

MINUTES
WORK SESSION
WESTERVILLE CITY COUNCIL
September 11, 2007, 7:00 p.m., City Council Chambers

Council met in Work Session on September 11 2007 with Council Members, Craig Treneff, Kathy Cocuzzi, Anne Gonzales, Diane Fosselman, William Highfield, City Manager G. David Lindimore, Staff, Director of Law Bruce E. Bailey and Clerk of Council Mary Johnston present. Michael Heyeck (conflict of interest) and Damon Wetterauer, Jr. were excused.

Mayor Fosselman asked for a moment of silence remembering those affected by the 9/11 events six years ago.

1. AMP-OHIO GENERATING PROJECTS.

Andy Boatright, Electric Utility Manager, stated the advantages of local control of an electric utility include not-for-profit, competitive, stable rates, excellence response, excellent reliability, free street lighting, \$2 million annually to General Fund, banner hanging, festival electric service and energy education in city schools. Mr. Boatright introduced Pam Sullivan, AMP-Ohio Vice President of Marketing, who discussed three AMP-Ohio Generating Projects with City Council. Ms. Sullivan reviewed three generating projects: American Municipal Power Generating Station (AMPGS); Prairie State Project; and the Hydro Projects located on the Ohio River. Ms. Sullivan discussed the costs, risks and benefits associated with each of the projects. Ms. Sullivan stated the next steps are: RW Beck Prairie State Feasibility Report in September 2007; Sawvel Hydro Feasibility Report to Members in September 2007; AMPGS Contracts executed in November 2007; and Hydro and Prairie State Contracts executed on December 14, 2007.

Discussion was held on the execution of the contracts and timing of passage by City Council.

Mr. Highfield asked if the J. Aron contract, which expires in 2013, would be re-negotiated. Mr. Boatright stated the contract will end in 2013 and possible negotiations of other products will be considered at that time.

Mr. Highfield stated the issue facing City Council is if the city should continue in the electric utility business.

Mayor Fosselman stated she felt that the city is not quite there yet. Mayor Fosselman stated she liked the benefits of the Electric Division mentioned by Mr. Boatright. Mayor Fosselman stated she believed the city has done a great job of providing a great service to the residents. Mayor Fosselman stated she is not clear about continuing electric service when purchasing power just on the market. Mayor Fosselman stated if the city enters into generating power then the city would continue the service to residents for the next 40 years. Mr. Highfield agreed with Mayor Fosselman's comments. Mayor Fosselman stated the city has to be able to purchase power leaving enough of a margin to operate the electric division and sell the power economically; however, this can be a challenge.

Mr. Boatright stated when rates start to exceed American Electric Power then city should question the idea of electric service to residents.

Mr. Treneff stated he felt the issue was if the city should enter the electric generating business. Mr. Treneff stated he would like to stay in the business if the city can stay in the business but the city has to be competitive. Discussion was held on the investments and assets of the generating facilities. Discussion continued on the risks involved and unknown electrical rates.

The Work Session adjourned at 8:45 p.m.

Mary J. Johnston, MMC
Clerk of Council

Diane C. Fosselman
Mayor