



**MINUTES OF THE
TWO HUNDRED FIFTY-FIFTH MEETING
OF THE CONSUMERS' COUNSEL GOVERNING BOARD
May 18, 2005**

Members Present: Nancy Dix
Herman Kohlman
Dorothy Leslie
Michael Murphy
John Moliterno
Jerome Solove, Chairman
John Steinberger
Mark Totman

Members Absent: Mark Gehri, Vice Chairman

Guest: Kent Shimmeal, Attorney General's Office
Robert Black, Waterville Gas Company
Roy Rushing, Ohio Gas Association
Scott White, Interstate Gas Supply

The meeting was called to order at 9:10 a.m.

Chairman Solove recommended that the minutes of the March 16, 2005 meeting be approved. However, he asked that Mrs. Knight add, "approved unanimously" to the section of the minutes pertaining to the by-laws and a redline of such changes have been attached to and made a part thereof. The minutes as modified were approved.

CONSUMERS' COUNSEL REPORT

Ms. Migden-Ostrander welcomed the board and introduced new employees: Doug Stoll, Legal Intern; Scott Stanley, Legal Intern; Sarah Inboden, Human Resources Intern; Kelly Kinzer, and Aaron Miller, Communications Intern.

Monica Hunyadi resigned her position of Director of Operations and accepted a position with the Supreme Court as their Human Resources Director.

Ms. Migden-Ostrander introduced the employees who will retire from OCC at the end of May. They are: Mike Cahill, Lois Ereira, Vickie Gray, Marti Haines, Karen James, Colleen Mooney, Donna Mucci, Ross Pultz, and Kathryn Thomas.

Nancy Dix arrived at 9:25 a.m.

Chairman Solove commented that it has been a pleasure and an honor to know all of the retiring employees and thanked them for their time and dedication to the office.

PRESENTATION BY OHIO GAS ASSOCIATION (OGA)

Presentations were given by Roy Rushing, Ohio Gas Association; Scott White, Interstate Gas Supply (IGS); and Robert Black, Waterville Gas Company.

Ms. Migden-Ostrander leaves the meeting at 10:40 a.m. to present testimony before the legislature.

Chairman Solove commented that he appreciates the opportunity to have presentations at the Governing Board Meetings and asked the board members if they have an interest in a particular topic to let us know.

Board recessed at 10:50 am
Board reconvened at 11:15 a.m.

ENERGY REPORT **Gas & Water**

Dominion East Ohio "exit" case: This is a two-phase process. In the second phase, customers who do not choose a supplier will be assigned a supplier.

OCC's Communication Department will be helping educate DEO customers with understanding how to select a supplier. There is no additional cost for this education.

Electric Report

Cincinnati Gas and Electric Company and Duke Energy announced the merger on May 9, 2005. Approval is needed by North Carolina Utilities Commission, Public Service Commission of South Carolina, Public Utilities Commission of Ohio, Kentucky Public Service Commission, Indiana Utility Regulatory Commission, FERC, NRC, SEC, and Department of Justice.

This merger could have an impact on the FirstEnergy bid process. There could also be a significant impact on how Cinergy procures energy through the rate stabilization period.

The local headquarters will remain in Cincinnati while the corporate headquarters will be located in Charlotte NC. Approval from the Securities and Exchange Commission (SEC) and the Federal Energy Regulatory Commission (FERC) is necessary.

AEP Power Plant Case: OCC requested modification of the procedural schedule. A hearing is scheduled for August 8, 2005. Integrated Gasification Combined Cycle (IGCC) is a new technology. This plant will be located in Ohio and it is expected that this case will receive attention from other utilities. The proposed cost of this plant is \$1.2-1.3 billion and cost overruns are expected.

Appeals: The OCC appeals at the Supreme Court are going forward. They include the post MDP generation rate cases or rate stabilization plan. These are the cases that will determine what customers will pay for generation beginning 1/1/06. The appeals were based on violations of electric choice law. There is no specific time associated with when the Supreme Court will hear or act upon these cases.

Dayton Power & Light: In an agreement reached by parties and approved by the Commission, DP&L's market development period was extended. This allowed the company to impose an annual new rate stabilization surcharge. The Company has filed for this surcharge and it would become effective 2006. The company can only increase the generation surcharge by 11%.

Cincinnati Gas & Electric Distribution Rate Case

This is the first distribution only rate case. If approved, this would represent a 7% rate increase for consumers.

COMMUNITY SUPPORT SERVICES

The low Income Dialogue Group (LIDG) meeting was hosted by OCC on March 22, 2005. Issues discussed include: accessibility of authorized agents for bill paying, criteria for choosing authorized agents, customer awareness, bill payment posting, cost to customers, and lack of face-to-face contact.

The utilities provided information such as:

- Companies have many authorized agents and all use third party vendors.
- Some post payments immediately others post within 24 hours.
- Various methods are used to inform customers of authorized and unauthorized bill payment centers.
- Utilities agreed to provide additional information concerning unauthorized payment centers.
- The utilities will work cooperatively regarding letting customers know where authorized bill payment centers are located.

Community Voice Mail

OCC is in contact with the national community voice mail organization, which is in the research and development stage of developing a regional technology. We have had conversations with the Ohio Association of Community Action Agencies. They have expressed interest in administering a statewide community voice mail in Ohio. Efforts continue to set up pilot community voice mail programs in Lima and Warren.

The board recessed for lunch at 12:20 p.m.

Ms. Migden-Ostrander returned to the meeting at 12:40 p.m.

