



Janine L. Migden-Ostrander
Consumers' Counsel

**MINUTES OF THE
TWO HUNDRED EIGHTY-FIFTH MEETING
OF THE OHIO CONSUMERS' COUNSEL GOVERNING BOARD
March 31, 2011**

Members Present: Harold Cassel
Gene Krebs
Dorothy Leslie
Joe Logan
Jerome Solove
Roger Wise

Members Absent: John Moliterno
Anthony Peto

Guests: 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 January 18, 2011 meeting were approved.

RESOLUTION

Ms. Migden-Ostrander presented Resolution Bd. R. 11-1 honoring Mr. Richard J. Solove to the Board for their approval. Mr. Krebs made the motion to approve the resolution, Mr. Logan seconded the motion. The resolution passed unanimously,

CONSUMERS' COUNSEL REPORT

New employees were introduced. They are:

- o Ali Lehman, Public Information Specialists – Communications Department
- o Erin Biehl, Communications Assistant – Communications Department
- o Colin Peters, Legal Intern – Legal Department

Employees of the Month were introduced. They are:

- o Jim Williams (January)
- o Anitra Wheeler (February)

Chairman Solove thanked them for their dedication and hard work.

On March 30, 2011 the OCC presented testimony on HB 87. OCC supports HB 87 because it will reduce the amount of water and sewer rate case expense that Ohio's residential customers will be required to pay.

Budget Discussion

The Governor introduced his proposed biennial budget for FY2012-2013. Governor Kasich's proposed budget cuts OCC funding by 51.3%

OCC has scheduled meetings with Legislators on both sides of the aisle. An important point that is made in these meetings is that OCC's savings provide benefits not only to residential customers, but to commercial and large industrial customers as well.

Governor Kasich has stated that there is a duplication of labor with the OCC and the PUCO call centers. OCC responded that it is a division of labor not duplication. Less than 1% of Ohio residents have called both the OCC and the PUCO.

The budget is expected to pass out of the House by May 4, 2011.

Should OCC's budget not be restored, two-thirds or 50 employees would have to be laid off.

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

Chairman Solove asked each Board Member to share their thoughts on Ms. Migden-Ostrander's budget report. A discussion ensued with the consensus being that OCC's involvement is necessary and without it residential consumers would be paying more for utility service.

CASE OUTCOMES

Duke Energy's Proposed Market Rate Offer for its Generation Supply, Case No. 10-2586-EL-SSO

Mr. Weston presented case outcomes. It is OCC's position that a properly constructed MRO would provide lower prices to customers than Duke's current electric security plan.

The PUCO ruled Duke was out of compliance with Ohio law which requires a full five years to transition to competition and not the accelerated schedule that Duke proposed.

Duke Energy's Proposed Critical Peak Pricing Pilot Tariff, Case No. 10-0979-EL-ATA

In this case it is OCC's position that critical peak pricing encourages customers to shift electric power usage from one period during the day to another and avoid electric power usage during the ten most costly electric peak periods of the year.

Duke filed an amendment to its tariff proposal requesting the Critical Peak Pricing-LITE plan. That filing followed OCC's work with other stakeholders in the collaborative process toward improving the original utility proposal.

The PUCO approved Duke's amended tariff proposal. Instead of limiting the program to 150 customers as originally proposed, the PUCO ordered Duke to enroll as many residential customers with advanced metering as they can serve which was a position OCC advocated.

Customer participation in the pilot program will be on a voluntary basis for up to one year. The program is not available to customers who are either on a budget payment plan or an energy assistance program.

The Board recessed at 10:30 a.m. for a fifteen minute break.

The Board reconvened at 10:45 a.m.

NEW CASES

AEP Electric Security Plan ESP, Case No. 11-0346-EL-SSO et al.

Dr. Adams presented case outcomes. On January 27, 2011 AEP filed an application requesting the PUCO to approve its proposed electric security plan for the provision of a standard service offer for generation for the period January 1, 2012 through May 31, 2014.

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

The AEP Ohio utilities filed a pre-filing notice of their intent to file an application to increase distribution rates. Approval of AEP's new distribution rates would increase annual revenues by \$93.8 million.

American Transmission Systems, Inc. and PJM-RTO Switch, Case No. ER11-2814

American Transmission Systems, Inc., a subsidiary of FirstEnergy, has chosen to switch Regional Transmission Organizations.

COMMUNICATIONS REPORT

Ms. Gianforcaro presented this report. The OCC's 2010 Annual Report is complete and will be hand delivered to the General Assembly today. Copies were distributed to the Board Members.

Over the last two months, OCC prepared 11 news releases related to electric, natural gas, telecommunications and water cases; 4 customer alerts, 1 media advisory, 55 fact sheets and 1 newsletter.

Outreach and Education gave 70 speeches; 32 train-the-trainer presentations; 126 site visits; and 11,955 educational materials were mailed to organizations.

OCC's website had 7,871 visitors in January and February.

OPERATIONS SUMMARY

Mr. Repuzynsky reported that there are seven vacant positions within the agency that are on hold in light of the current budget proposal.

Total expenditures including outstanding encumbrances for the first eight months of the fiscal year amounted to \$5.8 million or 68.3% 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 SUMMARY

CSD Investigators successfully assisted over 80 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, and fulfilled approximately 1,200 educational material requests on behalf of consumers.

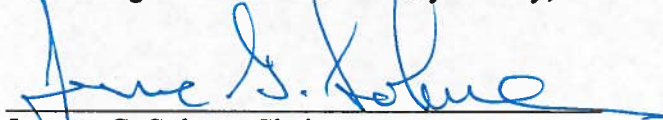
OVERVIEW ON PROPOSED NATURAL GAS LEGISLATION

Mr. Serio gave a presentation on Substitute House Bill 95, the proposed natural gas legislation. This legislation predominantly impacts the establishment of rates for natural gas distribution services.

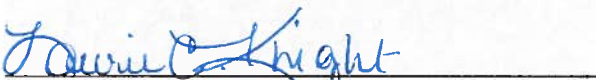
In its current form this bill prohibits any audit, investigation or hearing with respect to any natural gas company that does not sell gas under a purchased gas adjustment clause.

With no further business the meeting adjourned at 12:30 p.m.

I verify that the above meeting minutes have been approved and ratified by the OCC Governing Board on this 17th day of May, 2011.



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



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