



**MINUTES OF THE  
TWO HUNDRED SIXTY-FOURTH MEETING  
OF THE CONSUMERS' COUNSEL GOVERNING BOARD  
May 16, 2007**

**Members Present:** Randy Beane  
Gene Krebs  
Dorothy Leslie  
John Moliterno  
Michael Murphy  
Jerry Solove  
John Steinberger  
Roger Wise

**Members Absent:** Mark Totman

**Guests:** Kent Shimeall, Attorney General's Office

**Call to Order**

Vice Chairman Moliterno called the meeting to order at 9:10 a.m.

**Approval of Minutes**

The minutes of the March 21, 2007 meetings were approved.

**Consumers' Counsel Report**

Mr. Weston introduced OCC's Summer Interns, Maura Campbell-Orde who attends the University of Cincinnati and Kyle Verrett who attends the University of Toledo. Ms. Migden-Ostrander added that we are happy to have them.

The Communications Department was again awarded Prism Awards for OCC's Smart Energy House and our 2005 Annual Report. The state-wide CAP meeting was held May 15, 2007. Several OCC staff members gave presentation and two of our Board Members were present – Mr. Krebs and Mr. Wise.

Ms. Migden-Ostrander attended a policy meeting of the National Coal Council on May 2, 2007 in St. Louis. Recommendations were given on the Council's white paper on carbon sequestration. The report is expected to be available in June. When it is released, we will provide the internet link to the board members.

It is anticipated that over the next year OCC will face the largest case load in agency history. Additional staff will be hired to assist with this work load.

OCC participated in a demand response task force sponsored by MISO.

Chairman Solove arrived at 9:55 a.m.

Ms. Migden-Ostrander indicated that Governor Strickland gave a speech before the Toledo Press Club on energy policy. The Governor indicated support for energy efficiency and advanced energy strategies. Governor Strickland also spoke about the need to have a transparent process and all parties at the table, including consumers during the post 2008 debate on electric deregulation. Ms. Migden-Ostrander expressed her appreciation for the Governor's views on consumer participation.

**CASE OUTCOMES – Bruce Weston**

**Duke Energy – GoGreen Power, Case No. 06-1398**

In May 2006, the OCC and Duke settled OCC's appeal in a Supreme Court case and required Duke to apply to the PUCO to offer a green energy rate, among other things. The PUCO approved Duke Energy's green power pilot program in May, 2007.

The GoGreen Power pilot program allows residential customers to support the use of renewable energy resources; allows residential customers to voluntarily purchase a minimum of 200 kWh of renewable energy credits; and requires Duke Energy to preferably obtain the renewable energy credits within the region in and around Ohio.

This program will end December 31, 2008 at which time Commission approval is necessary should the company wish to continue.

**American Electric Power, Remand from Court, Case No. 06-1153**

In July, 2006 the Supreme Court ordered American Electric Power's rate plan case be remanded to the PUCO. In August, 2006 the PUCO ordered AEP to file a plan to comply with the electric choice law's competitive bid requirements.

The parties in this case signed an agreement to establish a Green Pricing Option which meets the requirements of Senate Bill 3 by providing customers with an alternative pricing option to the Standard Service Offer. The Commission found the agreement reasonable and adopted it without modifications.

**Verizon Service Quality, Case No. 07-511 and 07-390**

In May 2007 the PUCO approved the settlement and dismissed OCC's request for an investigation. Based on an increased number of complaints the OCC believes that the PUCO should open a formal investigation.

The PUCO approved the settlement between PUCO Staff and Verizon; the agreement will last for one year with Verizon to pay \$250,000 in forfeitures to the state, among other things. Verizon is required to meet certain performance benchmarks and issue monthly reports to PUCO Staff. A discussion ensued regarding quality of service issues.

The meeting recessed at 11:00 a.m.

The meeting reconvened at 11:20 a.m.

**Vectren Energy Delivery of Ohio v. PUCO, Case No. 2006-0367**

Vectren filed a Notice of Appeal at the Supreme Court of Ohio in October, 2005. The OCC opposed Vectren's appeal because the PUCO's Order adopting OCC's recommendation in the case was lawful and reasonable. The Supreme Court held that Vectren's natural gas contracts were excess capacity and refunds should be preserved. The Company failed to establish the PUCO's decision was unlawful and unreasonable. A discussion ensued regarding customer refunds as it relates to the GCR rate.

**Vectren Energy Delivery of Ohio Financial and M/P Audits, Case No. 04-220 and 05-220**

The OCC participated in settlement discussions but did not support or oppose the agreement. OCC recommended the disallowance of costs associated with Vectren's reserve margins.

