



## Office of the Ohio Consumers' Counsel

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### MINUTES OF THE THREE HUNDRED AND SEVENTY SIXTH MEETING OF THE OHIO CONSUMERS' COUNSEL GOVERNING BOARD September 12, 2017

Members Present: Mr. Michael Watkins, Vice-Chair

Mr. Fred Cooke

Ms. Regina Mitchell

Ms. Kelly Moore

Mr. Douglas Moormann

Mr. Roland Taylor

Ms. Andra Troyer

Mr. David Wondolowski

Mr. Stuart Young

#### **CALL TO ORDER BY VICE-CHAIR:**

Vice-Chair Watkins called the meeting to order at approximately 9:00 A.M.

#### **RECOGNITION OF NEW MEMBERS:**

Vice-Chair Watkins welcomed three new Board members to the Governing Board – Ms. Mitchell and Mr. Moormann (representing residential consumers) and Ms. Troyer (representing family farmers). Consumers' Counsel Weston welcomed the new members and thanked them for volunteering their time for the public interest. Vice-Chair Watkins reminded the Board of the annual ethics training taking place after the meeting for those who are available to attend.

#### **APPROVAL OF MINUTES:**

Vice-Chair Watkins asked for a motion to approve the minutes from the July 18, 2017 Board meeting. A motion was made by Mr. Young to approve the July 18, 2017 Board meeting minutes. The motion was seconded by Mr. Cooke. Ms. Hunyadi called the roll. The minutes were approved unanimously.

#### **ELECTION OF NEW CHAIR:**

Due to the resignation of former Chair Krebs at the preceding meeting, a vote was held for a new Board Chair per the Governing Board bylaws. Mr. Taylor made a motion to nominate Vice-Chair Watkins as Chair of the Board. Mr. Wondolowski seconded the motion. There were no other nominations. Ms. Hunyadi called the roll. The nomination of Mr. Michael Watkins as Chair of the Board was approved unanimously with Mr. Watkins abstaining from the vote. A new Vice-Chair will be selected at the November Governing Board meeting.

**RESOLUTION:**

Chair Watkins presented a Resolution honoring former Chair Krebs for his service on the Board from 2005-2017, serving as Chair of the Board from 2012-2017. Mr. Taylor made a motion to accept the resolution. The motion was seconded by Mr. Young. Ms. Hunyadi called the roll. The resolution was passed unanimously.

**FISCAL MATTERS:**

Mr. Young asked that Ms. Hunyadi explain the fiscal memorandum to the new Board members as this is an important topic of interest to the Board. Ms. Hunyadi explained that the memorandum she prepares for the meetings is typically divided into two sections – expenditures for the agency and any significant matters from a personnel standpoint. The budget is divided into personnel, consultant and maintenance and equipment cost categories. At the beginning of the fiscal year, the agency is required to encumber funds for expenditures that are known to be coming throughout the year. Where the memo states that the agency has committed approximately 31% of the total budget, this means that the agency has encumbered 31% of the budget. The encumbrances include things like rent for the office. The budget for this year is \$5.5 million, which is \$100,000 less than last year’s budget of \$5.6 million. Mr. Cooke noted that the agency typically does not spend the entire budget amount.

**PRESENTATION BY STU JOHNSON WITH CONNECT OHIO:**

Consumers’ Counsel Weston noted that Mr. Young had asked at the July meeting for a future presentation on broadband availability and service in Appalachia. Consumers’ Counsel Weston noted that Stu Johnson from Connect Ohio spoke to the Board a few years ago at Mr. Young’s farm in rural Ohio. Mr. Weston introduced Mr. Johnson as the Executive Director of Connect Ohio and Vice-President of Digital Works. He leads Connect Ohio’s involvement in state broadband and leadership initiatives with public and private sector stakeholders. He also manages existing Connect Ohio programs including local broadband action planning, broadband inventory mapping and technical assistance research and community solutions support. Mr. Johnson has over 25 years of executive level telecommunications experience. Consumers’ Counsel Weston thanked Mr. Johnson for volunteering his time to speak with the Board.

