

UTILITY CONSUMER PARTICIPATION BOARD

December 15, 2008

MINUTES

A meeting of the Utility Consumer Participation Board was held Monday, December 15, 2008 in the Ottawa Building, 4th Floor Training Room, Lansing, Michigan.

I. Call to Order

Chairman Alexander Isaac called the meeting to order at 10:00 a.m. Board members present: Ron Rose, Marc Shulman, Sister Monica Kostielney, and Alexander Isaac. Members absent: Harry Trebing. Others present: Michelle Wilsey, John Liskey, Donald Keskey, Terri Eklund, David Shaltz and James Clift.

II. Administrative process and meeting management

Chairman Isaac requested that as a point of procedure, business items on the agenda be handled with a positive motion. If a motion is made on an item, discussion and opportunity for comment by all parties will follow. If no motion is made, then the item will not be addressed in discussion.

III. Agenda

Rose moved, second by Kostielney and motion carried to approve agenda with the additions of "Financial report effective 11/17/2008 (Eklund)". Rose later requested, with no objections, that "Memo MCAA Budget Request (U-15506) vote today (Liskey) " also be added under correspondences as a friendly amendment.

IV. Public Comment

None.

V. Minutes

Rose moved, second by Kostielney and motion carried to approve the minutes of October 6, 2008 as printed.

VI. Correspondences

The following correspondences were received and placed on file:

- A. RRC Case Status Report 12/08 (Shaltz)
- B. MEC/PIRGIM, MCAA Requests for budget revision (Keskey)
- C. Major Actions Summary 10_06_08 (Wilsey)
- D. UCPB Tentative Minutes 10_6_08 (Wilsey)
- E. UCRF Financial Report as of 12_11_08 (Eklund)
- F. UCRF Financial Report as of 11_17_08 (Eklund)
- G. UCRF Financial Report as of 10_07_08 (Eklund)
- H. AARP Case Status 11_26_08 (Nelson_Joy)
- I. Budget Request Review Report 12_15_08 (Wilsey)
- J. AG Review Memo (Liskey) **LAWYER/CLIENT PRIVILEGE**
- K. Proposed 2009 UCPB Meeting Date Memo (Wilsey)
- L. Memo MCAA Budget Request (U-15506) vote today (Liskey)

VII. Old Business - None

VIII. New Business

- A. MEC/MCAA Budget Requests

MEC/PIRGIM Request 1: Amendment of Budget for Appeal of CEC Co U-15245, UCRF 09-01/UCRF 09-02. Keskey explained that this was the Consumers Energy general rate case which the board authorized participation in because the commission deferred several items from the original Palisades Big Rock sale from case U-14992 to the rate case U-15245. The commission again deferred some of the items to a new case U-15611. The case ruling was somewhat vague on how it treated a couple of other items on nuclear legacy issues, which is the reason for appeal. Keskey explained the

