



**MINUTES OF THE
THREE HUNDRED AND THIRD MEETING
OF THE OHIO CONSUMERS' COUNSEL GOVERNING BOARD
June 17, 2014**

Members Present: Gene Krebs, Chairman
Jason Clark
Fred Cooke
Sally Hughes
Susheela Suguness, Vice-Chair
Roland Taylor
Mike Watkins
Fred Yoder
Stuart Young

Members Absent:

Guests: Jeff Clark, Attorney General's Office
Thomas W. Johnson, PUCO Chairman
Scott Miller, Ohio University's Voinovich
School of Leadership and Public Affairs

CALL TO ORDER

Chairman Krebs called the meeting to order at 9:00 a.m. and thanked the Board for kindly agreeing to change the date of the meeting.

APPROVAL OF THE MINUTES

Mr. Young moved to approve the minutes from the March 18, 2014 Governing Board Meeting. Mrs. Hughes seconded the motion. With no corrections, Mrs. Knight called the roll and the minutes were approved.

INTRODUCTION OF NEW EMPLOYEES

Consumers' Counsel Weston introduced new employees:

- Michael Haugh, Assistant Director (Analytical Department)
- Andy Tinkham, Outreach and Education Specialist

Mr. Weston welcomed Mike Haugh and Andy Tinkham (who both previously were OCC employees) back to OCC.

Deputy Consumers' Counsel Yost introduced Natasha Szalacinski, Legal Intern.

Ms. Yost mentioned that she had a discussion with Dale Arnold regarding the Ohio Farm Bureau's policy on utility rate reviews. During that discussion, Mr. Arnold offered to attend an OCC Board meeting to answer any questions from the Board members. The Board accepted Mr. Arnold's offer to attend the July 15, 2014 meeting.

Mr. Weston re-introduced Monica Hunyadi, formerly Consumers' Counsel Aide. Ms. Hunyadi is now Chief of Staff for Non-case Services.

Mr. Yoder participated in OCC's first YouTube video to educate consumers. The video was shot earlier in the same week as the June Board meeting. Chairman Krebs suggested that each Board Member participate in an OCC YouTube video.

PUBLIC UTILITIES COMMISSION OF OHIO
CHAIRMAN, THOMAS W. JOHNSON

Chairman Krebs introduced Mr. Johnson, PUCO Chairman, to the Board. PUCO Chairman Johnson thanked Chairman Krebs for the introduction and thanked the Board for inviting him to the meeting. He stated that he is learning a lot and looks forward to working with the Board and OCC.

PUCO Chairman Johnson discussed two goals of the PUCO. The first goal is to ensure that when a switch is flipped, the lights come on. The second goal is to keep utility rates down.

Chairman Krebs stated the purpose of the OCC Governing Board is to set strategic and long term goals for the Ohio Consumers' Counsel.

At Chairman Krebs' request, Members of the OCC Governing Board introduced themselves to Chairman Johnson.

PUCO Chairman Johnson said that while he was a member of the General Assembly he represented southeastern Ohio. Mr. Johnson stated that his interest in issues pertaining to power plants and coal mines is one of the reasons why he wanted to work for the Public Utilities Commission of Ohio.

Mr. Watkins inquired whether OCC has a Facebook page. Mr. Weston indicated that OCC staff members are in the process of creating a Facebook page for the agency. Mr. Weston also informed the Board that OCC staff has been planning the agency's launch into social media over the past year. OCC launched its twitter account on June 6. OCC's twitter name is: @ohioutilityuser. Mr. Weston noted the involvement of the staff of the Public Affairs Department in the social media launch and thanked them for their hard work and dedication on the project.

Assistant Attorney General Clark mentioned that social media is considered a public record and requires a record retention policy. He also said that he would be happy to assist the agency with this issue.

Mr. Watkins indicated that he is pleased that OCC is involved in social media because it is a tool used by the consumers we are trying to reach.

The Board recessed at 10:00 a.m. and reconvened at 10:15 a.m.

OHIO'S SHIFTING ENERGY LANDSCAPE **ELECTRIC INDUSTRY**

Mr. Weston introduced Scott Miller from the Ohio University Voinovich School of Leadership and Public Affairs and welcomed him to the meeting. Mr. Miller is the Director of the Consortium for Energy, Economics and the Environment (CE3).

Mr. Miller informed the Board that CE3 was established to study the linkages between energy, economics and environment. Discussion points will include a brief overview of how energy is used; the history of Ohio's electric regulation; framing current legislation, Senate Bill 3, 221, and 310; and looking forward how current legislation in Ohio sets the framework for the future for electric utilities.

Oil, coal, natural gas, nuclear hydro, wind, and solar combined create 100 quadrillion Btu of energy a year. From what we produce to what we consume, 62% of the nation's energy that is produced is wasted. This loss occurs in the conversion. Electric power generation is responsible for the largest loss. The cheapest energy is the energy that is not used.

