



Janine L. Migden-Ostrander
Consumers' Counsel

**MINUTES OF THE
TWO HUNDRED SEVENTY-SIXTH MEETING
OF THE CONSUMERS' COUNSEL GOVERNING BOARD
September 16, 2009**

Members Present: Gene Krebs
Dorothy Leslie
Joe Logan
Karen Osterfeld
Anthony Peto
Jerome Solove

Members Absent: David McCall
Roger Wise

Guests: Aaron Epstein, Attorney General's Office
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 July 15, 2009 meeting were approved.

CONSUMERS' COUNSEL REPORT

Ms. Migden-Ostrander introduced our newest Board Member, Anthony Peto and welcomed him to the board. She also congratulated Mr. Moliterno and Mr. Wise on their reappointment.

Ms. Migden-Ostrander reported that we have filled two vacant positions. Amy Gomberg is our new Director of Legislative and Government Affairs and Bill Ferriot is our new Graphic Design Coordinator.

Employees of the Month

Employees of the month were announced. They are as follows:

- o May: Marty Berkowitz, Communications Department
- o June: Amy Carles, Communications Department
- o July: Karen Hardie, Analytical Department
- o August: Angel Goliday, Consumer Services Department

The Board Meetings are being run with a new format that is intended to provide an informative and more concise meeting. Ms. Migden-Ostrander encouraged the Board to provide feedback after the meeting.

Ms. Migden-Ostrander announced she was reappointed by Secretary Chu to the National Coal Council. She is also a member of NCC Policy Committee.

The volume of calls received by our Call Center has increased from 2008 to 2009 by 3,000. It was suggested that we consider graphing call center data by zip code and then correlate it to political districts in order to obtain a broad impact.

Ms. Migden-Ostrander announced that at the time of this meeting Joe Serio was arguing before the Supreme Court the Straight Fixed Variable issue from the Duke gas rate case.

CASE OUTCOMES

Application of Ormet for Approval of a Unique Arrangement with AEP, PUCO

Case No. 09-119-EL-AEC

OCC argued that there would be a negative economic impact to requiring AEP ratepayers to pay increased rates to make up for delta revenues under the proposed arrangement with Ormet.

Our concern is with retroactive collections. The Commission approved the rates proposed by Ormet but ordered that the company be billed for the balance of 2009 at a rate which averages the rates quoted in the proposal. A lengthy discussion ensued.

Vectren's Application for an Energy Efficiency Funding Rider Rate PUCO Case No. 09-254-GA-ATA

OCC participated in a settlement that supported additional weatherization funding for low income weatherization programs. The Commission ordered Vectren to notify customers of the tariff changes by a bill message, bill insert or separate mailing within 30 days of the tariff effective date. Vectren's weatherization program is being continued and customers will pay for the program through the energy efficiency rider charges.

Five Year Review of Natural Gas Companies' Uncollectible Expenses Rider, PUCO

Case No. 08-1229-GA-COI

OCC advocated against allowing automatic adjustments to uncollectible expense riders. The Commission ordered that benchmarks be established to monitor the effectiveness of the companies' collection policy, practices and performance. This case represents a trend towards issue ratemaking.

Settlement Agreement Between PUCO Staff, OCC and Aqua Ohio, PUCO Case No. 08-1125-WW-UNC

OCC recommended that the Commission adopt safeguards in order to limit further negative impact on Aqua's residential customers and to provide Aqua with the incentive to eliminate the billing system problems.

The Commission approved the October 6, 2009 stipulation and ordered Aqua to pay the \$25,000 to the low-income agencies, \$132,000 in forfeitures and ordered the PUCO Staff to complete an investigation within 120 days.

NEW CASES

Application of Aqua Ohio, Inc., for Authority to Increase its Rates and Charges in its Masury Division, PUCO Case No. 09-560-WW-AIR

Aqua Ohio filed for a rate increase of \$389,957 or 80.8% across all customer classes. As a result of this application, the residential customers will see a huge increase in their monthly bills over the current rates. A discussion ensued.

The Board recessed at 10:55 a.m. and reconvened at 11:10 a.m.

Applications of Duke Energy Ohio to Adjust and Set Its Gas and Electric Recovery Rate for SmartGrid Deployment; Tariff Approval; and Change its Accounting Methods, PUCO Case No. 09-543-GE-UNC, et. al.

Duke submitted this application for recovery of costs with respect to deployment of gas and electric SmartGrid consistent with the Commission's Opinion and Order in Duke's ESP, approving a Stipulation and Recommendation submitted by the Parties.

