

News from the **Oklahoma Corporation Commission**

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

January 8, 2001

ATTENTION: ASSIGNMENT EDITORS AND NEWS DIRECTORS

Who: Oklahoma's Corporation Commissioners have asked representatives of Consumer Advocate Groups and Natural Gas Utilities to join them for a major news conference.

What: The news conference will review what actions have been and are being taken regarding the impact of higher natural gas prices and what might be done in the future to help alleviate some of the problems associated with the higher costs.

When: 2:00 p.m., Tuesday, January 9, 2001

Where: Main courtroom #301 on the third floor of the Jim Thorpe Office Building located at 2101 N. Lincoln Blvd. in Oklahoma City.

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News from the Oklahoma Corporation Commission

Jim Palmer: Director of Information www.occ.state.ok.us

January 11, 2001

Contact: Larry Lago

Phone: (405) 521-2261, FAX: (405) 521-1623

NEW DISCOUNTS IMPROVE COMPETITIVE TELEPHONE MARKET

Expansion of the discounts offered by Southwestern Bell on items available for lease by competitors will make entering the local telephone market in Oklahoma more attractive and enhance the potential for bringing competitive benefits to the state's consumers, members of the Oklahoma Corporation Commission announced.

The discounts are contained in amendments approved to the interconnection agreement between Southwestern Bell and Logix. The agreement calls for discounts of up to 25 percent on the nonrecurring charges on specified Unbundled Network Elements (UNEs) designed to bring the rates charged in Oklahoma in line with the lower UNE rates recently approved in Texas and Kansas. UNEs are those parts of the Southwestern Bell system that other telephone companies may need to lease in order to provide service.

As a result of negotiations in the Alternative Regulation Rules adopted by the Commission in 1999, Southwestern Bell agreed to discounts on a list of UNEs most needed by competitors. The Logix agreement expands that list to cover the nonrecurring costs associated with the remaining UNE elements. The discounted rates will be available from Bell on a nondiscriminatory basis to all competing companies entering the Oklahoma local exchange market.

"Taken together the Alternative Regulation Rules and the expanded list included in the Logix interconnection agreement bring Oklahoma in line with the lowest UNE rates charged within the Southwestern Bell region," explained Commission Chairman Bob Anthony. "This meets the goal I announced over a year ago of making Oklahoma aggressively competitive in order to create the most favorable climate to attract competitive local exchange carriers

"Reducing these charges increases the likelihood of competitors being able to establish favorable operating margins, thus making Oklahoma a more attractive market. The real winners will be Oklahoma consumers who will receive the benefits of a larger variety of competitive choices," Anthony said. .

Vice Chair Denise Bode said the expanded list of discounted items marked another important step in making the Oklahoma market as attractive as possible.

"We continue to work to ensure that the local service market is as competitive as we can possibly make it," Bode said. "I believe expanded choices will bring even greater opportunity for economic growth in Oklahoma."

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January 22, 2001

Commissioners vote unanimously to scrutinize monthly gas utility purchases and passthroughs of natural gas costs

Apple plans letter to President. Bode confident Bush Administration understands crisis

(OKLAHOMA CITY) – Corporation Commission Chairman Bob Anthony, Vice-Chair Denise Bode and Commissioner Ed Apple have unanimously approved an order calling for a monthly examination of utility costs for natural gas and the passthrough of those costs to consumers. The action was initiated at the request of Vice-Chair Bode.

The order sets a public hearing for February 1 to advance the issue of natural gas costs to the full commission during which there will be testimony under oath and the public will be asked to comment.

Commissioner Bode said “it is important for the public to be involved” and she believes the hearing will provide an opportunity for the public to be educated on gas purchases.

At issue is the Purchased Gas Adjustment, or PGA. Under the PGA, the utility may pass on to the consumer (at no profit) the price it had to pay for the gas. This “pass through” does not require Commission approval. However, the Commission can review the utilities’ costs to be sure the amount is correct. Normally, the Commission’s Public Utilities Division staff does the review.

“With natural gas prices drastically increased because of tight supply, it’s important the public be confident the Commission is ensuring they aren’t paying any more for gas than the law allows,” said Bode

Chairman Anthony asked for public assistance in telling the Commission of any imprudent charges.

Commissioner Apple emphasized that today’s action will not lower anyone’s gas bill and it is not aimed at a long term solution but it will verify the accuracy of gas costs being passed through to consumers. Apple said “what is needed is a move to marshal all the resources of this great nation to embark on a firm plan to ensure this nation’s energy independence.”

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Page 2, monthly gas review continued

Toward that end, Apple said he plans to send a letter to President Bush asking that a national energy emergency be declared in order to put such a process in motion.

Commissioner Bode, a member of the Bush administration’s energy advisory committee, agreed with Apple’s assessment, and added she is confident the Administration understands the gravity of the energy crisis faced by this country.

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1/23/01

COMMISSIONER ASKS PRESIDENT BUSH TO DECLARE A NATIONAL EMERGENCY

A call to arms to solve America's energy woes

Saying a crisis exists, Oklahoma Corporation Commissioner Ed Apple is asking President Bush to declare a national energy emergency.

"The anguish and pain caused by the recent record jump in natural gas prices is only the latest chapter in what has become a story without end," said Apple. "We must find a long-term solution to this problem, and our only hope of accomplishing that is to marshal all this country's intellectual and physical resources. Such a program can only come about as a result of firm action by the highest office in this country."

Apple envisions an effort similar to the program that was a direct result of then-President Kennedy's call for America to land a man on the moon before 1970.

"That presidential edict resulted in a program which had a definite goal, ample resources, and a firm path to follow to reach the desired goal," said Apple. "It is the same kind of program we need to achieve this country's independence when it comes to our energy needs."

Apple stressed his call includes goals of revitalizing domestic producers of conventional energy sources, and of finding ways of making alternative energy sources both affordable and widely available.

NOTE TO MEDIA: A COPY OF COMMISSIONER APPLE'S LETTER TO PRESIDENT BUSH IS INCLUDED WITH THIS RELEASE.

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OKLAHOMA
CORPORATION COMMISSION

308 Jim Thorpe Building

P.O. BOX 52000-2000

Telephone: (405) 521-2264

OKLAHOMA CITY, OKLAHOMA 73152-2000

FAX: (405) 522-1623



Ed Apple

January 23, 2001

The President
The White House
Washington, D.C.

Dear Mr. President:

This letter is to ask you to declare a national emergency regarding the energy policies of this nation and the effect those policies (or lack of same) are having on our citizens.

I respectfully submit that anything short of action by the highest official in this country will leave this country fragmented and divided, with little or no progress made towards solving the problem.

Therefore, I ask you to appoint Vice President Dick Cheney as "energy czar" and direct him to work with all stakeholders including the Secretary of Energy to develop new energy policies that will decrease our dependence on foreign powers and revitalize our domestic producers of all energy sources, both conventional and alternative.

As a strong, enthusiastic supporter of your campaign and of your presidency, and one who lives daily in this uncertainty, I urge you to use your leadership skills to establish a realistic and functional national energy policy.

Your immediate attention to this critical issue would be appreciated.

Sincerely,

Ed Apple

News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

September 26, 2001

COMMISSION MOVES ON RESOLUTION OF GAS COST

Commissioners cite need for answers to protect public, reject ONEOK'S conditions on document issue, question timing of offer

Chairman expresses disappointment with ONEOK

(Oklahoma City) Corporation Commissioners today took officials of Oklahoma Natural Gas and its parent company ONEOK to task over their response to questions raised concerning last winter's natural gas costs. Today's deliberations were scheduled by the Commissioners to move toward resolution of whether ONG acted prudently in its handling of last winter's natural gas costs.

ONEOK Chairman David Kyle made a surprise proposal during the deliberations, suddenly offering to comply with a Commission order that ONEOK surrender documents related to gas purchases made last winter.

While saying they are "grateful," for the offer, Corporation Commissioners questioned the timing and conditions of it.

ONEOK's offer is predicated on the understanding that the company still does not recognize the Commission's authority to request the documents. The company has tried and failed twice in the Oklahoma Supreme Court to get a ruling to that effect, and a third attempt is presently before the Court. ONEOK faces fines of over 200 thousand dollars for its refusal to comply with the Commission order.

Commissioner Chairman Denise Bode and Vice Chair Bob Anthony say the issue of authority must be resolved once and for all.

"It is critically important not only to this case, but future matters involving the restructuring of the various utilities," said Bode. "This Commission must be allowed to carry out its constitutional authority, or there will be no way of gathering information to be sure Oklahomans are protected."

Commissioner Anthony said he cannot accept the offer without recognition of Commission authority in such matters.

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"We have a burning legal question here that goes to the heart of whether the Commission can fulfill its constitutional responsibility to oversee what the Oklahoma Constitution defines as a 'public service company.' We need the Supreme Court to rule on this."

Commissioner Bode chided the company for making the offer at such a late date.

