

**MAGNOLIA POWER PROJECT
MINUTES OF COORDINATING COMMITTEE MEETING NO. 73
AUGUST 16, 2007**

In Attendance:

Ron Davis	Burbank W&P	818-238-3550
Fred Fletcher	Burbank W&P	818-238-3557
Bill Hutchings	Burbank W&P	818-238-3660
Rick Morillo	Burbank W&P	818-238-5715
Dennis Moran	Burbank W&P	818-238-3699
Himanshu Pandey	Burbank W&P	818-238-3648
Mark Ward	Anaheim Public Utilities	714-765-4230
Mark Frazee	Anaheim Public Utilities	714-765-4131
Phyllis Currie	Pasadena W&P	626-744-4425
Vince Brar	Cerritos	562-916-1222
Dan Waters	Glendale W&P	818-548-2107
Bill Carnahan	SCPPA	626-793-9364
Steve Homer	SCPPA	626-793-9364
Richard Helgeson	SCPPA	626-793-9364
Gary Rose	SCPPA Consultant	909-860-1818
Glenn Turner	Gibbs, Giden, Locher & Turner	310-552-3400
Chip Thompson	Troutman Sanders LLP	212-704-6285
Vahagan Babaian	General Electric	909-477-5754
Cameron Griffith	General Electric	909-477-5754
Gaye Mains	Burbank W&P	818-238-3658

The meeting was called to order at 9:16 a.m. at the Anaheim Public Utilities, 201 S. Anaheim Blvd. 11th Floor, Anaheim, California.

PUBLIC COMMENT

Any member of the public may address the Committee on any item of interest to the public before or during the Committee's consideration of the item, provided the item is within the subject matter jurisdiction of the Committee. No comments were received.

ADMINISTRATIVE AND REPORTING ITEMS

Minutes: The April 19, 2007 meeting minutes of the Coordinating Committee were approved.

Operating Agent's Report: Fred Fletcher stated that the ZLD is operating at 75% availability and we are working on improving that to 90%. We had two outages in July due to the fuel compressors. MPP is operating at 225 MW, 10 MW less than last year, because

we found that the duct burners were emitting too much carbon dioxide. The cause is not yet known.

Reliability/Gas Compressors: Dennis Moran explained the issues regarding the gas compressors. Various experts have been retained to investigate the compressor issues. It was found that supports recommended by the vendor were not installed by Aker Kvaerner. These supports have been installed. In addition, the foundations were not built to the vendor specification. The foundation has now been modified to conform with the vendors requirements.

ACTION ITEM

Approve the First Amendment to GE Parts and Services Agreement: Mr. Fletcher introduced Chip Thompson, the lawyer who has been working with GE on the First Amendment, who also worked on the original Parts and Services Agreement. Chip Thompson gave a PowerPoint presentation and explained the particulars of the First Amendment to GE's Parts and Special Services Agreement and the projected cost comparison. Mr. Fletcher stated that this Amendment will save us money by managing risk and fixing the escalating costs of parts maintenance to 2%, rather than actual inflation. Vince Brar moved to approve the First Amendment to the Parts and Special Services Agreement with GE to include full coverage of the steam turbine and generators. Dan Waters seconded. Motion carried.

CLOSED SESSION

**Conference with Legal Counsel – Existing Litigation pursuant to Govt. Code §54956.9(a)
Case Name: Aker Kvaerner Songer, Inc. v. SCPPA,
Contra Costa County Superior Court Case No. MSC07-00847**

No action taken.

Meeting adjourned at 10:26 a.m.