Minutes of the
Pennsylvania Public Utility Commission’s
Consumer Advisory Council

Meeting of March 25, 2008

P.O. Box 3265
Harrisburg, PA 17105-3265

www.puc.state.pa.us

Call to Order and Introductions

Rick Hicks called the meeting to order at 10 a.m. in the Executive Chambers of
the Public Utility Commission. The Council approved the Jan. 15, 2008, minutes
with Joe Capozzolo abstaining.

Attendance

The following members of the Council were present:

Rick Hicks, Chairman
Robert Christianson, Vice Chairman
Joe Capozzolo
Robert Dampman
Cindy Datig (telephone)

John Detman
Dan Paul
Lee Tolbert (telephone)
Joe Toner

The following members of the Council were unable to be present:

Richard Adams
Harry Geller
Tom Leach

Joe Minott
Linda Roth
Howard Shakespeare

Public Utility Commission Staff present:

Mary Beth Osborne, Vice Chairman Cawley’s Office
Tom Charles, Office of Communications
Jim Rowland, Office of Communications
Lori Shumberger, Office of Communications
Heidi Wushinske, Law Bureau
Dan Mumford, Bureau of Consumer Services
Dan Searfoorce, Fixed Utility Services

Guests Present:

Susan Henry, Office of Consumer Advocate
Sue Wilson, Department of Environmental Protection
Dan Mumford from the PUC’s Bureau of Consumer Services (BCS) provided an update on these issues.

The termination and reconnection reports are in the packets for the month of February. The handouts reflect the year-to-date and latest termination and reconnection numbers.

The winter termination requirements are in place. There were not many terminations done in February.

Dan Mumford said the winter termination regulations will be ending on March 31. Utility companies will be able to terminate customers easier. Rich Hicks asked if the PUC expects to see a spike in April’s termination numbers. Dan Mumford stated yes, there will be a spike but the numbers will not be out until May. Rick Hicks questioned if some of the utility companies have given the PUC a heads up on high terminations for April. Dan Mumford said that Penelec group has stated they will be doing an aggressive collection campaign that could lead to high termination numbers.

Cindy Datig said First Energy is directing customers who are eligible for the Consumer Assistance Program (CAP) program and are using the hardship funds, which should be reserved for customers who are not eligible for CAP. Those receiving grants are either over 150 percent of the federal poverty level or not eligible for CAP. The CAP program offer long term benefits as opposed to the one time grant for the hardship program.

Dan Mumford said CAP was published in the Pennsylvania Bulletin on Feb. 9. The deadline for parties to make comments is due on April 9.

Chapter 56 rulemaking could be passed at an upcoming public meeting.

Tom Charles said, at the last meeting, the CAC passed a motion to recommend that the Commission disseminate the utilities responses to the Commission’s letter asking them to take extra steps to help consumers to prepare for the higher costs for winter heating. The request was taken to the Commissioners’ Offices to consider a draft press release on the utilities response letters back to the Commissioners. If the press release is approved, the Office of Communications would distribute the release and work with BCS to post the matrix on the PUC’s Web site.

The Law Bureau’s position is that this information should not be posted on the Web site. Letters were directed to the Commissioner’s Offices and that the companies did not write them with the intent that the letters or their contents
would be made public. The Law Bureau is concerned that publishing the information from the letters, via the matrix, could have a chilling effect on future communications from the companies. The Commissioners agreed with the Law Bureau, that the response letters were not written to be made public.

The Commission does not intend to release the companies’ responses.

Rich Hicks asked if what the Council has heard prior about these letters cause any problems with the Commission. Heidi Wushinske said the Commission is fine about the Council knowing, but will not publish this information to the Web site.

Lee Tolbert asked if the Commissioner’s letter was published beyond the utilities. Rick Hicks said the Commissioner’s letter was in a press release and on the Web site but not the utilities’ responses. Lee Tolbert asked if a summary of the responses be posted to the Web site and not identify the utilities.

After more discussion, Rick Hicks asked if the Council should continue to see if the Commission would allow the responses or a summary be posted or let the issue go. Robert Christianson said to let the issue go. Rick Hicks asked if the Commission could let consumers know that some of the utilities had responded to the letter. Tom Charles said he would take the request back to the Commissioners and Commission.

Emergencies and Reliability

Dan Searfoorce, the Emergency Preparedness Coordinator (EPC), from the PUC’s Bureau of Fixed Utility Services (FUS) provided an update on this topic.

Dan Searfoorce said FUS serves as the principal point of contact with electric, telephone, and water/wastewater (investor-owned) utilities for reporting emergency incidents and/or problems at a nuclear power station. FUS is also responsible for staffing the State Emergency Operations Center (SEOC) during emergency activations.

