

<p><b>MEMPHIS LIGHT, GAS &amp; WATER DIVISION OFFICIAL MINUTES – SPECIAL CALLED</b></p>	
<p><b>Meeting Time:</b> August 23, 2010 at 8:30 A.M.</p>	
<p><b>Meeting Location:</b> Board Room, Fifth Floor, Administration Building, Memphis, Tennessee</p>	



The special called meeting was called to order by Chairman Cobbins at 8:37 a.m.

The Pledge of Allegiance was recited.

The Secretary-Treasurer called the roll. The following Board Members were present: Darrell T. Cobbins, Chairman; Dedrick Brittenum, Jr., Vice Chairman; Rick Masson; and V. Lynn Evans. Steven Wishnia participated electronically via conference telephone, but for purposes of a quorum, he was marked absent.

The following staff members were present: Jerry R. Collins, Jr., President and CEO; John McCullough, Vice President, CFO and Secretary-Treasurer; Cheryl Patterson, Vice President and General Counsel; Nick Newman, Vice President, Construction and Maintenance; Alonzo Weaver, Vice President, Engineering and Operations; Von W. Goodloe, Vice President, Human Resources; and Linda Peppers, Vice President and Chief Technology Officer. Christopher Bieber, Vice President, Customer Care, was not present.

Chairman Cobbins stated that the purpose of today's meeting is to allow Commissioners to ask questions of United Healthcare and CIGNA related to the proposals specifically. If time allows, general statements from the public will be heard at the end of the meeting, but was not necessarily supposed to be part of this agenda.

Chairman Cobbins asked Cheryl Patterson, General Counsel, to direct the Board on how to handle today's meeting. Ms. Patterson advised that the purpose of today's meeting is to allow the Board Members to ask questions of United Healthcare and CIGNA related to their proposals. She cautioned the Board and the participants that it is not an opportunity to submit additions or changes to the proposals as initially submitted. Those proposals will be reviewed in accordance with their initial submission.

Chairman Cobbins noted that a representative from AON Consulting was also in attendance in the event there are questions related to the evaluation of the proposals. The Chairman stated that the meeting would be conducted whereby each Commissioner would pose questions to the representatives of either United Healthcare or CIGNA, and he opened the floor for questions.

Vice Chairman Brittenum requested that staff provide during today's meeting, a copy of the letter that was submitted recently to the respondents and a copy of the RFP.

The Board participated in a two-hour (approximately) question and answer session. Michael Faughnan of AON Consulting answered questions relating to the evaluation of the proposals. Laura Roberts of United Healthcare, Kim Funderburk, Dave Fisher, Robert McLaughlin and Mike Tripp of CIGNA, and MLGW staff answered questions and/or addressed the Board regarding wellness programs, disease management, life style management, return on investment, levels of discount and other issues related to healthcare administrative services.

Chairman Cobbins asked Commissioner Wishnia if he had any questions or comments, to which he responded he did not. The Chairman also asked the other Board Members if they had any further questions or comments.

Chairman Cobbins read the following question from Sandra Kinsey, President of the Retired Employees Association of MLGW: If the company that is awarded the contract is at a

higher cost, will that action affect the premiums and co-pays of retirees and active employees? Jerry Collins answered yes and distributed a handout of the projected premium differences between CIGNA and United Healthcare.

Per her request, Kim Funderburk of CIGNA addressed the Board to clarify a question that came up earlier during a conversation with Mike Faughnan at AON regarding BMI, the audit firm, related to the level of discounts.

The Board continued the question and answer session.

**GENERAL STATEMENTS FROM THE PUBLIC:**

1. Bill Hawkins, Assistant Business Manager, IBEW Local 1288, 4000 Clearpool Circle, addressed the Board regarding: insurance benefits, insurance information he requested but did not receive, Health Choice, doctors gained or lost under the proposal, Policy 23-15 related to Cheryl Patterson's husband, the wellness program, and the current CIGNA contract.

Jerry Collins, Cheryl Patterson and Charles Perry responded. Vice Chairman Brittenum requested a legal opinion on the letter that was sent out in response to the question about the best and final, and what affect that letter or that response might have had with the RFP in consideration of the decision.

Commissioner Evans requested that Cheryl Patterson also furnish the names of the plans that responded to the RFP with which her husband's group has agreements.

2. Robert Horton of United Healthcare addressed the Board regarding CIGNA'S discount, internal and external data, Baptist Hospital/Desoto County claims, savings of \$19 million over the past three years, and their management of the 6% trend.

Chairman Cobbins stated that the meeting had reached a point of culmination for today's discussion, and further comments could be heard at the Board meeting to be held on September 2, 2010, or questions may be submitted to the President. The Chairman thanked everyone for their attendance at today's meeting.

There being no further business, the meeting was adjourned at 10:38 a.m.

SEE MINUTE FILE NO. 1332.

**APPROVED WITHOUT INTERLINEATION**

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**CHAIRMAN**

**These Minutes Compiled by  
Undersigned and are Correct.**

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**Secretary-Treasurer**