UTILITY CONSUMER PARTICIPATION BOARD

October 4, 2010

MINUTES

A meeting of the Utility Consumer Participation Board was held Monday, October 4, 2010 in the Ottawa Building, 4th Floor Training Room, Lansing, Michigan.

Call to Order

Chairman Alexander Isaac called the meeting to order at 10:27 a.m. Board members present: Alexander Isaac; Harry Trebing (telephonically); Sister Monica Kostielney; Marc Shulman. Members absent: None. Others present: Michelle Wilsey, Board Assistant; David Shaltz, Residential Ratepayer Consortium; Don Keskey, Public Interest Research Group in Michigan and Michigan Community Action Agency Association; John Liskey, Citizens Against Rate Excess (telephonically); Heather Torres, DELEG; Wes VanMalsen, DELEG.

Consent Agenda

Shulman moved, second by Kostielney and motion carried to approve the consent agenda as presented. Kostielney moved, second by Shulman and motion carried to amend the minutes of August 25, 2010 fourth page, paragraph starting with "The final", changing “7 billion” to 27 million. (Wilsey noted that the transcript of the meeting reads 7 billion)

New Business

1. UCRF Appropriation – Wilsey reported that the appropriation requests for the last several years have included both current and reserve funds from the UCRF. However, the amount of reserve funds is declining. Approximately two years of reserve funds remain based on the current level of funding and appropriations. The level of jurisdictional revenues and formula for collections and sharing with the attorney general was discussed. Board members discussed opening a dialogue with the utilities in regard to changing the formula so that there could be additional funds once the reserve is used as well as making informational presentations to the legislature on the UCRF. Kostielney noted that the fundamental question is not funding level but whether the program should be continued. There should be a great deal of preparation leading into any discussions. Shulman agreed but felt that education of key participants, especially those new to government was important. Trebing noted that market conditions, such as the low price in natural gas due to oversupply, should be considered as they may influence perception regarding the need for consumer advocacy/participation in cost recovery proceedings. Liskey commented that this is a fee collected from consumers for their representation and benefit. It is not a cost to the utilities.

Old Business

1. Wilsey noted that grantee contract and paperwork issues raised at the last meeting had been resolved per DELEG. She also noted that Heather Torres of DELEG requested that all billings for the fiscal year ending September 30, 2010 be submitted on or before October 11, 2010.

Public Comment

1. Keskey asked if work could begin under the 2011 fiscal year grants that were approved by the board? VanMaulsen, DELEG responded that grants would be effective as of 10-1-2010 but that spending authority had not been approved yet. Work can begin but no payments may be issued until spending authority was approved by the Department of Management and Budget.
2. Liskey noted that, in response to a question raised at the last board meeting, CARE would be participating in some capacity market issues at FERC using the funding approved by the board for intervention in federal proceedings on wholesale competition. DELEG approved an extension to the CARE 10-10 grant through the end of the year that will allow them to participate in the upcoming FERC proceeding. Of particular concern is the possibility that MISO might follow the path of PJM and use the PJM auction reliable pricing model. If applied to Michigan, Dr. Rose estimates this auction model could cost Michigan ratepayers as much as $1 billion a year or $100 per residential ratepayer.

Next meeting - The next regular meeting of the UCPB is scheduled Monday, December 6, 2010, 10:00 a.m. Information and materials for the meeting are due on or before Monday, November 15, 2010.

Adjournment - 11:00 a.m.