

**OHLONE COMMUNITY COLLEGE DISTRICT**

**MEMORANDUM**

TO: Board of Trustees  
FROM: Douglas Treadway  
DATE: December 13, 2006  
SUBJECT: Approval of Non-Renewal of Constellation New Energy Contract and Return to PG & E Bundled Service for Electricity Services

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The District's current contract for electricity with Constellation NewEnergy expires June 30, 2007. The Community College League, on behalf of the consortium of 32 districts has been monitoring and projecting the cost of electricity services. Because of the volatility of the energy marketplace and the restrictions of returning to bundled service, the Community College League, in the past has recommended that the member districts continue on with Direct Access. The costs continue to be prohibitive due to the electricity prices and to the regulatory fees included.

The last analysis prepared by the League, indicated that our District would be paying approximately 6% more with Direct Access electricity verses Pacific Gas and Electric (PG&E) bundled service if it were to remain on Direct Access.

To return to Bundled service, the District is required to give PG & E a 6 month notice to avoid paying "Spot Market" rates, which are higher than PG & E's regular bundled rates. This notice must be submitted by 12/30/06.

**RECOMMENDATION:**

The President/Superintendent recommends that the Board of Trustees approve the Non-Renewal of Constellation New Energy Contract and the Return to PG & E Bundled Service for Electricity Services.