



**MINUTES OF THE
TWO HUNDRED FIFTY-EIGHTH MEETING
OF THE CONSUMERS' COUNSEL GOVERNING BOARD
November 16, 2005**

Members Present: Nancy Dix
Herman Kohlman
Dorothy Leslie
John Moliterno
Jerome Solove, Chairman

Members Absent: Michael Murphy
John Steinberger
Mark Totman

Guests: Kent Shimeall, Attorney General's Office

Call to Order

Chairman Solove called the meeting to order at 9:10 a.m.

Approval of Minutes

The minutes of the September 22, 2005 Governing Board Meeting were approved.

Consumers' Counsel Report

Ms. Migden Ostrander introduced OCC's new employees:

- Aster Adams, Director of Analytical
- Jackie Roberts, Assistant Consumers' Counsel
- Melissa Yost, Assistant Consumers' Counsel

House Bill 66

Consumer complaints were turned over to the PUCO in mid-September. OCC continues to take call from consumers regarding non complaint matters i.e., questions concerning utility bill, service, or information request.

OCC has not yet received complete data from the PUCO as required. We expect to receive complete data within the next two weeks. A discussion ensued.

NASUCA Meeting

Ms. Migden-Ostrander attended the NASUCA conference in November. The conference provided an excellent opportunity to network with other state advocate offices. Among other activities, changes were reviewed to federal law as a result of the Energy Policy Act.

All members of NASUCA pay dues to support the activities of the organization. For instance, NASUCA files pleadings in a number of cases before the FCC and FERC. In addition to membership, Ms. Migden-Ostrander serves on the Executive Committee. All pleadings filed by NASUCA are reviewed by the Executive Committee. Additionally, Mr. Bergmann Chairs the Telecom Committee and Mr. Corbin actively participates with the Energy Committee. A discussion ensued.

Restructuring of Board Meeting

Ms. Migden-Ostrander mentioned that changes to the meeting format include updates on policy positions, case outcomes and new cases. Presentations will no longer be made by all of the industry teams. As well, presentations by outside parties will take place in the afternoon.

Proposed Legislation on Operations of Boards

Mr. Stapleton reported on proposed legislation. He stated that he was contacted by Mr. Hieronimus, Executive Director of STAR Community Justice Center requesting the Governing Board's support for a bill that would permit board members to participate in meetings by telephone or video conference.

It is important to note that this proposed legislation authorizes but does not require boards to use teleconference or video conferencing as a method to attend meetings.

Should this bill pass as written, the Governing Board will have to pass an administrative rule stating that they agree that their members do not have to attend meetings in person. A discussion ensued.

Mrs. Dix stated that she sits on the board of the Ohio Historical Society where attendance is allowed by teleconference. She stated that attendance and participation is greater with the teleconference option.

There are four options for our board to consider: take no action, oppose the legislation, support the legislation or state our desire to keep our section the same and remain neutral where others are involved. Chairman Solove asked for the board members thoughts.

Mr. Kohlman stated that this issue should be discussed.

Mr. Moliterno stated that he sits on boards where teleconferencing has been used.

A handwritten signature in black ink, appearing to be the initials 'M' and 'D' written in a cursive style.

Mrs. Leslie would not like our board to change its bylaws to allow teleconference/video conferencing. She stated that being present is part of the commitment.

Mrs. Dix believes teleconference attendance for meetings is fine. She stated that she would like our Board to take a neutral position and continue discussions as it relates to our board.

Chairman Solove does not believe attendance is appropriate by teleconference and for now the board should remain neutral as to other boards.

A discussion ensued. This topic will be discussed further at the next Board meeting.

Discussion of Policy Positions

Basic Local Exchange Service Deregulation

House Bill 218 allows the telecommunication companies to deregulate basic local exchange service. We are now in the rulemaking process of implementing House Bill 218.

On November 4, the PUCO Staff issued its proposed rules in this rulemaking proceeding. The primary areas of the proposed rules are:

- Standards for competitive market test
- Standards for pricing of basic local exchange service
- The process for granting alternative regulation for basic local service

The Staff has proposed three competitive market tests for deregulating basic local exchange service; that telephone companies with approved alternative regulation for basic local exchange service be allowed to increase basic rates by 20% annually and that parties be given 20 days to analyze and file comments on a company's application. A discussion ensued.

OCC will file comments in this case on December 2; reply comments will be due on December 19.

The Board recessed at 10:25 a.m. for a short break.

The Board reconvened at 10:45 a.m.

Rising Gas Prices/Energy Efficiency

Ms. Migden-Ostrander reported that OCC was requested along with other agencies/organization by Governor Taft to address City Councils on natural gas prices.