The meeting reconvened at 1:10 p.m.

FEDERAL TEAM REPORT

Currently there are 13 FERC dockets open.

Cinergy and Duke are thought of nationally as leaders in the debate on greenhouse gases.

Carbon tax is a tax put on the use of carbon i.e., those fuels containing carbon. Coal would be taxed at a higher rate than natural gas, solar, or wind.

The National Energy Reliability Council (NERC) issued their summer assessments. It is anticipated that there is enough power in reserve to handle the summer peak season.

The House revived its energy legislation of two years ago and passed its version in late April. The Senate is working on their mark-up this week. There are significant differences in the House and Senate version that would need to be resolved.

COMPLIANCE REPORT

Mr. Williams reported that for the period 3/1/05 – 4/30/05 the CRC has had the following activities:

16,353 calls reported

- 50% Telecommunications (35% SBC)
- 27% Natural Gas (38% Columbia Gas of Ohio)
- 20% Electric (49% FirstEnergy)

OUTREACH AND EDUCATION

Ms. Walls-Rominski reported that during the period January – February Outreach and Education had:

- 105 Speeches/Presentations
- 20 Train the Trainer
- 22 Shows/Fairs
- 80 Site Visits



- 66,348 Educational Materials Mailed/Delivered to Organizations
- 190,063 Paycheck stuffers (to date)

COMMUNICATIONS REPORT

Top Media Issues

- Cinergy/Duke Merger: Responded to media calls, participated in television interviews
- Power Plant Proposals – AEP and Cinergy: Media interests from Ohio and West Virginia
- Dominion East Ohio – Exit the Merchant Function: Initial articles in Northern Ohio
- FCC Decision on NASUCA’s Truth in Billing Petition: Assisted reporters with background and expertise

Communications projects

- Dominion East Ohio: Education plan for exiting the merchant function
- Energy Efficiency: Marketing effort for Continuing Legal Education seminar

Web Highlights

Top Hits

- 700 hits to the Controlling your Energy Usage page
- 600 hits to the Action Alerts page
- 500 hits to the En Espanol page
- 300 hits to the tree trimming page

New Features include:

- Tree Trimming
- AEP power outage action alert
- Electric rate plan summaries

OCC’s Communications Department received two awards from the Central Ohio Chapter of Public Relations Society of America for two campaigns: Consumer Protection Week (spearheaded by Carah Brody), and the Introduction of Janine Migden-Ostrander as the new Consumers’ Counsel (spearheaded by Ryan Lippe).

TELECOMMUNICATIONS REPORT

Ms. Migden-Ostrander presented testimony before the House Public Utilities Committee. House Bill 218 was introduced April 29, 2005. OCC’s concern with this legislation is



that it would allow telephone companies to impose rate increases for basic local exchange service without review.

Purpose of legislation: To encourage investment, real competition and the development of emerging technologies.

Primary concern: This legislation would allow companies to impose increases for basic local exchange service in the absence of rate cases.

Currently, seven of the eight large telephone companies have pricing flexibility for all services except basic local exchange service and basic CallerID. Under those alternative regulation plans, particularly SBC and Sprint have increased numerous optional services.

As written this legislation would exempt:

- Companies from providing 9-1-1 service.
- Companies from adhering to the Minimum Telephone Service Standards (MTSS)

Nancy Dix left the meeting at 2:00 p.m.

If VoIP providers become competitors they must be able to provide service to all areas.

Enhanced lifeline program may be eliminated.

Deregulation barriers to entry language be substituted by competition.

The SBC/AT&T and Verizon/MCI mergers would result in these companies having 65% of all access lines nationwide. These mergers are being reviewed on both the state and federal level.

With respect to PUCO lifeline efforts the OCC is reviewing company tariffs to ensure that they comply with the FCC rule and the PUCO Order.

FCC required VoIP to provide effective access to E9-1-1.

FCC Inter-carrier Compensation is a \$9.4 billion issue nationally. OCC is filing comments with the FCC asking that this compensation be reduced.

Federal appeals include: Vonage Order preempting states on VoIP, Truth in Billing order preempting states on wireless line items, and Triennial Review Remand Order eliminating UNE-P.

LEGISLATIVE REPORT

Legislative activity over the last few months has been extremely busy. Electric deregulation has been at the forefront. The Senate is expected to continue through June and a report will be issued to Sen. Schuler's Committee. Senate will hold informal meetings throughout the summer.

Mr. Stapleton briefly updated the Board on the budget process, the call center and activities to date.

Chairman Solove asked how board members feel about the presentations.

Mr. Kohlman asked about tree trimming. Ms. Migden-Ostrander responded that discussions are on-going with utility companies regarding vegetation management. Cost of this maintenance is passed through to ratepayers.

Chairman Solove recently attended an energy fair sponsored by Ohio Energy Project. Chairman Solove requested input from OCC staff regarding this project. Ms. Migden-Ostrander is going to invite them to speak at our next Governing Board Meeting.

Mr. Steinberger motioned to adjourn the meeting. Mrs. Leslie seconded that motion which was unanimously carried.

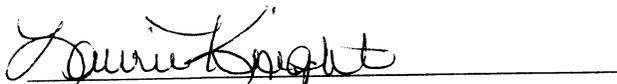
Meeting adjourned at 2:45 p.m.

The next Governing Board Meeting is July 20, 2005.

I verify that the above meeting minutes have been approved and ratified by the OCC Governing Board on this 20th day of July 2005.



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



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