



Janine L. Migden-Ostrander
Consumers' Counsel

**MINUTES OF THE
TWO HUNDRED SIXTY-SECOND MEETING
OF THE CONSUMERS' COUNSEL GOVERNING BOARD
November 8, 2006**

Members Present: Randy Beane
Gene Krebs
John Moliterno
Michael Murphy

Members Absent: Dorothy Leslie
Jerry Solove
John Steinberger
Mark Totman

Guests: Kent Shimeall, Attorney General's Office
Holly Deeds Martin
Attorney General Jim Petro

Call to Order

Vice Chairman Moliterno called the meeting to order at 9:17 a.m.

Vice Chairman Moliterno introduced Attorney General Jim Petro and thanked him for taking time to address the Governing Board.

Attorney General Petro stated that this will be the last time that he will have an opportunity to address the Board as Attorney General. He stated that he is proud of the Board and OCC for the work that we do. He is especially proud of Janine Migden-Ostrander and believes that the Board made an excellent choice in selecting her as Consumers' Counsel. Mr. Petro noted he was sorry to see the efforts of the PUCO to undermine OCC a little bit and urged OCC to keep fighting back and be involved in a positive way. Mr. Petro also acknowledged Mr. Kent Shimeall and his excellent work representing the Governing Board and Ms. Holly Deeds-Martin who was recently assigned to represent the Consumers' Counsel.

Approval of Minutes

Approval of the September 20, 2006 minutes was deferred to the January 17, 2007 meeting.

Consumers' Counsel Report

Ms. Migden-Ostrander thanked the Board for accommodating the change in the meeting date. The proposed meeting schedule for 2007 was reviewed and agreed upon. Mr. Weston noted that Mrs. Leslie had advised of schedule conflict in September. It was decided that the schedule will stand as proposed, and should a conflict occur in September, the date can be changed if necessary. The 2007 meeting schedule is as follows:

- January 17, 2007
- March 21, 2007
- May 16, 2007
- July 18, 2007
- September 19, 2007
- November 21, 2007

As previously reported OCC has decided to increase its presence in federal cases and at the regional transmission organizations for Ohio, MISO and PJM. Outside counsel has been hired in Washington, DC to assist OCC in FERC cases.

Ms. Migden-Ostrander accepted an appointment to serve on the National Coal Council. The goal of the council is to advise the U.S. Secretary of Energy on coal policy. She has also been asked to serve on a demand response committee for the Midwest Independent System Operator (MISO). This project involves consideration of ways to implement demand response.

Our draft budget has been submitted to Department of Administrative Services. This budget reflects the DAS request that our budget amount remain the same.

CASE OUTCOMES**Eastern Natural Gas and Pike Natural Gas Companies****Case Nos. 06-1031 and 06-1032**

Mr. Weston reported on case outcomes for this period. The companies in this case have requested permission to collect PIPP arrearages. OCC advocated for recovery of PIPP debt over three years in order to spread out and reduce the impact on customers. The PUCO denied our intervention; the requested increases were automatically approved as proposed by the companies.

Extended Area Telephone Service Rules**Case No. 06-919**

Extended area service was developed to serve consumers, so that what was once long distance between calling areas could be made local calling in communities. OCC's position is that EAS rules should not be rescinded but instead should be improved. The PUCO rescinded the EAS rules and rejected our arguments for improving rather than abolishing the rules. EAS standards will be reviewed on a complaint by complaint basis. Existing EAS arrangements will not be impacted by the rescission of the rules. A discussion ensued regarding EAS.



**Verizon Waiver to Operate a Competitive Local Provider
Case No. 05-497**

With the merger of Verizon and MCI, Verizon has requested a waiver from the rule that prohibits it from operating a competitive affiliate in its territory. The PUCO granted Verizon's request with conditions advocated by OCC. Those conditions include:

- o MCImetro is prohibited from signing up new customers for basic service in Verizon's territory;
- o Verizon's interconnection agreement with any competitive local provider must be filed and approved by the PUCO;
- o All transactions between Verizon and its competitive affiliate must be in writing and available for public inspection; and
- o Verizon's Application for Rehearing seeks the ability for MCImetro to add new business customers.

Verizon was granted a permanent waiver by the PUCO.

**Verizon Act of God Waiver
Case No. 00-1265**

Verizon has requested a limited waiver from the rule that entitles customer credits for outages that last longer than 24 hours. OCC's position is that the Company's request is too broad in scope and would unfairly deny credits to consumers who experienced service disruptions.

The PUCO denied the waiver in part and agreed with OCC that Verizon failed to provide sufficient documentation.

NEW CASES

Buzz Telecom

Case No. 02-2617

Ms. Hixon reported on new cases for this period. OCC filed a motion to suspend this Company's operating authority based upon complaints that Buzz is in violation of Commission rules. What some consumers believed to be a telemarketing call from their local phone company offering them a discounted long distance rate, was potentially Buzz Telecom switching them to a new long distance provider with higher rates.