Connect Ohio is the state affiliate of Connected Nation, a global non-profit that advocates for broadband access adoption. Connect Ohio began in 2008 as part of the state budget and was later absorbed into a federal program after broadband legislation was signed by former President George Bush. The program focused on broadband mapping, research and community and technical assistance. Connect Ohio answers several thousand calls a year from business and commercial customers as well as residential consumers with broadband problems.

Mr. Johnson stated that Vinton County is arguably ground zero of the digital divide. The digital divide used to be defined by whether or not one had broadband service which was defined as any service faster than dial-up (56 kilobit download speed). Broadband is now defined as faster than a 25 megabit download speed. Less than half the households in Vinton County have access to adequate broadband service based on current FCC standards and only 30% of households have a choice if access is available. That leaves almost 7,000 households without a fixed broadband connection. Over 30% of households in Meigs and Vinton Counties rely on satellite or mobile for their internet connection, which is about 4 times the national average.

Youngstown has 97% access yet their adoption rate is lower than Meigs and Vinton Counties and one of the biggest demographics of non-adopters is households with children. The FCC states that high school graduation is 6% higher when there is broadband in the home. Efforts are being made to increase the adoption rate in Youngstown in order to address generational issues such as low income.

Mr. Young asked how many providers there are in Ohio. Mr. Johnson responded that there are 129 providers. A majority of the providers are fixed wireless providers. Ms. Moore asked that with the increased connectivity demands, is there going to be a move towards metering usage. Mr. Johnson stated there are economic dynamics that make regulation for adequate capacity difficult.

Consumers' Counsel Weston thanked Mr. Johnson for his presentation.

The Chairman called for a brief break.

#### **PRESENTATION BY AMY CARLES:**

Consumers' Counsel Weston introduced Outreach and Education staff member, Amy Carles, as the next presenter.

Every year OCC is invited to participate in a program that teaches young men about the value and responsibilities of state government. Boys' State was founded in 1935 as an outgrowth of the American Legion's commitment to mentoring youth and sponsorship of community programs. Buckeye Boys' State is the largest Boys' State in the nation with 1,200 year men annually from nearly 600 Ohio high schools. The students are juniors and they must qualify to attend. The program hosts a State Day where at least 200 students are able to meet with counterparts in government to learn about how the state government is operated. Students either run for office or they choose an agency as part of that experience. OCC was one of 37 participating state agencies in 2017. While OCC has offered to participate in a Girl's State program, OCC has yet to be invited.

**LEGISLATIVE UPDATE BY JEFF JACOBSON:**

Consumers' Counsel Weston introduced OCC consultant and lobbyist Jeff Jacobson. Mr. Jacobson is a strategist and policy expert for a range of business and non-profit clients. Mr. Jacobson served in the Ohio House and Senate from 1992-2008.

Mr. Jacobson provided an update on House Bill 178 and Senate Bill 128, which would require consumers to pay subsidies for nuclear power plants. Mr. Jacobson testified for OCC to recommend that competitive markets be preserved for consumer benefits and that legislation not be enacted to make utility consumers pay subsidies. The Governor has even stated his opposition. The bills are pending.

Mr. Jacobson informed the Board on companion legislation intended to address two uneconomic coal-fired plants owned by the Ohio Valley Electric Corporation (H.B. 239 and S.B. 155). One of the power plants is in Southern Ohio and one is in Indiana. The plants were constructed in the 1950's. The utility companies want these plants subsidized for 20 years into the future.

There is also a consumer-oriented bill sponsored by Representative Romanchuk that OCC supports. The bill (H.B. 247) would eliminate Electric Security Plans and would allow consumers to get their money refunded from the utility if the Supreme Court rules against a charge previously granted by the PUCO.

There are efforts in the House of Representatives to protect consumers from resellers of utility services (submeterers). Mr. Jacobson added that OCC supports H.B. 249, sponsored by Representative Duffey on the submetering issue.