"We're going into the winter with this case still unresolved, because you (ONEOK) have been doing all you can to delay it, refusing to comply with our orders. It appears to me you've been less than forthright in this entire matter. I had numerous informal meetings prior to last winter with ONEOK and ONG officials about the impact of expected higher natural gas costs, and was repeatedly assured the company was taking action to mitigate the impact on

consumers. Those assurances were proven to be less than accurate. As a result, consumers were hurt.”

Chairman Bode warned ONEOK officials that it appears the company has shown “almost a callous disregard” for consumers.

ONEOK Chairman David Kyle expressed surprise at Bode’s comments, saying he was not aware she had concerns about rising gas prices and the need for storage prior to last winter. In response, Commissioner Anthony offered to assist Kyle in going over the past record of the case.

“The Commission’s challenge is to take the evidence of this case and weigh it in the context of the law,” said Anthony. “I think the record makes clear mismanagement and imprudence on the part of ONG when it comes to the natural gas costs of last winter.”

Anthony is recommending that ONG not be allowed to pass on to its customers millions in gas costs from last winter.

Commissioner Ed Apple was unable to attend today’s meeting because of the birth yesterday evening of his granddaughter. He has filed a statement of position recommending the entire matter against ONEOK and its affiliates be dismissed. It is Commissioner Apple’s belief that no evidence exists to substantiate the allegation that ONG was imprudent in its handling of gas costs last winter.

Commissioners Bode and Anthony took the ONEOK offer regarding the requested documents under advisement, and concurred that the entire case involving the question of last winter’s gas costs should be settled no later than October 31st.

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News from the **Oklahoma Corporation Commission**

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January 30, 2001

COMMISSION SCHEDULES PUBLIC HEARING

WHO: The Oklahoma Corporation Commission opens

WHAT: a public hearing based on numerous requests for public comment

WHEN: Wednesday, Jan 31 at 1:30 p.m. and will reconvene Thursday, Feb 1 at 9:30 a.m. and shall continue, as necessary, until concluded

WHERE: in the main courtroom #301 on the third floor of the Jim Thorpe Building located in the capitol complex at 2101 N. Lincoln Blvd. In Oklahoma City

WHY: to receive public comment regarding the cost of natural gas and the purchased gas adjustment clauses of Oklahoma Natural Gas Co. and Reliant Energy Arkla.

Thursday, Feb 1, is expected to include testimony of representatives from both companies and some individuals who have requested permission to testify.

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January 31, 2001

COMMISSIONERS WILL SCRUTINIZE GAS COSTS

The Corporation Commission will meet tomorrow (Thursday, February 1) to closely examine the gas costs borne by customers of ONG and Reliant Arkla.

Ordinarily, Commission staff reviews such costs. But Commission Vice-Chair Denise Bode points out these are not “ordinary” times.

“As everyone knows, the price of natural gas has skyrocketed, and as a result, so have utility bills,” said Bode. “Oklahomans need to know this Commission is doing everything it can under its legal authority to keep those down as low as possible.

One of the main focuses of the Commission in tomorrow’s session is what’s called the Purchased Gas Adjustment, or PGA. Under the PGA, a gas utility is allowed to charge the consumer what it had to pay for the gas it delivered to customers. No profit is allowed. While state law allows such “pass-throughs” without Commission approval, it does give the Commission the authority to oversee such costs. Tomorrow’s session will include sworn testimony from gas industry officials and others.

Commissioner Ed Apple, while emphasizing the need for a full, public scrutiny of such costs, says it’s important to remember what is at the core of the problem.

“This is a national problem,” said Apple. “The final solution to the energy crisis can only be brought about through a national effort, and I encourage President Bush’s efforts in that direction.”

The hearing will be held at 9:30 a.m. in the Commission courtroom (Room 301) on the third floor of the Jim Thorpe building.

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February 02, 2001

COMMISSION MOVES TO LOWER GAS BILLS

BUT COMMISSIONERS WARN THE CRISIS ISN'T OVER

In a move to lessen the blow of skyrocketing natural gas prices, the Oklahoma Corporation Commission has voted to change the formula used to determine the purchase gas adjustment (PGA) used by Oklahoma Natural Gas to recover the price it must pay for gas.

ONG had this week announced its intention to increase the PGA to 8.27 per dekatherm from the present 7.88 per dekatherm. Instead, consumers will see a lower gas price than what is currently on their bills.

ONG customers will see the price they pay for gas decrease from 7.88 per dekatherm to 7.14 per dekatherm. A "dekatherm" is the approximate equivalent of using one thousand cubic feet of gas. The average ONG customer should see a decrease in their bill of ten to twelve percent, depending on gas usage and billing plan.

Commission Chairman Bob Anthony said the PGA will be reviewed again in one month to see if a change is warranted.

"This (the PGA) is an item of timing," said Anthony. "The costs ONG has had to bear to purchase gas are a reality for the company, and they are entitled to recover legitimate costs."

"We're trying to do the best we can to accommodate the public interest, and the companies and the consumers are all a part of the public interest."

Chairman Anthony warned Oklahomans to remember the energy price crisis will impact their electric bills as well.

"Electric utilities in Oklahoma use natural gas to generate much of their power," he said. "Some have already notified this Commission of their need to recover their fuel costs, just as gas utilities have had to do. This will cause electric bills in Oklahoma to increase."

Commission Vice Chair Denise Bode said the Commission's action is aimed at providing hard-pressed Oklahomans some breathing room.

"The spikes in the price of natural gas have posed a burden for everyone in Oklahoma," said Bode. "It is vitally important we do what we can at the Commission to help Oklahomans weather the storm."

However, Bode was quick to add the problem was not caused by gas utilities, producers, or pipeline companies.

"This problem was the direct result of a decision on the national level to allow cheap, imported oil to flood the American market. Domestic producers, who we depend on for our natural gas, were forced out of business and all drilling in America came to a virtual halt for two years."

Commissioner Ed Apple agreed.

"We have many Oklahomans this will help in the next month or two, but we need to stress this does not change the fact of high natural gas prices," said Commissioner Apple. "Nor does it change the fact this is a national problem that requires national attention. I urge all Oklahomans to join in the effort to establish a national energy policy, and I encourage the recent efforts made by the Bush administration in that regard."

The Commission order regarding ONG's purchased gas adjustment will be issued Tuesday, but the change will be reflected on customers' bills immediately.

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February 6, 2002

Commission Attorney Named To Post

(Oklahoma City) Rachel Lawrence Mor has been named Interim General Counsel of the Oklahoma Corporation Commission, filling the post left vacant in late January when William Burkett accepted the position of Oklahoma City Attorney.

Prior to this appointment, Ms Mor was a Deputy General Counsel for the Commission, and headed the General Law department of the OCC's Office of General Counsel.

"We are fortunate to have someone of Ms Mor's caliber and proven expertise," said General Administrator Larry Shaver. "She has the proven ability to maintain the high standard for the Office set by William Burkett."

An Oklahoma City native, Rachel Mor is a graduate of John Marshall High School, and received her law degree from Oklahoma City University. She served as an Assistant Attorney General in the Oklahoma AG's office, and as General Counsel of the Oklahoma Department of Labor before joining the Commission in 1994. As head of General Law, Ms Mor represents the Commission in matters before state and federal courts.

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February 8, 2001

COMMISSIONERS RESPOND TO CONCERNS, MISUNDERSTANDINGS OF LAWMAKERS

Expressing concern that misinformation and evident misunderstandings will place an even greater burden on struggling consumers, Oklahoma Corporation Commissioners are offering to speak with State Representative Mike Mass, and State Representative Randall Erwin on their concerns regarding the high price of natural gas and the Commission's handling of the situation.

Commission Vice-Chair Denise Bode, a member of the Bush energy transition team, pointed out this complex problem requires a united effort. "This is not just an Oklahoma issue. This is part of a national crisis. Rather than pointing fingers, it's more important to be part of a solution and work to solve the problem. This Commission has worked, and continues to work very hard to do everything we can to assist ratepayers in Oklahoma."

Commissioner Apple planned to speak with both lawmakers personally.

"I welcome their wisdom in resolving the problem of high gas prices, which is, of course, a national problem. If there is a legislative solution to this, I would support it wholeheartedly. I for one do not want to go into a second heating season without having asked all the questions I can. However, it should be made clear this is a national issue that goes to the wellhead. The supply and demand issue is not a myth. Also, as a former state legislator and as a Commissioner, I have no doubts this entire Commission has been diligent and responsible in fulfilling our duty to the people of Oklahoma using our authority under the law."

Responding to the request by the lawmakers that the Federal Energy Regulatory Commission (FERC) investigate their various concerns, the Commissioners said they would welcome FERC input.

"I have worked closely with FERC for some 20 years," said Bode. "I certainly respect their expertise."

