



**MINUTES OF THE  
TWO HUNDRED EIGHTY-SIXTH MEETING  
OF THE OHIO CONSUMERS' COUNSEL GOVERNING BOARD  
July 19, 2011**

Members Present: Harold Cassel  
Gene Krebs  
Dorothy Leslie  
Joe Logan  
Jerome Solove  
Michael Watkins

Members Absent: John Moliterno  
Anthony Peto  
Roger Wise

Guests: Michael Schuler, Attorney General's Office

**CALL TO ORDER**

Chairman Solove called the meeting to order at 9:20 a.m.

**APPROVAL OF THE MINUTES**

The minutes of the May 17, 2011 meeting were approved.

**CONSUMERS' COUNSEL REPORT**

New employee introduction:

- o Brian Kim, Federal Work Study Intern (Legal Department)

Employees of the Month were introduced. They are:

- o Mack Thompson (May)
- o Justine Wasmus (June)

The Employee of the year for 2010-2011 is Deb Bingham.

Chairman Solove thanked them for their dedication and hard work.

**RESOLUTIONS**

Resolutions in honor of David Bergmann, Mary Edwards, Ann Hotz, Linda Walls-Rominski, who retired and the employees of the Call Center and valued employees who were terminated due to budget cuts were introduced for Governing Board approval.

Ms. Migden-Ostrander spoke in recognition of each retiree. Mr. Weston read the Resolution in honor of David Bergmann and Ms. Migden-Ostrander read the Resolution in honor of the Call Center and other employees who were terminated due to budget cuts.

Mrs. Leslie made a motion to approve the resolutions. Mr. Krebs seconded the motion. The motion passed unanimously.

The State Library of Ohio nominated OCC's publication "Solar Makes Cents: A Residential Consumer's Guide to Harnessing the Sun's Energy" in the government category. OCC's publication won and was cataloged for the State Library's Ohio documents collection and distributed to the 46 Ohio state depository libraries and the Library of Congress.

Ms. Migden-Ostrander gave a special recognition to Amy Kurt for her dedication and hard work throughout this budget process. As a result of the budget, the OCC has taken the following steps:

- Given up the space on the 19<sup>th</sup> floor and consolidated the operation of the agency on the 18<sup>th</sup> floor;
- Laid off 30 employees;
- Closed the call center;
- Dramatically reduced the outreach and education department;
- Withdrawing from a large number of cases;
- Eliminated the consultant budget; and
- Reduced travel and training.

Additional lay-offs are expected next year when the budget is reduced by an additional \$1.5 million to \$4.1 million.

Chairman Solove was present during the June 16, 2011 Staff Meeting when staff was notified of the imminent lay-off. Ms. Migden-Ostrander stated that she appreciated him being there.

Chairman Solove expressed his appreciation of the entire staff of OCC for the work we did and continue to do on behalf of the consumers of Ohio.

The Board recessed at 10:25 a.m. and reconvened at 10:50 a.m.

### **CASE OUTCOMES**

#### **FERC Decision on FirstEnergy's Request to Recover Cost of Switching Regional Transmission Organizations, FERC Docket Nos. ER11-2814-000, ER11-2815-000**

Mr. Weston reported on case outcomes. In this case FirstEnergy's transmission company (ATSI) did not show that the costs resulting from its move from MISO to PJM are just

and reasonable. The transfer of FirstEnergy's transmission assets to PJM could cost customers as much as \$84 million annually.

OCC's position is that FirstEnergy's customers should not have to bear the costs of its business decision to switch RTO's in order to benefit generation interests. Also there was insufficient evidence to show that customers would benefit from the decision to change RTOs.

FERC accepted some of the positions of OCC and of other parties. OCC was the only state agency to pursue this case to resolution.

FERC required ATSI to file a revised proposal for the transfer between RTOs, removing several charges related to the switch. The costs associated with these charges total more than \$135 million.