**PRESENTATION BY DEPUTY CONSUMERS' COUNSEL SAUER:**

Consumers' Counsel Weston commended Deputy Sauer and Analytical Director Dan Shields for their earlier work on the FERC case where parties including OCC challenged AEP's and FirstEnergy's power purchase agreements approved by the PUCO. FERC's ruling saved approximately 2 million FirstEnergy customers about \$1,000 each (and saved money for AEP customers). This was a project to protect competition that benefits consumers. OCC supports markets and competition.

AEP's Electric Security Plan case was settled on August 25, 2017, by the PUCO and a number of other parties. OCC is recommending that the PUCO protect consumers by rejecting this settlement that would lead to higher charges. This settlement would charge consumers for renewable energy (owned by the electric distribution utility), coal-fired power plants and vehicle charging stations, among other things. There are also discounts and credits for large commercial and industrial customers. Those discounts would be paid for by other customers. This settlement would add a

charge to the standard offer that unfortunately would increase what consumers pay for the standard offer. This charge unfortunately could encourage consumers to leave the standard offer for a marketer contract.

The hearing for this settlement will be in October.

Mr. Moormann asked if those using the vehicle charging stations would be charged to do so. Deputy Sauer replied that there will be a charge. Originally, AEP proposed free electricity for those charging their electric vehicles, but that proposal changed in the settlement. Subsidizing these charging stations will cost consumers approximately \$10 million dollars.

**PRESENTATION BY JIM WILLIAMS:**

Mr. Williams began his career with OCC in 1996. He started his work in the call center to assist consumers with their utility complaints. Mr. Williams testifies on a wide range of issues that are significant to consumers.

Mr. Williams discussed two Duke disconnection cases that OCC has been involved in over the last several years.

A video by the Cincinnati Enquirer discussing one of the cases was shown. In that case, two consumers died after service was disconnected, and their family filed a lawsuit (alleging wrongful death) in Hamilton County Common Pleas for damages. Duke convinced the court that matters involving disconnection policies, procedures and rules had to be addressed by the PUCO, not in civil court, so that court case was dismissed. The victims' family sued Duke at the PUCO in February 2015, alleging an unlawful disconnection of utility service. The case went to hearing in February 2016 and a decision was issued on August 30, 2017. The PUCO ruled that Duke's disconnection was unlawful because Duke failed to give the victims the extra days of notice of disconnection required during the winter heating season of 2011 and 2012. The PUCO also ruled that there were a number of different areas of Duke's disconnection policies and procedures that required a review. The PUCO ordered a review through an independent auditor. OCC participated generally for consumers, along with the family, in the lawsuit at the PUCO. Mr. Williams testified in that case.

In the second case, the Consumers' Counsel and a community-based organization in Cincinnati, the Communities United for Action, filed a lawsuit at the PUCO alleging there were problems with Duke's disconnections of consumers generally. This was primarily focused on a high number of disconnections that occurred in 2014. Duke was disconnecting more electric customers than any other electric utility in the state. That case is pending at the PUCO at this time.

Consumers' Counsel Weston thanked Mr. Williams and his colleagues for their work on issues that are of great significance to Ohio consumers. He went on to note the tragedy of what happened in this circumstance where consumers died.

**PRESENTATION BY CONSUMERS' COUNSEL WESTON:**

Consumers' Counsel Weston stated that this meeting would probably be the last Board meeting to be held in the current office space, after seventeen years there, as the agency will be moving office locations. The Consumers' Counsel thanked the Department of Administrative Services for assisting the agency with the transition and the move. He also thanked Monica and the Operations team for their work on the move.

Consumers' Counsel Weston mentioned the Combined Charitable Campaign and noted that last year the agency was recognized for exceeding the agency's goal. The agency is looking forward to contributing to the campaign this year.

Mr. Cooke made a motion to adjourn the meeting. The motion was seconded by Mr. Young. Ms. Hunyadi called the roll.

The meeting adjourned at approximately 11:45 AM.

I verify that the above meeting minutes have been approved and ratified by the Consumers' Counsel Governing Board on November 21, 2017.



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Michael Watkins, Chairman  
Ohio Consumers' Counsel Governing Board



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Monica Hunyadi, Interim Secretary  
Ohio Consumers' Counsel Governing Board