While stressing this is a complex problem, Commissioners do want to make it clear that:

(page 2, Response)

- The Commission ordered a \$20,000,000 annual cut in ONG's rates last May.
- The national demand for natural gas has increased drastically, while production, until very recently, declined, the victim of an uncaring federal bureaucracy that let our domestic producers go broke. The amount of gas in the ground isn't at issue. Getting it out is the issue.
- The Commission has taken its role to "monitor and oversee" the price charged by utilities for its

gas very seriously, so much so that it recently changed the formula of the "pass-through" costs so as to lower the price borne by ONG customers. However, state law is very clear: A utility can pass on to the consumer, at no profit, what it had to pay for gas. The Commission has been and will continue to closely monitor the purchase practices of the utilities in an on-going review.

- The Commission has been, and will be, actively investigating the issue of gas storage by the utilities.**
- Because of the competitive bidding requirements contained in the unbundling rules the price Oklahomans are paying for natural gas is lower than it otherwise would be.**

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February 16, 2001

WHO ARE THE POOR IN OKLAHOMA?

Commission seeks answers

Sociologist Dr. Robert Lee Maril will appear before the Corporation Commissioners in a public meeting for a discussion and presentation on "Poverty in Oklahoma: Facts, Myths, and Public Policy," on Tuesday, February 20.

Corporation Commission Chair Bob Anthony asked Maril to appear, citing the critical importance of such information.

"As utility bills skyrocket, there are on-going public and private efforts to help poverty-stricken Oklahomans cope with the crisis," said Anthony. "In order to ensure help is being offered in the most effective manner possible, it is necessary to understand the scope and exact nature of the problem. Such an understanding requires as its basis accurate and complete information regarding those most impacted by the present crisis."

Dr. Maril is the author of Waltzing With the Ghost of Tom Joad –Poverty, Myth, and Low-Wage Labor in Oklahoma. The book is the result of a sweeping four-year study of poverty in Oklahoma that included fieldwork and in-depth interviews of low income Oklahomans. The research was the first comprehensive examination of urban and rural poverty in Oklahoma. The end result is a study that effectively dispels many myths about the poor in Oklahoma, and shows the true extent of the problem.

An Oklahoma native, Dr. Maril was raised in Oklahoma City and taught for ten years at Oklahoma State University before becoming Chair and Professor of the Department of Sociology at the University of Texas Pan American.

The Commission meeting will also include discussion and possible adoption of a policy statement on railroad crossings and safety.

The Commission meeting is scheduled for Tuesday, February 20th at 9:30 a.m. in the Commission Courtroom, Room 301 of the Jim Thorpe Building.

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February 27, 2001

COMMISSION SCHEDULES OIL AND GAS RULEMAKING AND TECHNICAL CONFERENCE

(OKLAHOMA CITY) – The Oklahoma Corporation Commission will conduct both a technical conference and a public hearing during March on two areas of proposed change to oil and gas rules.

The changes involve amendments to bring the oil and gas rules into conformity with Senate Bill 549 passed in 1999 and to exempt certain pools in Latimer and LeFlore counties in eastern Oklahoma from the minimum unit allowable of 150 mcf/d.

Conformity with Senate Bill 549 involves new language to reference implementation requirements for Oklahoma Water Quality Standards as they apply to the Oil and Gas Conservation Division of the Corporation Commission. The changes are mandated by Senate Bill 549, which requires the Commission, along with several other environmental regulatory agencies in the state, to adopt an Oklahoma Water Quality Standard Implementation Plan for each agency's particular area of jurisdiction. Other issues include minimum requirements for the monitoring of sites where implementation of the water quality standards is involved and provisions for public participation in implementation of those standards or other pollution related matters.

The Commission proposes exempting the Red Oak Fanshawe, Red Oak Red Oak and Red Oak Spiro Pools from the 150 mcf/d minimum unit allowable and instead proposes a 2,000 mcf/d minimum allowable for each spacing unit in the three special allocated gas pools.

Adoption of these rules will be considered by the full Commission in a public hearing scheduled for 9:30 a.m., Monday, March 26 in courtroom 301 on the third floor of the Jim Thorpe Building at 2101 N. Lincoln Boulevard, Oklahoma City, OK 73105.

Since the rulemaking proposes permanent adoption, a technical conference is set for 10 a.m., Monday, March 19, 2001 in the Commission's conference room 105 on the first floor of the Jim Thorpe Building in Oklahoma City.

Public comment is open until the March 26 hearing. Further information is available from Michael Decker, Deputy General Counsel, Oil and Gas Conservation, 400 Jim Thorpe Building, Oklahoma City, Oklahoma, 73152-2000 or by telephone at (405) 521-2255.

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March 1, 2001

NEWS ADVISORY FOR NEWS DIRECTORS AND ASSIGNMENT EDITORS

Commission Continues Scrutiny of Utility Fuel Costs Passed to Customers

(OKLAHOMA CITY) – The Oklahoma Corporation Commission (OCC) on Friday, March 2, is scheduled to review applications involving the purchased gas adjustment clause of Oklahoma Natural Gas Co. (ONG) and the OG&E Electric Services retail monthly fuel costs adjustment report.

Both matters deal with the base cost of fuel, including natural gas, that is passed through to customers. This will be the Commission's second monthly review of ONG's natural gas cost pass-through, a commitment made by the Commission to the people of Oklahoma in light of unusually high natural gas bills.

Representatives from both utility companies will appear before the Commission. OG&E, meanwhile, opposes a February 23 Commission order to hold tomorrow's public hearing on OG&E's fuel adjustment pass-through. OG&E has failed to provide any pre-filed testimony with the Commission in connection with its application.

The Commission will hear these matters starting Friday at 9:30 a.m. in the main courtroom 301 on the third floor of the Jim Thorpe Building at 2101 N. Lincoln Boulevard in Oklahoma City.

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March 2, 2001

COMMISSIONERS ACT TO CUT "O-N-G" FUEL COST PASS-THROUGH TO CUSTOMERS

(OKLAHOMA CITY) – The Oklahoma Corporation Commission has voted unanimously to slash by 7.7% the amount of Oklahoma Natural Gas Company's (ONG's) pass-through costs of natural gas to its customers.

The Commission's reduction in fuel costs for ONG customers will total \$35,000,000 on March bills. The average residential customer will see a drop of about \$6. Commissioners reviewed with expert testimony the natural gas fuel costs for the company and chose to cut the charge per *Mcf or *dekatherm from the February figure of \$7.14 to \$6.58 for March. The \$6.58 includes an 0.87 deferred monthly fuel cost which represents 1/12th of the total deferred cost for March.

Chairman Bob Anthony said "Today's vote will help soften the impact on Oklahoma consumers of this winter's extraordinarily high natural gas heating bills.

Commissioner Denise Bode said "I want the Commission to continue to personally review these gas costs to ensure the company is maximizing low cost gas purchases. I am pleased that gas bills will again be reduced in keeping with market prices coming down."

"We have acted in a responsible manner as a Commission in working with ONG to mitigate the cost of fuel passed-through to the customer," said Commissioner Ed Apple. He expressed a preference for allowing ONG to recover its deferred costs before the next winter heating season instead of adding the deferred cost to next year's heating bills.

This is the second monthly hearing on ONG's fuel charge pass-through and the Commission will conduct another review next month.

- A Mcf (one thousand cubic feet) of natural gas contains approximately 1 dekatherm (heat value equal to one million Btu) of heat.**

In another action, the Commission also reduced OG&E's requested increase in fuel costs. The impact will be a reduction of 3 mills per kilowatt hour (kwh) on customer bills. That equals about \$3.00 per one-thousand kilowatts.

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March 29, 2001

ADVISORY

WHO: THE OKLAHOMA CORPORATION COMMISSION

WHAT: SCHEDULED TO CONSIDER REQUESTS FROM BOTH OKLAHOMA NATURAL GAS (ONG) AND OKLAHOMA GAS AND ELECTRIC (OG&E) FOR INCREASES IN THE FUEL COST AMOUNT THEY PASS THROUGH TO CUSTOMERS.

WHEN: FRIDAY, MARCH 30 AT 9:30 A.M.

WHERE: COMMISSION COURTROOM (ROOM 301), JIM THORPE BUILDING, OKLAHOMA CAPITOL COMPLEX, OKLAHOMA CITY.

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March 29, 2001

CORPORATION COMMISSION MOVES TO PROTECT PHONE CUSTOMERS

(Oklahoma City) – Saying the changes are needed to improve competition and protect consumers, the Corporation Commission has given unanimous approval to new rules for telephone service and long distance providers in Oklahoma.

Among the new requirements:

- Providers must have a “live” person available to speak with customers during regular business hours**
- Customers facing suspension or cut-off of service will be provided a “window” during which the phone can still be used to summon emergency help.**
- Phone bills must be made more uniform and easier to understand.**
- Unless other arrangements have been made, customers must be provided a written copy of their phone bill, and the billing must be done on a monthly basis.**
- Providers must respond to inquiries from the Consumer Services Division of the Commission made on behalf of customers having problems.**
- Increased protection against “slamming” (the unauthorized change of a customer’s long distance provider).**

Commission Vice-Chair Denise Bode says there’s no doubt the changes are needed.