significance of the rate case given the sale/transfer of the nuclear facilities and spent nuclear fuel sites from Consumers to a third-party. He reiterated that Consumers Energy has not paid a substantial portion of the money paid by ratepayers for spent nuclear fuel fees related to energy generation. These funds should not be classified as rate base. They would like the commission to order Consumers to refund the money similar to the treatment of the decommissioning fund in the Palisades case, or flow it back into an MPSC regulated trust over a period of years, or require Consumers to amortize it back to the ratepayer over a period of years. So the purpose of the rate case appeal is to follow through on the issues the board authorized in the previous cases. **Kostielney moved, second by Rose and motion failed (2-2) to approve the Amendment of Budget for Appeal of CEC Co u-15245, UCRF 09-01/UCRF 09-02.** Liskey was asked to provide comment on the amendment request. Liskey noted that the board did approve intervention on nuclear legacy issues in case U-15611, so it may not be necessary to appeal this case because of that action. Wilsey noted that the issues presented by Mr. Keskey have been addressed in a number of previous forums. The commission has deferred the issues and the board has approved funding for intervention on SNF issues consistent with those deferrals. The board has not questioned performance. However, it seems that the commission has now identified a forum for addressing the issues, case U-15611. So the question is whether this appeal is a valid forum for addressing these issues when case U-15611 has been established for that purpose. Keskey commented that U-15611 case will deal with the big issue of Big Rock decommissioning and it may deal with a couple of other issues as well. Wilsey noted that the board had approved funding for intervention in case U-15611. Keskey acknowledged that he was funded to pursue the issues in U-15611. However, he noted that the utility may argue that U-15611 is limited in scope, and does not include the issues on appeal. He wanted to preserve the appeal forum to make sure the issues were addressed or protected. Liskey commented that the commission ordered Consumers to file in U-15611 and also another case coming up in March. In their office's opinion (AG) these cases would deal with the relevant, substantive issues. The Court of Appeals is going to look at whether the commission was so erroneous in its decision that it should be overturned, not the validity of the issues raised by the MEC/PIRGIM. Expenditures for the appeal should be reviewed within that context. Keskey noted that the rate case unquestionably included the DOE liability – that will not be taken up in U-15611, so you have to appeal. Liskey questioned whether that had been taken up in other appeals. Keskey said no, based on the changed circumstance of the sale of all nuclear generation and SNF sites. Liskey noted that, changed circumstances notwithstanding, the board had expended substantial sums supporting intervention and advocacy on these nuclear legacy issues to the fullest extent - all the way to the Supreme Court. Keskey noted that the nuclear legacy appeal in the U.S. Supreme court does not involve all of the nuclear legacy issues. They are coming out piecemeal. The Supreme Court appeal dealt with the specific question about whether the commission's regulatory authority to protect or condition on-going spent nuclear fuel fee payments in light of a long term breach in federal contract is preempted or not. It does not deal with several other nuclear legacy issues involving rate base, the DOE liability, the decommissioning at Big Rock, and others yet to be decided.

Kostielney commented that the issue of merit should be considered. The nuclear legacy issues are critical, aside from this particular amendment. Further, since the amendment calls for an amount that has already been approved in another case, she would speak in support of the amendment. Shulman requested clarification on the motion because the amendment request specified either to increase the budget with new funds or to increase the budget with new funds in the amount of \$1010 and transfer \$21,000 balance of the funding request from case U-15245 to this case. He further asked what impact the transfer would have on case U-15245? Wilsey and Keskey noted that case U-15245 has been decided, so transfer of the remaining funds would have no impact on the case. Keskey commented that there was one appendage to U-15245 that may remain, but that was dependent on a future filing by Consumers. Kostielney noted that they had to vote on the motion on the floor to approve the amendment before they could address which funding mechanism to approve. Rose asked if there were any other requests that involve nuclear legacy issues/costs? Keskey noted that U-15611 will address nuclear legacy issues, some issues will likely be in the rate case as well. Another one deals with "nuclear plant security charges". There will also be an opportunity to see if Consumers has put rate basing or DOE liability issues in the new rate case. Rose noted that if the decision has been made to decide these in one case U-15611, why is there such a concern that an issue will escape? It seems that an appropriate motion in U-15611 is to say that these are the issues – motion to determine issues, motion to determine intent of hearing officer. These are the issues that we must have to move forward. If the hearing officer disagrees with you and

denies your motion in whole or part, then that's an appealable issue at that point. Keskey noted that it is not only ALJ's but commission orders that are deferring issues. He predicts final resolution of some issues in U-15611 and in the new rate case U-15645. He believes the Court of Appeals is the way to resolve remaining issues. There is a lot of deferral from one docket to another. It is the nature of the process. Rose asked if U-15611 will provide a forum to address all of these issues? Keskey responded, no. The three dockets in which various nuclear legacy issues will be addressed are the appeal of U-15245, the new rate case U-15645, and U-15611. Keskey noted that "divide and conquer" is a procedural device utilized by the other side. Rose noted that as a defendant, he has the right to frame the issue. Rose noted that in future requests to the board, the request needs to provide an explanation of what makes the cases different. Keskey again explained the DOE liability issue. He noted again that the rate case will involve a number of possible legacy issues and a budget for review of the massive filing is needed. He again emphasized the complete change of circumstances due to the sale of nuclear assets. He further noted that the new statute allows rates to go into effect, subject to refund, after six months if the case is not decided. If the commission does not issue a final order within one year, the company can keep the rates permanently.