Governor Taft has allocated \$75 million in TANF (Temporary Assistance for Needy Families) funds to assist consumers experiencing difficulties paying their utility bills.

Mr. Gonzalez reported that the current GCR rates are as follows:

- Columbia \$12.91 Mcf
- Dominion \$13.77 Mcf
- Vectren \$11.35 Mcf
- CG&E \$11.68 Mcf

The Energy Information Administration estimates that natural gas expenditures will be 50% higher in the Midwest during this coming winter compared to last year.

Assistance programs are designed to promote savings for low income residents for energy efficiency. Mr. Gonzalez discussed in detail the energy efficiency programs available to consumers.

Discussions continue between OCC and the four major Ohio natural gas companies. Our goal is to develop a program application in January, 2006.

OCC is actively engaged in discussions with two major electric companies on long term energy efficiency programs.

OCC is involved in the Midwest Natural Gas Energy Efficiency Initiative announced in October, 2005:

- This is a cooperative effort by eight Midwest states to develop an energy efficiency initiative that will decrease natural gas consumption by 1% per year for five years.
- The reduced demand is expected to decrease wholesale natural gas prices by as much as 13%.

Case Outcomes

On October 31, 2005 the FCC approved the SBC/AT&T merger. NASUCA filed on behalf of consumers in that case. Their filing indicated that the merger must serve the public interest and aid in the development of a competitive market.

The FCC stated that consumers will reap the rewards of the public interest benefits as a result of the mergers. Benefits would include:

- Integration of complementary networks that will provide consumers with new services and improved reliability.
- The ability for the companies to engage in research and development.
- Substantial cost savings for consumers.

The PUCO approved the SBC/AT&T merger on November 4, 2005. OCC advocated for pricing caps, stronger consumer protection requirements and the deployment of broadband to areas where it is currently unavailable.

In summary the PUCO's Order:

- Rejected OCC's proposal for adopting a Consumer Bill of Rights for SBC's local, long-distance, broadband and cellular services. The PUCO believes the Minimum Telephone Service Standards already provide similar consumer protections.
- Encouraged stakeholders to find creative ways to make broadband available to more low income consumers.
- Did not require SBC to offer a discounted DSL rate for low-income consumers.
- Stated that Lifeline programs for low-income consumers are not necessary in light of commitments made by the companies who operate under the new telephone rules called Elective Alternative Regulation.
- Stated that an increase in market share does not constitute an abuse of market power.
- Concluded that the merger was in the public interest and resulted in adequate service and reasonable rates.

Mr. Weston explained that public convenience would include lower rates, extending broadband, extending consumer bill of rights, etc. These elements were rejected by the PUCO.

OCC has an opportunity to file for a rehearing in this case by December 2, 2005 and the PUCO would have to act on that filing by January 2, 2006.

New Cases

Case No. 05-1305-TP-COI – Rulemaking on Basic Local Exchange Service: This case was previously discussed by Ms. Hardie.

Case No. 05-1350-AU-ORD – Rulemaking pertaining to OCC's information printed on bills and disconnect notices that are sent to consumers. Comments in this case are due November 29. A discussion ensued.

A motion to enter executive session was made by Mrs. Dix and seconded by Mrs. Leslie. Mrs. Knight called the roll.

Executive session convened at 11:50 a.m.

Executive session ended at 1:10 p.m.

The meeting reconvened at 1:23 p.m.

Communications Report

OCC's Stay Connected program combines detailed information on all the various types of utility assistance available to consumers: PIPP (Percentage of Income Payment Plan); HEAP (Home Energy Assistance Program); E-HEAP (Emergency Home Energy Assistance Program); Telephone Lifeline; and HWAP (Home Weatherization Assistance Program). Ms. Miller discussed the Stay Connected program and how OCC uses this program to "Train the Trainer" which enables us to provide information to many social services agencies which in turn educates consumers.

Ms. Learman gave the Stay Connected presentation to the Board. The presentation outlined the types of utility assistance available to consumers.

Other

The proposed dates for 2006 Governing Board meetings were accepted as follows:

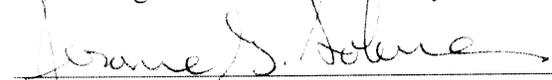
- January, 18, 2006
- March 15, 2006
- May 17, 2006
- July 19, 2006
- September 20, 2006 (Subject to change)
- November 15, 2006

Chairman Solove stated that Mr. Gehri is retiring and therefore did not seek re-nomination to the Board. Chairman Solove further expressed his gratitude for Mr. Gehri's service.

Discussion continued on the proposed legislation on operation of boards. Further discussion will take place at the January Governing Board Meeting.

The meeting adjourned at 2:15 p.m.

I verify that the above meeting minutes have been approved and ratified by the OCC Governing Board on this 18th day of January 2006.



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



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