“These rules are a direct response to the concerns that have been expressed to us by customers,” said Bode. “They are also needed if competition is going to truly work in a way that will benefit the consumer. They will help provide customers with information in an easily understandable form they can use to compare and contrast service providers and make an informed choice.”

The rules will now be submitted to the Governor and the Legislature for their approval.

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April 2, 2001

COMMISSION SAYS “NO” TO ONG BID FOR ACCELERATED RECOVERY OF GAS COSTS

BID FOR MONTHLY CHARGE DENIED

(Oklahoma City) The Oklahoma Corporation Commission has denied Oklahoma Natural Gas Company’s request that it be allowed to charge customers a monthly fee of 5 dollars and 50 cents a month in order to recover the amount the firm has spent on gas this winter.

The Commission also denied ONG’s request that it be allowed to raise the gas cost component of customer’s bills to \$7.09 per dekatherm. Instead, the Commission approved a gas cost charge of \$6.82 per dekatherm in order to allow the company to continue to recover its gas costs from this winter. A dekatherm is approximately one thousand cubic feet of gas.

Corporation Commission Chairman Bob Anthony says today’s action is part of a continuing process to allow the company to recover its legitimate gas costs as required by state law, while also taking into account the needs of consumers.

“We have been very fair to the company, while trying to balance their needs with those of consumers during this period of unexpectedly rapid natural gas price increases,” Anthony said. “Since we began this process, the Commission has allowed ONG to utilize an exception in its tariff to collect nearly 120 million dollars to cover increased gas costs. ONG claims there is a remaining balance of approximately 63 million dollars. Today’s order would begin the process of amortizing that over the next 12 months.”

-OCC-

All news advisories and releases are available for downloading on the OCC web site at www.occ.state.ok.us

News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

April 4, 2001

NEWS ADVISORY FOR ASSIGNMENT EDITORS AND NEWS DIRECTORS

Commissioner Denise Bode will receive the Hearst Newspapers 2001 Energy Award for public service during ceremonies at the Midland Petroleum Club.

Presentation of the prestigious award will take place April 5 in Midland, Texas.

Charles Spence, Publisher of the Midland Reporter Telegram, a Hearst Newspaper, said “Denise Bode has not only been a major force in the domestic petroleum industry but a major friend of U.S. oil and gas producers.”

The Hearst Energy Awards are given each year to individuals and companies who have made an outstanding contribution to the domestic oil industry.

To schedule an interview with the Commissioner you may call 405-521-2267

-OCC-

All OCC news advisories and releases are available for review and downloading at www.occ.state.ok.us

News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

4-16-01

STRUGGLING OKLAHOMANS AT HEART OF COMMISSION STAFF ACTION

“I need your help. My mother is a 97-year-old widow. Her heating bill is \$256.80. Her Social Security won’t reach this far...”

“My gas bill has gone up 846 percent in one month. How can that be...?”

“Oklahoma has numerous poor people, unable to pay their bill. I pray you will take all into consideration.”

“Yes, we had very cold weather, and we expected to pay more. But that much more?...Would you investigate?”

“My opinion is there is no justification for these prices.”

“Someone needs to step in and do something...”

“Your answers to our questions about the natural gas pricing structure...will be greatly appreciated.”

“We are having a lot of trouble trying to stay warm and eat...we...believe natural gas increases should be investigated.”

“Please help us by holding...companies like Oklahoma Natural Gas responsible for their actions.”

“How can we, the customers of ONG, be informed consumers...?”

(see STRUGGLE, page 2)

(STRUGGLE, page 2)

The quotes on the previous page are excerpts from letters received by the Commission. They are from Oklahomans struggling with high gas bills, and they best illustrate the reason behind the Corporation

Commission staff's request for documents from companies owned by ONEOK, the parent company of ONG.

“It is the Commission’s responsibility and obligation to review and determine whether ONG’s customers are paying no more for gas than the law allows,” said OCC Public Utility Division Director Ernest Johnson. “Staff is simply trying to do that. It is regrettable ONEOK apparently does not see fit to work cooperatively with OCC staff to strengthen the public’s confidence in the utility and the regulatory process. Its refusal to turn over data related to gas transactions of its subsidiaries further undermines a public confidence already badly shaken by the gas crisis.

“Representatives of this agency have stood shoulder-to-shoulder with the utility in trying to help ratepayers understand the broad market conditions that caused gas prices nationwide to skyrocket, and we will continue that effort. However, that does not negate OCC staff’s responsibility to investigate whether the total price ONG customers had to pay was and is fair and equitable under Oklahoma law. Further, ONEOK’s curious logic of deeming the requested data irrelevant to this concern simply because ONEOK says it’s irrelevant, does nothing to convince us otherwise.

“Both the Oklahoma Constitution and the people of Oklahoma demand such an undertaking.”

-occ-

All OCC news releases and advisories are available on the OCC web site
(www.occ.state.ok.us)

OKLAHOMA
CORPORATION COMMISSION
Jim Thorpe Building
P.O. BOX 52000-2000
OKLAHOMA CITY, OKLAHOMA 73152-2000

308

Telephone: (405) 521-2264
FAX: (405) 522-1623



Ed Apple
Commissioner

For Further Information, Contact:

Sarah Penn, (405) 521-2264
Ed Apple, (580) 255-0103

COMMISSIONER APPLE OBJECTS TO “WAR OF WORDS” WARNS OF DAMAGE TO INTEGRITY OF THE COMMISSION

Corporation Commissioner Ed Apple today issued the following statement in regards to an OCC news release (dated today) regarding Staff’s request for documents from ONEOK subsidiaries:

“It is a matter of public record that I do not support Staff’s demand that ONEOK turn over documents related to gas contracts over which this agency has no authority. I now find myself forced to take issue with today’s news release from this agency on the ONEOK issue.

“There is no basis of known fact on which to base staff’s request for the documents in question, and to imply otherwise is simply wrong, and, to me, repugnant. Staff has no evidence of wrongdoing by ONEOK or its subsidiaries, and I don’t believe the Commission has the right to invoke government power and look into unregulated areas simply because we don’t like the results of the regulated process under which ONG competitively bid for its gas. Nor do I believe this agency has the right to further inflame the issue in the minds of an already-suffering public.

“As a government agency, it is essential that the Corporation Commission deal only in fact. To launch a verbal assault on a company for exercising its constitutional right to object to a questionable government edict does nothing but add to the conflict, and further erode any hope that there can be a mutual effort toward resolution of this issue.

“To turn the ‘marketplace of ideas’ into a mere verbal wrestling match puts in danger a noble and correct concept upon which this country was based. People across the nation, both in Oklahoma and elsewhere, are struggling to pay their high utility bills. They deserve compassion and understanding, not an inflammatory process that does nothing toward finding a solution to the problem. “

News from Corporation Commissioner Bob Anthony Jim Thorpe State Office Building — Phone: (405) 521-2261

Contact: Larry Lago Telephone: (405)521-2261

4/24/01

MEDIA ADVISORY: The following letter has been sent to the Oklahoma Legislature by Corporation Commission Chairman Bob Anthony. It outlines his concerns with the measure aimed at changing the date of "restructuring" (more commonly referred to as "deregulating") Oklahoma's electric utilities.

Dear Legislative Members:

A problem exists with Title 17, Section 190.4, which sets forth the **prohibition** that "during the transition period to full consumer choice, the Corporation Commission is expressly prohibited from promulgating any rules or issuing any orders relating to the restructuring of Oklahoma's electric utility industry without prior express authorization by the Oklahoma State Legislature."

In recent years the Oklahoma Corporation Commission has issued numerous orders using modern approaches to utility regulation. Some of these orders will need to be updated or modified for various reasons, including extensions necessitated by the Legislature changing the July 1, 2002 implementation date for "electric retail choice".

Some lawyers say the Legislature's **prohibition** against any Commission orders relating to electric "restructuring" means the Commission must use only old-fashioned utility rate base regulation. Surely the Legislature does not wish to diminish or cause confusion about the Corporation Commission's ability to continue issuing company-specific orders regarding topics such as:

Competitive bidding for fuel procurement and transportation

Performance-based and incentive regulation

Review of utility affiliate transactions

Authorization of special contracts

Approval of aggregation arrangements

Least-cost procurement

Risk Management and cost mitigation

In fact, some would argue that a traditional electric utility case that categorizes generation, transmission and distribution assets is itself "restructuring." Are rate cases now prohibited? How far does the prohibition go?

For the sake of Oklahoma consumers, this legislative confusion must be eliminated. The **prohibition should be revoked**. Over \$1 billion in annual electric rates and charges to consumers are at issue. We do not want California to start using Oklahoma as an example where government mistakes determine electricity costs and reliability.

