



**MINUTES OF THE
TWO HUNDRED NINETY FIRST MEETING
OF THE OHIO CONSUMERS' COUNSEL GOVERNING BOARD
January 17, 2012**

Members Present: Sally Hughes
Gene Krebs
Joe Logan
John Moliterno
Michael Watkins
Roger Wise
Fred Yoder

Members Absent: Harold Cassell
Anthony Peto

Guests: Michael Schuler, Attorney General's Office

CALL TO ORDER

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

APPROVAL OF THE MINUTES

The minutes from the September 21, 2011 and October 26, 2011 meeting were approved.

ELECTION OF OFFICERS

Mr. Logan made a motion that Mr. Moliterno serve as Chairman and Mr. Krebs serve as Vice-Chairman. Mr. Wise seconded the motion and Mrs. Knight called the roll. The motion passed unanimously.

EXECUTIVE SESSION

Mr. Krebs made a motion that the Board enter Executive Session to consider the appointment of the next Consumer' Counsel. Mrs. Hughes seconded the motion and Mrs. Knight called the roll. The motion passed unanimously.

The Board entered Executive Session at 9:20 a.m.

The Board returned to Open Session at 10:45 a.m.

Chairman Moliterno stated that interviews will take place at the March 20, 2012 meeting. It is possible that a decision could be made at the end of that meeting. The Board was asked to vote on the candidates they would like to interview. The results are as follows:

- Michael Foley received 4 votes;
- Jeffrey Small received 5 votes;
- Michael Kemerer received 0 votes;
- Robert Yonchak received 4 votes;
- Kandi Carson received 0 votes;
- William Schuck received 5 votes;
- Christa Deegan received 4 votes; and,
- Bruce Weston received 7 votes.

The six candidates that received 4 or more votes will be offered an interview on March 20, 2012. They will be asked to bring with them three references and any additional information they wish to offer.

INTERIM CONSUMERS' COUNSEL'S REPORT

Mr. Weston congratulated Chairman Moliterno and Vice-Chairman Krebs on their re-election.

Mr. Weston introduced the employees of the months. They are:

- Gina Brigner – November and December
- Erin Biehl – September and October

OCC supported a compromise bill that became law (securitization legislation House Bill 364). This law will allow customers to save money on financing.

Last week the PUCO issued a decision in an AEP case with regard to the retirement of an old generating plant.

Duke's generation standard service offer yielded good results for consumers. According to the PUCO, based on the first auction Duke residential customers using 1,000 kwh per month would see their monthly total electric bill decrease by approximately 17.5% in 2012.

PUCO Commissioner Paul Centolella's term expires this year. Chairman Moliterno sits on the nominating council. Their responsibility is to give recommendations to the Governor.

Mr. Weston distributed to the Board a schedule for upcoming ethics training opportunities. According to the Governor's Executive Order training should be done once a year.

PRESENTATION BY LOW INCOME ADVOCATES

Mr. Weston introduced Messrs. Smalz and Maskovyak from the Ohio Poverty Law Center. Mr. Smalz gave a presentation to the Board on low income advocacy and encouraged the Board to keep advocacy and working in coalitions in mind as they evaluate the candidates for the Consumers' Counsel position. Qualifications to look for in the next Consumer' Counsel would be:

- Advocacy experience policy or litigation
- Background or willingness to continue to work in coalition; and,
- Knowledge or interest in low income issues.

Chairman Moliterno stated that the Board has seen the benefit and would encourage coalition work to continue.

Vice Chair Krebs asked that OCC inform the Board of how fracking impacts PIPP.

The Board recessed at 11:40 a.m. and reconvened at 12:20 p.m.

Vice Chairman Krebs left at 12:20 p.m.

CASE SUMMARIES

Mr. Weston reported on case summaries for this period.

Duke Electric Security Plan for 2012 through May 2015, PUCO Case Nos. 11-3549-EL-SSO

On December 14, 2011, the first of five auctions for Duke's generation standard service offer was conducted and on December 15, 2011, the Commission approved the auction results. The first auction resulted in three prices that will be blended to determine Duke's SSO price for generation to customers who do not shop. According to the Commission, based on the first auction, Duke residential customers using 1,000 kWh per month would see their monthly total electric bill decrease by approximately 17.5% in 2012.

AEP Distribution Rate Increase, PUCO Case No. 11-351-EL-AIR, et. al

OCC's position with regard to this case among other things, is that the PUCO maintain AEP's current distribution rate structure and not adopt the utility's request to shift towards a "straight fixed variable" rate design where AEP would recover more of its costs from the fixed customer charge and less from a volumetric per kilowatt hour energy charge.

The parties agreed to a two-year decoupling pilot program for residential and small commercial customers that will decouple revenue from usage. The decoupling adjustment could result in either an increase or decrease to customers' bills depending on the utility's revenue recovery for that annual time period. Annual increases to this adjustment will be capped at 3% of distribution revenues but there will be no cap should the adjustment be a decrease.

AEP Electric Security Plan for 2012 through May 2016, PUCO Case Nos. 11-346-EL-SSO, et al.

