

UTILITY CONSUMER PARTICIPATION BOARD

October 5, 2009

MINUTES

A meeting of the Utility Consumer Participation Board was held Monday, October 5, 2009 in the Ottawa Building, 4th Floor Training Room, Lansing, Michigan.

I. Call to Order

Chairman Alexander Isaac called the meeting to order at 10:21 a.m. Board members present: Alexander Isaac; Sister Monica Kostielney and Marc Shulman. Members absent: Trebing. Others present: Michelle Wilsey, Board Assistant; Don Keskey, Public Interest Research Group in Michigan and Michigan Community Action Agency Association; John Liskey, Citizens Against Rate Excess; Leah Hall, Citizens Against Rate Excess; David Shaltz, Residential Ratepayer Consortium; Wes VanMalsen, DELEG; LeAnn Droste, DELEG; Suzy Denison, Michigan Electric & Gas Association.

II. Agenda

Kostielney moved, second by Shulman and motion carried to approve the agenda as printed.

III. Minutes

Shulman moved, second by Kostielney and motion carried to approve minutes of August 24, 2009 as printed.

IV. Correspondences (Received and placed on file)

- A. Report to UCPB on Behalf of MEC and PIRGIM Grants UCRF 08-01, Grants UCRF 09-01, 09-02, 09-03, and 09-04 (Keskey)
- B. Grant applications – MCAAA and PIRGIM – response to August 18 inquiry (Keskey)
- C. MCAAA and PIRGIM Case filing dates/schedules (Keskey)
- D. Comments on legislative report for 2008 (Keskey)
- E. Budget sheet corrections email memo (Keskey)
- F. Major Actions Summary 8_24_09 UCPB Meeting (Wilsey)
- G. UCRF Financial Report as of 9/25/09 (Eklund)
- H. Minutes 8_24_09 UCPB Meeting (Wilsey)
- I. MCAAA and PIRGIM revised budget sheets UCRF 2010 grants (Keskey)
- J. UCPB Meeting transcript 8_24_09 (Penn)
- K. MEC Status Report 9_14_09 (Bzdok)
- L. RRC Case Status Report 9_15_09 (Shaltz)
- M. Notification of change of law firm and updated contact information (Keskey)
- N. Grant time extension request memo for UCRF 09-05 (Keskey). Note: administrative request - no board action required.

Wilsey noted that additional items received after the submission date will be recorded on the next agenda.

V. New Business

None.

VI. Old Business

A. 2008 Annual Report

Wilsey presented the final draft of the 2008 Annual Report for the UCPB. Additions were made to the results section based on information provided by MCAAA, MEC. Wilsey explained that results reported by the grantees were reconciled with last year's report and the public record of each case. A summary of direct and indirect benefits was then added to the report. Discussion of the quantification of the direct results ensued. Keskey argued that an \$11.2 million dollar benefit should be included in the total. This was associated with the share of the proceeds of the sale of pollution control allowances credited to Consumers Energy and ratepayers. The final result was the Commission gave Consumers 30 percent of the profits, not 50 percent as the company had proposed. Keskey described the testimony and role that MEC played relative to the staff and other parties. He felt that MEC directly influenced the outcome based on their position and strong case supporting a 100-percent credit to ratepayers. After vetting the roles of the parties, Wilsey agreed the inclusion of the \$11.2 million in the results reported was justified. Shulman asked for the specific language that would be proposed. Keskey proposed adding "MEC/PIRGIM's participation and our evidence and our briefs resulted in a savings of \$11.2 million." Wilsey recommended amending the paragraph with the addition of the clause, "influenced a \$11.2 million savings on the sharing of pollution control allowances". The amended sentence would read, "In 2008, UCRF-funded intervenors achieved approximately \$1.7 million in direct disallowance for residential customers, were responsible for the withdrawal of a request for a rate recovery of approximately \$13 million, influenced an \$11.2 million savings on the sharing of pollution control allowances and advocated positions and settlements that contributed to significant rate reductions. Shulman agreed with Wilsey's proposed language amendment. Kostielney suggested that additional numbers of the membership of grantee organizations be included in the appendix. She offered several reasons for the importance of knowing and demonstrating how many people are represented and affected by the work of the grantees. Wilsey noted that all of the numbers currently available were included in the report. Isaac asked Shultz if additional information could be provided. Shultz agreed to provide additional numbers, such as the populations served, that could be included in the report. Shulman noted that the name of the DELEG director had to be corrected on the first page. Wilsey noted that it should be Stanley "Skip" Pruss per Robin Bennett. LeAnn Droste said that it should be Stanley F. Pruss. Wilsey noted that the middle initial H. also would also be added to the signature line for Alexander Isaac. Isaac asked Wilsey to summarize the proposed changes to the draft annual report. Wilsey stated the following changes were proposed:

1. amendment to the paragraph describing benefits to incorporate the clause: "influenced an \$11.2 million savings on the sharing of pollution control allowances."
2. Correct the signature line for Mr. Alexander Isaac to include the middle initial of H.
3. Correct the cc. to the director of DELEG to Stanley F. Pruss.
4. Incorporate into the appendix the data that Mr. Shultz will provide us on more descriptive numbers for the Area Agencies on Aging.

Shulman moved, second by Kostielney, and motion carried to approve the final draft of the 2008 UCPB Annual Report with the proposed amendments outlined above.

VII. Public Comment

Droste reminded grantees that final payment requests for any grants that expired on or before September 30 should be submitted by the end of the week so grants can be closed out for the fiscal year. She also noted that the governor has issued an executive directive that now requires any service contracts that the department enters into greater than \$2,500 be approved by the Office of the State Employer and the Department of Management and Budget. Therefore, at the last meeting Michelle Wilsey's contract was again approved for this fiscal year; we have submitted the paperwork as required under the executive directive, however, we have not yet received the formal approval. So at this time, we are operating under a budget just for the month of October. So the services that she's providing will be paid in the month of October, and then I will keep you posted on the approval from the Office of the State Employer and the Department of Management and Budget on the long-term contract for the entire fiscal year.

VIII. Next meeting

- A. The next regular meeting of the UCPB is scheduled Monday, December 7, 2009, 10:00 a.m.

IX. Adjournment – Meeting adjourned at 10:49 a.m.