Respectfully,

Bob Anthony

Commissioner

News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

April 30, 2001

NEWS ADVISORY: FOR ASSIGNMENT EDITORS AND NEWS DIRECTORS

GAS PIPELINE FIRE

Corporation Commission pipeline safety experts are investigating to determine the cause of what appears to have been a dual explosion and pipeline fire on the northeast corner of the intersection of Luther Road and Wilshire in far eastern Oklahoma county.

Two separate natural gas pipelines, one a 12-inch gas gathering line and the other a 12-inch gas transmission line, both operated by Enogex, a subsidiary of OG&E, exploded and burned at midday.

The lines run parallel to each other at the point where the fire occurred and the transmission line runs about six miles south into OG&E's Horseshoe Lake plant just north of the town of Harrah. Damage included nearby utility poles and lines, part of a roadway and a wooded area where the pipelines burned. Local authorities report no injuries.

-OCC-

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News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

May 4, 2001

COMMISSIONER BODE, OTHERS TO HONOR OKLAHOMA'S OIL PIONEERS

(Oklahoma City) Oklahoma Corporation Commission Vice-Chair Denise Bode will be among the speakers at a dedication ceremony for the Conoco Oil Pioneers of Oklahoma Plaza, a special outdoor educational exhibit area at the Sam Noble Oklahoma Museum of Natural History at the University of Oklahoma in Norman.

The exhibit tells the remarkable stories of the people who helped shape the history of the oil and gas industry in Oklahoma during the early days of the Oklahoma Oil boom.

“It is fitting for all Oklahomans to pay tribute to these pioneers,” said Bode. “They not only shaped an industry, they also shaped an entire nation. The ‘Oklahoma Spirit’ we speak so proudly of today came from them.”

The dedication ceremony begins at 11:30 a.m. on Saturday, May 5. The public is invited to attend.

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News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

May 22, 2001

MEDIA ADVISORY FOR TULSA

The OCC has had a number of inquiries regarding the court hearing set for today at the Commission's Tulsa offices on the proposed closing of several railroad crossings.

It was inaccurately reported by at least one media outlet that "the Corporation Commission will meet today" on the railroad crossing issue. In reality, the three Corporation Commissioners have nothing to do with today's hearing.

What is happening today is part of the normal process when there is a request that a railroad crossing be closed. A Commission Administrative Law Judge will hear the arguments for and against the proposed closings. He will then make a finding in the matter (usually not on the same day as the court hearing). That finding will go to the Commission (the three Commissioners) within 30 days. The Commissioners have the final say in the matter.

The rail-crossings in question are located at 38th, 39th, 40th, 45th, 51st, 53rd and 61st west avenues.

The case is being heard today by Administrative Law Judge Charles Dudley. It is scheduled for 10 a.m. this morning in the Commission's Tulsa courtroom at 440 South Houston, Suite 114.

Judge Dudley is the Commission's only Transportation judge, and is based out of Oklahoma City. Today's hearing in Tulsa is part of the Commission's on-going program to save Oklahomans outside the OKC metro area a trip to the capitol whenever possible.

-occ-

News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

May 23, 2001

A D V I S O R Y

In an 8-0 decision, the Oklahoma Supreme Court has given the green light for Corporation Commission staff to continue its attempt to obtain documents from ONEOK Corporation. Staff had requested the documents from ONEOK stating the documents are needed to ascertain whether ONEOK subsidiary ONG paid a “fair, just, and reasonable” price for the gas it supplied Oklahomans during the past heating season, a cost ultimately borne by the ratepayer.

ONEOK had asked the Oklahoma Supreme Court to stop Commission staff attempts to get the documents in question. In its decision, the Court denied that request.

-occ-

News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

May 24, 2001

MULTI-MILLION DOLLAR CREDIT AND RATE REDUCTION FOR P-S-O CUSTOMERS STARTS IN JUNE

(OKLAHOMA CITY) – The Oklahoma Corporation Commission has amended an agreement to give Public Service Company of Oklahoma (PSO) customers about \$9,000,000 in combined rate credits and cost reductions over twelve months starting on their June bills.

Commission Chairman Bob Anthony said “The order allows PSO customers to benefit from a combination of savings at the time of year when electric bills traditionally are highest. It also makes technical corrections to allow residential customers to receive more of the overall savings.”

Commission Vice-Chair Denise Bode agrees the timing couldn’t be better.

“PSO is heavily dependent on natural gas for much of its electric generation,” said Bode. “The increases we’ve seen in natural gas prices mean higher electric bills this summer. The \$9,000,000 in savings for PSO customers will come at a time when air conditioning demand is at its peak, and when the cost-savings will therefore be needed the most.”

The savings are the result of a well-executed business plan, said Commissioner Ed Apple, who added, “PSO and AEP officials should be proud of the success of their merger, and its resulting benefits to Oklahoma ratepayers.”

The impact on the bill of an average customer who uses 1,000 kilowatt hours per month will be about \$3.35.

In May of 1999, the Commission approved a five-step rate reduction and hold-harmless methodology concerning the sale of generating facilities resulting from the merger of American Electric Power (AEP) and PSO’s parent Central and South West Corporation (CSW).

The overall merger agreement required the sale of 300 megawatts of generation in the Southwest Power Pool. Profits from the sale would flow through to customers while consumers would be “held harmless” should the sale have resulted in a loss.

-cont’d-

Page 2, PSO customer savings

Oklahoma customers will benefit from the sale with \$4,253.255 being passed through PSO’s fuel adjustment clause during the summer months as an offset to the cost of natural gas and coal.

In addition, PSO customers will receive a \$4,871,000 rate reduction credit. The credit is a the second part of a five-step reduction approved by the Commission two years ago which totals nearly \$28 million. PSO customers received a rate reduction credit last year of nearly \$3.2 million as the first of the five steps.

-occ-

All OCC news releases and advisories are available for review and downloading on the OCC web site at www.occ.state.ok.us

News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

May 30, 2001

ADVISORY

WHO: Staff of the Oklahoma Corporation Commission, ONEOK staff

WHAT: Hearing before Administrative Law Judge Robert Goldfield on OCC staff's request that ONEOK be held in contempt for refusal to turn over requested documents.

WHEN: Thursday, May 31 at 1:30 p.m.

WHERE: Jim Thorpe Building, Commission Courtroom (301)
State Capitol Complex, Oklahoma City

WHY: Staff had requested the documents from ONEOK stating the documents are needed to ascertain whether ONEOK subsidiary ONG paid a "fair, just, and reasonable" price for the gas it supplied Oklahomans during the past heating season, a cost ultimately borne by the ratepayer. At issue is the price of gas ONG purchased from other ONEOK subsidiaries, as compared to the price of the gas those subsidiaries sold non-ONEOK entities.

ONEOK has twice asked the Oklahoma Supreme Court to stop staff in its attempt to get the documents in question. On both occasions, that request has been denied.

-OCC-

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www.occ.state.ok.us*

News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405)521-4180, FAX: (405) 522-1623 www.occeweb.com

ONEOK, SUBSIDIARIES IN CONTEMPT FOR REFUSAL TO TURN OVER DOCUMENTS

(\$2,000 a day fine assessed)

(Oklahoma City) Oklahoma Corporation Commission Administrative Law Judge Robert Goldfield today found ONEOK and its subsidiaries OMET and OGS in contempt for their refusal to comply with OCC staff's request for certain documents related to natural gas sales.

Judge Goldfield assessed the firms a fine of \$2,000 a day starting from May 8, 2001 and lasting until such time as the firms comply with the order to surrender the documents.

OCC Public Utility Division Director Ernest Johnson called the companies continued refusal to allow access to the documents "mystifying."

"They have twice tried unsuccessfully to have the Oklahoma Supreme Court stop staff in its attempt to get the documents. Now they have simply refused to turn over the documents.

"A paid witness for ONEOK recently testified that the dealings between ONEOK subsidiaries and ONG were arms-length competitive transactions, and the resulting charges were fair, just, and reasonable. One would think ONEOK would be anxious to show staff that such was actually the case, and that the decisions made were in the best interest of the consumer.

"This is simply a case of Commission staff trying to get the information needed to ascertain whether the customers of a regulated monopoly (ONG) paid a fair, just and reasonable price for their natural gas this past winter."

The case is scheduled to go to the full Commission in late June.

All OCC releases and advisories are available for viewing and downloading on our web site: www.occeweb.com

Denise Bode, Vice-Chairman
Contact: Linda Guthrie
405-521-2822

June 1, 2001

COMMISSION ELECTS NEW CHAIRMAN

Denise Bode to assume post

(Oklahoma City) The Corporation Commission today approved a motion by Chairman Bob Anthony that Commissioner Denise Bode be named Commission Chairman, effective July 2, 2001. Bode is currently the Commission Vice-Chair.

“I am honored to be elected Chairman of the Commission at this crucial time in our state history,” said Bode. “I look forward to continuing to work with my colleagues and staff, as well as the businesses we regulate, to ensure Oklahomans are better off in the future as a result of our actions.”