The OCC recommended that the PUCO should adopt lower rates for customers than what AEP proposed because according to the statutory test, AEP failed to demonstrate that its proposed electric security plan could produce lower rates, in the aggregate, than a plan using market-priced rates.

The PUCO approved the AEP settlement with modifications that include reducing the level of AEP's requested increase in base generation rates by half. Compared to the base generation rates agreed to in the settlement, residential customers using an average of 1000 kilowatt hours of electricity will save about \$1.08 per month in 2012, \$2.40 per month in 2013 and \$3.10 per month in 2014.

NEW CASES

Dr. Adams reported on cases for the period.

Ohio Power Corporate Separation, PUCO Case No. 11-5333-EL-UNC

Ohio Power filed an application for merger of Columbus Southern Power and Ohio Power Company to become OPCo on September 30, 2011. The Company proposed among other things to form a new subsidiary for the purposes of planning, constructing, owning, and operating generating assets of AEP Ohio, the AEP GenCo, and to contribute its generation-related assets to it.

Comments received from the parties (except AEP) demonstrate the need for further information before the Commission can assess the Company's application.

Columbia Gas Alternative Regulation, PUCO Case No. 11-5515-GA-ALT

On December 9, 2011, Columbia Gas of Ohio filed a motion for a Waiver of Standard Filing Requirements. Columbia asked the PUCO to approve two mechanisms for collecting charges from customers; extend the infrastructure replacement program for another 5 years (2014-2018) and, establish an economic development program such as an alternative regulation plan.

Residential customers would be impacted as follows: in 2014, rates would increase to \$25.25 per month and in 2018, rates would increase to \$29.45, compared to current monthly fixed rates of \$21.46.

COMMUNICATIONS REPORT

Ms. Gianforcaro presented the Communications Report to the Board. Over the last two months, OCC prepared 8 news releases and 62 fact sheets.

During November and December, Outreach and Educations gave 14 speeches; conducted 6 train the trainer events; conducted 6 shows and fairs; conducted 5 site visits; conducted 7 regional meetings; mailed 4,057 educational materials; and mailed 2,233 low-income letters.

OCC's website had 7, 521 visitors in November and December.

LEGISLATIVE REPORT

Ms. Kurt presented the Legislative Report to the Board.

Securitization Legislation (House Bill 364)

This legislation was passed on December 14, 2011. Governor Kasich signed HB 364 on December 21, 2011 and it will go into effect in March. OCC's interest was to improve the bill. The original version of this bill had no requirements for customer savings. Through Mr. Weston's testimony and meetings with legislators, OCC proposed amendments that would strengthen the bill and make it better.

A series of hearing were held on Electric Oversight and Mr. Weston testified at one of those hearings.

Telecom Legislation (Senate Bill 271)

The carrier-of-last-resort protection requires the incumbent local exchange carrier to provide basic local service to any customer within their service territory that request it.

According to this legislation, if an incumbent local exchange carrier has met the state's competitive test in each of the exchanges in its service territory then it is no longer required to be the carrier of last resort. If a service territory is deemed competitive that carrier does not have to meet minimum telephone service standards.

Water Legislation (House Bill 379)

This legislation would allow water and sewer utilities to seek collection of more costs in rate cases, establish a surcharge on customers' bills to collect state and federal taxes on a timelier basis, and increase customers' rates by up to 15 percent outside of filing a formal rate case by applying a system improvement charge to customers' bills.

OPERATIONS REPORT

Mr. Repuzynsky presented the Operations Report to the Board that total expenditures including outstanding encumbrances for the first six months of the fiscal year amounted to approximately \$2,684,000.

Since the beginning of the fiscal year six staff members have resigned. These positions are being addressed as part of our review of our operations for the remainder of this fiscal year and next.

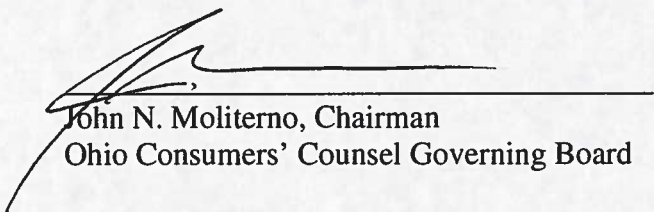
The cash balance in OCC's Operating Fund at December 31st was approximately \$3,805,000.

OCC's recycling efforts since April, 2009 have realized a considerable amount of environmental savings. In the course of 2 years and 8 months OCC has recycled 29,031 pounds of paper. According to the EPA calculations for environmental savings, OCC has realized the following:

- Helped to save 7.25 years of energy to power an average American home;
- Equaled a savings of 101,500 gallons of water;
- Saved the 47.85 cubic yards in land fill space; and,
- Reduced 12.15 metric tons of carbon in greenhouse emissions.

With no further business the meeting adjourned at 1:15 p.m.

I verify that the above meeting minutes have been approved and ratified by the OCC Governing Board on this 20th day of March, 2012.



John N. Moliterno, Chairman
Ohio Consumers' Counsel Governing Board



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