



Janine L. Migden-Ostrander
Consumers' Counsel

**MINUTES OF THE
TWO HUNDRED EIGHTY-SIXTH MEETING
OF THE OHIO CONSUMERS' COUNSEL GOVERNING BOARD
May 17, 2011**

Members Present: Harold Cassel
Gene Krebs
Dorothy Leslie
Joe Logan
John Moliterno
Anthony Peto
Jerome Solove
Roger Wise

Members Absent: Michael Watkins

Guests: Attorney General Mike DeWine
Michael Schuler, Attorney General's Office

CALL TO ORDER

Chairman Solove called the meeting to order at 9:10 a.m.

APPROVAL OF THE MINUTES

The minutes of the March 31, 2011 meeting were approved.

CONSUMERS' COUNSEL REPORT

Employees of the Month were introduced. They are:

- o Bill Ferriot (March)
- o Deb Bingham (April)
- o Wade Kinney (April)

Chairman Solove thanked them for their dedication and hard work.

Ms. Migden-Ostrander read the list of resolutions that have been prepared by cities and counties on behalf of the OCC. The complete list is located on our web page.

In addition to supporting restoration of our budget, the Columbus City Council's resolution mentioned that the amendments proposed by the House be stricken. Those amendments would:

- prohibit the OCC from operating a call center for customer complaints and requires that incoming calls be forwarded to the PUCO;
- remove the requirements for utility companies to include the OCC's toll free number and address on monthly billing statements and notices, such as for disconnections;
- prohibit the OCC from advocating a position that conflicts with the development of competitive markets in the utility industry; and
- require the PUCO to order utilities to adjust rates to account for the decrease in the OCC's funding.

In the current biennium, the OCC has provided customers with \$54.8 million in direct savings and \$1.9 billion in shared savings where the OCC has worked with other groups to achieve these savings.

Ms. Migden-Ostrander presented testimony before the Senate Finance Committee last week. Meetings have been held with a number of Senators and these meetings have been positive. We have stressed in our discussion with Senators that in addition to residential customers, businesses will be hurt by our budget cut.

An internal process has begun to identify the cases that OCC will have to withdraw from and the dollar amount at stake due to the budget.

Mr. Logan arrived at 9:45 a.m.

Chairman Solove commented on his concern with PUCO and the concept of judge and jury being within the same body. More importantly he stated that businesses would fail and Ohio would become far less competitive without the OCC.

ATTORNEY GENERAL MIKE DEWINE

Chairman Solove introduced Attorney General Mike DeWine and welcomed him to the meeting. General DeWine addressed the board and stated that he was here to listen and learn about the OCC.

Chairman Solove suggested to Attorney General DeWine that each Board Member speak a bit about themselves and how they feel about the OCC.

Each Board Member stated that it was their pleasure to serve on the OCC Governing Board. Additional comments by individual Board Members included the following:

- the OCC's purpose and perspective is collaboration with various stakeholders;
- the OCC carries out its duties as intended by law;

- the call center is vital to the residents of Ohio;
- the OCC protects consumers where free a market cannot exist;
- the benefit that the OCC provides well exceeds the cost; and,
- consumers are not able to combat utilities without the expertise of the OCC.

General DeWine thanked the Board for the invitation to attend their meeting and stated that if ever there is an issue they would like to discuss with his office to please feel free to contact them.

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

CONSUMERS' COUNSEL REPORT (cont.)

Ms. Migden-Ostrander continued her report and stated that we had a huge win, \$850 million, in the Supreme Court in the AEP ESP and the PUCO remand order. The Court agreed with OCC regarding the unlawful rate increase but could not grant a refund based on law that does not allow rates to be adjusted after they have been collected – referred to as retroactive ratemaking. The Court explained that Ohio law allows the Court to “stay execution” of PUCO orders after posting a bond. Ms. Migden-Ostrander stated that the barrier posed by the bond requirement will be taken up with the General Assembly.

Ms. Migden-Ostrander was appointed to serve on the Board of the Smart Grid Consumer Collaborative (SGCC). SGCC is a consumer focused non-profit organization aimed at promoting the understanding and benefits of modernized electrical systems among all stakeholders.