Current Chairman Bob Anthony has high praise for Bode.

“With her strong background in energy and law, Denise Bode has quickly learned the duties and responsibilities of the Corporation Commission, and has proven to be an effective, dedicated Commissioner. She will be a capable Chairman because she fights for the public interest.”

Commissioner Bode will be the first Republican woman to chair the Commission. Current Chairman Bob Anthony will become Vice-Chair.

Appointed to the Commission in 1997, Bode was elected to a full six-year term in 1998. She is past president of the Independent Petroleum Association and is a tax attorney.

-OCC-

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News from the **Oklahoma Corporation Commission**

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

June 6, 2001

NEWS ADVISORY

What's the real status of Oklahoma's electric system?

Prestigious lab presents first phase results of study on the Oklahoma electric system and the potential economic impact of electric restructuring in Oklahoma

What would electric restructuring (commonly called "deregulation") mean for Oklahoman's electric bills? How would it impact Oklahoma's economy?

Specific answers to those questions will be discussed by the Oklahoma Corporation Commission Thursday, June 7, as the *Oak Ridge National Laboratory* presents the results of its phase I analysis of the likely economic impacts of electric restructuring in Oklahoma.

The presentation will be held as the Oklahoma Corporation Commission continues to work to insure that utility customers' needs are being adequately met. In this mission, the OCC constantly examines resource planning efforts by regulated utilities and associated modeling tools to provide instructive future information.

WHERE: the main Commission Courtroom (301) on the third floor of the Jim Thorpe Building at 2101 N. Lincoln Blvd. in the Oklahoma State Capitol Complex.

WHEN: Thursday, June 7, 1:30 p.m.

-occ-

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News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

June 6, 2001

COMMISSIONERS WELCOME GROWING COMPETITION FOR LOCAL TELEPHONE SERVICE

Stress need for consumers to be informed about choices

(Oklahoma City) Oklahoma Corporation Commissioners today welcomed the entrance of AT&T to the local-phone service market in Oklahoma.

“This is just the type of announcement we envisioned when the Commission adopted the alternative regulation rules opening Southwestern Bell’s local phone service to competition,” said Commission Chairman Bob Anthony. “As a facility-based competitor, AT&T will not only provide Oklahomans additional choice for telephone service, but also the possibility of employment opportunities as the system expands.”

Vice-Chair Denise Bode said competition opens the door for savings on local phone bills.

“Twenty years ago, who would have ever thought one would be able to make a long distance call for a nickel a minute? Just as competition in long distance has saved the consumer money, competition in local phone service can bring the same benefits,” said Bode.

Commissioner Ed Apple pointed to AT&T’s use of a relatively new technology (fixed wireless) as further evidence that the old technological barriers to competition are crumbling.

“AT&T is using the fixed wireless system as a vehicle to offer a very competitive product. It’s my hope development of such systems and their use in competing for phone service will eventually result in the elimination of the so-called “digital divide” that exists between the rural and metropolitan areas of Oklahoma, and all Oklahomans will be able to choose from an array of services at affordable prices.”

AT&T has announced it is offering Oklahoma City and Tulsa residential customers high-speed voice services and Internet access through the use of fixed wireless technology. It is the fourth company to offer local residential telephone service in Oklahoma. The others are Southwestern Bell, Birch, and Cox.

(more)

(AT&T cont)

Need for education

Commission Vice-Chair Bode pointed out that with all the changes in telecommunications, consumers need to do their homework.

“For example, because it is being provided through a company (AT&T Wireless) that falls outside of Commission jurisdiction, at this juncture the local service AT&T is offering is not regulated by the Commission. This new service underscores the need for the Commission to be proactive in educating consumers so they will be able to take full advantage of these changes in the telecommunications marketplace.”

“With greater choice comes greater responsibility for the consumer,” said Chairman Anthony. “The Commission is moving aggressively to provide Oklahomans the information they need in order to know what their rights are when it comes to telephone service, and to be able to comparison shop and make the right decision for themselves.”

The information will soon be available on the Commission’s web site (www.occ.state.ok.us) as well as in brochure form at various agencies and community organizations.

-OCC-

(All OCC news releases and advisories are available for viewing and downloading at the OCC web site: www.occ.state.ok.us.com)

News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

June 8, 2001

COMMISSION SPONSORED OAK RIDGE NATIONAL LABORATORY STUDY OF THE IMPACT OF ELECTRIC RESTRUCTURING ON OKLAHOMA PRESENTED TO COMMISSIONERS

(OKLAHOMA CITY) – Under sponsorship of the Oklahoma Corporation Commission, the prestigious Oak Ridge National Laboratory (ORNL), a U.S. Department of Energy owned laboratory, at Oak Ridge, Tennessee has presented the first phase of a two phase study on the impact of electric restructuring on Oklahoma’s economy.

ORNL spokesman S.W. Hadley, who made the presentation, said the study “looked at the state as a whole” evaluating market and regulated prices. Hadley said if the electric generation market was deregulated under today’s higher natural gas prices residential customers would pay two cents more per 1,000 Kilowatt hours (kwh) or an extra \$20 per month.

Commissioner Denise Bode said, “The purpose of building this independent model of our energy market in Oklahoma begun early last year was to provide a better tool to evaluate proposals of the industry and policymakers on Oklahomans and the Oklahoma economy. The first phase established the energy model of Oklahoma and then tested the immediate deregulation of electric generation. With today’s market prices it predicted an 18% or \$486-million increase in electric prices for Oklahoma. For the average customer that breaks down to a 12% or \$20 a month increase for residential, 18% or \$36 a month for commercial and a 28% or over \$1,000 a month increase for industrial customers.” She added, “This model developed by Oak Ridge, one of the U.S. government’s most prestigious labs, will also be an important energy planning tool for Oklahoma to determine the impact of new generation, need for transmission and other energy management tools in the future.”

“Establishing a baseline model is important,” said Commission Chair Bob Anthony. “As part of the team determining the best public policy for Oklahoma, we feel it is very helpful to create an unbiased model that will allow decision makers to test and understand the consequences of various options as they evaluate how best to proceed in this complicated area.”

-cont’d-

Page 2, Oak Ridge model

Calling the study a “snapshot of Oklahoma,” Hadley said the study model also used data from the Southwest Power Pool which includes Oklahoma, Texas and other surrounding states.

The first phase of the study built an econometric model specifically designed for Oklahoma to take a close look at the energy market in the near-term using recent 1999 figures on generation and customer demand. Phase II, expected by September, will provide a longer-term analysis reaching ten years into the future by incorporating the potential for new generation resources, transmission and customer responses.

-occ-

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News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

June 8, 2001

NEWS ADVISORY

CORPORATION COMMISSION TO HEAR OKLAHOMA CITY'S REQUEST TO BUILD GROUND LEVEL RAILROAD CROSSING IN BRICKTOWN AND ABANDON WALNUT STREET OVERPASS

WHO & WHAT:

Attorneys and expert witnesses representing the City of Oklahoma City, the Corporation Commission staff, the railroads and at least one Walnut Bridge preservation group are scheduled to appear before the Commission's Administrative Law Judge Charles Dudley this afternoon.

Judge Dudley is scheduled to hear from members of the public who have asked to speak on the Railroad Crossing issue immediately following the testimony portion of the hearing.

WHEN & WHERE:

The hearing will start Friday afternoon at 1:30 P.M. in the main courtroom #301 on the third floor of the Jim Thorpe Building at 2101 N. Lincoln Blvd in the Capitol complex.

-OCC-

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News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

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June 11, 2001

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NEWS ADVISORY

CORPORATION COMMISSION LAW JUDGE COMPLETES HEARING WALNUT BRIDGE RAIL CROSSING TESTIMONY

(OKLAHOMA CITY) – Corporation Commission Administrative Law Judge Charles Dudley has given attorneys for the City of Oklahoma City and Renaissance Partners until June 22 to file summaries of evidence they presented during the Walnut Street Bridge, Bricktown railroad crossing hearing.

Once the summaries have been submitted, Judge Dudley will prepare a written report for the Corporation Commissioners. When that report is filed, the parties will have no more than ten days to appeal to the Commissioners.

During Monday's concluding testimony, Corporation Commission Railroad Manager G.R. 'Buddy' Combs testified that in his opinion, no at-grade crossing should be installed at Walnut Street.

-occ-

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News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

June 18, 2001

NEWS ADVISORY

COMMISSION APPROVES OVER \$2.7 MILLION IN SAVINGS FOR OG&E CUSTOMERS

(OKLAHOMA CITY) – The Oklahoma Corporation Commission has approved an order which helps defray higher summer electricity costs with more than \$2.7 -million dollars in fuel cost credits for Oklahoma Gas and Electric Co. (OG&E) ratepayers. The customer credit amounts to .000138 cents per kilowatt hour or an average of 13.8 cents per month for the average residential electricity user’s bill.

