



Janine L. Migden-Ostrander
Consumers' Counsel

**MINUTES OF THE
TWO HUNDRED FIFTY-THIRD MEETING
OF THE CONSUMERS' COUNSEL GOVERNING BOARD
January 19, 2005**

Members Present: Mark Gehri, Vice Chairperson
Herman Kohlman
Dorothy Leslie
John Moliterno
Jerome Solove, Chairman
John Steinberger

Members Absent: Helen Mac Murray

Guest: Mark Totman
Martin Susec, Assistant Attorney General

Chairman Solove called the meeting to order at approximately 9:25 a.m. due to severe weather conditions.

Consumers' Counsel's Report

Ms. Migden-Ostrander introduced Harsha Raddam, an Intern in the Communications Department.

Ms. Migden-Ostrander reported on her accomplishments thus far. They include the hiring of the following:

- Bruce Weston, Deputy Consumers' Counsel
- Dennis Stapleton, Director of Legislative and Governmental Affairs
- Maureen Grady, Attorney
- Wilson Gonzalez, Senior Rate Analyst
- Mike Haugh, Regulatory Analyst

We are looking to hire another senior level and mid level attorney. We will be building a legal internship program that would bring in law students who would work part-time and train them with the hope that they will come up through the ranks and be hired at a later date.

Reorganization in the Customer Response Center (CRC)

- Created an Assistant Manager Position (internal posting)
- Created two Team Leader Position (internal posting)
- Created CRC Attorney Position (new hire)

Development of New Teams

- Federal
- Resource Planning
- Community Support Services

OCC supported a report done by the American Council for an Energy-Efficient Economy (ACE³) titled "Examining the Potential for Energy Efficiency to Help Address the Natural Gas Crisis in the Midwest", January 2005. A copy of this report will be provided to the Governing Board. It is also available on OCC's website.

OCC is facilitating the creation of a platform for consumers to voice their opinions, by reinstating the low-income dialogue group, developing Action Alerts Network, letter-writing campaigns, and an open door policy both internally and externally. A discussion ensued.

Mr. Kohlman arrived at approximately 9:45 a.m. due to severe weather conditions.

Outreach is being done with the Hispanic and Somali communities. Informational materials are being translated to better serve these communities.

Legislative initiatives include working on tree trimming/vegetation management standards and the potential use of unclaimed utility funds.

Mr. Gehri arrived at approximately 9:50 a.m. due to severe weather conditions.

Utility issues included:

- Rate stabilization plans
- FirstEnergy case at the Ohio Supreme Court
- SBC wholesale rates
- Rising natural gas prices
- Dominion possibly existing the merchant function
- Water rate cases
- Alternative telecommunications options, such as VoIP
- Power outages
- Advocacy for Braille and large bill formats
- Acceptance by utilities of faxes from community action agencies regarding customers seeking funds to avoid disconnection

Presentation on Renewable Energy

Ms. Migden-Ostrander introduced Sherry Hubbard, Energy Outreach Manager Office of Energy Efficiency and Bill Spratley, Executive Director of Green Energy Ohio, who provided the Board with an informational session on renewable energy and its potential in Ohio.

Mr. Murphy arrived at approximately 10:05 a.m. due to severe weather conditions.

Continuation of Business Meeting

The meeting reconvened at approximately 12:35 p.m.

The Minutes from the November 17, 2004 meeting were approved. Chairman Solove abstained.

Election of Officers

Ms. Leslie made a motion to retain Chairman Solove and Vice-Chairman Gehri for another year. Mr. Moliterno seconded motion. Mrs. Knight conducted roll call and the vote was unanimous.

Review and Discussion of By-Laws

Ms. Migden-Ostrander led the discussion regarding revisions to the Governing Board By-Laws, specifically with respect to the way meetings are noticed and Governing Board Member attendance.

A discussion ensued on requirements for attendance by Board Members. Mr. Susec stated that the Board has the authority to revise the by-laws to state that "any member who fails to attend at least 60% of all meetings held in a 14 month period shall forfeit his or her board position."

Mr. Susec excused himself from the meeting at approximately 1:05 p.m. due to another commitment. Mr. Weston stated he was prepared to convey Mr. Susec's concerns with regard to two additional points in the by-laws.

A discussion ensued regarding duties that are given to the Deputy Consumers' Counsel. Mr. Weston pointed out that this particular section of the by-laws reflects the section in the Revised Code.

Chairman Solove expressed his reluctance to change this section of the by-laws as it relates to the separation of duties and potential conflict between the Consumers Counsel and the Deputy Consumers' Counsel. A discussion ensued.