Rick Hicks said the PUC doesn’t regulate all utilities. Dan Searfoorce stated that was correct and, if a consumer has a problem with utilities that we don’t regulate, they should call DEP.

The Bureau of Transportation and Safety (T&S), has responsibilities in gas, railroad, and motor carrier safety and compliance enforcement. They are the principal point of contact for those emergency incidents and/or problems.

Joe Toner asked what Dan Searfoorce was trained to handle. Dan Searfoorce said he acts as a liaison between the utilities and the Pennsylvania Emergency
Management Agency (PEMA), the Counties, Municipalities and the 911 centers that are involve with the incident or problem. Will also keep the Commission and Communications appraised of what is happening. Need to make sure the utility company is communicating and working with the counties.

The Emergency Preparedness Coordinator (EPC) acts as the main point of contact for FUS and is the lead Emergency Preparedness Liaison Officer (EPLO) with the Pennsylvania Emergency Management Agency (PEMA). There are also PUC PEMA EPLOs for Gas, Rail and Motor Carrier that function in the same manner as the EPC.

If a major storm is reported to be heading for Pennsylvania, there will be a conference call with all EPC participates in a pre-event conference call with PEMA, the National Weather Service and other state agencies. At that time, the decision is made who will be handling certain responsibilities during the storm. The EPC will notify the utilities of the impending storm and require about their preparedness. During and after the storm, the utilities will alert the EPC to any significant outages or damages. If there is significant damage caused, the SEOC may be activated to a level where the EPLOs would staff a station.

The EPC and other PUC EPLOs will monitor the utilities' response to ensure that utilities are restored as quickly as possible in a safe manner to both the public and utility workers.

If there will be significantly outages due to the damage done by the storm, the EPC staff will work with the municipalities to ensure there is resources made available to the public.

After the storm, utilities must file an outage report to the PUC for any area that has 2,500 or 5 percent, whichever is less, of customers that were without service for more than six consecutive hours under the 52 PA. Code § 67.1. The PUC staff will review the outage reports and determine what was handled correctly and what areas will need to be corrected before the next incident.

Joe Capozzolo stated the presentation was mainly about storms. Does this position handle homeland security? Dan Searfoorce said yes, but he works with PEMA. Home land security is under PEMA's jurisdiction now. Joe Capozzolo asked what his responsibilities would be. Dan Searfoorce stated he would let the security contact person for each utility know of the impending threat. The state could activate the SEOC. Rick Hicks asked if utility service issues were the only thing Dan Searfoorce would handle. Dan Searfoorce said no, the focus would be to get service back up, but also help other state agencies to keep the population informed.

Robert Christianson asked Dan Searfoorce if he was involved with utilities on where they received their extra help from to restore service. Dan Searfoorce
said most utilities receive help from their mutual aid companies. The mutual aid companies are the companies not in the storm-damaged area.

Robert Christianson asked if there are training drills that the emergency preparedness staff takes. Dan Searfoorce said yes the staff has drills for all types of emergencies.

Rick Hicks asked: do utilities have to file emergency plans to the PUC? Dan Searfoorce said each utility must file four plans with the PUC. Some plans are sent in with the utility assessments. The utilities must send in documentation that the plans exist and have been tested.

Tom Charles said PUC staff will work all night staffing PEMA during an emergency. The PUC staff works with the utilities and the Commission to keep the public and Commission informed of outages and other possible problems.

Joe Toner said the future problem will be the aging lineman or the lack of new recruits to handle upcoming disasters. Rick Hicks agreed with this is a large problem. Someone needs to make the utilities handle this issue.

Joe Toner asked if the Council can make the suggestion to the Commission to move forward on utility infrastructure plans. Dan Searfoorce said the concern about the aging linemen force has been addressed. Companies are trying to hire new linemen.

**Consumer Education and Annual Report**

Tom Charles said the Commission is in process of reviewing the electric distribution company (EDC) consumer-education plans and will go to a public meeting as a Tentative Order. Once they vote on each plan, the public will have a comment period after the Tentative Order is published. A copy of the Web site for the EDC plans is in your packet.


The PUC will commemorate the National Drinking Water Week during the week of May 5. The Council is invited to attend the activities. When the dates and details are finalized, the Council will be emailed.
Special Session on Energy Policy Update

Tom Charles said he was serving as June Perry for the day. There are two handouts in the packets; one is a press release about State Rep. Camille George for Special Session HB 54 and the other is the list of Special Session bills. The Commission will not be testifying at the SS HB 54 hearing.

The Special Session HB 1 was passed on March 11. This bill deals with indebtedness by the Commonwealth Financing Authority not to exceed $600 million to the Energy Development Fund and $250 million to the Clean Energy Program. The bill would also create the Energy Development Authority, and provides for its Board of Directors and powers and duties. This bill is now in the Senate Energy Policies Committee.