MEC/PIRGIM Request 2: Amendment of Budget appeal CECO U-14701 (COA 274471) and DECO U-14702 (COA 274471), UCRF 09-03. Keskey stated that they were withdrawing that request due to the new statute placing energy optimization before the commission as a new process.

MEC/PIRGIM Grant Amendment Request 3: Amendment to UCRF 09-04 to add cases and budget for participation implementation of 2008 Energy Act (PA 295, 286) with respect to electric utilities. Keskey explained that the new energy act passed on October 6, 2008, includes several provisions that provide for review of revenues or costs of renewable energy or net metering in annual proceedings. The provision with respect to energy optimization suggests that utilities or the process can be subject to the same procedure as the renewable energy plan which, thereby, would include some review of revenue costs under Act 304. The commission issued its temporary order to start implementation of the Act last week on December 4th and also mentioned on page 25 of its order to the calculation of incremental costs of compliance for certain items under the PSCR clause. Major utilities will have to be filing plans within 90 days and it seems that the process for ongoing implementation of the new energy act will include Act 304 processes. He further argued that the implementation of the new acts have a direct relationship to Act 304, and that Act 304 will be the substantial process utilized to administer the new acts. The exact degree to which act 304 cases will be involved in this process is not known but it is important to get involved now, not after the fact. Isaac asked Wilsey to comment. Wilsey agreed that there may be an intersection. During the legislative process, she suggested the board consider expansion of the scope of the UCRF program to allow participation in the new energy proceedings. At present, it is not clear that participation is permissible under Act 304. Further, the request is ambiguous and open-ended. Absent identification of a specific Act 304 issue to be contested in the case or proceeding, under what authority would the board grant funds? Keskey noted that the Attorney General's special litigation division has determined that they could not use Act 304 funds to participate in these cases. **Rose moved, second by Kostielney, and motion failed to amend UCRF 09-04 to add cases and budget for participation implementation of 2008 Energy Act (PA 295, 286) with respect to electric utilities.** Shulman noted that he could not support the motion because he did not feel the board had authority at this point to use Act 304 money to fund this case. Kostielney called the question. Keskey asked if they would be able to file a new request at a later time. Isaac stated that would be appropriate if it was a new request.

MEC/PIRGIM Grant Amendment Request 4: Amendment to UCRF 09-02 to add case and budget for CECO rate case U-15645. Keskey explained that this involves participation in Consumers Energy's new rate case that has recently been filed. Participation will be relative to those kind of issues they had pursued in the past dealing with nuclear legacy issues such as DOE

