

Initial Meeting with Attorneys

Monday, December 21, 2015, 2:00 PM

Williams Case Class Benefits Fund Discussion

www.dukeclassaction.com

ATTENDEES:

Board Members

Brewster Rhodes - brewohio@gmail.com (513) 324-1678

Debbie Brooks – dbrooks@YWCACIN.org

Kathy Merchant - kathy.merchant@gmail.com

Mark Shanahan - mark.shanahan@newmorningenergy.com (614) 570-8788

Kevin Bright - kevin.bright@duke-energy.com (513) 287-3861

Attorneys

Paul DeMarco - Plaintiff's Attorney - demarcoworld@yahoo.com

Bill Markovits - Plaintiff's Attorney - bmarkovits@msdlegal.com

Randy Freking - Plaintiff's Attorney - randy@fmr.law (513) 721-1975

Jim King - Defendant's Attorney - jking@porterwright.com

Not in Attendance

Frank Volpe - Defendant's Attorney - fvolpe@sidley.com

Ariane Johnson - Defendant's internal counsel - ariane.johnson@duke-energy.com (317) 838-1235

Overview from Attorneys

- Original lawsuit filed 8 years ago
- Attorneys worked together to reach settlement
- From now until the end of March, Class Participants have option to file comments/objections to settlement agreement
- Funding is in place to begin work by the Board, even before settlement is approved by the Courts
- Committee needs to help set framework for how funds will be distributed
- April 18th - "Fairness Hearing" before final approval of Stipulation & Agreement
- Any funds not used/distributed through direct claims of Residential (\$25M) and Non-Residential (\$25M) funds should be distributed directly to class members through Class Benefit Fund (CBF)
- Work that is done needs to represent the work of the CBF Board

Board Member Introductions

- Kathy Merchant - recently retired CEO of Cincinnati Foundation
- Debbie Brooks - EVP of YWCA of Greater Cincinnati
- Mark Shanahan - Consultant for municipal aggregation and solar energy - used to work for State of Ohio - was Strickland's energy advisor and helped shape creation of SB221
- Brewster Rhodes - resident of Cincinnati for 35 years - worked for Strickland - 2011 took over Green Umbrella - retired 5 months ago and now running his own consulting company
- Kevin Bright - works for Duke Energy - responsible for design, implementation and operation of energy efficiency programs serving Duke's 23+ million customers across 6 states

Open Discussion

- Judge has finalized appointments to the CBF Board
- CBF Board needs to devise programs, projects and opportunities to distribute funds
- How much money? \$1M in escrow for administrative fees and for providing notice to class participants - part of the funds goes to fees and expenses
- Initial program funding will be \$8 million
- Anything not spent by Residential Class Fund (\$25 million) and Commercial & Community Class Funds (\$25 million) will revert over to the CBF to be distributed by the Board
- Attorneys anticipate fund claim to residential customers would be between \$40 to \$400 per customer
- Claims Administrator has indicated that 5-10% claims rate may be all that we see
- Original \$8 million is to be paid out in 2 equal installments of \$4 million each
- Expectation is that Court will issue ruling fairly quickly after April 18th meeting
- Paragraph 19e - Committee will terminate on the 5th anniversary of the Effective Date, with the Effective Date being after all hearings, objections and motions are finalized
- The Court has to approve all payments from escrow to programs
- All Board decisions have to be approved by the Court
- The CBF Board needs to establish a Conflict of Interest Policy
- Goal is to have first face-to-face meeting in January (note: first meeting set for January 14th from 2 PM to 5 PM)

Who are the Class Members?

- Residential customers from 2005 to 2008
- Have identified about 400,000 of about 1 million potential customers
- Claims Administrator has a database of customers that are eligible program participants
- Non-Residential Customers
- Have a database similar to residential customers
- Excluded from Class Membership are the customers that received payments that were the subject of the lawsuit
- Refer to Guidelines document provided by Paul DeMarco for types of potential customer projects
- Programs will be stronger if they have the support/buy-in from the community
- Could add section to www.dukeclassaction.com website for people to submit ideas/suggestions
- Everyone BUT Kevin will need to track time as they WILL be paid for their work on the Board
- Everyone (including Kevin) needs to track expenses as everyone will be reimbursed for out-of-pocket expenses
- Preliminary outline is due by early March

First Board Meeting

Thursday, January 14, 2016
2:00 PM to 5:00 PM EST
Freking Myers & Reul
525 Vine Street, 6th Floor
Cincinnati, OH 45202

Second Board Meeting

TBD - targeting week of February 1st