

**Minutes of the  
Pennsylvania Public Utility Commission's  
Consumer Advisory Council**

**Meeting of May 22, 2007**

P.O. Box 3265

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Harrisburg, PA 17105-3265

**Call to Order and Introductions**

Joe Capozzolo called the meeting to order at 10 a.m. in the Executive Chambers of the Public Utility Commission. Related to the minutes, Lee Tolbert said he was not asked questions at the input hearing. Howard Shakespeare noticed his name was under the not present section and he attended the last meeting. The Council approved the amended April 24, 2007, minutes.

**Attendance**

The following members of the Council were present:

Joe Capozzolo, Chairman  
Diana Bender  
Robert Christianson  
Cindy Datig (telephone)  
John Detman  
Harry Geller

Tom Leach  
Cheryl McAbee  
Dr. Dan Paul  
Linda Roth  
Howard Shakespeare  
Lee Tolbert

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

Rick Hicks, Vice Chairman  
Joe Dudick  
Joe Minott

Liz Robinson  
Courtney Yelle

Public Utility Commission Staff present:

Teri Mathias, Chairman Holland's Office  
Wayne Scott, Law Bureau  
Tom Charles, Office of Communications  
Lori Shumberger, Office of Communications  
Dan Mumford, Bureau of Consumer Services  
Eric Jeschke, Bureau of Fixed Utility Services  
Darren Gill, Bureau of Conservation, Economics & Energy Planning

Guests Present:

Heather Yoder, Office of Consumer Advocate

## Chapter 14/Chapter 56 Update

Dan Mumford from the PUC's Bureau of Consumer Services (BCS) provided an update on Chapter 14. The normal three handouts are in the packets for the month of April. The handouts reflect the year-to-date and latest termination and reconnection numbers.

These numbers are the first month of regular termination requirements. If you look at the 2006 to 2007 month of April, you will notice that UGI Penn Natural went from 129 terminations in April 2006 to 1,044 terminations in 2007. The 2006 numbers were low because PG Energy was being bought out so they didn't terminate many consumers. Dominion People were also in the process of being bought out last year. Dominion's numbers are higher this year as well. The 2007 termination numbers for April 2007 are still lower than last year.

The collection data for biennial report is posted on the Web site for 2006. The first report was due in April, 2006. This report is for the whole year of 2006. The annual reporting will continue through April 1, 2014.

Dan Mumford gave a follow-up from last month's meeting on the NFG petition on whether the Commission has the right to give a payment agreement. This issue has been postponed for the last two public meetings and is tentatively on the May 30 public meeting.

Dan Mumford said he would keep the Council apprised of the decision.

Dan Mumford said the Chapter 56 rulemaking should be final sometime later this year. The Commission is going through all of the comments. A copy of Appendix A is in the packets. These are the first two issues that were to be commented on.

The first issue is on the Protection from Abuse (PFA) Order. The Chapter 14 rules do not apply to PFA victims. In Chapter 56 rules, this rule was excluded. The comments that were received back were 50 percent to include the PFA order in Chapter 56 and 50 percent to keep Chapter 56 as is. The Commission is still reviewing their options.

Linda Roth asked if the number of PFA victims were known. Dan Mumford said, in the past year, there were fewer than 20 cases and must be protected.

The second issue is on make-up bills for unbilled services resulting from a billing error, meter failure, or four or more consecutive estimated bills. The Commission proposes to incorporate a four-year limit on such billings. Most comments came back favorable for this issue.

Robert Christianson asked if the reply comments are confidential or public. Dan Mumford said the comments are public.

Dan Mumford said he would keep the Council updated on each of the issues.

## **Telecommunications Relay Service/Landlines Presentations**

Eric Jeschke from the PUC's Bureau of Fixed Utility Services (FUS) was invited to give a presentation on Telecommunications Relay Service (TRS) and the relationship with the number of landlines. He passed out a handout and a spread sheet on what he was going to talk about.

Eric Jeschke went over his experience dealing with the annual TRS surcharge and other related issues. He is currently appointed to the PA TRS Advisory Board representing the PUC. Diana Bender is the Chairperson for the TRS Board. He is also appointed to the National Association for State Relay Administration (NASRA).

The excel spread sheet details the TRS surcharge periods from 1999 through 2008; the number of residential and business lines; and the access lines and related surcharges. There isn't a surcharge for Fiscal Year 2007 – 08. The Commission has not reviewed or approved the order yet.

Joe Capozzolo said more homes are being built, but the access line numbers have decreased. Eric Jeschke said the telephone companies started calling their lines data lines. There needs to be a new definition of access line. Also, consumers are using their wireless service and not applying for landline services.