Mr. Miller said that a fully competitive market did not develop as was envisioned by lawmakers in Senate Bill 3. As a result, Senate Bill 221 was designed to partially re-regulate the industry.

Wind energy was the single largest capital investment in Ohio in 2012—\$750 million.

According to Mr. Miller the future of the utility is tied to the future of the grid.

Safer practices in the mines have resulted in the need for fewer miners.

Mr. Yoder expressed that he has issues with Senate Bill 310 and the restrictions on renewable energy.

Chairman Krebs referenced a recently published article related to the electric industry. In this article the investment community states that utilities are in a death spiral. Earlier in the meeting, Chairman Krebs indicated that there was an article in Forbes Magazine that referenced the death spiral.

Mr. Miller responded that the utility industry is undergoing a change. This change in the regulatory environment is due to new power – new distributed generation.

Mr. Miller offered to form recommendations for the Board's consideration.

The Board recessed at 11:00 a.m. and reconvened at 11:10 a.m.

EMPLOYEE OF THE QUARTER

Mr. Weston introduced Daniel Duann, Analytical Department, OCC's employee of the Quarter for January – March 2014.

TRENDING NOW

Utility Return to Electricity Regulation

Dan Shields informed the Board of a recent trend of electric utilities to attempt to return to regulation. Mr. Shields said that the electric utilities want government to guarantee profit on their power plants, at consumers' expense. American Electric Power and Duke have requested authority to collect a charge from customers through a price stability rider. Those requests, if approved by the PUCO, will be costly to consumers. The PUCO Staff and OCC have recommended in filings that the PUCO reject AEP's request.

Mr. Young asked how this would have been handled by the utility in 1995. Mr. Weston responded the utility has an opportunity (not a guarantee) to earn a rate of return and has to be efficient in order to realize that opportunity. He also stated that—prior to the time of Senate Bill 3—the PUCO would hold hearings on applications (from utilities) that included requests to include the cost of power plants in their rate bases.

Chairman Krebs expressed concern that the average consumer in Ohio does not have the resources necessary to install solar panels on their homes to offset energy costs.

SENATE BILL 310

Mr. Weston reported that Senate Bill 310 was signed into law by Governor Kasich, on June 13, 2014. Senate Bill 310 makes changes to the renewable energy, energy efficiency, and peak demand reduction requirements. And it creates a study committee. OCC and the Ohio Manufacturer's Association provided testimony during the legislative hearings. OCC and the Ohio Manufacturer's Association provided recommendations to improve the 2008 energy law for customers. None of the utilities testified on specific bills.

The implementation phase of Senate Bill 310 is beginning. Mr. Weston distributed to the Board a document that included the "Priorities for Improving Senate Bill 221 to Protect Customers of Electric Utilities."

Court Stays of Utility Collections of Costs and Refunds

Mr. Sauer reported on stays of utility collections of costs from customers and on refunds to customers. In regards to the stay that OCC and others jointly sought to halt Duke Energy's

collection of MGP charges from customers, the Supreme Court stated that “upon consideration of appellants’ joint motion for stay, it is ordered by the court that the motion is granted and no bond for the stay is required.”

Reselling of Utility Service (Submetering)

Mr. Weston stated that The Columbus Dispatch ran a series of articles regarding the reselling of utility services. Submetering is a concept where a multi-tenant dwelling has a master meter with submeters attached. The submeter measures the utility usage of a tenant. The charge (based on the reading of the submeter and paid by the tenant) is not regulated by the Public Utilities Commission. House Bills on the topic of submetering include or included HB 422, 483, 545, and 568.

In September, the Board intends to tour a fracking site. Chairman Krebs requested that Mr. Taylor consider participating in the next OCC YouTube video.

Chairman Krebs asked the Board to identify topics of interest for Board discussion. One issue for discussion is the fact that there are 32 other states, on average, with lower electric rates than Ohio. This topic will be discussed at the November Governing Board Meeting.

Mr. Yoder advocated that the savings component for renewable energy should be revealed on consumers’ bills.

Mr. Weston reviewed with the Board their requested topics of interest:

- Working with the Ohio Farm Bureau
- Attending County Fairs
- Utility bill formats. Discussions have taken place on utility bill formats.
- Ohio’s rank in regard to the cost of electric service in the U.S.
- Energy storage. There will be a presentation scheduled.
- Battelle Tour – cancelled.
- Educational videos.

Mr. Cooke thanked Mr. Gerfen for the legislative updates he provides the Board.

Mr. Watkins moved to adjourn the meeting. Mr. Yoder seconded the motion and Mrs. Knight called the roll. With no further business the meeting adjourned at 12:20 p.m.

OCC Governing Board Minutes

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I verify that the above meeting minutes have been approved and ratified by the OCC Governing Board on this 15th day of July, 2014.



Gene Krebs, Chairman
Ohio Consumers' Counsel Governing Board



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