liability and rate base issues and the nuclear security plant surcharge funding if that remains in the case. They will also look for issues that they have contested in PSCR cases in order to get higher refunds for ratepayers. Isaac asked Liskey for an opinion on the request. Liskey noted that this is not a PSCR case, it is a general rate case. With regard to the nuclear legacy issues, the attorney general's office believes that case U-15611 address those. In regard to other issues raised, they feel they are outside of Act 304 issues. Wilsey recommended that the board consider partial funding for review of the filing in this case in order to identify whether there are specific Act 304 issues and to then bring a specific work plan to the board for funding consideration. The fact that this is a rate case does not exclude UCRF funded support. However, the proposal does not specify what the specific Act 304 issues would be that would merit UCRF funding. Shulman asked if they deferred this would there be time for Keskey to bring back a more specific work plan? Keskey said a prehearing conference was scheduled this Thursday. Review of the filing by himself and experts would require some funding. He expects some important nuclear issues in this case including rate base, DOE liability, and possibly nuclear plant security charges. The utility will also set the base under which the PSCR clause will operate for various costs – the base for transmission, the base for pollution control allowances, the base for fuel, and the base for purchase power. And the pollution control allowance issue is an Act 304 issue that could be raised in this case. Shulman asked Keskey if he agreed with the Attorney General that there would not be a need to intervene because the AG has requested complete retroactive relief from the Michigan Supreme Court on these issues? Liskey clarified that it was on the transmission issues. Keskey said transmission was an issue raised by the Attorney General, but their issues were separate. Shulman noted that the request was for \$50,000 dollars but there is still a question as to whether the work can be funded by Act 304. Keskey requested that the board approve 25% of the request as a partial budget to initiate review and work on Act 304 issues and that the board consider the rest of the request at the next meeting. Kostielney stated that she did not know why something would be wrong for the whole and okay for a partial approval. It would be very hard to judge what amount would be appropriate. Shulman asked Keskey what it would cost in terms of funding to appear Thursday and do the analysis required to prepare a work plan? Keskey estimated that it would cost \$6,000-8,000 to review the filing for issues and participate in the prehearing conference. Kostielney moved to accept the amendment with the adjusted figure to be worked out. Isaac asked what the adjusted figure would be? Kostielney questioned whether it had to be specified at this time? She noted figures of \$10,000-30,000 had been mentioned. Shulman noted that \$6,000-8,000 had been suggested, and he agreed with Rose's suggestion that they approve \$7,000 in funding. Isaac suggested that they act on the request as presented in a positive motion. If defeated, an alternate motion could be made. Kostielney withdrew her motion. Keskey requested the board consider a motion for \$8,000 in partial funding. Isaac noted that no motion had been made. **Rose moved, second by Kostielney and motion carried to approve an amendment to UCRF 09-02 to add case and budget for CECo rate case U-15645 in the total amount of \$7,000 for purposes of initial review, filing and to report back to the board (its administrative assistant and the Attorney General) with a work plan on Act 304 issues involved in the case.** Kostielney asked if the board was asking approval of the attorney general on its motions? Isaac and Rose responded no. Isaac noted that they were asking for input and research on these questions from the attorney general. Kostielney asked why we would the board report to the attorney general? Rose replied that they were seeking advice from their legal counsel on the issues and questions brought before the board. The request is to share information with Liskey and Wilsey for purposes of review. Keskey noted that once they go through the filing with the grants and the amount and identify those issues that they believe are related to Act 304, they would prepare a memo to the board. He noted that he does not receive copies of what the Attorney General writes to the board. He would like the opportunity to respond to his concerns. A discussion of attorney-client privilege and the unique role of the attorney general in these proceedings ensued.

James Clift, policy director for the Michigan Environmental Council, introduced himself. He noted that at some point, given the amended statute, he would like the opportunity to discuss the scope of Act 304 and how to interpret it in light of the new statute. They would like access to the attorney general's memos to the board on the issue just to have a full discussion of that issue before moving forward. He noted, the goals are the same – to keep costs down for ratepayers. If we have reached a point where we are tying our hands by looking at costs after the fact, not before the money is spent, we are doing a disservice to the citizens and residents of Michigan. He hopes the board is not tying hands on an overly restrictive reading of Act 304; and therefore, costing the citizens of Michigan more, not less in the long run. Keskey noted that they would analyze the filing and provide a memo to the board and Mr. Liskey and Michelle Wilsey. He further suggested a longer range idea that the grant recipients and the Attorney General collaborate on a joint memo trying to clarify what funding is appropriate for Act 304 and what isn't given the new statute. Then grant recipients and the AG can agree what logical lines there are based on experience and that could serve as a guideline of some sort. Isaac commented that Wilsey was hired to review the material submitted in advance and share that with Liskey to get a legal opinion on the request made to the board. It was agreed that any requests and supporting material must be submitted at least two weeks in advance. The report submitted by Wilsey and Liskey is by no means the final say by the Board. It is information that assists us in making our decisions. Wilsey noted that the independent assessment that she presented to the board was provided to Keskey as well. The purpose is to organize information, present the history and to analyze the requests for the board. Kostielney asked Liskey if his involvement assures that there will be no duplication in efforts between the AG and the UCRF grantees? Liskey noted that the statute encourages avoidance of duplication. Keskey noted that they typically avoid duplication. Isaac noted that this was the benefit of input from the attorney general's office. Kostielney noted that the Governor placed attorney's on the board and she would not want to underestimate the decisions of this body. Rose noted that the legal advice was advice only. The board is not bound by that legal advice. Kostielney noted a time when the board had no active participation by legal counsel. Rose noted that the appointments of anybody who is an attorney on the board does not allow them to practice law. They all serve as citizen representatives. Rose noted that it was important to consider Act 304 implications with every issue that comes up. Everyone has the option of seeking their own legal advice. He assumes all will make their best case and support it with precedent. He expressed the ability of the attorney general to focus on the law rather than any client interest.