The PUCO's Opinion and Order stated that Vectren was required to refund \$831,740 to customers due to issues with its reserve margin. The PUCO directed the next audit to include a review of Vectren's books to ensure that the company followed the agreement and refunded the correct amount of money to customers.

**Aqua Ohio System Improvement Charge, Case No. 06-1470**

OCC believes that only \$320,488 should be collected from customers' rates, and rates for customers in certain of the areas in Aqua's territory should not be increased. The PUCO ruled that Aqua's four systems are unified and Aqua Ohio's proposal to increase rates to all customers is consistent with law. The Commission found it appropriate to allow the costs of eight new hydrants because of code requirements.

**Implementation of Federal Energy Policy Act of 2005, Case No. 05-1500**

The Energy Policy Act requires state regulatory agencies to review alternative options regarding electric generation as well as renewable energy. The OCC's position is to modify and adopt rules for net metering, interconnection, distributed generation, and demand response.

As a result of the Act, new interconnection regulations were adopted that streamline the process. At the very minimum, utilities will be required to offer rates that are differentiated according to on and off peak times. A discussion ensued regarding smart meters and who is responsible for supplying them.

The Board recessed for lunch at 12:00 p.m.

The Board reconvened at 1:00

**PRESENTATION BY DOVETAIL SOLAR & WIND**

Mr. Alan Frasz, Vice President of Dovetail Solar and Wind gave a presentation to the Board regarding solar energy.

**NEW CASES – Aster Adams**

**FirstEnergy Distribution Rate Case, Case No. 07-551**

FirstEnergy made its Pre-Filing Notice of Intent to file for changes (increases) to its electric distribution rates on May 8<sup>th</sup>. The application will be filed on or after June, 2007. According to FirstEnergy this increase would be more than offset by a separate reduction in charges customers now pay related to electric transition charges and rate stabilization charges.

**AEP's Columbus Southern Power Acquisition Rider Increase, Case No. 07-333**

The Company filed an application to increase its power acquisition rider to be effective June 1, 2007. All Columbus Southern Power customers will be affected.

The requested rider would allow CSP to recover the difference between its acquisition costs for power to serve former MonPower customers and the revenue produced under CSP's rates for the rate stabilization period of 2006-2008.

**Vectren's Request to Recover Natural Gas Riser Related Costs, Case No. 07-294**

Vectren filed an application for authority to modify accounting procedures with the PUCO. This modification would allow the company to defer expenses related to the Commission's ordered investigation of gas service risers and to collect from its customers any current or future costs related to an investigation of natural gas risers. Similar applications have been made by Dominion and Columbia.

**Columbia Gas of Ohio, Case No. 07-478**

Columbia Gas filed an application for approval of tariffs to recover through an automatic adjustment clause costs associated with the establishment of an infrastructure replacement program. Through this application, Columbia requests an automatic adjustment clause; replacement of customer owned risers prone to failure; and replacement of lines or risers in accordance with Columbia's Infrastructure Replacement Program. Columbia also proposes to assume responsibility for future maintenance as well as ownership of new risers.

**Ohio Consumers' Counsel's Complaint Against UMCC, Case No. 07-0546**

The OCC filed a complaint against UMCC for providing long distance service without proper certification. UMCC acquired the customer accounts of Buzz Telecom by switching long-distance service without customers' permission.

**COMMUNICATIONS – Maureen Miller**

Ms. Miller reported on the Ohio Energy Project bookmark contest and passed out the winning bookmarks from each class to the Board.

Sixteen news releases have been issued. Topics include: AEP and Duke green pricing programs and OCC opposition to Columbia and Vectren's request to collect costs of natural gas riser investigations.

The Statewide Consumer Advisory Panel meeting saw over 150 attendees. This year's theme was Ohio's Energy Future. OCC will again have a booth at this year's Ohio State Fair.

Mr. Steinberger left at 1:30 p.m.

Mr. Beane left at 1:40 p.m.

**LEGISLATIVE – Dennis Stapleton**

The House Utility Committee has not yet met this year. The Senate has introduced one bill, but it does not pertain to us. Mr. Stapleton reported that Rep. Evans' proposed legislation pertaining to conference call attendance has been re-introduced and is now limited to judges and no longer applies to agency boards.

**OPERATIONS – Chuck Repuzynsky**

Mr. Repuzynsky reported that we are moving forward to fill several vacant positions. He also reported that OCC anticipates ending this fiscal year under budget by 2%.

Mr. Moliterno left at 2:25 p.m.

The meeting adjourned at 3:05 p.m.

I verify that the above meeting minutes have been approved and ratified by the OCC Governing Board on this 18th day of July, 2007.



Jerome G. Solove, Chair  
Ohio Consumers' Counsel Governing Board



Laurie C. Knight, Secretary  
Ohio Consumers' Counsel Governing Board