



Office of the Ohio Consumers' Counsel

MINUTES OF THE THREE HUNDRED AND SEVENTY-NINTH MEETING OFFICE OF THE OHIO CONSUMERS' COUNSEL GOVERNING BOARD July 17, 2018

Members Present: Mr. Michael Watkins, Chair
Mr. Fred Cooke
Ms. Kelly Moore
Mr. Douglas Moormann
Mr. Roland "Butch" Taylor
Ms. Andra Troyer

Members Absent: Mr. Stuart Young, Vice-Chair
Ms. Beverlyn Johns
Mr. David Wondolowski

CALL TO ORDER BY CHAIR:

Chair Watkins called the meeting to order at approximately 10:00 A.M.

MEETING MINUTES:

Chair Watkins asked for a motion to approve the minutes from the May 15, 2018 Board meeting. A motion was made by Mr. Moormann to approve the minutes. The motion was seconded by Ms. Troyer. Ms. Hunyadi called the roll. The May 15, 2018 Board meeting minutes were approved unanimously.

EMPLOYEE RECOGNITIONS:

Dan Shields, Director of Analytical Services, introduced Sabrena Haynes who joined the OCC as a Regulatory Analyst in May 2018. Ms. Haynes comes to the OCC from Columbia Gas where she served as a lead regulatory analyst. Ms. Haynes earned a bachelor's degree in accounting from Heidelberg College.

Mr. Shields introduced Jeff Hecker who recently joined the OCC as a Senior Regulatory Analyst. Mr. Hecker comes to the OCC from the PUCO where he served as a utility specialist in the Rates and Analysis Department. Mr. Hecker earned a bachelor's degree in business with a major in accounting from Miami University.

Mr. Shields announced to the Board that Daniel Duann, who has been with the OCC since January 2008 as a senior regulatory analyst, has been promoted to Assistant Director of Analytical Services. Mr. Duann was a senior research specialist for nine years at the National Regulatory Research Institute at The Ohio State University and was an economist in state energy

forecasting for two years. He has a master's degree in economics from the University of Kansas, a master's degree in energy management and policy, and a doctorate in public policy from the Wharton School of Business at the University of Pennsylvania.

PRESENTATION BY MONICA HUNYADI:

Monica Hunyadi, Director of Operations, updated the Board on the summer county fairs which OCC attended or will be attending, including the Ohio State Fair and the Farm Science Review.

PRESENTATION BY SENATOR BILL BEAGLE, CHAIR OF THE SENATE PUBLIC UTILITIES COMMITTEE:

Consumers' Counsel Bruce Weston introduced Senator Bill Beagle. The Senator represents the 5th District which is comprised of all or part of Darke (part), Miami, Montgomery (part), and Preble counties.

Sen. Beagle provided an overview of Senate committee procedures, how chairs are selected, how a bill is introduced, referred to a committee, and the process of a bill becoming a law.

Sen. Beagle talked about SB128 (Nuclear Subsidies bill) and SB155 (OVEC Subsidies bill) both significant bills which have been in committee for a while but may not go further due to lack of support. He also talked about SB157 (Reselling of Utility Services) which would regulate sub-metering. He mentioned HB422 (Water Ratemaking) which governs the sale of municipal water systems and may see further action during the fall legislative session. He also talked about HB114 (Renewable Energy and Energy Efficiency Standards) which would revise the energy efficiency provisions of the 2008 energy law (SB 128).

Mr. Cooke asked Sen. Beagle if the standard for measuring the setback distance for wind turbines has changed from the tip of the blade to the habitable structure to a new standard of tip of blade to the property line. Sen. Beagle replied the standard is now measuring from the property line to habitable structure, based on height.

Ms. Troyer asked Sen. Beagle what are opponents' biggest concerns regarding wind turbines? Sen. Beagle replied that those concerns tend to be noise, flicker, property values, and risk of fire.

Mr. Moormann asked about the sub-metering bill moving forward and if this is an issue in other larger cities in Ohio the way it is in Columbus and little in Cleveland. Mr. Moormann said it did not seem to be an issue in Cincinnati. Sen. Beagle replied that he has not seen this concern growing in other areas of the state, but it is an issue the legislature wants to get in front of.

Mr. Moormann asked how the OCC Board can be more effective in the legislative process beyond having Mr. Weston and Molly McGuire working with legislators and submitting Board resolutions in support or opposition to bills? Sen. Beagle replied that establishing relationships and building trust with public utility committee members and engaging appropriately when you are not seeking anything will go a long way when you are. It can also be helpful when legislators hear from constituents, so you could also reach out to people in your areas and have them contact legislators to state your case.

Sen. Beagle also noted there are numerous tactics that can be used to move something through the chambers, so it is important to not grow complacent but to stay abreast of what is happening with the specific legislation you are interested in.

The Board took a 5-minute break at approximately 11:00AM.

