



Janine L. Migden-Ostrander
Consumers' Counsel

**MINUTES OF THE
TWO HUNDRED SEVENTY-SEVENTH MEETING
OF THE CONSUMERS' COUNSEL GOVERNING BOARD
November 18, 2009**

Members Present: Gene Krebs
Dorothy Leslie
Joe Logan
John Moliterno
Karen Osterfeld
Anthony Peto
Jerome Solove
Roger Wise

Members Absent: David McCall

Guests: Mike Schuler, Attorney General's Office

CALL TO ORDER

Chairman Solove called the meeting to order at 9:10 a.m. and thanked everyone for coming.

APPROVAL OF THE MINUTES

The minutes from the September 16, 2009 meeting were approved.

CONSUMERS' COUNSEL REPORT

Ms. Migden-Ostrander stated that the agenda would be modified slightly to accommodate Board Members that needed to leave early. The case updates will be deferred to allow for discussion of issues.

OCC has several new employees that will be introduced at the January meeting. She did however introduce Amy Gomberg, Director Legislative and Government Affairs to the Board and welcomed her.

Mr. Weston reported on case prioritization. Cases are prioritized as follows:

- Cases filed by the companies
- Commission initiated proceedings such as rulemakings
- OCC initiated – such as complaint cases against the utility
- Cases returned to the PUCO by the Ohio Supreme Court

- Cases and collaboratives resulting from SB 221 including, Electric Security Plan (ESPs), Market Rate Option (MROs), renewable energy certifications and energy efficiency opt-out proceedings
- Gas alternative regulation cases
- SB 162 will create cases before the Commission should the legislation pass
- Merger cases

Below is a brief summary of the issues that the Consumers' Counsel will face in the coming year.

Gas

Alternative regulation in the gas industry allows for single issue ratemaking. Traditionally rates are set at one time; consumer advocates favor this type of ratemaking.

The natural gas industry is moving toward automated metering. Automated metering will require meters to be replaced and there are issues that will need to be addressed related to meter replacement.

Electric

Because of SB 221, generation rates will be addressed in 2010 through MRO and ESP filings. FirstEnergy has already filed an electric security plan case. Other cases in the electric area include: economic development, fuel, transmission, and corporate separation.

Resource Planning

SB 221 placed Ohio on the path of energy efficiency and renewable energy. These provide consumers with the opportunity to reduce and/or control their energy usage and will lead to many cases and projects.

Water

Water cases are the most traditional of the regulated areas. Service quality has become an important issue in water cases.

Ms. Migden-Ostrander gave an overview of legislative issues, which include:

- SB 162/HB276 telecom legislation
- Rate case fees for water companies
- Renewable energy
- SB 221
- Climate Change Legislation

Mr. Logan arrived at 10:00 a.m.

An overview of ongoing issues in which OCC is involved was then discussed.

Demand-Side Management

Utility company demand-side management programs must pass a total resource cost test. The program's benefits must exceed the cost. Generally, the higher the score the more cost effective the program. OCC is advocating for a portfolio of cost-effective programs.

Smart Grid

The federal government is making funds available so that utilities can implement smart grid technology. All Ohio utilities have applied. The latest decision gave Duke and FirstEnergy the total requested. OCC is advocating for clear, net benefits to consumers as a result of these expenditures, including rate design options that give consumers the tools to lower its bills.

The Board recessed at 10:40 a.m. and reconvened at 10:55 a.m.

Renewable Energy

Ms. Migden-Ostrander spoke briefly about certification filings and their significance.

Customers are able to take advantage of renewable energy grants and loans. These loans are given by the advanced energy fund and are administered by the Department of Development and are set to expire at the end of 2010.

Through the efforts of our outreach and education department solar handbooks are in drafting and will be distributed to consumers. These handbooks will provide answers to basic questions regarding available programs.

Residential Solar Programs

To make solar programs more affordable OCC worked with the Department of Development to develop programs for residential customers. Separately, OCC negotiated with utility companies as part of the last round of ESP proceedings for the utilities to purchase the renewable energy credits from those customers solar installations. This will help customers finance the cost of solar.

Federal Issues

With respect to FERC proceedings on transmission planning, there is a huge battle as to who is responsible for paying for transmission lines.

Climate Change Legislation similar to SB 221 contains federal energy resource standards. To reduce greenhouse gas emission it would introduce cap and trade programs through a market based approach.

Affordability Issues

Based on census and Department of Development data Ms. Gianforcaro reported on income issues facing Ohio consumers.

Community voice mail is available in 24 counties in the 419 area code. Additional access lines have been added; and there are currently 276 lines in use.

Gas and Water Issues

Aqua Ohio recently filed a pre-filing notice. Their application is expected December 3, 2009.

OCC is preparing an energy efficiency handbook that is expected to be available the end of December.

Electric Issue

A major issue is the excess earnings test resulting from SB 221. This test determines what is considered to be significantly excess earnings and if the company exceeds the threshold, there is the ability for customer refunds.

Round two of electric security plan filings are set to begin in 2010.

Depending on the outcome of the greenhouse gas legislation, utilities may have to make compliance filings.

Telecommunications

If SB162/HB276 passes, it would deregulate the telecommunication industry and essentially take away substantial portions of the consumer protections that are now in place. OCC will be involved in rulemaking proceedings that will result due to the passage of this legislation.

The Board recessed at 12:05 p.m. and reconvened at 12:15 p.m.

General Discussion

Ms. Migden-Ostrander asked for feedback from Board Members on what they feel should be priority.

The telecommunications industry was discussed specifically their attempts to offer bundled service packages and the need for OCC to offer information on the subject to consumers.

Mr. Krebs suggested that the Board pass a resolution supporting OCC efforts to advocate on behalf of Ohio's residential telephone customer as it relates to SB 162/HB276.

Ms. Osterfeld left at 1:05 p.m.

A lengthy discussion ensued regarding broadband and its availability. OCC participates on the Governor's Broadband Taskforce.

Mr. Moliterno left at 2:00 p.m.

A motion was made by Mr. Logan to pass a resolution in support of the Consumers' Counsel's opposition to SB162 and HB276. Mr. Krebs seconded the motion and Mrs. Knight called the roll. The motion passed unanimously.

The Board recessed at 2:15 p.m. and reconvened at 2:35 p.m.

Chairman Solove asked if any Board Member had any general comments regarding the topics discussed.

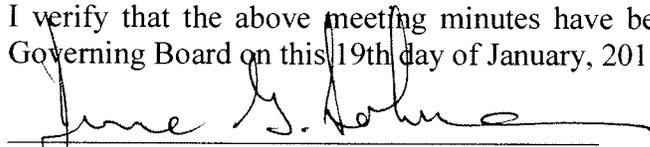
Discussion ensued regarding the status of the do not call list. Ms. Gianforcaro stated that she would distribute the link.

Chairman Solove asked for an explanation of the resource planning team. Ms. Migden-Ostrander explained that the resource planning team deals with planning for adequate supplies of electricity into the future. The issues they deal with are:

- All demand-side management
- All demand response
- All smart grid
- Alternative energy and renewable energy and;
- Climate change legislation

With no further business, 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 19th day of January, 2010.



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



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