The customer credit is part of a stipulated agreement worked out between the Commission public utility division staff, OG&E, the Attorney general and Oklahoma Industrial Energy Consumers (OIEC) which applies to cost recovery for gas transportation savings which result from competitive bidding.

Each OG&E customer will start seeing the credit with the July billing cycle and continue to receive it until amended by the company at the direction of the Commission.

-occ-

All OCC news releases and advisories are available for downloading and review on the OCC web site at www.occ.state.ok.us

For Further Information, Contact:

Sarah Penn, (405) 521-2264

Ed Apple, (580) 255-0103

6/20/01

APPLE ANNOUNCES HE WON'T SEEK REELECTION

(Oklahoma City) Calling his time as a Corporation Commissioner “a gratifying experience,” Ed Apple announced today he will not be a candidate for reelection. Apple said he looks forward to the 18 months remaining in his current term.

“The Commission will continue to face challenges in the coming months,” said Apple. “One of my primary goals will be to see that our state – and specifically rural Oklahoma –benefits from any change in the regulation of utilities, and is able to make use of technology as a vehicle for economic growth.”

Apple has words of praise for his fellow Commissioners and the staff of the Commission.

“It is a pleasure to serve with colleagues who hold the interest of Oklahomans so dear, and to be able to depend on the dedicated staff of professionals who serve the Commission and the State. I am particularly indebted to Sarah Penn and Tom Zigler of my staff for their years of loyal, professional service to this office.”

Apple says his decision not to run again for office is based on his strong belief in “self-imposed term limits.”

“I thank Governor Keating for appointing me to this most important job, and I will always be grateful for the support of the ‘Apple Corps’ and others who worked so hard on my behalf in supporting my reelection and my political career in general. However, I think it’s vitally important for there to be a kind of ‘churning’ of people in elective office - those who leave the private sector to serve the public, and then return to the private sector. I believe that a true government ‘of the people’ must consist of those who have a first-hand understanding of the private sector, and are citizens first, politicians second.”

(more)

(Apple, pg 2)

Apple said that while he is retiring from political life at the end of his term, he will remain active in the private sector, citing a number of personal projects he will be working on in the years to come.

In addition, Apple and his wife Betty plan to spend more time with their grandchildren and traveling.

Ed Apple was first elected to public office in 1986, serving four terms as a state representative from Duncan.

He was appointed to the Corporation Commission in January 1995 to complete an un-expired term. He was elected to a full six-year term in November 1996.

News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

June 21, 2001

NEWS CONFERENCE ADVISORY

WHO AND WHAT: NEWS CONFERENCE WITH REPRESENTATIVES OF STATE AGENCIES, INDUSTRY

WHEN: FRIDAY, JUNE 22 11 A.M.

WHERE: ROOM 301, JIM THORPE BUILDING

WHY: WEATHERIZATION EFFORTS

Corporation Commission Chairman-elect Denise Bode, Oklahoma Commerce Department of Commerce officials, representatives of Oklahoma utilities and others will hold a news conference tomorrow (Friday, June 22) at 11 a.m. to discuss efforts to launch a coordinated program to weatherize thousands of homes in Oklahoma. The goal is to involve community action programs, state agencies, energy producers, utilities, and other businesses in the program.

Prior to the news conference, a meeting on the topic will be held involving representatives of the aforementioned groups. The media is welcome to attend the meeting, which will begin at 10 a.m.

Both the news conference and the meeting will be held in the main Commission Courtroom (301) on the third floor of the Jim Thorpe Building, Oklahoma Capitol Complex.

-OCC-

(All OCC advisories and news releases are available for viewing and downloading at the Commission web site www.occ.state.ok.us.)

News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

June 25, 2001

BATTLES NAMED PUBLIC EDUCATION COORDINATOR

Commission moves to keep Oil and Gas Industry, Lawmakers, Public informed

(Oklahoma City) As part of a continuing effort to improve service to Oklahoma's domestic energy industry and Oklahomans in general, Mike Battles has been named the agency's Public Education Coordinator for oil and gas issues.

OCC General Administrator Larry Shaver announced the appointment today, calling Battles "the perfect man for the job."

"With Oklahoma's oil and gas industry on the grow again, there is an increasingly urgent need for there to be a coordinated effort to be sure those in the industry are fully informed regarding this agency and its functions. Further, many Oklahomans outside the industry are now coming into contact with the industry for the first time, and need answers to a wide range of questions.

"Mike Battles has the unique expertise to tackle this effort. He literally grew up in the oil business, and combined with his years in the Oil and Gas Division, most recently as Director, he brings to the table experience from both the field and regulatory sides."

The appointment took effect Monday, June 25, 2001. Larry Fiddler, former head of the Technical Department of the Oil and Gas Division, has been named Acting Division Director.

-OCC-

(All OCC news releases are available for downloading and viewing at the OCC website – www.occ.state.ok.us)

News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

June 26, 2001

ADA SEMINAR FOR OIL AND GAS OPERATORS

IMPLEMENTATION PLAN FOR NEW WATER QUALITY STANDARDS EFFECTIVE JULY 1

(OKLAHOMA CITY) – representatives of the Oklahoma Corporation Commission will discuss the implementation plan and technical guidance document which take effect July 1 during a seminar at the Pontotoc Area Vocational Technical School.

The Commission will conduct the seminar June 28 from 1:30 – 3:30 p.m. at 601 W. 33rd in Ada.

The implementation plan and technical guidance document are mandated by the enactment of Senate Bill 549. The bill requires each state environmental agency to promulgate a water quality standards plan for its jurisdictional areas of environmental responsibility. The plan specifies how the agency utilizes and enforces the Oklahoma Water Quality Standards for surface water and groundwater.

Questions regarding the seminar should be directed to Patricia Billingsly (405) 522-2758. Copies of the Plan may be obtained by calling the Commission's Pollution Abatement Department at (405) 521-3085. The Plan may also be found on the OCC web site at www.occ.state.ok.us.

-OCC-

All OCC news releases are available for downloading and review on the web site at www.occ.state.ok.us

News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occeweb.com

JUNE 26, 2001

ADVISORY

The Corporation Commission's hearing on Oklahoma Natural Gas will be continued through tomorrow (Wednesday, June 27).

The hearing will resume at 8:30 a.m. in the same location (Room 301, Jim Thorpe Building).

-occ-

News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

July 3, 2001

ADVISORY

Denise Bode, the new Chairman of the Oklahoma Corporation Commission, will be in your area today and tomorrow (Tuesday and Wednesday) and is available for interviews.

Chairman Bode assumed the chairmanship on Monday, July 2.

Should you wish to interview her on Commission matters, she may be reached at 918-782-9323, or via c-phone 405-641-1775.

-OCC-

All news advisories and releases are available for downloading on the OCC web site at www.occ.state.ok.us

News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623 www.occ.state.ok.us

July 6, 2001

COMMISSION APPROVES HEARING ON NEWSPAPER'S BID FOR DOCUMENTS UTILITY WANTS KEPT SECRET

(Oklahoma City) The Oklahoma Corporation Commission today voted unanimously to hold a hearing to determine whether certain documents related to Oklahoma Natural Gas Company's (ONG) gas costs should continue to be kept from the public. The hearing was requested by Vice Chair Bob Anthony as well as Commission General Counsel William Burkett.

At issue is an Open Records Act request by the Oklahoma Constitution Newspaper, which is seeking a resolution approved at a ONEOK Board of Directors meeting held on April 20, 2000. ONG is a division of ONEOK. The minutes of that meeting were admitted into evidence by the Commission during last week's interim hearing reviewing ONG's gas purchase practices of last winter. They were submitted by ONG under a protective order requested by the company and granted by the Commission. The protective order made no finding as to the validity of the company's claim the information in question meets the standard set by Oklahoma law that would entitle it to receive confidential treatment. Rather, the protective order required that all claimed confidential and/or privileged material shall be kept from the public until otherwise ordered by the Commission.

Commissioner Anthony says state law makes it clear the Open Records request should be considered by the Commission.

"Our state's Constitution recognizes and guarantees that all political power is inherent in the people, and that the public policy of the State of Oklahoma is that the people are therefore vested with the inherent right to know and be fully informed about their government, except in instances where specific state and federal laws would deem the information in question to be confidential.

"The matter concerns the review of a state-regulated, publicly held utility's purchased gas adjustment (PGA). State law is clear such reviews, and certain records related to the review, are to be public. There is certainly an argument that can be made as to the public's right to the information in question."

The hearing will be held on Wednesday July 11, when the Commission is already scheduled to hear an appeal from ONEOK of a Commission Administrative Law Judge's finding holding the company in contempt and assessing a 2 thousand dollar a day fine for refusing to comply with a Commission order seeking information from ONEOK subsidiaries on gas sales.

