for consideration. He reminded the board that the initial board terms were one, two and three-year staggered terms with five seats expiring each year and that all subsequent terms were for three years. Chairman Proto noted that the terms of Mr. Colbert, Mr. Corwine, Mr. Neve, Mr. Norris and Mr. Pitzer were expiring in 2003. He further noted that all had expressed their willingness to continue serving with the exception of Mr. Norris who had retired from Arlington County Schools. The board reviewed the information provided by the three candidates. Mr. Groff noted that Mr. Barancewicz had previously attended meeting of the board and had worked for Virginia Power for several years. A motion to nominate for consideration by the membership, Mike Barancewicz, Tom Colbert, Mac Corwine, Roger Neve and Jack Pitzer for three-year terms to expire in 2006 was made by Mr. Groff and seconded by Mr. Gilman. The motion was passed unanimously.

XI. Next Meeting Date

No meeting date was set.

The meeting went into recess at 11:40 a.m. and reconvened at 3:05 p.m.

Chairman Proto advised the board that Daryl Bishop had tendered his resignation effective immediately as he has accepted a position with the Commonwealth of Virginia. A motion to appoint Dave Simmons with Gloucester County Schools to fill the term to expire in 2004 was made by Mr. Gilman and seconded by Mr. Pitzer. The motion was passed unanimously.

XII. Adjournment

The meeting adjourned at 3:10 p.m.