



**MINUTES OF THE
THREE HUNDRED AND SEVENTY FIRST MEETING
OF THE OHIO CONSUMERS' COUNSEL GOVERNING BOARD
SEPTEMBER 27, 2016**

Members Present: Mr. Gene Krebs, Chair
Mr. Michael Watkins, Vice-Chair
Mr. Fredrick Cooke
Ms. Sally Hughes
Ms. Kelly Moore
Mr. Roland Taylor
Mr. Fred Yoder
Mr. Stuart Young

Members Absent: Mr. Jason Clark

CALL TO ORDER BY CHAIRMAN:

Chairman Krebs called the meeting to order at approximately 9:10 A.M.

RECOGNITION OF STAFF:

Consumers' Counsel Weston congratulated Board Chairman Krebs and members Mr. Cooke and Mr. Taylor who were reappointed to their positions on the Board by Attorney General DeWine. Mr. Weston thanked them for volunteering their time to their fellow Ohioans. Monica Hyundai recognized John Schroeder as the agency's employee of the quarter. Ms. Hunyadi also recognized Molly McGuire who was recently hired as the Public Affairs Coordinator after serving as a Public Affairs Intern. Mr. Weston thanked Assistant Attorney General Halli Watson and the Attorney General's office for their work with OCC.

APPROVAL OF MINUTES:

Chairman Krebs asked for a motion to approve the minutes from the July 19, 2016 Board meeting. He also noted that Members may be getting close to reaching their stipend limits. A motion was made by Vice-Chair Watkins to approve the July 19, 2016 Board meeting minutes. The motion was seconded by Ms. Moore. Ms. Hunyadi called the roll. The minutes were approved unanimously.

BOARD PRESENTATIONS:

PRESENTATION BY BRANDON KERN, OHIO FARM BUREAU:

Consumers' Counsel Weston introduced Brandon Kern who was recently appointed as Senior Director of Policy Outreach with the Ohio Farm Bureau. In his new position, Mr. Kern offers leadership for the organization's efforts to develop closer relationships and provide support to rural communities, the food system and consumers.

Mr. Kern recognized the great working relationship between OCC and the Farm Bureau. And he stated that there could be an opportunity for an even closer partnership with the new role Mr. Sharp wants the Farm Bureau to play in terms of supporting rural communities and consumers in particular.

The specific task for Mr. Kern as the Senior Director for Policy Outreach is to build strategic partnerships in three areas with three goals in mind. First, grow and protect the Ohio food system. Second, build partnerships with consumers. Third, serve rural communities.

Mr. Kern said that there is a link between what OCC does to serve rural communities and what the Farm Bureau would like to do moving forward. This includes the energy field and broadband.

The Farm Bureau is also engaged in issues with wind turbine setbacks and telecom. Mr. Kern said that the Farm Bureau could use the expertise of OCC to edit their policies on broadband and telecom. The Chairman suggested that Consumers' Counsel Weston attend the next Policy Committee meeting where broadband and telecom are discussed so that the Farm Bureau can have a detailed description of the legal nuances with those topics.

Consumers' Counsel Weston shared context from the OCC's relationship with the Farm Bureau. About 30 years ago, one of the issues the Farm Bureau faced was a challenge where neighbors in rural areas would have to make a long distance call instead of a local call. The OCC used to provide resources to the Farm Bureau's efforts to expand local calling. The Chairman stated he hears an overwhelming amount of complaints from rural residents who feel like they are second class citizens. They see their "city cousins" have high speed internet and broadband, and they don't have that service in many cases. The Chairman believes that this should be addressed when the Farm Bureau updates their policy.

The Chairman also discussed how he would like the Board to examine Senate Bill 221 in 2017. Mr. Kern reiterated that the Farm Bureau does want to see a policy that promotes a diversified energy portfolio in Ohio. The Chairman thanked Mr. Kern for his presentation.

PRESENTATION BY RAY FOELLER, OCC STAFF:

Consumers' Counsel Weston welcomed OCC Senior Education and Outreach Specialist, Ray Foeller, as the next presenter. Mr. Foeller discussed OCC's presence at several county fairs over the summer including: Allen County Fair, Clinton County Fair, Hartford Fair, Farm Science Review and the Ohio State Fair. At the Clinton County Fair, OCC had the opportunity to speak with House Speaker Rosenberger. OCC appreciated support from Vice-Chair Watkins who visited the Allen County Fair on several occasions and Mr. Cooke who visited at the Farm Science Review.

The Chairman stated that perhaps in 2017 we should entertain a presentation on a strategic evaluation of how we are going to communicate with the consumer moving forward.

PRESENTATION BY SAM RANDAZZO, OHIO ENERGY USERS:

Consumers' Counsel Weston introduced Sam Randazzo as the next speaker. Mr. Randazzo is general counsel for the Industrial Energy Users and is a lawyer with McNees, Wallace and Nurick. His work on utility issues spans five decades. The Consumers' Counsel and Chairman Krebs expressed appreciation and thanks to Mr. Randazzo for his time.

Mr. Randazzo discussed the relationship between regulation and competition in our market economy. Mr. Randazzo discussed where and why regulation came to be. The regulation we have today came from the abuses of market economy and capitalism, principally related to the development of the railroad. Mr. Randazzo explained the textbook purpose of regulation is to produce outcomes that simulate the workings of a competitive market.

The Chairman thanked Mr. Randazzo for his presentation and he stated that he thinks Mr. Randazzo represents his clients very well. Mr. Randazzo shared that OCC does great work and it is an important part of what needs to be done to make issues more visible.

The Chairman called for a brief break.

