

ENERGY TRUST

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Mark E. Miller, C.P.M., Chairman
Milton E. Nagel, C.P.A., Vice Chairman
R. Allan Gorsuch, Ed.D, Manager

April 12, 2007 MINUTES

- I. Call to Order/Quorum** – A quorum was established by Chairman Mark Miller. Present were: Erin Thornton, Kelly Wood, Fay Miller, Robin Landgraf, Rodger Daugherty, Vince Tolbert, Mike Spears, Allison Canada and Harold Higgins.

Also present: Allan Gorsuch, Jeff Rank, Noel Chesser, and Karina Jackson.

- A. Approval of Minutes – Upon a motion by Robin Landgraf, seconded by Fay Miller, the February 8, 2007 minutes were unanimously approved.
- B. Finance Report – Robin Landgraf gave overview of March 31, 2007 finance report.
- C. Single Remitter Procedure Draft – After review with the fiscal agent Allan Gorsuch recommended **not** going forward with this process.
- D. U.B.I. Continuation – It was decided to continue until there is a better way. Cecil County did express that they were not interested in continuing with this system of data management.

Noel Chesser shared some insight as to the benefits of the U.B.I. system in that it was used for budgeting purposes. Expressed that the PJM sub account can be used for load analysis once there is one years' worth of information, but not quite there yet.

- E. S.R.C. Contract – Noel Chesser will draft a contract letter and a Committee consisting of Mark Miller, Milton Nagel and Mike Spears will meet to review the draft and make a recommendation at the June meeting.
- F. Application – Worcester County Government – Allan Gorsuch acknowledged receipt of application and check from Harold Higgins of the Worcester County Government.

Upon a motion by Robin Landgraf to accept Worcester County Government as a new participant, seconded by Vince Tolbert, the motion was unanimously approved. Allan Gorsuch welcomed Harold Higgins as a new member of the ESMEC Energy Trust and gave him a brief overview of his Trustee status as a municipality.

- G. Application – Town of Rock Hall – Allan Gorsuch asked for an exception to the policy, for the rest of this year, to accept just the \$500.00 application fee for their participation in the Energy Trust because of their small size. Then, beginning in July they would be billed just as any other participant.

Upon a motion by Fay Miller and seconded by Robin Landgraf the exception for the Town of Rock Hall was unanimously approved.

- H. Election of Officers for FY 2008 – Upon the following motions, the Officers will remain the same for FY 2008:

Chairman – Mark Miller
Vice Chairman – Milton Nagel
Secretary – Robin Fairall

Motioned by Mike Spears, seconded by Fay Miller
Motioned by Fay Miller, seconded by Robin Landgraf
Motioned by Fay Miller, seconded by Robin Landgraf

II. Managers Report

- A. Communications – Allan Gorsuch distributed information (dated February 22, 2007) in the packets on Phase I and Phase II of the Pepco Case No. 8908.

Also included in the packets was a copy of the thank you letter sent to Eastern Shore Delegation regarding the opportunity to share the Energy Trust's experience with electricity deregulation on the Eastern Shore.

- B. Legislation/PSC – Allan Gorsuch reviewed listing of House and Senate bills that were included in the packets of information. Pointed out those bills that may not have an effect on participants now and suggested that you may want to keep an eye on these as they eventually will. Discussed the increased costs associated with passage of these bills.

SRC comments on HB 1731 and SB 1092 – Municipal Aggregation were also included in the packets. Please note these bills did not pass in the 2007 Legislative Session.

- C. Presentations – Allan Gorsuch gave comments on the following presentations:

- 1.) House Economics Matters Committee – February 7, 2007
- 2.) Eastern Shore Delegation – March 22, 2007
- 3.) Tri-County Council for Western Maryland – Monday, April 16, 2007
- 4.) Upper Shore Tri-County Council – April 2, 2007

- D. Draft 2008 Budget – Allan Gorsuch reviewed the draft budget and advised he would bring back for approval at the June meeting.
- E. Meeting Schedule for 2007 – 2008 – Listing was included in packets.
- F. Trustee/Alternate Trustee – Member Categories – Allan Gorsuch pointed out changes on the participant listing to better see at a glance who the Trustees and Alternate Trustees are.
- G. Participant Information – Updates - Allan Gorsuch asked the information be updated and returned to the ESMEC office as quickly as possible.

H. Other - Allan Gorsuch noted information included in the packets on "Smart Meters."

III. Consultants Report

A. Electricity Market/Hedged Position – Noel Chesser reviewed in detail the charts he handed out.

B. Fuel Oil Market/Hedged Position – **FUEL OIL MEETING SCHEDULED** for Monday, May 14, 2007 – 10:00 a.m. – Queen Anne's County Board of Education – Board Room. For those interested. Please contact the ESMEC office to let us know who will be attending.

C. Advanced Metering Project – Allan Gorsuch advised he had extended an invitation to Robin Camp of Delmarva Power to come to the June meeting to talk about Smart Meters.

Discussed some of the possible reasons for Smart Meters acknowledging that these Smart Meters may also address the matters associated with U.B.I. Noel Chesser also talked about the increasing cost of capacity, (refer to article included in packets from SRC – "An Energy Market Watershed – The New Capacity Market.") and suggested this may be another reason for Smart Meters. Also talked about the costs involved with installation of these meters and to take a strategic approach to this, SRC is to work with ESMEC to establish a prioritized list for the Trust as a whole to establish priority of the installation of these Smart Meters.

D. Billing Rates – It was decided to hold up on this until the end of year – June meeting. Noel did advise that the new rates do include costs for the higher pricing model.

Good News! Noel Chesser advised that the results of the billing rates at the end of this year are under budget.

E. Other:

Annual Review of Policy – Suggested the August meeting date would be a good time of the year to review this policy.

There being no other business the meeting adjourned at 12:10 p.m. with lunch.

The next meeting is scheduled for Thursday, June 14, 2007 at 10:00 a.m. at the Queen Anne's County Board of Education.

Respectfully submitted,

R. Allan Gorsuch, Ed.D.
Manager, ESMEC Energy Trust