

UTILITY CONSUMER PARTICIPATION BOARD

June 4, 2012

MINUTES

A meeting of the Utility Consumer Participation Board was held Monday, June 4, 2012 in the Ottawa Building, 4th Floor Training Room, Lansing, Michigan.

I. Call to Order

Jim MacInnes called the meeting to order at 11:07 a.m. Board members present: Jim MacInnes; Paul Isely; Susan Licata Haroutunian. Members absent: Conan Smith.

Others present: Michelle Wilsey, Board Assistant; Don Keskey, Michigan Community Action Agency Association (MCAAA); John Liskey, Citizens Against Rate Excess (CARE); Ken Rose (CARE); Bob Burns (CARE); Christopher Bzdok, Michigan Environmental Council (MEC); Ross Hammersley, (MEC); James Clift, (MEC); Donald E. Erickson, Assistant Attorney General; Shawn Worden, LARA Budget Services; Wes VanMalsen, LARA Procurement and Budget Services; Shawn Burgdorf, Consumers Energy; M. Bryan Little, Consumers Energy; Laura Rauch, MISO; Valerie Brader, Governor's Office; Sarah Himes, Executive Office; Steven Transeth, MI Transmission Customer Coalition; and Rod Williamson, Dow Corning (Telephonically)

II. Approval of Agenda

MacInnes discussed the structure of the meeting. He requested removal of the minutes from the consent agenda. Isely moved, second by Haroutunian and motion carried to remove the minutes from the consent agenda and to approve the remaining items in the consent agenda as presented.

MacInnes noted that in the last meeting there was extensive discussion of the DTE renewable energy reconciliation case (U-16357). Of particular interest was the cost of a new entry for power, depreciation schedules, etc. Pursuant to that he prepared an analysis and provided excerpts of reports detailing the back-up cost of wind power and presented it to the meeting. He noted the cost is approximately 4/10 of one percent per kilowatt hour and if you look at the proposed transfer price it is closer to zero. He offered it as a follow-up to the minutes of the last meeting.

Haroutunian moved, second by Isely and motion carried to approve the Minutes of UCPB Meeting 04/09/2012 with supplemental comments by MacInnes.

III. Board Education

Jim MacInnes introduced the board education session topic, "Understanding the Evolution of Regional Transmission for Michigan: Benefits and Costs." Presentations were given by: Laura Rauch, Electrical Engineer, MISO; Ken Rose, Independent Consultant and Expert Witness, CARE; and Steve Transeth, Representative of MISO Northeast Transmission Customer Coalition. The 25 x 2025 renewable energy proposal for Michigan was also discussed in the session. Presentations from the meeting and an excerpt of the transcript with complete comments and discussion during the board education session are attached and included by reference to these minutes.

IV. Business Items

1. MEC Grant Amendment Request – Addition of Attorney and Experts

Chris Bzdok introduced Ross Hammersley. He explained MEC’s amendment request was to add Mr. Hammersley as an attorney to work on UCRF grant approved cases. Initially he would work on Case U-16432-R and others as in a support capacity. His involvement may expand as needed. He described Mr. Hammersley’s qualifications and experience. Bzdok would continue to have primary responsibility on these cases. Bzdok also requested the addition of expert Patricia Richards and personnel from her firm, LaCapra Associates as approved experts on MEC’s UCRF funded cases. He noted that Patricia worked with MEC in the Consumers general rate case (funded by a partner organization). He was impressed with the work and felt this addition would provide flexibility and diverse skill-sets to draw on as needed. They again would work in a support capacity.

Isely moved, second by Haroutunian and motion carried to approve the MEC request to amend UCRF grant 12-01 with addition of attorney Ross Hammersley and expert witness firm LaCapra Associates for work on 2012 UCRF funded cases.

2. MCAAA Grant Amendment Request – Transfer of Funding

Keskey explained the purpose of the transfer request is to realign the funds based upon the status of the cases and where the most immediate effort needs to be applied in the next two months.

		Current Grant Amount	Transfer	Amended Grant Amount
Transfer To	CECO 16045-R	\$26,361	\$6,767	3,128
	DECO 16047-R	\$26,361	\$8,080	\$34,441
	DECO 16892	\$31,360	\$9,393	\$40,753
			\$24,240	
Transfer From	CECO 16047-R	\$26,361	-\$6,060	\$20,301
	MichCon 16146-R	\$28,221	-\$8,080	\$20,141
	CECO 16149-R	\$28,221	-\$10,100	\$18,121
			(\$24,240)	

Keskey noted that the primary purpose of the funding is for the briefing stage after the proposal for decision. An area of particular concern involves the transfer by Edison of major parts of its coal inventories to affiliates of DTE, the parent company, and in so doing, important production tax credits have essentially been diverted from what MCAAA claims would be an offset to the fuel and coal costs of the utility to the benefit of the parent holding company. Status of cases from which funds were being transferred were discussed.

Haroutunian moved second by Isely and motion carried to approve MCAAA request to amend UCRF Grant 12-02 with a transfer of funding in the total amount of \$24,240 from CECO 16047-R, MichCon 16146-R and CECO 16149-R to CECO 16045-R, DECO 16047-R and DECO 16892.

3. 2011 UCRF Annual Report

Wilsey presented the draft 2011 UCPB Annual Report to the board. She explained the structure and content of the report. She further explained the sources of information for all of the sections of the report. She recommended the board approve the draft for release for a two week public comment period. Haroutunian

moved, second by Isely and motion carried to accept staff draft of 2011 UCRF Annual Report for board review and to release it for a two-week public comment period.

4. Board Assistant Contract

MacInnes suggested that the new board take a fresh look at the board assistant contract. He asked Wilsey for input. Wilsey provided some discussion of the history, background and execution of the contract to date. MacInnes suggested creating a committee to review any issues related to the contract and to provide recommendations to the board at the next regular meeting. MacInnes moved second by Isely and motion carried to appoint member(s) Isely and Haroutunian to serve on a committee to review the board administrative and technical assistance contract and to formulate recommendations for the 2013 contract for board consideration at the meeting scheduled August 6, 2012.

V. Public Comment

Bzdok requested that a copy of the draft annual report be sent to grantees via email. He also commented that having a board assistant that focused on compliance but was also solutions-oriented was a benefit to UCRF grantees. Liskey concurred and noted that the processes of the board and grant program were far more efficient and effective now than prior to having a board assistant.

VI. Next meeting – MacInnes announced that the next meeting of the board was scheduled Monday, August 6, 2012, **11:00 a.m.**

VII. Adjournment – MacInnes adjourned the meeting at 2:00 p.m.

Recorded by:

Michelle Wilsey, Board Assistant

Utility Consumer Participation Board

Transcript available.