

UTILITY CONSUMER PARTICIPATION BOARD

October 1, 12:30 p.m.

Michigan Library & Historical Center

1st Floor, Lake Superior Room

702 W. Kalamazoo St., Lansing, MI

REGULAR MEETING MINUTES *DRAFT*

Present: Jim MacInnes (Chairperson), Paul Isely (Board Member), Brian Vilmont (Board Member), Sam Passmore by conference call (Board Member), Kelly Jo Kitchen (Board Assistant), Chris Bzdok (MEC), Don Keskey (RCG and GLREA), Jim Wilson (LARA), Jim Ault (Michigan Electric and Gas Association), Mike Moody (Attorney General), John Liskey (CARE), Emily Pallarito (Rivenoak), Lola Killy (RCG), Shawn Worden (LARA)

I. Call to Order and Roll Call of Members 12:40

- Approval of Agenda and minutes from August 27, 2018

Moved: Brian Vilmont, Seconded: Paul Isely
Motion Carried

II. Business Items

a. LARA Budget Update

Shawn Worden reviewed the financial report. Discussed moving funds from “unavailable revenues” to the amount owed to the Attorney General. Discussed the procedure for moving funds and how the budget allocation works.

- ##### b. Board Project: Paul Isely presented the proposal to the board. The Scope of work would entail: the types of cases the UCPB can participate in; how these types of cases affect the residential rate payer; the relative magnitude of the impact of these cases; and how these cases affect residential rate payers differently from other classes of rate payers. The Board would like to have the project awarded in January with the final product back to the Board by April 1, 2019.

Sam Passmore stated The Mott Foundation is in a position to help fund the project and make the grant to a third party directly. He added that he would like the project to look at the degree of difficulty vs. the payoff for residential ratepayer compared to the time it takes to make an impact on specific issues and if there is methodology that should be employed to reach favorable outcomes. Talking to the current grantees would be a good way of gathering information.

Jim MacInnes added that the person that gets this grant should look at the time frame of savings, do you look at the present value regarding the savings. Look at short term rates and savings as well as the discounted cash flow to the rate payers. The impact could go into the future.

Paul Isely stated that the qualitative aspect of the impact also needs to be looked at.

Mike Moody discussed how to move forward with this project

Sam Passmore stated, “If the Mott Foundation makes a grant for this work then Mott should be talking with the person doing the work.” Sam would work now until the December meeting with a small group and come to the board with a final package with the potential grantee to the meeting.

Mike Moody stated that since this an outside report that this should be fine. Discussion regarding the interview process for the person receiving the grant.

Jim Ault stated that The IPU may be in a difficult position because they are funded through the utility membership. Discussions should be made to make sure this is something IPU can do. A plan B may need to be on the back burner.

Jim MacInnes asked to hear from grantees about the idea of this project.

John Liskey stated that the non-profits that apply for grants have a lot of expertise that they present before the board regarding the answers being sought.

Don Keskey stated that the Board has historically provided education to the Board and that could be another avenue to achieve the desired result.

Chris Bzdok stated that he is supportive of this exploration noting that the reforms that have been implemented by the board previously have been very helpful as a matter of board governance.

Jim Ault stated that finding someone fully independent would be important and that there may be a new subsection of cases that may be legislatively approved for the Board to participate in coming soon.

Paul Isely stated that having this study done could be very beneficial to the new board coming in.

c. Attorney General: Reviewed which cases they would be participating in.

d. MEC

- DTE PSCR Plan Case, U-20221 (\$40,400) AG is in this case. This was presented initially at the FY 2019 case presentations. Principal issue is NEXUS and affiliate transactions in regards to the basis differences and transportation costs. MEC's expert is being proven correct as time goes on. Forwards market vs. ICF's numbers is discussed. There is 38 million dollars and change involved for the first 5 years and that is what the PSCR Plan case allows. PURPA issues are also being looked at.

Moved: Paul Isely, Seconded: Brian Vilmont
Motion Carried

e. RCG

Lola Killy gave an overview of what RCG is what they advocate for.

- DTE Rate Case, U-20162 (\$33,330) AG looks at the big bucket issues. Projected test year issue, tree maintenance, time of use rates
- Electric Service Outage Case, U-20147 (\$1,818)
Review and comments are due Friday. Emphasis is reduction of service outages.
- DTE Electric PSCR Case, U-20221 (\$16,665) AG is in this case. Looking at costs from MISO and efforts to renegotiate contracts in lieu of the tax law.

Moved: Paul Isely, Seconded: Brian Vilmont
Discussion: Provisions in the contract for renegotiating question.
Motion failed

- DTE Refund of Self Implementation U-18255/U-20258 (\$3,333) AG, the statute spells out how the refund should be paid back.

Refunds around 65 million each, RCG wants to monitor the interest rates and the timeliness of the payments and how it is distributed between the classes.

- CECO Refund of Self Implementation U-18322/U-20275 (\$3,333)
See above.
- CECO IRP Case, U-20165 (\$26,664) AG is in this case.
Issues: PURPA pricing, competitive bidding

Moved: Jim MacInnes to focus on Purpa pricing and competitive bidding issues amended amount for (\$20,000), Seconded: Paul Isely
Motion carried

- CECO and DTE Credit B Tax Cases, (gas and electric) \$15,150
AG: The A and B cases move pretty fast and AG will use an expert. The C cases are where the big money is and will be a bigger case.

Moved: Paul Isely, Seconded: Brian Vilmont
Discussion:
Support: Paul Isely, Brian Vilmont Opposed: Jim MacInnes
Motion Carried

f. GLREA

- Request to add an expert Craig B. Toepfer for the EV issues.

Moved to table until December meeting: Paul Isely, Seconded: Brian Vilmont
Motion carried

g. CARE

- UPPCO RDM Case, U-20150 (\$25,000)
There was another case that Embridge won regarding unlawful surcharges and it referred the case back to the MPSC to see what the refund would be and a settlement was achieved cutting out the residential rate payer and the docket was closed. CARE filed an appeal. Could be a \$600k to 1 million in savings back to rate payers.

Moved: Paul Isely, Seconded: Brian Vilmont
Motion carried

III. Reports

- Grantees
CARE: UPPCO rate case filed. Looking at the cost allocation design looks favorable to the residential rate payers. 10.5% return on equity is still too high.

RCG: U-18411 returning some money back to the fund.

IV. Public Comment

V. Next meeting: December 3, 2018

VI. Adjournment 4:25
