



Janine L. Migden-Ostrander
Consumers' Counsel

**MINUTES OF THE
TWO HUNDRED SIXTY-SIXTH MEETING
OF THE CONSUMERS' COUNSEL GOVERNING BOARD
September 12, 2007**

Members Present: Gene Krebs
Dorothy Leslie
John Moliterno
Michael Murphy
Jerry Solove
Roger Wise

Members Absent: Randy Bean
Joe Logan
David McCall

Guests: Kent Shimeall, Attorney General's Office

CALL TO ORDER

Chairman Solove called the meeting to order at 9:12 a.m.

APPROVAL OF MINUTES

The minutes of the July 18, 2007 meeting were approved.

CONSUMERS' COUNSEL REPORT

Ms. Migden-Ostrander welcomed the Board and reported that two new board members have been appointed and Mr. Krebs has been reappointed for another 3 year term. Resolutions will be prepared for Mr. Steinberger and Mr. Totman.

New employees were introduced:

- Greg Poulos – Legal
- Daniel Sawmiller – Analytical

Consumers Services Division is gearing up to take consumer complaints beginning October 1st.

Ms. Migden-Ostrander participated in a forum sponsored by PJM that focused on long-term contracting for electricity suppliers. She also attended the Midwest Energy Efficiency Alliance retreat that was held in St. Louis.

Currently, meetings are being scheduled for Alecia Ward, MEEA's Executive Director, with utility executives and commissioners to discuss energy efficiency.

CASE OUTCOMES – Bruce Weston

Duke Residential Three-Phase Service Tariff, Case No. 07-625 and 06-1398

The Company filed an application for approval of a new tariff to provide three phase service. Three phase service provides three energized lines and is needed to power some industrial motors and other devices. Duke's proposed tariff is vaguely worded and could apply to only part of downtown Cincinnati.

Duke's application was granted without OCC recommended changes; the PUCO said OCC concerns could be raised in the upcoming rate case; and the new rates reflect Duke's standard residential rate with a higher monthly customer charge.

AEP Transmission Cost Recovery Rider, Case Nos. 05-1194, 06-273, and 06-1294

In December, 2005 the Commission approved AEP's transmission cost recovery rider. OCC believes that AEP is double recovering \$200,000 in transmission costs.

The PUCO agreed with OCC's position that credits be provided in the next TCRR filing subject to a PUCO staff audit. This audit is scheduled for November 2007.

Telephone Carrier to Carrier Rules, Case No. 06-1344

Rules were issued in April, 2003 governing the wholesale aspects of providing competitive telephone service in Ohio.

OCC believes, among other things, that residential customers would benefit from competition, but rules must be in place for carriers to follow when interacting with each other.

Dayton Power & Light Rate Plan, Case No. 2006-0788

The PUCO approved an agreement setting electric rates from 2006-2008. The Court reversed the PUCO decision in part by ordering that generation charges must be included within DP&L's generation tariffs.

Universal Service Fund Rider Adjustment, Case No. 07-661

In May 2007 the Ohio Department of Development filed information regarding adjusting universal service funds and scheduled audits of percentage of income payment plan procedures for several electric utilities.

OCC did not sign the amended agreement because residential customers would be charged a higher rate than industrial customers and the issue with respect to assuring full audits was not fully resolved.

The PUCO approved the agreement and set a prehearing conference for October.

The Governing Board recessed at 10:30 a.m. and reconvened at 10:45 a.m.

NEW CASES – Aster Adams

Aqua Ohio, Inc., Case No. 07-564

On May 9, 2007 Aqua Ohio filed a notice of intent to file an application for a rate increase. This application will affect approximately 31,000 customers.

Mohawk Utilities, Case No. 07-981

On September 4, 2007 the Company filed an abbreviated application for a rate increase. The Company is requesting an increase to its customer charge from \$5.00 to \$20.00. A discussion ensued.

COMMUNICATIONS REPORT – Ryan Lippe

Seven news releases were issued in July and August. Topics include the Governor's Energy Proposal, Duke's DSM program and Green Pricing Options.

Media events for the period include:

- Ohio State Fair
- COAD – Corporation of Appalachian Development
- Black Cultural Festival
- Ohio Family and Consumer Science Conference
- Cleveland Metro Parks Zoo Senior Day

GOVERNOR STRICKLAND'S ENERGY PROPOSAL – Janine Migden-Ostrander

OCC applauds the Governor for coming out with such a comprehensive plan; however, there are a number of areas that we have concern with. The Governor's proposal has seven principles which are:

1. We must establish a stable balance between the protections for regulation and the opportunities of competitive markets.

The plan calls for an electricity security plan under which companies can file for a rate increase. One aspect of the plan that will be beneficial to customers is that consumers are entitled to receive the benefit of power plants at the appropriate costs.

2. Policies to stimulate renewable and advanced energy production in Ohio are instrumental in attracting investment in related energy technology manufacturing.

This principal would require that by 2025 a minimum of 25% of Ohio's electricity be generated from advanced energy technologies with no less than half of this amount generated from renewable resources.

3. Transparency and accountability are priorities throughout the Strickland Administration.

OCC believes that this is a very laudable goal. Side deals in rate cases are a long standing practice. In order to effectively represent Ohio consumers, side deals and special contracts must be filed with the PUCO.

4. Customers deserve equal footing with utilities.

OCC is pleased to see this type of language. The Governor recognizes the importance of demand response programs which gives customers control of their usage.

The proposal calls for a Federal Energy Advocate to represent Ohio customers before FERC. OCC does not understand why that needs to be added. The PUCO currently has the authority to do that and OCC participates in proceedings as well on behalf of Ohio consumers.

5. Modernizing Ohio's electric infrastructure must be a high priority.

The Governor is proposing issue ratemaking that would allow utility companies to file for increases for infrastructure improvement, which is a concern.

6. Energy efficiency must be a central element in addressing electric regulation.

OCC would like to see more energy efficiency than is currently offered. There is also a decoupling provision provided in the plan.

7. Ohio's electric power sector must be prepared for an ever-growing influence that will be exerted by environmental issues, especially global climate change.

OCC believes it is very important that we work on solutions to environmental issues now.

That summarizes the Governor's plan. We await the legislative process. Meetings have been scheduled with interested parties to discuss each others' viewpoints.

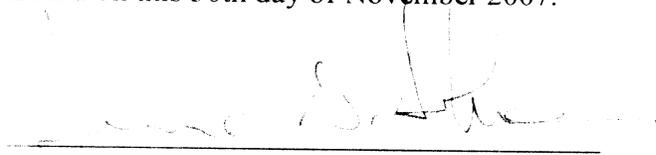
EXECUTIVE SESSION

Mr. Moliterno made a motion to enter executive session to discuss pending and/or imminent litigation. Mrs. Leslie seconded the motion and Mrs. Knight called roll. The motion passed unanimously, and executive session began at 12:00 p.m.

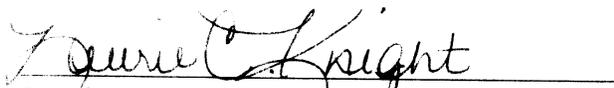
The Governing Board returned to open session at 12:27 p.m.

The meeting adjourned at 12:30 p.m.

I verify that the above meeting minutes have been approved and ratified by the OCC Governing Board on this 30th day of November 2007.



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



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