The increase in 2001 – 02 phone lines was due to most homes having a second line installed for their Internet dial-up or fax machines. Now the consumers decided the additional expense for the second phone line is not worth maintaining with all the other improved line/speed technologies available.

Diana Bender mentioned that residential and business surcharges have changed over the last 10 years. The business surcharge was double the residential surcharge in 1999 – 2000. Now the surcharges are 1 cent different. Eric Jeschke said the Commission wants a more one to one ratio compared to the two to one ratio back in 1999.

Dan Paul said consumers don't make a profit gain where businesses do. If the access line isn't defined correctly, how does the Commission know if the businesses are paying their fair share? Eric Jeschke said that is one reason the definition needs to be updated.

Diana Bender said the funding for TRS is unfair to landline users. The wireless phones don't have to pay into the fund. Virginia implemented a communication tax that all users must pay whether landline or wireless user. Pennsylvania may implement this tax as well. Eric Jeschke said the FCC is reviewing that issue.

Lee Tolbert questioned if the Council should make a recommendation to the Commission to clarify what an access line is. Dan Paul volunteered to write a motion and email it to Chairman Joe Capozzolo requesting the Commission to review and update the definition of what an access line is to meet present-day standards.

## Reliability and Emergencies

Darren Gill from Conservation, Economics and Energy Planning (CEEP) was invited to talk on reliability and emergencies. He handed out a spread sheet on Pennsylvania electric distribution company (EDC) reliability data.

Darren Gill asked if there are any specific issues that the Council had. Tom Leach asked if FirstEnergy was meeting their standards. Darren Gill said no.

The two charts represent the performance benchmark. The performance benchmark is the level of performance that the EDC should strive to achieve and maintain. The black numbers are between the benchmark and standard. The green numbers are better than the benchmark. The red numbers are worse than the standard. The charts on the left side are for 2006. The charts on the right side are for three-year averages. This is the first time the Commission could do the three-year benchmark chart.

Darren Gill went over some of the companies and their performances. He explained the work the Commission has been doing with the companies that are below the standard. How some companies were below the standard and after a few years working with the Commission, the company performance has improved.

Tom Leach asked the name of the auditor for Met-Ed. Darren Gill said he wasn't sure of the company's name. Tom Leach asked what the auditors were looking for. Darren Gill said he gave them a list of all the problems that the Commission has dealt with. They are to review the company from the top, management, all the way down to laborers. The auditors must go into the field and do line and pole checks to verify the company has completed the required work, review their customer service departments and verify everything they have told the Commission they have done to improve their reliability.

Tom Leach asked about the 2007 Summer Reliability Meeting and who is the lead person for the meeting. Darren Gill said he is the lead person for the meeting and this year's format will be different than past years.

Dan Paul said when a snow storm hits in Schuylkill County; PECO's electric is always down. Darren Gill stated most companies seem to have this problem and the PUC has discussed whether to have the auditors look into the problem with all companies.

Tom Leach mentioned that PPL in the Pocono area has line damage due to tree limbs or downed trees. Does the PUC track these outages? Darren Gill said the PUC does require the companies to report when lines are down and the reason for the incident.

### **Proceeding on Potential Electric Price Increases**

Tom Charles said the Final Order, Chairman Holland's Statement, Commissioner Fitzpatrick's Motion and the press releases on Policies to Mitigate Potential Electricity Price Increases are in your packets.

Page 3 of the Order, contains the comments to the Tentative Order directing a potential \$5 million consumer education campaign. Commissioner Fitzpatrick's Motion was incorporated into the Order and he believes it isn't necessary to reactivate the Council for Utility Choice (CUC) but the Commission's Office of Communications is to convene interested stakeholders within 60 days to begin developing the campaign.

Page 5 of the Order, lists the plan to implement the consumer education. Under the plan, the state's Electric Distribution Companies (EDCs) also will implement consumer-education plans for their service territory that will help mitigate the impact of price increases or educate customers about energy conservation and efficiency, and demand side response. These plans must be submitted to the Commission for approval by Dec. 31, 2007.

The Office of Communications sent out a letter to stakeholders for the upcoming June 19 meeting to develop and implement a statewide education campaign. The purpose of the meeting is to lay the groundwork for subsequent meetings, solicit initial feedback from participants, and begin to draft an implementation plan for the campaign.

The Commission is seeking approval of these costs from the Governor and Pennsylvania General Assembly as part of its budget request.

Page 9 and 10, under Statewide Education Campaign, identifies the issues that will be reviewed at the stakeholders meetings.