PRESENTATION BY JIM WILLIAMS, OCC STAFF:

Consumers' Counsel Weston introduced OCC's Senior Utility Consumer Policy Analyst, Jim Williams, as the next presenter. Mr. Williams began his presentation by discussing food insecurity in Ohio. That issue is households that do not have enough daily access to food to be able to maintain their well-being.

Mr. Williams discussed a report that was issued, in early September, by the Health Policy Institute of Ohio, which addressed the Ohio's ranking compared to other states by the number of households that do not have daily access to food. Ohio is currently number 46 in the nation. This means there are 45

states that have, as a percentage, fewer households that do not have daily access to food. Roughly 17% of Ohio families fall into this category.

Mr. Williams shared that this information is important in considering the difficult decisions that many consumers face between being able to maintain access to their utilities or eating. Last year, roughly 500,000 (11%) Ohioans were disconnected for non-payment between the major gas and electric companies. Thus, these applications for \$1-\$3 per month bill increases can be a serious issue.

Mr. Williams also shared charts on the poverty levels in Ohio and the changes in poverty levels between 1999 and 2014. The charts showed that poverty has increased above 35% in many of Ohio's cities. Another chart showed the number of Ohio families living near the poverty levels. Roughly 34% of the population includes households that are at or below 200% poverty.

Ms. Hughes expressed her sadness and disbelief over the statistics. Mr. Williams stated this is a story that needs to be told and the Consumers' Counsel is to be commended for taking interest in this and mentioning it in a number of pleadings. The Chairman also suggested a presentation to the Board on the "Bridges Out of Poverty" training program. He indicated that he recalls it has an 85% success rate.

BOARD INPUT ON LEGISLATIVE NOTEBOOKS:

The next topic discussed was legislative notebooks. The Consumers' Counsel asked the Board for their thoughts on what should be included in the packets. The Chairman stated that he wants input from the Board because the new members of the General Assembly will likely not know anything about utility issues when they arrive. Ms. Moore voiced that the poverty information shared by Mr. Williams should be included. Mr. Taylor suggested that the Board report from January be included. Consumers' Counsel Weston noted that in his travels, he hears compliments about the report. Ms. Hughes said that she has found how Ohio's electric rates compare to other states very interesting. The poverty report was also noted. The Chairman noted that they will come back to this topic in November.

REPORT OF THE CONSUMERS' COUNSEL:

Consumers' Counsel Weston then discussed submetering. This reselling of a provider's service to a consumer is occurring in Ohio. The Dispatch estimated that nearly 30,000 consumers are submetering customers in the central Ohio area. The concern is that the submeterers operate in a niche that they've found where there is not competition to give the consumer protection and there is no regulation. OCC has been advocating for a few years to give the consumers the protection of regulation and markets. Consumers who are submetered were noted in the article as paying as much as 40% more.

Representative Duffey has recently introduced a bill (H.B. 589) to give consumers protection. OCC is supportive of Representative Duffey's bill. Senator Bacon also has a bill pending (S.B. 348). Consumers' Counsel Weston provided a copy of a letter he sent to Senator Bacon thanking him for the legislation and providing recommendations for improving consumer protection in the bill. OCC could only support S.B. 348 if significant changes were made to close loopholes and ensure consumer protection.

At the PUCO, there are at least three cases related to submetering.

Consumers' Counsel Weston then discussed truth in ratemaking. Mr. Weston noted that sometimes the names for utility charges, such as for some electric charges, can obscure a real intent of the charge that consumers are paying. Mr. Weston gave the Board several examples, such as the so-called "Distribution Modernization Rider" where the utility is not required to spend on distribution modernization what it collects from consumers. Mr. Yoder expressed great concern about names of charges being misleading for consumers. The Chairman said the Board should be establishing a list of things they'd like to see changed in the Revised Code.

In April 2016, the Federal Energy Regulatory Commission (FERC) asserted control over part of FirstEnergy's proposal for a power purchase agreement. FERC required that FirstEnergy would have to submit to FERC for approval part of the plan FirstEnergy asked the PUCO to approve. OCC estimated that this FirstEnergy plan would cost consumers about \$10 a month for 8 years. And OCC estimated a new proposal from FirstEnergy could cost consumers between \$4.5 and \$9 billion dollars over 8 years. AEP also wanted subsidies for a power purchase agreement. Mr. Weston added that DP&L is also seeking subsidies. The population in Dayton, where DP&L serves, has a poverty level of 35% .

Mr. Weston then discussed a Subsidy Scorecard that included a tabulation of subsidies consumers paid or are paying to electric utilities since the beginning of electric competition in 1999.

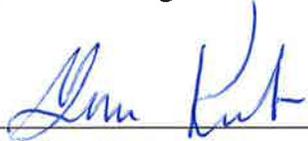
In fiscal matters, OCC's near-final calculation is that it spent under its budget by about \$400,000.

Mr. Young suggested that there be no speakers in November so that the Board can talk about current issues and strategize about next year. He added that he would like to know more about what is going on across the street. And he would like to have more discussion amongst the Board members. The date of the meeting was confirmed and the Board members agreed to the proposal. The Chairman mentioned the potential for some Board members to testify on the budget.

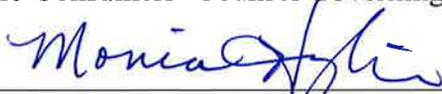
ADJOURNMENT:

Mr. Young moved to adjourn the meeting. It was seconded by Mr. Cooke and unanimously approved. The meeting adjourned at approximately 12:15 PM.

I verify that the above meeting minutes have been approved and ratified by the Consumers' Counsel Governing Board on November 22, 2016.



Gene Krebs, Chairman
Ohio Consumers' Counsel Governing Board



Monica Hunyadi, Interim Secretary
Ohio Consumers' Counsel Governing Board