MCAA Grant Amendment Request 5: Amendment to UCRF 09-05 to add case and budget for MichCon gas rate case.

Keskey explained that the board had previously approved funding for the MichCon gas rate case U-15451 and also approved for the excess gas storage case U-15628. Both cases have been the subject of various settlement negotiations involving issues defended by MCAA. MichCon is filing a rate case in the first quarter of 2009 that will likely involve some issues that have been litigated and/or are subject to ongoing discussions in the current GCR case, the current excess gas storage case, and are carryovers from issues in this last settlement which was funded by the board in U-14800/U-15042. The purpose of the intervention in the rate case is to pursue those specific issues that we raised in those cases and which continue to be in the cases and which will likely be in the rate case. Isaac asked Wilsey for comment. Wilsey noted that the board previously granted funds for MCAA to participate in case U-15628 which has similar issues to those presented by Keskey here. Again, the request is too general and the board may want to determine what specific Act 304 issues would be addressed prior to granting funds for full participation. Isaac asked Liskey for comment. Liskey noted that there was a previous grant of \$28,684 for the excess gas case U-15628. He also noted that in the partial settlement agreement of U-15451, it calls for collaboration between the parties to address some of the LIFO accounting issues and utilization issues. He believed that it is appropriate for the board to fund participation in that process. With regard to the general rate case, they could not say what Act 304 issues would be appropriate. Shulman asked Keskey what impact there would be on his amendment - or if he could break down the budget request to indicate what portion is needed for the collaboration process? Keskey responded that the board had approved a budget for the GCR case U-15451 and a separate budget for the excess gas storage case U-15628. Both of these cases are ongoing. At the same time, the rate case will be

filed and there will be issues that will relate to issues that have been raised in both the GCR and gas storage case. Gas storage is a very important part of the rate case. It effects the overall cost and rate structure of the company as the gas utility is trying to meet its winter load. And the accounting issues that have been raised in some of these cases are very important because Act 304 expressly states that Act 304 rates are based upon the book cost of the utility's gas and commodity costs. The LIFO accounting that we have addressed is a great problem with MichCon because studies show that it increases the volatility drastically. That result in the last several years is that GCR rates for MichCon that are substantially higher than Consumers Energy which uses average cost accounting. Shulman asked what the cost would be to do an initial review of the filing in order to determine a specific work plan? Keskey responded that in an approach similar to the Consumers Energy rate case, a budget of \$10,000 – roughly 50% legal and expert would allow for review of the filing. It is slightly higher than the \$7,000 budget for Consumers because there would likely be a number of technical conferences and settlement meetings, and there will be an expedited schedule for the case under the new statute. Rose asked how much of the approved budget \$28,684 in case U-15451 remained unspent? Keskey noted that they anticipated using all of the funds as the case was ongoing. Rose clarified that all of the funding in the current request (\$49,100) was for the new rate case. Keskey confirmed that it was. **Rose moved, second by Shulman, and motion carried to approve an amendment to UCRF 09-05 to add MichCon gas rate case (docket number to be assigned) and budget in the amount of \$10,000 for purposes of initial review, filing and to report back to the board (its administrative assistant, the Attorney General, and coordinate with other UCRF grantees involved in the case) with a work plan on Act 304 issues involved in the case.**

Kostielney asked how they would proceed with the remainder of the request? What new evidence will be brought to support the approval of the remainder? Isaac responded that he will make a new grant request when he has reviewed the filing. Wilsey noted that upon review of the filing, a work plan of specific Act 304 issues can be presented for approval. At this time, the work plan cannot be developed as the filing has not been made. Kostielney noted that her hesitancy comes from the fact that she believes that when you enter a case, you are committed to it. You would not go in and then decide not to pursue it. The case has to stand on its own merits. We should approve or disapprove it for certain reasons, and those reasons will not change. Who will reconsider whether or not the remaining \$39,000 should be granted? Shulman responded that the board would make that decision. Rose explained that the intent of the board in this motion is to say we are interested in the case. Once all of the issues are made known and reviewed for Act 304 compliance, we can decide to move forward or not. This allows the board to exercise administrative control and informed consent. The board is not approving lump sums. Board members need more information and that has to come from the grantee.