FirstEnergy Service Company, FERC Docket No. ER09-1589-000

FirstEnergy is seeking approval for its affiliate, American Transmission Systems, Inc. to change its operations from participation in the Midwest Independent Transmission System Operator to the PJM Interconnection.

COMMUNICATIONS REPORT

Ms. Gianforcaro reported on the activities of the Communications Department. Since the last meeting, there have been 12 news releases and consumer alerts issued concerning the electric, gas, telephone and water cases that were mentioned earlier.

Outreach and Education activities include: The Ohio State Fair, The Breathing Association, Franklinton Pride Center, Senior Day at the Cleveland Metro Park Zoo, Richland County Onestop, United Way of Richland County, Hancock County Family First Council, COAD, Marietta, and Vandalia Senior Citizens Center.

Leader Voicemail

The Leader Voicemail service was announced on July 21, 2009. Leader Voicemail is funded by state and federal grants and is a service whereby people without telephone service in 419 area code can maintain contact with vital services. Leader Voicemail is available at no cost. A discussion ensued.

Mr. Logan left the meeting at 11:50 a.m.

OPERATIONS

Mr. Repuzynsky reported that we have several vacant positions to fill: Senior Regulatory Analyst, Electrical Engineer, two Administrative Assistants, and a Compliance Investigator. OCC staff is required to take Equal Employment Opportunity Training. This training will be conducted by Department of Administrative Services Staff.

Ms. Durban reported that for July and August the Call Center received 3,600 calls. This is an increase as compared to the same time last year. Issues range from gas and electric service disconnection, service line repairs and payment assistance.

The meeting schedule for 2010 was approved. Dates are as follows:

- o January 20, 2010
- o March 17, 2010
- o May 19, 2010
- o July 21, 2010
- o September 15, 2010
- o November 17, 2010

LEGISLATIVE REPORT

Ms. Migden-Ostrander reported on SB 162 (telecom bill). This legislation was crafted by the Ohio Telecom Association in conjunction with the Public Utilities Commission of Ohio. OCC was not invited to participate in the crafting of this bill. If passed, it will completely deregulate local telephone service and do away with minimum telephone service standards. A discussion ensued.

Aaron Epstein and Mike Schuler arrived at 12:10 p.m.

EXECUTIVE SESSION

Mr. Krebs made a motion to enter Executive Session to discuss pending litigation. Mrs. Leslie seconded the motion and Mrs. Knight called the roll. The motion passed unanimously.

Executive Session began at 12:15 p.m.

Mr. Krebs made a motion to exit Executive Session, Mrs. Leslie seconded the motion and Ms. Migden-Ostrander called the roll. The motion passed unanimously.

Executive Session ended at 12:45 p.m.

ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION

Mr. Gonzalez reported on Energy Efficiency and Peak Demand Reduction. The energy efficiency portfolio standards allow utilities to recover lost revenues through a decoupling mechanism. FirstEnergy has proposed two programs: a high efficiency light bulb program and an online home energy education tool program. The Company further requested approval from the PUCO to recover costs associated with implementing these programs. This request is currently pending before the PUCO.

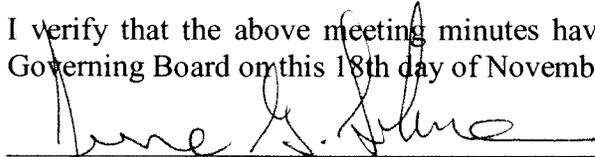
SPECIAL ARRANGEMENTS WITH MERCANTILE CUSTOMERS

Mr. Sawmiller presented on Special Arrangement with Mercantile Customers. SB 221 set forth certain energy efficiency and demand reduction benchmarks that electric distribution utilities must comply. By definition a mercantile customer is a commercial or industrial customer if the electricity consumed is for non residential use and the customer consumes more than 700,000 kilowatt hours per year or is part of a national account involving multiple facilities in one or more states.

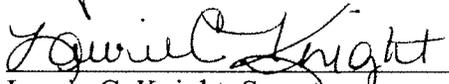
If these arrangements are approved by the Commission as qualifying in the Company's energy efficiency and demand response compliance plan, the Company has agreed to exempt the customers from paying the charge included in the Company's Energy Efficiency Rider.

With no further business, the meeting adjourned at 4:15 p.m.

I verify that the above meeting minutes have been approved and ratified by the OCC Governing Board on this 18th day of November, 2009.



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



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