



**MINUTES OF THE
THREE HUNDRED AND SIXTY-EIGHTH MEETING
OF THE OHIO CONSUMERS' COUNSEL GOVERNING BOARD
March 15, 2016**

Members Present: Mr. Gene Krebs, Chair
Mr. Michael Watkins, Vice-Chair
Mr. Frederick Cooke
Ms. Kelly Moore
Mr. Roland Taylor
Mr. Stuart Young

Members Absent: Mr. Jason Clark, Ms. Sally Hughes, Mr. Fred Yoder

CALL TO ORDER BY CHAIRMAN:

Chairman Krebs called the meeting to order at 9:15AM. Chairman Krebs stated that there would be an Executive Session at the end of the meeting for the purposes of employment, compensation and personnel matters.

Chairman Krebs reminded the Board that the Ethics – Financial Disclosure filing is due May 16, 2016. Deputy Consumers' Counsel Sauer confirmed the due date, filing options and late fees, and he planned a reminder note.

Chairman Krebs shared that Ms. Hughes was given the National Small Business Administration Ohio Small Business Person of the Year Award.

RECOGNITION OF STAFF:

Deputy Consumers' Counsel Larry Sauer introduced two new attorneys that began their employment with OCC on January 25: Andrew Garver who graduated from Syracuse Law School and Christopher Healey who graduated from Duke University Law School.

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Monica Hunyadi, Chief of Staff – Non-Case Services, introduced Travis Filicky who is a new Public Affairs Intern. She indicated that Travis is a junior at The Ohio State University studying Strategic Communication and Political Science.

Consumers' Counsel Bruce Weston recognized Debra Bingham as employee of the quarter. He expressed his appreciation for her good work and added that she has been with the agency for 12 years, noting Deb is a hard worker and exemplifies OCC's values.

Mr. Weston also introduced Sydney Gale as his interim Aide. He added that Sydney is a graduate of The Ohio State University in Strategic Communications.

Mr. Weston introduced Robert Jennings, a Communications and Public Relations Contractor for the agency. He shared that Mr. Jennings has 30 years of work experience in the communications field. That experience includes service as the former Director of Communications at the Ohio Department of Health, as a consultant with RLJ Communications, and retired as a Sergeant Major from the Air National Guard.

Consumers' Counsel Weston noted the attendance of Brodi Conover, an Assistant Attorney General with the Office of the Attorney General. He indicated that Assistant Attorney General Halli Watson is out with her new daughter, Madeline.

APPROVAL OF MINUTES:

Chairman Krebs asked for a motion to approve the minutes from the January 19, 2016, Board meeting. A motion was made by Mr. Young to approve the January 19, 2016 Board meeting minutes. The motion was seconded by Mr. Cooke. Ms. Hunyadi called the roll. The minutes were approved unanimously.

BOARD PRESENTATIONS:

Chairman Krebs introduced Mr. Dale Arnold, Director of Energy, Utility and Local Government Policy with the Ohio Farm Bureau Federation.

Mr. Arnold began by stating it is an honor to work with the Consumers' Counsel on a number of issues. He added that he sees many areas of partnership including phone landline options and the Net-Metering Collaborative.

Mr. Arnold discussed many utility issues that he and the Farm Bureau are involved in. One example noted by Mr. Arnold involves using biomass to produce biofuel for electric generation. He indicated that there are questions raised about how the PUCO will control and provide benefits. Mr. Arnold stated that infrastructure is a big issue. Interstate and Intrastate pipeline issues have prompted interactions with various parties including municipalities, Columbia Gas and East Ohio. Finally, Mr. Arnold discussed that the entire face of generation, transmission, and distribution is changing. Mr. Arnold said he talks to people all over the state. He said generation, transmission and distribution systems could cost \$300 billion to fix over the next 15 years.

Chairman Krebs asked about utilities changing how they bill farmers, from a basis of residential service to a business service. Farmers are being billed as commercial accounts.

Dale Arnold stated those changes have led farmers to be a lot more aware. He also stated that years ago there was a farm rate and there was a utility farm representative who worked with farmers. Those utility resources went away in the 1970s along with the classic residential rate structure for farmers. The utilities left farmers on residential rates until they (farmers) changed their usage in some way (e.g. purchased a larger grain dryer). Then they went under a rate review by the utility. The farmer thinks all is good until they get their first bill and learn that the house is on the residential rate and the farm is on a commercial rate.

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Chairman Krebs asked what the Farm Bureau is doing across the street to help with this situation.

Mr. Arnold said he understands those discussions are on-going.

Chairman Krebs discussed the Governing Board's recent report about electric issues affecting consumers. Mr. Arnold responded he had read the Board's report from January, and he appreciated the bar graphs on AEP (that show AEP residential bills highest in Ohio in 2014 among states where AEP provided service). There was further discussion of the Board's recommendation in the Report for the legislature to create a task force. The Chairman indicated he sees that task force as a means for Mr. Arnold and the Farm Bureau to collaborate and participate. Mr. Arnold indicated that he is willing to assist.

Chairman Krebs called for a brief break.

Consumers' Counsel Weston introduced the next speaker, Bill Spratley, who served as the first Consumers' Counsel. Mr. Weston shared with appreciation that he has known Mr. Spratley for more than 35 years. He added that Mr. Spratley hired him as a legal intern, while a student at OSU College of Law.