Page 11 explains the issue of cost recovery by the electric companies. The bottom of Page 11 explains the Commission's view on not reactivating the CUC.

Page 12 addresses the scope of the campaign that the Office of Communications and stakeholders are to develop while examining the best consumer-education practices from other states.

Harry Geller requested the letter for the first stakeholder meeting on consumer education be sent to the Council. Tom Charles said he will send the letter to all the Council members. Robert Christianson asked if more Council members should be attending these meetings. Tom Charles said Harry Geller, Cindy Datig and Liz Robinson are already attending the meetings.

### **Updates – Party Status Policy Statement/List of Major PUC Proceedings/Water Week/Membership**

Tom Charles said he was still working on the party status policy statement to get the Council an answer from the last meeting. He is still working on the list of major PUC proceedings with the type of cases. He hopes to have the answers to these issues by the next meeting.

Tom Charles said the National Drinking Water Week was held at the beginning of the month. He thanked both Joe Capozzolo and Cindy Datig for attending the media event. The four major water companies spoke about their low-income programs. Their program summaries are in your packet.

Tom Charles brought up two issues on memberships. The first issue is on the Commission. The Governor nominates commissioners for a staggered five-year term. After being nominated, they must be confirmed by a majority of the senate. The Governor also names the Chairman of the Commission.

Chairman Holland has been renamed as the Chairman by the Governor. There is a news clip in your packets.

Also, Commissioner Shane's term expired April 1, 2006 and no one has been reappointed to his spot. Commissioner Pizzingrilli's term expired this April 1, 2007. A Commissioner can stay up to six months after their term expires. The Governor has not announced a replacement for either spots or renominated either of them, which the Governor can do.

Tom Charles said he would keep the Council apprised of any nominations.

The other issue is the Council's membership. The Council membership is a two-year term. The current term will be ending on June 30, 2007. He plans to ask the Commission to take action in June to appoint members to the Council for a two-year term ending on June 30, 2009.

The Commission has sent letters to the Governor, the Lieutenant Governor and the Majority and Minority members of our oversight committees, to ask for appointments or reappointments to the Council.

Tom Charles will be asking each Council member appointed by the Commission to let he know today, if possible, if you do not wish to be considered for reappointment for the next two-year term.

Joe Capozzolo asked if the term was a staggered term or was everyone on Council term up. Tom Charles said that everyone's term will be up.

### **Other Council Priorities**

Dan Paul brought up the wind-power generation and ecological concerns about the harm caused to the bird species. When the Council had someone come to talk about wind power in the past, the person said they were researching the impact the turbines have on wildlife.

Especially with Hawk Mountain, the migration numbers of raptors were the highest in the last 20 years. From Hawk Mountain, you can see 13 wind turbines located on Locust Mountain. The placement of these turbines follows the migration route of the raptors, along with other birds.

The turbines have presented a threat to birds and wildlife. Other agencies are concern and working on this problem. There is an agreement with the Pennsylvania Game Commission and 12 of the major wind-energy development companies.

Should there be mandatory turn-off during the migration season? Or have them shut down? The migration schedules of the birds are well-known and can be predicted almost to the hour.

Dan Paul requested sending a letter to someone from Hawk Mountain to come and talk to the Council on this issue. Can the Council look at this situation?

Tom Leach stated he is concern about the situation, but would not want to put restrictions on the turbines. They only operate 15 percent of the time. There are already large restrictions on where these sites are to be located. Transmission lines cause more harm. Not sure if this is an issue for the Council.

Dan Paul said other agencies are discussing this and are suggesting alternatives. Harry Geller said the Pennsylvanian Game Commission's press release addressed most of the issues. They are already reviewing surveys.

Joe Capozzolo said the Council should not take any action today but will continue to follow the issue.

Tom Charles said he is still seeking a presentation on House Bill 824 for next month.

Harry Geller asked if the Council could have another presentation on InfoMAP. He would like to see how consumers will be able to participate for electronic filing.

### **Future Agenda Items**

- Council Membership;
- Chapter 14 and Chapter 56 updates;
- Telecommunications Relay Service/Landlines;
- House Bill 824;
- InfoMAP and Electronic Filing;
- Transmission Lines;
- Stakeholders Meetings on Consumer Education for Potential Electric Price Increases;
- UPDATES – Party Status Policy Statement/List of Major PUC Proceedings; and
- Council Priorities.

The next meeting for the CAC will be held at 10 a.m. on Tuesday, June 26, 2007, in the Executive Chambers of the Commonwealth Keystone Building.

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