



Office of the Ohio Consumers' Counsel

MINUTES OF THE OFFICE OF THE OHIO CONSUMERS' COUNSEL GOVERNING BOARD

JANUARY 15, 2019

Members Present: Mr. Michael Watkins, Chair
Mr. Stuart Young, Vice-Chair
Ms. Beverlyn Johns
Ms. Kelly Moore
Mr. Douglas Moormann
Mr. Roland "Butch" Taylor
Ms. Andra Troyer
Mr. David Wondolowski

Members Absent: Mr. Fred Cooke

CALL TO ORDER BY CHAIR:

Chair Watkins called the meeting to order at approximately 10:10 A.M. Ms. Hunyadi called the roll.

MEETING MINUTES:

Chair Watkins asked for a motion to approve the minutes from the November 20, 2018 Board meeting. A motion was made by Mr. Wondolowski to approve the minutes. The motion was seconded by Ms. Troyer. Ms. Hunyadi called the roll. The November 20, 2018 Board meeting minutes were approved unanimously.

GUEST SPEAKER JEFF JACOBSON, STRATEGIC INSIGHT GROUP:

Consumers' Counsel Bruce Weston introduced Mr. Jacobson (OCC legislative consultant) who addressed the Board to review the 2018 election results and possible consumer impacts. Mr. Jacobson stated Republicans maintained control of the legislature even though Democrats picked up several seats in the election. With these changes legislative priorities may change. The new Speaker of the House, Rep. Larry Householder, a Republican representing the 72nd District, had been involved in the energy sector. The Speaker has formed a bipartisan subcommittee to specifically address generation. OCC should engage with members on the issues.

Mr. Jacobson said that Rep. Mark Romanchuk, a Republican representing the 2nd District, has indicated his interest in reviving his bill (H.B. 247) from the last General Assembly that would eliminate electric security plans and other regulations that favor utilities. He also said reform to enable refunds to utility customers should be a priority.

The last item Mr. Jacobson discussed was consumer protections from submeterers. During the last General Assembly, OCC and others devoted much work to developing bill language. Ultimately, a compromise bill was not achieved.

Mr. Young asked Mr. Jacobson how the change in Administration will impact issues. Mr. Jacobson replied it is hard to say as there is less known about our new governor compared with the previous governor.

GUEST SPEAKER BARBARA SYKES, EXECUTIVE DIRECTOR, AARP OHIO:

Mr. Weston welcomed and introduced Barbara Sykes, Executive Director of AARP Ohio. AARP represents 1.5 million consumers. Last session, AARP took a pro-consumer position and partnered with OCC in opposing H.B. 402 (where OCC, AARP and others sought to protect the pricing and quality of the most basic telephone service).

Ms. Sykes shared that AARP is proud to have a positive relationship with OCC. She continued by sharing information about AARP and who they represent. AARP is a strong advocate at all levels of government, is non-partisan, and does not contribute to political campaigns. AARP's main concerns for its members are health, wealth and self.

She discussed the impact of utilities on the 50-plus population and noted AARP wants to ensure affordable services, access to safe utilities, high quality services, and enhance the accountability and transparency of utilities.

Ms. Moore asked if the legislative priorities Ms. Sykes talked about are national or statewide. Ms. Sykes replied it is a combination of both.

Ms. Johns asked if there has been any talk of removing the cap on the homestead tax exemption, to which Ms. Sykes replied she has not heard anything. Ms. Johns then asked if AARP has been involved with Smart Columbus. Ms. Sykes replied that yes, AARP is very involved to ensure the 50-plus population is considered in decisions.

RECOGNITION:

Deputy Consumers' Counsel Larry Sauer introduced new employee Angela O'Brien who joined OCC as an Assistant Consumers' Counsel in early January 2019. Ms. O'Brien previously worked for two years in Indianapolis for Barnes and Thornburg and then as an Associate Attorney for Mayer Brown (in Chicago) for approximately 10 years in litigation and regulated industries, beginning in 2000.

PRESENTATION BY DEPUTY CONSUMERS' COUNSEL SAUER:

Mr. Sauer provided an update to the Board on the consumer impact of the 2017 federal corporate income tax cut. The PUCO issued an order in October for utilities (that had not taken the opportunity to pass back the tax cuts to consumers) to make a filing by January 1, 2019. Some utilities have done so.