Mr. Spratley reflected that things have changed a lot in the 40 years since OCC was created by the legislature. He added there are many who depend on this agency (the Ohio Consumers' Counsel). Mr. Spratley stated OCC had the best informed consumer Board in the state. He noted that OCC had excellent legal advice, and OCC was up against the best lawyers money could buy. He stated OCC had a great batting average on appeals. In this regard, he said OCC reversed the PUCO 24% and the utilities reversed the PUCO 20% (during the time when Mr. Spratley was the Consumers' Counsel). During Mr. Spratley's tenure, OCC saved consumers over 2 billion dollars. The utility industry went from a 7 billion dollar to 14 billion dollar business from 1977 to 1993. Rates skyrocketed at that time. Mr. Spratley stated that time has proven there is a need to represent residential utility consumers. Mr. Spratley encouraged OCC

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to continue doing what we are doing. He said it is about balancing the private interest with the public interest. Expert representation is critical.

Mr. Spratley then presented on renewable energy. Mr. Spratley stated that this year the biggest addition to the grid nationally was solar and wind. He noted that solar has decreased in price 73%. Mr. Spratley noted there are currently 14 out of 120 Walmart stores in this state that have solar panels on their roof tops. Walmart has a commitment to put solar on every roof top. In London, Ohio there is a Staples Warehouse with solar and there are two windmills at Honda of America at Indian Lake. There are General Motors plants with solar roof tops and Whole Foods has made an announcement in this regard. He noted that these companies are not making this investment to be green, but rather they are doing this because it saves money.

Mr. Spratley discussed with appreciation how Mr. Weston earlier had invited him to send OCC's first tweet.

Mr. Spratley noted that he has installed on his home a 4KW solar array. One issue is that the trees limit the array. Mr. Spratley also noted that he generates 3500 KWh hours or 30% of his annual household electricity needs. He can monitor on his phone what is being generated by the solar panels on his home. Mr. Spratley discussed the solar tour conducted every year. Mr. Spratley said that farmers are important on the solar expansion because they can get grants.

Mr. Spratley discussed the current Green Energy Ohio magazine that features the solar array in Minster Ohio, which is the 4th largest in the state. It is 4.3 megawatts and it unique because it has a giant battery. This cost less than two dollars a watt to install. For comparison purposes Mr. Spratley's solar array on his house cost \$3.84 a watt to install.

Chairman Krebs asked how much longer do we need to subsidize renewables and do we need to do it now? Mr. Spratley stated he agreed it would be logical to remove subsidies for all, but it is a minefield and he questioned whether it could ever be done. Chairman Krebs thanked Mr. Spratley for the presentation.

Chairman Krebs added that he would like to respond to points from Board members Moore and Hughes, and recommended that the Board consider a small business presentation because small business and consumer issues tend to overlap. He again noted that adoption of the AEP and FirstEnergy power purchase agreements unfortunately could use up all of the recent Ohio tax cuts designed to help small business. While small businesses are not included in OCC's mission, they are ripe for a partnership with the OCC due to common issues.

REPORT OF THE CONSUMERS' COUNSEL:

Consumers' Counsel Weston indicated that he would next provide an electric update along with legislation and other items. He shared information about the Chairman's participation in a panel discussion at the Athletic Club where he made comments on the power purchase agreements (PPA).

Deputy Consumers' Counsel Sauer next provided an update on recent case activities at the PUCO involving the PPAs and at the Federal Energy Regulatory Commission (FERC).

Consumers' Counsel Weston stated that it might be interesting for the Board to see how "alternative" litigation is being used to protect consumers against unneeded utility charges, separate from PUCO cases. He shared information about a class action lawsuit relating to a PUCO case regarding charges to customers by CG&E (now Duke). The case involved side (secret) deals between Duke or a Duke affiliate and others related to the case. In response to an OCC appeal, the Supreme Court of Ohio ordered the PUCO to publicly disclose the side deals. But separately, the class action lawsuit against Duke (regarding the side deals) was settled, resulting in payments estimated at up to \$200 per affected customer available for those consumers submitting claims to the funds.

He also shared information from a January 13 article in the Columbus Dispatch, about a class action lawsuit to protect consumers regarding charges from submeterers. The OCC Board has a resolution recommending consumer protections against submetering.

Next, Mr. Weston noted that OCC had earlier been named by the General Assembly to a collaborative about protecting customers who have basic telephone service. At some point, there may be changes to the availability of basic phone service when the telephone network technology changes. OCC is participating on the Collaborative to protect consumers. OCC has participated in collaborative meetings and has addressed affordability of phone service, among other issues.

EXECUTIVE SESSION:

Chairman Krebs indicated that the Board plans to go into executive session to discuss policy matters related to employment and compensation-related matters.

Vice-Chair Watkins made a motion to enter executive session to discuss the annual evaluation, employment, and compensation of the Consumers' Counsel and the Deputy Consumers' Counsel. The motion was seconded by Mr. Taylor. Ms. Hunyadi called the roll and the motion to move into executive session was unanimously approved.

Chairman Krebs invited a motion to return from executive session where he stated the Board discussed policy, employment, and compensation-related matters. He added that no decisions were made in executive session. .

Mr. Young stated that due to the fact that the Deputy Consumers' Counsel reports to the Board and the Consumers' Counsel reports to the Board, he moved that the Deputy Consumers' Counsel be designated as the timekeeping approver for the Consumers' Counsel. Mr. Watkins seconded the motion. Ms. Hunyadi called the roll and the motion was unanimously approved.

With no further business, the meeting adjourned at approximately 11:45 a.m.

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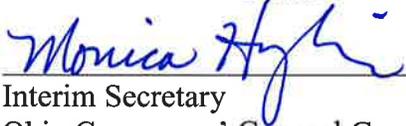
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I verify that the above meeting minutes have been approved and ratified by the Consumers' Counsel Governing Board on June 8, 2016.



Gene Krebs, Chairman
Ohio Consumers' Counsel Governing Board



Monica Hyatt
Interim Secretary
Ohio Consumers' Counsel Governing Board