MCAAA Grant Amendment Request 6: Amendment to UCRF 09-05 to add cases and budget for participation implementation of 2008 Energy Act (PA 295, 286) with respect to gas utilities. Keskey requested that this amendment request be deferred until a later date.

MCAAA Grant Amendment Request 7: Clarification of expenditure for CEC Co Gas Rate Case U-15506 (Decoupling). Keskey noted that the board approved a grant (08-03) for MCAAA participation in Consumers Energy rate case U-15506. A portion of that budget was unspent at the end of the fiscal year due to case scheduling changes. A new grant was requested to continue work on the case. The motion to approve the grant failed on a 2-1 vote at the last meeting. Nevertheless, MCAAA proceeded to file their testimony in the previous fiscal year. They also filed a brief in the current fiscal year and participated in settlement negotiations. A settlement was reached which was a substantial reduction in the gas rate requested. They are awaiting a Commission Order, but the case is essentially finished. He noted that, in addition to decoupling, Consumers Energy included the costs, in their gas case, of DOE liability related to spent nuclear fuel. They also sought nearly \$1 million per year from ratepayers for a letter of credit from an unidentified bank to guarantee that Consumers Energy will some day pay for the

liability even though the rate payers have already paid for that liability. Keskey stated that their testimony opposed inclusion of anything to do with SNF fee costs in a gas case, asserted that if you are going to count the liability as a debt it should be at zero cost, and opposed the letter of credit costs being charged to ratepayers. **Rose moved, second by Kostielney, and motion failed to approve the request for funding in the amount of \$35,000 for the CECo gas rate case U-15506.** Kostielney asked for information on the decoupling issues. Keskey noted that the new statute provides for decoupling. He hopes that it provides for symmetrical decoupling, rather than utility only decoupling. In the exchange for decoupling, MCAAA hoped to achieve honest to goodness energy optimization plans that reduce the long-term cost of energy by more than the cost of anything else, including decoupling. He explained that decoupling is a protection of the utility from the loss of margin/profits from the loss of sales due to energy efficiency programs. The opposing argument is that there should be no guarantees of sales, or you should not pay higher rates for loss of sales caused by things that are not related to energy efficiency such as poor economic conditions, lost industrial sales or whatever the cause. The idea of symmetrical decoupling is to try to make it more balanced in the sense that we would advocate (and have advocated in this case) that we don't want to give the utility a guarantee and we don't want to have them guaranteed against the loss of sales that have nothing to do with energy efficiency. We want a total cost, effective, robust energy efficiency program in exchange for the decoupling. Kostielney noted that other experts asserted that there is no proof that decoupling achieves the energy efficiency sought by MCAAA. Keskey discussed the various objections to decoupling and their response to those objections.

Isaac requested Liskey's comments on the request. Liskey noted that the request appeared to seek reimbursement for services previously rendered from today. He advised that it was the opinion of his office that would be unlawful. He noted that this question of retroactive pay had been raised previously and that they had advised the board that it was unlawful at that time. Keskey argued that the case had been previously approved and but for the expiration of the fiscal year, funding would be available. Wilsey noted that both the approval and the amendment were approved prior to any testimony being filed. She noted that the concerns raised by Trebing were related to performance on the grant. Keskey debated the sufficiency of the testimony. Rose called the question.

Isaac asked Keskey to explain the outcome of the settlement agreement. Keskey noted that it was a "black box" settlement for a rate increase of approximately 22.4 million. As he recalled, the original rate request was in excess of 90 million. A "black box" settlement agreement means that there is no precedent from the settlement on any issue raised by the witnesses.