Mr. Sauer said DP&L did so as part of its rate case and is due to file its rate reduction case by March 1, 2019. Duke Energy Gas and FirstEnergy have made filings and are proposing to link the tax cuts to other cases intended to charge consumers more for grid and infrastructure updates. OCC is involved in settlement negotiations with FirstEnergy to reach an agreement that will benefit consumers. Ohio Gas has passed back some of the savings in its rate case. Suburban Natural Gas Company is proposing to pass its tax cut savings back to customers in a recently filed rate case. Vectren filed a case and a settlement. However, under this settlement, 320,000 customers are facing challenges with the settlement as filed because of the high fixed monthly charges. OCC seeks consumer protection from the proposed increase in the current monthly fixed charges of \$27.62, that would increase to \$32.89 in 2019 and further increase to \$48.11 by 2025.

Ms. Moore asked if other companies are likely to adopt the same rate structure. Mr. Sauer replied that unfortunately the PUCO has moved toward establishing this "straight fixed variable" rate design for natural gas customers, which would load the rate with fixed charges and little to no variable component for distribution service.

RESOLUTION:

Mr. Weston discussed a resolution that was drafted for Board consideration in support of the Ohio General Assembly's vision for an energy future based on power plant competition where competitors, not monopoly utilities, generate power at lower prices and higher technology for Ohioans. AEP has submitted a proposal to the PUCO to develop renewable energy power plants, alleging it qualifies under an exception in the 2008 law that allows monopolies to own or operate power plants based on consumer needs for power. He shared that the PUCO staff testified Ohioans do not have a need for the power. Mr. Weston identified four concerns with the AEP proposal. The first and primary concern is that the proposal is against the law. It's against the law because there is no consumer need for more power, as there is more than enough power available. Second, AEP is not guaranteeing its claim that consumers will save money. Third, consumers can already purchase green energy in the market without paying subsidies. And lastly, the solar plants are not being developed to provide renewable energy for Ohioans; the power will be sold into the PJM regional multi-state market. Mr. Moormann asked if other utilities have weighed in on the proposal. Mr. Weston indicated that other utilities had not made recommendations in the case. A motion was made by Ms. Troyer to approve the resolution. The

motion was seconded by Ms. Moore. Ms. Hunyadi called the roll. The Board resolution was approved unanimously.

PRESENTATION BY CONSUMERS' COUNSEL BRUCE WESTON:

Mr. Weston provided information about the PUCO Nominating Council which meets annually to provide a list of four candidates from which the governor can make the appointment of a commissioner to the PUCO. Of the twelve members of the nominating council, the OCC board chair serves as a member. Mr. Weston shared the history and qualification requirements for PUCO commissioner. He noted that the 1982 law is not written in a way that is likely to result in a bona fide consumer advocate being appointed to the PUCO. He also noted that the current PUCO includes two Commissioners who are former utility representatives.

Chair Watkins provided details on the role of the council members which includes screening applicants and narrowing the list to those who will be interviewed, interviewing those candidates, then voting for the four whose names will be sent to the governor for final selection.

Chair Watkins suggested a vote of the Board to allow him to designate the vice-chair as an alternate on the nominating council to attend if the chair is unavailable (as allowed under law). A motion was made by Mr. Taylor to enable the Board Chair to designate the vice-chair as the Board's alternate on the PUCO Nominating Council at the Chair's discretion at any time in the future. It was clarified that this vote would result in a standing permanent approval for the Chair to exercise the discretion to make this designation. The motion was seconded by Mr. Wondolowski. Ms. Hunyadi called the roll. The motion was approved unanimously.

Mr. Weston then noted the fiscal report found in the Operations Memo. OCC has committed 55% of the \$5.5 million budget, for expenditures and encumbrances.

ELECTION OF GOVERNING BOARD CHAIR AND VICE-CHAIR:

Ms. Moore nominated current chair, Mr. Watkins, to continue as Chair of the OCC Governing Board. The nomination was seconded by Mr. Taylor. Ms. Hunyadi called the roll. Mr. Watkins was elected Chair unanimously with Mr. Watkins abstaining from the vote.

Ms. Troyer nominated current vice-chair, Mr. Young, to continue as Vice-Chair of the OCC Governing Board. The nomination was seconded by Mr. Wondolowski. Ms. Hunyadi called the roll. Mr. Young was elected Vice-Chair unanimously, with Mr. Young abstaining from the vote.

Mr. Moormann made a motion to adjourn the meeting. It was seconded by Ms. Moore. Ms. Hunyadi called the roll. The motion was unanimously approved.

The meeting adjourned at approximately 12:00 P.M.

I verify that the above meeting minutes have been approved and ratified by the Consumers' Counsel Governing Board on March 19, 2019.



Michael Watkins, Chair
Ohio Consumers' Counsel Governing Board



Monica Hunyadi, Interim Secretary
Ohio Consumers' Counsel Governing Board