EXECUTIVE SESSION

Mr. Moliterno made a motion to enter Executive Session to consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee or official. Mr. Krebs seconded the motion and Mrs. Knight called the roll. The motion passed unanimously.

The Board entered Executive Session at 10:30 a.m.

The Board returned to Open Session at 11:40 a.m.

Chairman Solove left at 11:40 a.m.

CASE OUTCOMES

Ohio Supreme Court Decision on AEP's Electric Security Plan and PUCO Remand Order, Case No. 09-2022 and 08-918-EL-SSO

Mr. Weston reported on case outcomes. In the case of OCC's appeal, the Court decided that the PUCO acted unlawfully in allowing AEP to retroactively collect \$63 million in rates from customers to make up for “regulatory delay.”

The Ohio Supreme Court ruled 7 to 0 in favor of the OCC on three of OCC's four issues; and in favor of IEU on one issue. The Court held that the PUCO erred in allowing AEP to recover \$850 million in costs. These issues were remanded to the PUCO for further consideration.

FirstEnergy's Energy Efficiency and Peak Demand Reduction Portfolio, Case Nos. 09-0580-EL-EEC et al.

FirstEnergy did not provide sufficient evidence to support its request to collect more than \$1.5 million in costs from customers. The PUCO upheld OCC's request to exclude light bulb storage fees from what FirstEnergy could collect from customers for the original compact fluorescent light bulb distribution program.

NEW CASES

Duke Transmission Costs, Case Nos. 11-2641-EL-RDR and 11-2642-EL-RDR

Dr. Adams reported that on April 26, 2011 Duke filed an application to seek approval of two new riders to recover certain transmission costs. The requested riders are a base transmission rider and a regional transmission organization rider to become effective January 1, 2012.

COMMUNICATIONS REPORT

Ms. Gianforcaro reported that over the last two months, OCC prepared 5 news releases related to electric, natural gas, telecommunications and water cases; 1 customer alert, 4 media advisory, 57 fact sheets and 1 newsletter.

Outreach and Education gave 138 speeches; 11 train-the-trainer presentations; 113 site visits; and 13,957 educational materials were mailed to organizations.

OCC's website had 8,971 visitors in March and April.

OPERATIONS REPORT

Mr. Repuzynsky reported that there are eight vacant positions within the agency that are not being addressed due to the current budget situation.

Total expenditures including outstanding encumbrances for the first ten months of the fiscal year amounted to \$7.0 million or 82.6% of the total annual budget of \$8.5 million.

All major expense categories are in line with our expectations and all expenditures by the departments remain in line with their respective budgets.

CONSUMER SERVICES DIVISION REPORT

Since the last Governing Board meeting, CSD Investigators assisted customers with service quality issues such as outages and service interruptions in the electric, telephone and water industries. In the gas industry, customer calls related to high bills and marketing practices.

CSD Investigators successfully assisted over 45 households avoid disconnection and/or restore service. The division also secured nearly \$14,000 in savings as a result of investigations filed with various utility companies.

LEGISLATIVE REPORT

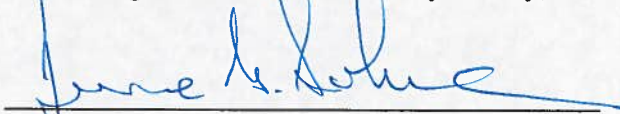
Ms. Gomberg reported that House Bill 95, the gas legislation, passed the House two weeks ago by a vote of 66-32. The bill is now being considered by the Senate. There have been significant improvements made to the bill; however, OCC does not support it.

At the end of the process, OCC was successful in getting an amendment added to limit rider filings to once per year.

House Bill 87 and its companion bill Senate Bill 150 would require water companies to pay at least 50% of their rate case expense. The OCC supports this legislation.

With no further business the meeting adjourned at 12:40 p.m.

I verify that the above meeting minutes have been approved and ratified by the OCC Governing Board on this 19th day of July, 2011.



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



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