Chairman Solove requested a copy of the Deputy Consumers' Counsel's job description.

Review of the by-laws continued with Ms. Migden-Ostrander noting for the Board the proposed changes that are designed to provide for additional methods of communication with the public.

Chairman Solove asked if OCC had the right to incorporate the use of electronic technology into the by-laws for the notice of meetings and is this consistent with other state agencies. Ms. Migden-Ostrander responded that we did have the right and that while no survey of other state practices had been conducted, it is likely that most agencies are taking advantage of available technology. Chairman Solove would like language added that would essentially allow the recipient to give the OCC written permission to send notice of meeting by whatever method the recipient prefers. A lengthy discussion ensued.

Mrs. Knight will add a sentence to the e-mail that she sends to the media that states, "if you do not wish to receive this notice by e-mail, please send your request with your preference."

Ms. Leslie pointed out that the by-laws do not include an explicit provision that the Deputy Consumers' Counsel reports to the Consumers' Counsel. Chairman Solove stated that the "Governing Board" not the "Consumers' Counsel" should be the immediate supervisor for the Deputy Consumers' Counsel. Mr. Weston stated that he has a dual role. As Deputy Consumers' Counsel he does report to the Governing Board, however, as Director of Advocacy Services he reports to Ms. Migden-Ostrander.

Chairman Solove asked Mr. Weston to address the question of his immediate supervisor to Kent Shimeall or Martin Susec.

The meeting recessed at approximately 2:05 p.m. for a 5 minute break.

Telecommunication Report -- David Bergmann

FCC Unbundling Order

The FCC announced its Order on Unbundling in December; the actual order has not yet been released. This Order was issued after receiving evidence from many states, including Ohio, regarding the status of competition on the national level.

There will be no new orders allowed for unbundled local switching.

We will not know the details of this decision until it is released. The key point for Ohio is that in SBC territory more than 90% of the residential competition we currently have is



done through the UNE-P. In order to serve residential customers, competitors are going to have to provide their own switches or find an alternative source.

There will be appeals filed with regard to the FCC order once it is issued. NASUCA, as a national organization, was a party to the original appeal.

Appeals of FCC Decision on VoIP

In response to a petition by Vonage, the FCC stated that VoIP is an interstate service that is only subject to federal jurisdiction. State jurisdiction is very limited. States cannot require certification of VoIP providers; they cannot impose 9-1-1 requirements.

It is unclear what state consumer protection regulations will apply.

Appeals of the FCC Decision on VoIP have been filed by:

- California PUC
- Minnesota PSC
- NASUCA
- New York PSC
- Public Utilities Commission of Ohio

“Act of God” Waivers

- In Ohio, MTSS requires telephone companies to pay customers credits if service is out at least 24 hours; credit amounts increase substantially every 24 hours service is out.
- Telephone companies may request waivers of MTSS out-of-service credit rule for a verifiable “Act of God”
- “Act of God” is defined as “an occurrence not preventable by reasonable care, skill, or foresight but resulting from unforeseeable and extraordinary natural causes (e.g., tornado or flood).”
- Approved waiver allows telephone companies to add 48 hours to the MTSS out-of-service credit time periods; credits would not begin unless service is out at least 72 hours.

In order to request a waiver, telephone companies must:

- File request within two business days after onset of the “Act of God”
- Specify the nature of the “Act of God”
- Provide the extent and location of damaged facilities
- Provide the number of affected customers

OCC has opposed many of the waiver requests because they did not include the information required by the rules.

Electric Report – Beth Hixon

Cincinnati Gas & Electric (CG&E)

The rate stabilization plan rates will go into affect 1/1/06. This period is called “after the market development period.” The rate stabilization plan will determine what rate customers who do not choose an alternative electric supplier will pay in CG&E’s territory.

OCC filed an application for rehearing challenging the rate stabilization plan as unlawful. CG&E also filed with the PUCO an Application for a 2005 System Reliability Tracker (SRT) Charge. This charge would be applicable to all customers to pay for system costs whether or not you take supply from an electric supplier or CG&E.

CG&E filed on 12/2 an Application for Recovery of Costs Related to an As Yet Undetermined Generating Facilities to be Purchased or Built by CG&E. In this filing, CG&E is asking that ratepayers pay for the cost of new generation in 2006-2008 through the system reliability tracker and after 2008 by some other non-bypassable charge. This proposal is unlawful and could potentially burden customers with very high costs.

