

December 13, 2011

TO: City Light Review Panel

FM: Stan Price and Eugene Wasserman, Co-Chairs

RE: Scoping our Upcoming Deliberations, and the Timing of Our Report

At Thursday's Panel Meeting, we have directed that 45 minutes be set aside early in the agenda to develop a list of issues that we collectively believe need to be further discussed in order for us to reach a consensus around the Strategic Plan. We also want to talk about when our report and recommendations should be issued.

Before this Scoping and Timing discussion, we will first hear from the Utility about the new schedule for completing the Strategic Plan. Based on this information, we want to discuss with you when you believe the Panel should issue its report and recommendations, and in what format? For example, the Panel could issue a preliminary report prior to the final outreach work beginning. Alternately, we could issue a final report after the outreach is completed. Or we could do both a preliminary and a final report. We view this as a panel decision.

In terms of the substance of our deliberations, it is our sense that we have consensus on many of the items that we have talked about or been briefed on over the last year and a half. Rather than start from a very long list and take consensus items off it, we propose to start with a small list of issues and see what you would like to add. Below are four items that we believe need further deliberation by the Panel – subjects on which we may not be in consensus on, or on which we have not yet decided whether or how we want to weigh in.

With respect to each item, please give some thought to the following: Should we take a position on this issue? Are you ready to state your own position on this item? Do you need additional information in order to develop your position, and if so, what information do you need?

Just as importantly, if there are other issues on which you think we may not have consensus, please be prepared to place those on the table, and if possible, the general points that we should be considering.

Please note: A short set of potential policy issues has been provided by the utility with respect to the **Net Wholesale Revenue** Discussion (see below). The utility will be asking us for questions and issues specifically with respect to **AMI** following this discussion (AMI is one of the issues that we see the need for further information and deliberation within the Panel). We will have a presentation on how the utility plans to respond to the UMS Report later in the agenda on Thursday.

- 1) UMS: What would the Panel like to say about this study and how the utility is responding?
- 2) Labor issues: should City Light be given greater authority/discretion with respect to negotiation of its labor contracts, setting salaries and employee classifications?
- 3) AMI: Does the panel support this investment package? (we will talk about this issue immediately after this discussion.)
- 4) Net Wholesale Revenue: what should our recommendations focus on? (The utility's suggested policy questions are attached).

Thanks very much for thinking about these matters in advance. We look forward to the discussion.

Attachment: Policy framing questions relative to NWR