Minutes of the Commission Meeting  
PowerForward: Ratemaking and Regulation  
Week 2, Day 2  
March 21, 2018 – 9:00 a.m. – 4:30 p.m.

Present:

Asim Z. Haque, Chairman  
M. Beth Trombold, Commissioner  
Thomas W. Johnson, Commissioner  
Lawrence K. Friedeman, Commissioner  
Daniel R. Conway, Commissioner  
Howard Petricoff, Chief Analyst  
Krystina Schaefer, Grid Modernization & Security Section, Rates and Analysis Department  
Jacob Nicodemus, Reliability and Service Analysis Division, Service Monitoring and Enforcement Department  
Craig Smith, Reliability and Service Analysis Division, Service Monitoring and Enforcement Department  
Matt Snider, Regulatory Services Division, Rates and Analysis Department

The Commission met for the purpose of the third phase of PowerForward.

The meeting began at 9:00 a.m. in Hearing Room 11-B at the offices of the Commission.

1. Regulatory Assistance Project: Recommendations  
David Littell, Principal, Regulatory Assistance Project  
Mr. Littell provided recommendations regarding ratemaking to address the changing electricity market.

2. Ratemaking: Introduction  
Doug Scott, Vice President, Strategic Initiatives, Great Plains Institute  
Mr. Scott discussed crafting performance measures with the desired outcomes in mind.

3. Ratemaking: Methods for Cost Recovery  
Sonia Aggarwal, Vice President, Energy Innovation  
Ms. Aggarwal suggested regulators and utilities address information asymmetry and the proper alignment of financial incentives.
Ryan Katofsky, Vice President, Industry Analysis, Advanced Energy Economy
Mr. Katofsky gave a presentation on options to build upon to the traditional cost of service utility business model.

Doug Lewin, Vice President, Regulatory Affairs & Market Development, CLEAResult
Mr. Lewin discussed the importance of regulatory innovation.

The meeting took a break at 12:30 p.m. and resumed at 1:45 p.m.

4. Ratemaking: Stakeholder Perspectives
   Joe Oliker, Senior Regulatory Counsel, IGS Energy
   Mr. Oliker gave a presentation on ratemaking in the modernized grid.

   Sharon Schroder, Director, Regulatory Affairs, Dayton Power & Light
   Ms. Schroder presented on ratemaking modifications essential for utilities to meet their customers’ desires.

   Raja Sundararajan, Vice President, Regulatory Services, AEP
   Mr. Sundararajan provided suggestions of ratemaking principles for the integrated grid.

5. Ratemaking: Stakeholder Perspectives
   Sonny Fanelli, Director, Rates & Regulatory Affairs – Ohio, FirstEnergy
   Mr. Fanelli provided comments on the future electric grid and ratemaking construct.

   Maureen Willis, Senior Regulatory Counsel, Office of the Ohio Consumers’ Counsel
   Ms. Willis gave a presentation on the residential consumer perspective of ratemaking.

   Kerry Stroup, Manager, Legislative and Regulatory Affairs, PJM Interconnection
   Mr. Stroup discussed PJM’s interaction with DERs.

The meeting adjourned at approximately 4:45 p.m.

[Signatures]
Chair
Secretary