B. 2009 Meeting Dates

Rose moved, second by Kostielney and motion carried to approve the 2009 UCPB

Regular Schedule of Meetings as follows:

<u>Meeting Date</u>	<u>Submission deadline for meeting materials/agenda requests</u>
<u>Feb 2, 2009 (Mon)</u>	<u>Jan 12, 2009 (Mon)</u>
<u>Apr 1, 2009 (Wed)</u>	<u>Mar 11, 2009 (Wed)</u>
<u>Jun 1, 2009 (Mon)</u>	<u>May 11, 2009 (Mon)</u>
<u>Aug 3, 2009 (Mon)</u>	<u>Jul 13, 2009 (Mon)</u>
<u>Aug 24, 2009 (Mon)*</u>	<u>Jul 24, 2009 (Friday)</u>
<u>Oct 5, 2009 (Mon)</u>	<u>Sept 14, 2009 (Mon)</u>
<u>Dec 7, 2009 (Mon)</u>	<u>Nov 16, 2009 (Mon)</u>

***2010 grant application review meeting.**

C. 2008 Grant Review Process / Annual Report

Wilsey noted that the 2008 calendar year grant review process was underway. She noted that the board requested that, in addition to information provided by grantees, that she collect information from various sources and construct an independent assessment. Isaac inquired as to the timeline. She stated that the submission deadline was July 1, 2009. Shulman asked if there might be an opportunity to put a workshop together for the purpose of education for potential grantees? Isaac noted that it was an excellent idea and offered to host one in the greater Flint area. He thought others in the Lansing area and other parts of the State would be helpful. Wilsey noted that she thought it could be done as an educational event done at very low cost. Wilsey commented that the timing was very good as a kickoff to the 2010 grant cycle. Kostielney offered a building for space. Kostielney reminded the board that a great deal of effort was put into recruiting additional interest in the program a few years ago with no results. She further explained that the few people receiving grants actually represented a great number of groups and organizations. It is important to carefully identify groups that qualify and have the capability of representing clients in these cases. They have to be able to connect with a constituency. It is also important to make the invitation open and non-discriminatory. This is a noble cause, but it does require a great deal of analysis, exploration and assessment. Isaac noted that he just offered Genessee County as one possible host for a region. Other hosts would be identified to get the word out as broadly as possible. The purpose is not to invite any one to apply but to educate many so that those who may be qualified are knowledgeable of the availability and purpose of the UCRF program. It may also educate those already participating as to who is representing them and on what issues. He agreed that the last large scale outreach approach was wrong. He is looking for a new, more effective approach. Shulman mentioned that one way to educate municipalities is to work with the associations. Kostielney reiterated that her concern is that they do not have a way to communicate with the ratepayer. The workshop has to have an expected outcome. Isaac noted that, for example, Legal Services for Eastern Michigan doesn't know one thing about the UCRF. He feels the grassroots needs to be educated. Rose noted that it would be important to identify who is being represented so that people are aware that they may already fall under the umbrella. He thought perhaps Ms. Pollack and Ms. Parks and others receiving grant funding could provide a report on the extent of ratepayers who are being represented. Rose noted that no one is saying that the coverage is deficient. Isaac reinforced that education does not mean grant funding would be extended to multiple groups. It would raise awareness and perhaps, some needs would emerge or be better served. Isaac asked what the communication was between the attorneys and the organizations – how do they communicate with all of the groups under the umbrella? Shultz noted that he provides regular written reports to the CEO. Special reports and analysis of issues are developed periodically. They may monitor other cases and issue press releases concurrent with important developments. The organizations identify any of the issues that they want to pursue and use the attorney for technical support.

Kostielney noted that energy issues important to the person on the street, such as shut-offs, are not Act 304. She feels that it is not the purpose of the board to publicize the UCRF. Shulman suggested Wilsey look into the possibility of putting together an educational forum and report back to the board. Kostielney noted that she would want to see a proposed agenda before proceeding. She suggested contacting Mr. Pohl as to how to proceed.

IX. Next Meeting

The next regular meeting is scheduled Monday, February 2, 2009, 10:00 a.m., Ottawa Building, 4th Floor Training Room.

X. Adjournment

The meeting adjourned at 12:30 p.m.

Note: Complete transcripts of this meeting are available upon request.