**FirstEnergy Case Involving Customers in All-Electric Homes, PUCO Case No. 10-176-EL-ATA**

OCC advocated for permanently maintaining the Residential Generation Credits (RGC) discounts for all-electric customers. Discounts should be available for all-electric customers who had previously received them, or to any customers that moved into a home that previously received the all-electric discounts.

The RGC discounts will only be available from October 31 to March 31. Economic development and distribution credits will continue to remain in effect for the entire winter heating season from September 1 to May 31.

Residential customers will have the responsibility to pay for FirstEnergy's revenue shortfall resulting from the RGC credit. The PUCO found there were no unfair or deceptive marketing tactics used by FirstEnergy to entice residential customers or home builders to commit to electric heating.

**NEW CASES**

Dr. Adams reported on a case that was opened by the Commission July 15, 2011. The Public Utilities Commission of Ohio issued a standard economic development tariff for electric utilities. This is a template for all utilities to offer to mercantile customers.

**Duke Electric Security Plan for 2012-2021, Case Nos. 11-3549-EL-SSO et al**

Duke filed this request on June 20, 2011. The application seeks approval for a proposed electric security plan for the provision of a standard service offer and generation from January 2012 through May 2021.

A major component of Duke's proposed ESP is the bifurcation of generation rates into capacity and energy. The capacity charges would be a non-bypassable charge recovered

from all customers irrespective of who their electric supplier is and energy would be a bypassable charge determined through periodic competitive wholesale auctions.

**AEP Electric Security Plan for 2009-2011 (ESP 1 Remand), Case Nos 08-917-EL-SSO et al.**

The Ohio Supreme Court issued its decision on the appeal of the PUCO's 2009 approval and modification of AEP's ESP for 2009-2011, on April 19, 2011. The Court ruled that the PUCO had erred on three of four grounds that OCC appealed, affirmed the PUCO on another nine issues appealed by IEU. The Court remanded the order on AEP's ESP to the Commission for further proceedings. The two issues remanded to the PUCO related to the provider of last resort charge and environmental investment carrying costs.

**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; 2 customer alerts, 2 media advisories, 7 fact sheets, and 1 guest column. Also, there were 27 editorials printed in newspapers around Ohio supporting OCC.

Outreach and Education gave 71 speeches; 4 train-the-trainer presentations; 23 site visits; and 3,076 educational materials were mailed to organizations.

OCC's website had 9,306 visitors in May and June.

**OPERATIONS REPORT**

Mr. Repuzynsky reported the OCC ended the fiscal year spending about \$8.45 million (including outstanding encumbrances) or 99.4% of the total annual budget of \$8.5 million.

To address the FY2012 reduction in funding a number of employees were either terminated, took a one-year buyout [for retirement], or resigned because they found other employment. To assist employees who were leaving the agency, workshops were offered by the following organizations:

- Ohio Job & Family Services
- Social Security Administration
- Ohio Deferred Compensation
- Ohio Employees Assistance Program
- Central Ohio Labor Management Committee
- Central Ohio Workforce Investment Corporation

**LEGISLATIVE REPORT**

Ms. Kurt thanked the Governing Board and Directors for their assistance during the budget process. She reported that in addition to the \$1.5 million the first year, OCC was successful in keeping our information on customer bills and notices.

The legislature has indicated that they may take another look at the State's budget in one year. Currently, the legislature is on summer break and expected to resume in mid-September.

Legislation under consideration is HB 87/SB 150 the water legislation which OCC supports; Aqua is working on legislation of their own that is said to be similar to HB 95 Gas Legislation. The OCC will pay close attention to this piece of legislation.

The Senate Energy Committee has been holding hearings with gas and electric companies to discuss their perspective on energy issues.

**EXECUTIVE SESSION**


Mrs. Leslie 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 12:00 p.m.  
The Board returned to Open Session at 1:15 p.m.

With no further business the meeting adjourned at 1:20 p.m.

I verify that the above meeting minutes have been approved and ratified by the OCC Governing Board on this 21st day of September, 2011.

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

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