BOARD REAPPOINTMENTS

Mr. Weston noted the reappointment of Board members by Attorney General DeWine: Vice-Chair Young; Ms. Moore; and Mr. Wondolowski.

VIDEO CLIP - MAUREEN WILLIS PRESENTATION AT PUCO

The Board watched a video clips of OCC attorney Maureen Willis and OMA attorney Kim Bojko presenting arguments for customers before the Supreme Court of Ohio. OCC and OMA have two pending consolidated appeals. The first appeal involves the AEP 3-year Electric Security Plan which established consumer rates for 2018 – 2020. The second appeal challenges the PUCO’s approval of AEP’s proposal to collect above-market power plant subsidies from customers through May 31, 2024.

PRESENTATION BY DANIEL SHIELDS, DIRECTOR OF ANALYTICAL SERVICES:

Mr. Shields discussed the recent landmark decision by FERC that will prevent subsidized power plants from participating in PJM’s market. PJM facilitates wholesale electric markets and oversees electric transmission access in 13 states including Ohio. As currently drafted, this decision means that states permitting subsidies for power plants must rely on consumers in their respective state to pay the subsidies. If implemented, this action would end the current situation where customers across a region of states may have to pay for another state’s allowance of power plant subsidies.

FERC has invited additional comments from stakeholders, due by August 29, 2018, with reply comments due by September 28, 2018. OCC plans to comment to protect customers from paying above-market subsidies and to advance competitive markets in the PJM region.

PRESENTATION BY CONSUMERS' COUNSEL WESTON:

Mr. Weston reported on two resolutions NASUCA passed at the mid-year meeting. The first resolution urges adoption of protections against termination of utility service for low-income, senior, and other at-risk households in which a seriously or chronically ill or disabled person resides. The second resolution urges adoption of policies and regulations to protect customers from subsidizing services for electric vehicle charging.

Mr. Weston provided information to the Board in response to their interest in how Ohioans are receiving the benefits of the federal corporate tax cut. He said that the benefit should be significant for consumers. Mr. Weston reported that OCC and others pursued this issue in a DP&L rate case, with the result being a settlement. There, DP&L's rates will be offset by a reduction to reflect that DP&L now has lower tax expense. He noted that AEP wants a separate case to address the tax reduction issue instead of the PUCO's general case. And a settlement -- opposed by OCC -- regarding Duke cases does not share with consumers the benefit of the tax reduction. There, OCC is recommending that the PUCO modify the settlement to include the tax offset to benefit consumers.

Mr. Weston referred to the fiscal summary, included in the Operations Memo, indicating the agency used approximately 94% of the \$5.5 million budget for the fiscal year ending June 30, 2018. The final report will be issued in November.

Mr. Weston noted that, per interest of the Board Chair and Vice-Chair, the Board will be reviewing the current legislative notebook at the September Board meeting. The notebook will be revised as needed before distributing to new legislators after the November elections.

Mr. Weston provided an overview of his testimony before the Senate Public Utilities Committee, chaired by Sen. Beagle, on the new version of the sub-metering bill (Sub. S.B. 157).

Mr. Weston shared with the Board the news that Henry Eckhart passed away. Mr. Eckhart was a long-time consumer advocate who fought for affordable rates, regulatory reforms, and consumer protection. Mr. Eckhart served on the PUCO from 1971-1973, with part of the time as Chair.

Chair Watkins next indicated that the Board would enter Executive Session, upon a motion. Mr. Cooke moved for the Board to enter Executive Session to consider the employment and compensation of two public employees. Ms. Moore seconded the motion. Ms. Hunyadi called the roll. The roll-call vote on the motion to enter Executive Session was as follows: Chair Watkins – yes, Mr. Cooke – yes, Ms. Moore – yes, Mr. Moormann – yes, Mr. Taylor – yes, Ms. Troyer – yes. Vice Chair Young, Ms. Johns and Mr. Wondolowski – absent.

The Board returned from executive session. Chair Watkins asked if there was additional business to come before the Board. Ms. Moore made a motion to increase the salary of the Consumers' Counsel and the Deputy Consumers' Counsel each by 2.75%. The motion was seconded by Mr. Moormann. Ms. Hunyadi called the roll. The motion was approved unanimously by the quorum.

Mr. Moormann made a motion to round up the increased hourly rate to the nearest two digits, so the new annual amount is divisible by 2080. The motion was seconded by Ms. Moore. The motion was approved unanimously by the quorum.

Mr. Cooke made a motion to adjourn the meeting. It was seconded by Ms. Troyer. The motion was unanimously approved.

The meeting adjourned at approximately 12:30 P.M.

I verify that the above meeting minutes have been approved and ratified by the Consumers' Counsel Governing Board on September 11, 2018.



Michael Watkins, Chair
Ohio Consumers' Counsel Governing Board



Monica Hunyadi, Interim Secretary
Ohio Consumers' Counsel Governing Board