American Electric Power Company

OCC made a filing with the PUCO requesting an investigation into the policies and practices of AEP related to the December and January outage, looking not only at how AEP management handled the outages but also looking at preventative maintenance practices. A key issue in this filing is that we are asking the Commission to hold local public hearings in many of the counties affected by the outage, at times that are convenient for the residents of those counties.

As part of the pleading we commended Governor Taft for requesting an investigation into the service restoration aspects of these outages. The PUCO sent a letter to Governor Taft detailing their comments in regard to the outage.

Gas & Water – Beth Hixon

Vectren

OCC filed objections to the PUCO Staff Report and filed testimony in Vectren’s application to increase distribution rates. Vectren has requested an increase in revenues of \$26.3 million. OCC objected to and provided testimony on the following Staff recommendations:

- Staff’s allowance for Vectren to increase its monthly customer charge from \$4.00 to \$6.50;

- Vectren's proposal to increase its fee for reconnection of service from \$35.00 to \$60.00;
- Under-funding important energy conservation programs that should be available to all residential customers.

Ohio American Water

On November 1, OCC filed testimony and objections to the PUCO Staff Report in the Ohio American Water rate case. We continue preparing for litigation and have entered into settlement negotiations.

Columbia Gas of Ohio

Comments were filed in Columbia Gas of Ohio's bill format case taking issue with the lack of Braille or large print billing information for customers who are visually impaired.

Dominion East Ohio

We are awaiting Dominion East Ohio initiating a proposal on if and how it will exit the merchant function.

In November of 2004, COH and Dominion filed their quarterly gas rates that would be in effect for the three months November through January, 2005. OCC filed comments on requests by Columbia and Dominion for monthly rates and argued that the rates should reflect market prices in order to send the correct price signals to customers. The Commission ordered the companies to file monthly to achieve that outcome.

Compliance Report – Jim Williams

For the period 11/1/04 – 12/31/04 the CRC has had the following activities:

20,333 calls reported

- 51% Telecommunications (24% SBC)
- 23% Electric (40% FirstEnergy)
- 26 % Natural Gas (38% Columbia Gas of Ohio)

Communications Report – Ryan Lippe

OCC received significant press coverage in Northern Ohio specifically related to customers' reaction to FirstEnergy's auction.

OCC asked the PUCO to reconsider the CG&E plan; OCC participated in editorial meetings and received media coverage in Cincinnati.



We issued a letter to the editor commending the hard work of AEP to restore service while advocating for consistent maintenance requirements.

We have launched a comprehensive interactive telephone choices resource. Mr. Lippe demonstrated the webpage.

Federal Team – Randy Corbin

FirstEnergy's Vegetation Management Enhancement Project (VMEP)

FirstEnergy will incur \$54 million in costs through 2007. FirstEnergy seeks to defer the costs, and then recover them from to mid 2006 through May 2011. The VMEP consists of the 2004 Summer Readiness project; the Transmission Right-of-Way Reclamation project; and, the Enhanced Helicopter Transmission Line Patrols.

Resource Planning Team – Wilson Gonzalez

Testimony was filed by OCC supporting investment in energy efficiency programs in Vectren's Rate Case.

Outreach and Education – Linda Walls-Rominski

For the period November-December 2004:

71 speeches/presentations were conducted. They include:

- Stay Connected
- Overview
- Telecommunications
- Energy Efficiency

15 Train the Trainer

- Stay Connected

5 Shows/Fairs

- St. Albans Episcopal Church, Columbus
- Healthcare & Housing Admissions Marketing Association, Toledo
- Fairmont Presbyterian Church, Kettering
- Charles I. Lathrem Center, Kettering
- The Women's Expo., Columbus

Educational materials include:

- Paycheck stuffers (also distributed by the internet)
- PIPP Arrearage Crediting Brochure
- HEAP Made Easy
- PIPP Made Easy

- Lifeline Made Easy
- Smart Energy Tips

The Ohio Educational Project is a non-profit organization that provides energy education to schools. We are discussing with them how we can partner together.

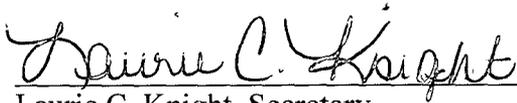
The next regular Board meeting is scheduled for March 16, 2005.

Mrs. Leslie made a motion to adjourn, Mr. Murphy seconded the motion. The meeting was adjourned at approximately 3:50 p.m.

I verify that the above meeting minutes have been approved and ratified by the OCC Governing Board on this 16th day of March 2005.



Jerome G. Solove, Chair
Ohio Consumers' Counsel Governing Board



Laurie C. Knight, Secretary
Ohio Consumers' Counsel Governing Board