Ohio Supreme Court's Remand to PUCO of AEP Rate Stabilization Plan

Case No. 06-1153

AEP filed its plan to provide an option for customers' participation in the electric market through competitive bid. The company conducted a survey to determine what price customers would pay for generation service under the two options.

Ohio Supreme Court's Remand to PUCO of FirstEnergy Rate Stabilization Plan

Case No. 06-1112

The PUCO ordered FirstEnergy to file a plan providing an option for customer participation in the electric market through competitive bids or other reasonable means.

The Company proposed a competitive bid process under which competitive retail electric suppliers would bid a fixed price for a period ending December 2008.

**Wisconsin Public Service Corporation v. MISO & PJM
FERC Docket No. ER06-097-000**

The Company filed a complaint with FERC requesting that the two regional transmission organizations be directed to institute a joint and common market and undertake certain other initiatives to facilitate joint system dispatch. The Company argues this could save consumers hundreds of millions of dollars each year.

FERC Docket No. ER06-1474

PJM proposed changes to replace its current economic planning protocol with processes that will enhance economic planning and at the same time promote market efficiency while maintaining system reliability.

FERC Docket No. ER06-1271

PJM filed a report that was approved as part of its Regional Transmission Expansion Planning. PJM stated that this filing involves cost allocations relating to a fifteen year planning horizon and authorized the construction of \$13 billion in upgrades, specifically in West Virginia and Pennsylvania.

Communications Report

Ms. Miller reported that over the past two months OCC issued news releases on the following topics:

- o Ohio American Water requested rate increase
- o AT&T filed for the ability to raise rates for basic local telephone service
- o OCC called for the suspension of Buzz Telecom's operations
- o Statewide energy forum sparks ideas for sound future
- o New standard service offer for Dominion customers
- o Cincinnati Bell filed for the ability to raise rates for local telephone customers

Our regional cap meetings continue. Issues discussed at these meeting include, electric rates, trends in telecom service, standard service offer for Dominion, and eligibility requirements for HEAP, among others.

OCC continues to celebrate its 30th anniversary with a special edition of Consumers' Corner. We hosted an Energy Forum that was a huge success. Panelist include: Senator Schuler, Representative Hagan, PUCO Chairman Alan Schriber, FirstEnergy CEO Tony Alexander, Columbia Gas of Ohio President Jack Partridge, and Ohio Consumers' Counsel Janine Migden-Ostrander. The Forum was moderated by Attorney General Jim Petro.

We have added to our website the Energy Efficient Home. This is an interactive tool that consumers can use to manage their energy usage and obtain helpful energy efficiency tips.

The meeting recessed at 10:30 a.m.

The meeting reconvened at 10:45 a.m.

Ohio Energy Strategy

Ms. Migden-Ostrander reported on OCC's proposed Integrated Portfolio Management Plan. The renewable portfolio standard would be a state mandate to supply a minimum percentage of retail load with eligible renewable energy. The Integrated Portfolio Management report advocates long-term and short-term options as well as the provision of adequate supplies of power at the least costs for customers.

Ms. Migden-Ostrander stated that the renewable portfolio standard and energy efficiency should be mandated legislatively. She has met with Chairman Schriber and others to open dialog on the subject. OCC supports this proposal and welcomes comments from stakeholders.

Legislative Report

Mr. Stapleton reported on the outcome of the election and how it will affect the office. Representative Evans has introduced legislation that will create a task force consisting of OCC, PUCO, Department of Commerce and others to address the problems that customers in rural areas face. Customers in these areas cannot take advantage of high speed internet and basic cell phone service.

Executive Session

A discussion ensued regarding the Board entering executive session without a quorum. It was decided that the Board could enter executive session. Mr. Murphy made a motion to enter executive session to discuss pending and/or imminent litigation. The motion was seconded by Mr. Krebs and Mrs. Knight called the roll. Minutes later before any discussion began, it was determined that the Board could not enter executive session without a quorum. The meeting was then opened to the public.

Ms. Migden-Ostrander addressed the Board briefly on the following topics:

Transmission

Ohio's utility customers should not bare the financial burden for transmission lines that do not benefit them.

Vectren

OCC filed an application for rehearing seeking to have the stipulation entered into with Vectren and OP&E enforced. Vectren opposed this rehearing request.

Supreme Court Appeals

In the FirstEnergy appeal a settlement does not appear possible. With regard to AEP, since the appeal it appears that customers will be better served by AEP. Currently there are no competitors who can offer a better price.



The meeting was adjourned at 2:00 p.m.

I verify that the above meeting minutes have been approved and ratified by the OCC Governing Board on this 17th day of January 2007.



John N. Moliterno, Vice Chair
Ohio Consumers' Counsel Governing Board



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

