



**MINUTES OF THE
TWO HUNDRED EIGHTIETH MEETING
OF THE OHIO CONSUMERS' COUNSEL GOVERNING BOARD
May 18, 2010**

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

Members Absent: David McCall
John Moliterno

Guests: Michael Schuler, Attorney General's Office
Erick Gale, Attorney General's Office

CALL TO ORDER

Chairman Solove called the meeting to order at 9:05 a.m.

APPROVAL OF THE MINUTES

Chairman Solove stated a correction was needed on page 4 of the March 16 minutes. Mrs. Knight noted the correction and provided corrected minutes during the break. The minutes of the March 16, 2010 were approved.

CONSUMERS' COUNSEL'S REPORT

Ms. Migden-Ostrander introduced new employees. They are:
Greg Slone, Senior Energy Analyst in the Analytical
Jim Gould, Senior Regulatory Analyst in the Analytical Department
Kyle Verrett, Staff Attorney in the Legal Department
Jacob Larger, Legal Intern
Robert Lemmon, Legal Intern
Wendell Gingerich, Legal Intern
Alex Sanchez, Legal Intern

Ms. Migden-Ostrander was re-elected to the Board of the Midwest Energy Efficiency Alliance. MEEA has made large contributions to energy efficiency.

OCC is challenged by the number of cases that are before the PUCO as a result of SB 221. Staff has been re-arranged to accommodate the work load.

EXECUTIVE SESSION

Mr. Wise 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.

The Board entered Executive Session at 9:25 a.m.

Executive Session ended at 10:30 a.m.

Mr. Krebs left at 10:30 a.m.

CASE OUTCOMES

FirstEnergy All-Electric Rate Case, PUCO Case No. 10-0176-EL-ATA

OCC asked the Commission to clarify among other things whether all-electric customers from each FirstEnergy territory would pay the discounted rates, regardless of when they took occupancy of their all-electric home.

The Commission's second Entry on Rehearing required FirstEnergy to file new tariffs within seven days and discounted rates would be provided to all-electric customers who had previously received them.

OCC asked the PUCO to require FirstEnergy to file new tariffs to replace those that were filed March 17, 2010.

OCC argued that FirstEnergy's tariffs violated the Commission's March 3 Order by not including customers with electric water heaters who had previously received discounted rates.

The Commission ordered among other things that FirstEnergy be required to file new tariffs within seven days, and that discounted rates be provided to all-electric customers who previously received them as well as customers who purchased homes that had previously qualified for the discounted rates.

Ohio American Water Request to Increase Its Water and Sewer Rates Throughout its Territories, PUCO Case No. 03-0391-WS-AIR

The combined recommendations of the OCC and the PUCO Staff would have resulted in a decrease of more than \$7.3 million for water and wastewater rates.

OCC agreed with the Staff Report recommendation to reject OAW's step increase proposal, which was subsequently withdrawn by the company.

The PUCO's Opinion and Order authorized OAW to increase water and wastewater rates. With the approval of the new rates, the company will collect from customers an additional \$2.6 million annually, a 7.1 percent increase over current operating revenues.

Aqua Ohio's Request to Increase Rates in its Masury Division, PUCO Case No. 09-0560-WW-AIR

OCC filed objections to the Staff Report and testimony with the position that the parties should consider a six-year phase-in of the rate increase to lessen the impact on residential consumers.

The Commission approved the settlement agreement, providing for the four-year phase-in of the rate increase. As a result, the average residential bill will initially increase in the first three years and decrease in the fourth.

Aqua Ohio will contribute \$5,000 to assist low-income customers with bill payments. In addition customers will now receive bills on a monthly basis as opposed to bi-monthly.

NEW CASES

AEP Enhanced Service Reliability (ESR) Rider, PUCO Case No. 10-163-EL-RDR

This request was filed on February 11, 2010. AEP stated that in the ESP cases, the Commission approved an incremental spending plan for an enhanced vegetation management initiative.

OCC's concern is that the application failed to explain which of the Staff's recommendations from the ESP case were incorporated into the proposed enhanced vegetation management plan and an explanation of how the utilities' baseline expenditures were determined is not provided in the application.

AEP Ohio Transmission Company, PUCO Case No. 10-245-EL-UNC et al

AEP Ohio Transmission Company seeks a determination of whether the operations of Ohio Transmission will render it an electric light company and a public utility subject to PUCO jurisdiction.

OCC is asking that the Commission specifically state that a ruling in this case is not binding on any future requests by Ohio Transmission, Columbus Southern Power or Ohio Power to transfer transmission assets from one company to another.

AEP, PUCO Case No. 10-318 & 10-321-EL-EEC

Consistent with SB 221 AEP filed its annual Portfolio Status Report. The Company would not expand the products program beyond the focus of compact fluorescent lights to include appliances.

OCC requested the Commission reduce the Mercantile Self-Direct Program Incentive because it pays a premium for existing savings in comparison with the cost of programs that achieve new, incremental savings such as the Residential Products Program.

Dayton Power & Light, PUCO Case No. 10-303-EL-POR

The Company filed its Energy Efficiency/Peak Demand Reduction Portfolio Plan Status Report on March 12, 2010.

OCC is concerned that the administrative costs of the programs appear to be excessive.