The House is likely to take up Special Session HB 13 (amends AEPS) and Special Session HB 16 (creates a state energy office in the Governor’s Office) when the House returns to session next week.

Rick Hicks asked if any of the Special Session bills have moved out of either committees. Tom Charles said that some of the bills have been passed by the House and some by the Senate, but none have been passed by both.

Transmission Line Update

Heidi Wushinske from the PUC Law Bureau was asked to give an update on this issue. News clips were passed out.

There are a few updates from the last meeting. Evidentiary hearings in Pittsburgh started on Monday, March 24. The hearings are scheduled from March 24 through April 11. There will be three expert witnesses who will testify about the project.

There were over 60 people attending the meeting wearing shirts and holding up signs against the project. West Virginia and Virginia are further along in their approval process. WV is expecting a decision on May 2. VA filed an appeal against National Interest Electric Transmission Corridors (NIETC) on March 20.

In February, state Rep. DeWeese announced that he was calling for a federal investigation into the implementation of Energy Policy Act of 2005. Rep. DeWeese said the federal law “has the potential to disrupt the fundamental balance of power between local, state and federal government in land use issues.” The letter had 39 signatures of state House members. For more information, see www.pahouse.com/deweese/powerline.asp.
U.S. Senator Casey has an online petition to oppose the power line on his Web site.

The U.S. Department of Energy declined rehearing on its designation of the NIETC earlier this month.

Rick Hicks asked if the hearings and petitions were only for the Allegheny line. Heidi Wushinske said she was not sure and would check.

Cindy Datig asked, if the federal government decides to allow the transmission lines to continue, does the PUC have the right to question their decision. Heidi Wushinske said Pennsylvania still has a chance to decide the sites of the lines. The federal government could still veto our decision.

Rick Hicks said the federal government has the rights to approve the Allegheny Power Line if the PUC decides against this. The PUC can make suggestions on the route of the transmission lines.

Cindy Datig asked if the public has an opportunity to voice their concerns at the hearings. Tom Charles said the public had the opportunity at last year’s input hearings, but not at the evidentiary hearings. Heidi Wushinske said the Office of Consumer Advocate is participating in the evidentiary hearings.

Cindy Datig stated she would like more information on the transmission lines. Robert Christianson asked for Rep. DeWeese’s Web site again. Heidi Wushinske provided the address.

**Discussion of Council Priorities**

Rick Hicks said DSIC, is the distribution system improvement charge. Currently, this is a water surcharge to upgrade pipes. The natural gas companies want to start a similar program to help upgrade their lines. Rep. Evans has House Bill 41 and Rep. Preston has House Bill 40, on this issue. Chairman Holland attended a press meeting with both representatives on this issue. Representative Preston has also introduced a House bill for sewer companies, not sure what the house bill number is. The infrastructure has deteriorated from years of usage and needs to be addressed. Lee Tolbert asked for a copy of House Bill 40, 41 and the sewer bill for the Council. Tom Charles said he would look into this for the Council.

Joe Toner asked if utility companies can ask for a rate increase to cover the cost of the pipeline replacement. Rick Hicks said yes, but the utilities would have to do a rate increase case through the PUC. It would be better to have the DSIC charge.
Lee Tolbert brought up that Chairman Holland’s term is up in April. Tom Charles said yes, his term will be up on April 1. But Commissioners whose terms expired can remain in office for six months after the expiration of his or her term pending renomination or the nomination and confirmation of another Commissioner. Lee Tolbert asked if the Council could send a letter to the Governor asking that Chairman Holland be reinstated for another five years. Tom Charles said individuals Council members can send a letter to the Governor.

The request was made to have someone come and speak on the aging utility work force at the next meeting. Tom Charles said he would see if Darren Gill, from the Bureau of Conservation, Economics and Energy Planning (CEEP), could address this issue.

Cindy Datig mentioned that LIHEAP was going to close with over $20 million left. The state has chosen to carry the money over for next year. There are many consumers that could have benefited from this money and this is a concern. Tom Charles said he would ask Mike Smith from the Bureau of Consumer Service to attend the next meeting.

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**Future Agenda Items**

- Chapter 14 and Chapter 56 Updates;
- Special Session on Energy Policy;
- Stakeholders Meetings on Consumer Education for Potential Electric Price Increases and Energy Conservation;
- Transmission Lines;
- Electric Reliability and Aging Work Force; and
- Council Priorities.

The next meeting for the CAC will be held at 10 a.m. on May 27, 2008, in the Executive Chambers of the Commonwealth Keystone Building.

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