Duke, PUCO Case No. 10-317-EL-EEC

Duke filed its annual Energy Efficiency Portfolio Status Report March 15, 2010.

OCC is concerned that Duke does not state why many programs are not meeting their forecast, and makes no recommendations for modification of the programs.

Ohio Edison Company, Cleveland Electric Illuminating, and Toledo Edison PUCO Case No. 10-0227-EL-EEC

FirstEnergy's Energy Efficiency Portfolio is still pending Commission approval. The 2009 status reports did not include savings information on pending programs.

OCC is concerned that the company did not provide sufficient information to support the recommendations reported in the filing.

Dominion East Ohio, FERC Docket No. CP10-107-000

The East Ohio Gas Company submitted an Abbreviated Joint Application requesting approval to lease storage capacity from DEO to Dominion Transmission, Inc.

OCC is concerned that this could unreasonably increase costs and rates to DEO, which would be passed on to DEO's customers.

Aqua Ohio, Inc., PUCO Case No. 10-0311-WW-AIR

Aqua Ohio requested an increase in rates to cover increased taxes, operational expenses, and employee benefits expenses.

OCC is concerned that the 20% increase would be a substantial burden to the customers in the Stark Regional Division during such a dire economy.

COMMUNICATIONS REPORT

OCC prepared sixteen news releases related to electric, natural gas, telecommunications, and water cases.

OCC submitted a letter to the editor of the Columbus Dispatch in response to an editorial regarding the telecommunications deregulation legislation.

Outreach and Education staffed National Consumer Protection Week, Earth Day, and Older American's Month events; 99 speeches; 5 train-the-trainer events; 55 sites visits; 64 contacts for telephone legislation; 4,913 education materials mailed to organization; and, 5,579 mailings and emails.

Eight new fact sheets were prepared related to:

- Vectren Energy Standard Choice Option
- Dominion East Ohio Standard Choice Option
- Columbia Gas Standard Choice Option
- HEAP Guidelines
- Telephone Deregulation side-by-side
- Telephone Choice AT&T
- Telephone Choice Verizon
- FirstEnergy ESP Newsletter

OCC's website had 13,665 visitors in March and April.

LEGISLATIVE REPORT

Ms. Gomberg reported on the following legislation currently in progress:

- **SB 162/HB276 Local Telephone Service Deregulation** – Despite some improvements, both bills eliminate necessary protections for the majority of Ohio's residential telephone consumers and allow companies to raise their rates for basic telephone service.
- **HB 344/SB 228 Water and Sewer Rate Case Expenses** – This legislation would require water and sewer utilities serving more than 15,000 customers to pay at least 50% of rate case expenses. In the proposed legislation rate case expenses are defined as labor costs and expenses for attorneys, consultants, witnesses and other expenses involved in an individual rate case.
- **SB 236 FirstEnergy's All-Electric Customers** – FirstEnergy customers who live in all electric homes expressed concern about large increases in the monthly electric bills. OCC petitioned the Public Utilities Commission of Ohio to take immediate steps to temporarily restore rates to their previous levels. This legislation, introduced by Senators Grendell and Patton would permanently restore a discount to all of FirstEnergy's all-electric customers.

OPERATIONS REPORT

Total expenditures for the first ten months of the fiscal year were \$6.38 million. In the last two months several vacant positions have been filled: a senior regulatory analyst and an administrative assistant in the Analytical Services Department; an assistant director in

the Operations Department; and, a staff attorney and three legal interns in the Legal Department.

CONSUMERS SERVICES REPORT

Analysis of call data shows that 41% of the consumer contacts were related to the natural gas industry, 37% involved the electric industry, 11% involved the telecommunications industry and 3% were related to the water industry. The remaining calls were non-jurisdictional in nature.

RESOLUTION

A resolution in honor of Michael Murphy was circulated for Board approval. Mrs. Leslie made a motion to approve the resolution, Mr. Wise seconded the motion and Mrs. Knight called the roll. The motion passed unanimously.

The Board recessed for lunch at 12:30 p.m. and reconvened at 1:00 p.m.

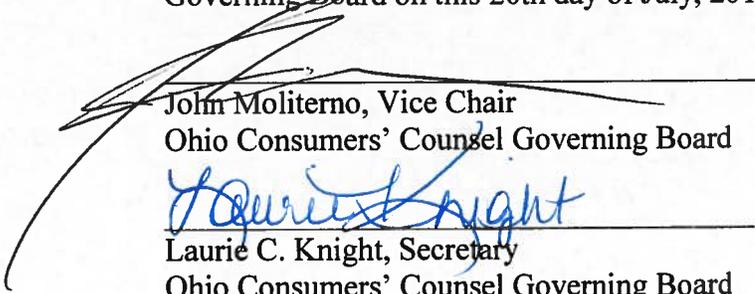
PRESENTATION

Mr. Donald Mason gave a presentation to the Governing Board on American Natural Gas: America's Clean Energy Future. The presentation was distributed to the Board.

Mr. Peto left at 1:15 p.m.

With no further business, meeting adjourned at 2:25 p.m.

I verify that the above meeting minutes have been approved and ratified by the OCC Governing Board on this 20th day of July, 2010.



John Moliterno, Vice Chair
Ohio Consumers' Counsel Governing Board



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