-OCC-

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News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

July 9, 2001

For further information media can contact:

Dana Murphy (OCC) (405) 521-4117

WORKSHOP AIMED AT HELPING THOSE IN OKLAHOMA'S ENERGY INDUSTRY

Those involved with Oklahoma's oil and gas industry can gain the edge they need in their competitive business by attending a one-day workshop sponsored by the Oklahoma Corporation Commission and the Oklahoma City Geological Society.

The workshop will focus on giving producers and others the information they need to be able to work efficiently and easily with the Commission in meeting the various rules and laws governing the industry. Entitled "Tools, Techniques, and Trials," the workshop will feature sessions covering such topics as current and proposed rules effecting oil and gas operations, how to prepare a case to bring before the Commission, and the operations of the Commission's Oil and Gas Division, among others.

Oklahoma Corporation Commissioner Ed Apple urges industry representatives, landmen, geologists, engineers, attorneys and royalty owners to attend.

"Dealing with a regulatory agency such as the Corporation Commission can be a daunting task, especially when you're involved in as complex and demanding a business as oil and gas production," said Apple. "We want to give those in the industry the tools and understanding they need to help us help them meet the law and continue to satisfy America's energy needs."

The one-day workshop is scheduled to begin at 8:30 a.m. on July 20 at the Clarion Meridian Hotel and Convention Center in Oklahoma City. Registration is 85 dollars per person, and special hotel room rates are available. To register, interested parties can call Carol DeLong with the Oklahoma City Geological Society at 405-236-8086 ext. 11.

-OCC-

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News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

July 10, 2001

ADVISORY

WHO: Oklahoma Corporation Commissioners, OCC Staff, ONEOK, ONG

WHAT: Hearing before the Commission

WHEN: 9:30 a.m. Wednesday July 11

WHERE: Room 301 (Commissioners Courtroom) Third Floor, Jim Thorpe Building, Capitol Complex (OKC)

WHY: Commissioners will hold hearings on two matters:

- 1) ONEOK's appeal of the finding an OCC Administrative Law Judge that ONEOK be held in contempt and fined for refusing to turn over documents as ordered by the Commission.**
- 2) Whether to lift the protective order withholding minutes of a ONEOK Board of Directors meeting from the public.**

-OCC-

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News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

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July 11, 2001

MEDIA ADVISORY

Oklahoma Corporation Commissioners voted unanimously today to lift the protective order on an exhibit filed as part of the review of the gas costs incurred by Oklahoma Natural Gas and its customers last winter. The vote came after two media outlets (The Oklahoma Constitution Newspaper and KWTW-Channel 9) filed separate Open Records Act requests asking for the exhibit. ONEOK, the parent company of ONG, today dropped its initial objection to release of the exhibit, which consists of a ONEOK Board of Directors resolution approved in April of last year.

On another matter, the Commissioners took under advisement the appeal of two ONEOK subsidiaries to an OCC's Administrative Law Judge's recommendation that they be found in contempt and fined for refusing to turn over documents as ordered by the Commission. The documents in question deal with gas sales made last winter. Commissioners agreed to give all sides in the matter time to make supplemental filings in the case. The deadline for all such filings is 7/23/01, and a decision in the matter is expected shortly thereafter.

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News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

July 24, 2001

COMMISSIONERS PUT IN MOTION MOVE TOWARD COLLABORATIVE EFFORT

Goal is to “move Oklahoma forward”

(Oklahoma City) Oklahoma Corporation Commissioners, OCC staff, representatives of the Oklahoma Legislature, the Oklahoma Attorney General, and representatives of Oklahoma utilities agreed this week on the concept of forming a utility advisory committee to tackle issues of importance to all concerned.

Commissioner Ed Apple made the initial proposal, noting the primary purpose of the Commission is to “be part of the solution to a given problem.”

“What’s needed is a concerted effort toward a common goal,” said Apple. “Collective wisdom is more powerful than partial knowledge and shared ignorance.”

Commission Chairman Denise Bode agreed that a collaborative process “within the framework of the law” is needed.

“As I stated on the day I became Chairman, I believe the Commission needs to have interaction and communication with Commission stakeholders to accomplish the new missions we are asked to perform.”

Commission staff will now work with the various interests involved to develop a framework for such an effort. The Commission is tentatively scheduled to discuss the matter in more detail in August.

-OCC-

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News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

July 25, 2001

COMMISSIONERS TAKE GIANT STEP FORWARD TO ADDRESS RISK OF UTILITY BILL SPIKES

**search for solutions to volatile utility costs include use of market hedging and two pilot
programs**

(OKLAHOMA CITY) – The Oklahoma Corporation Commission has ordered the largest gas and electric utilities serving the state to present plans to lessen the impact of energy price volatility upon consumers. In an historic move, the Commissioners are working with all of the major gas and electric utility companies at the same time for the benefit of consumers and the utilities that serve them. It is a concerted effort to find solutions to the impact of high market prices for energy which have plagued Oklahomans and the nation for more than a year.

The Commission has given its blessing to two separate pilot programs and to the search for market hedging methods and risk management programs which represent a diversified, balanced portfolio aimed at reducing exposure to high prices for both consumers and the utilities.

The Commission has unanimously given Oklahoma Natural Gas Company (ONG) permission to proceed with a 12-month pilot program starting in the fall of 2002. The Pilot program will offer customers the chance to take part in a voluntary, fixed price payment plan (VFP) designed to avoid the volatile aspects of spot market pricing. The pilot program will also help determine customer acceptance of such a plan. ONG will be allowed to collect reasonable and prudent costs of the program.

Arkla-Reliant Energy Resources Inc. (ARKLA) has had its pilot program for hedging approved by the Commission for financial transactions not to exceed ten percent (10%) of its annual gas supply for twelve (12) months ending March 31, 2002.

The Commission will further work with ONG and other utilities under a notice of inquiry to consider future hedging plans they may implement to reduce the impact of price volatility on their customers.

Oklahoma's largest electric companies, including Public Service Company of Oklahoma (PSO) and Oklahoma Gas & Electric (OG&E) will be reviewed by the Commission as their chosen hedging programs are implemented to help reduce the volatility of market prices on both gas and electricity.

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News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

July 26, 2001

NEWS ADVISORY

Corporation Commission Administrative Law Judge Charles Dudley has filed his written report regarding Oklahoma City's Walnut Street Bridge crossing.

Judge Dudley's recommendation denies the City of Oklahoma City's request to remove the existing above grade crossing commonly known as the Walnut Street Bridge located between Northeast Second Street and Main Street.

With respect to the City's proposed at-grade crossing, Judge Dudley said in part "Removal of the grade separation as proposed by the city in this proceeding in favor of an at-grade crossing would create an extra hazardous crossing which would be a likely candidate for closure..."

Copies of the report are available at Commission offices at the Jim Thorpe Building at 2101 N. Lincoln Blvd. Located in the capitol complex. Media may pick up a copy in room 311b of the Thorpe Building.

-OCC-

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304 Jim Thorpe Building
P.O. BOX 52000-2000
OKLAHOMA CITY, OKLAHOMA 73152-2000
Denise Bode, Chairman

Telephone: (405) 521-2267
FAX: (405) 521-4109

August 1, 2001

NEWS ADVISORY

COMMISSION STARTS REVIEW OF RULES ON UTILITY DISCONNECTS DURING HEAT WAVES

(Oklahoma City) – The Oklahoma Corporation Commission turns its attention Thursday to open discussion of electricity rules as they pertain to disconnection of residential service during hot weather.

Commission Chairman Denise Bode said “I want to address this highly sensitive and extremely important issue on an interim basis to prepare for even fuller discussions concerning how to assist in preventing possible threats to human lives by establishing rules based on both practical and scientific facts.”

The Commission will conduct deliberations with representatives of the electric utility companies following its 9:30 a.m. signing agenda in the main courtroom #301 of the Jim Thorpe Building in the Oklahoma City Capitol complex.

Commissioner Bode recently called for Ernest Johnson, Director of the Public Utility Division, to begin discussions with the major utilities concerning their views on the possibility of changing the disconnection-of-service rules during days with high temperatures and potentially life threatening conditions and to consider if new guidelines are needed.

News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

August 2, 2001

ADVISORY

The Oklahoma Corporation Commission today approved an order finding ONEOK and its subsidiaries, ONEOK Energy Marketing and Trading Company, L.P. (OEMT) and ONEOK Gas Storage, L.L.C. (OGS), in contempt for failure to comply with a Commission order.

At issue is an order asking for documents related to natural gas purchases and sales last winter. OCC Staff has said the documents are needed in order to properly conduct a review of the gas costs borne by Oklahoma Natural Gas customers last winter.

The order imposes a fine of \$500 a day (the maximum allowed by state law), on each of the companies, for a total of 15 hundred dollars a day.

On another matter, the Commission today began deliberations on the impact of the high summer temperatures and disconnection of electric services. OCC rules currently prohibit utility companies from cutting off electricity if the heat index is actually, or is forecast to be, at or above 103 degrees Fahrenheit.

Representatives of the state's electric utilities, as well as OCC staff and officials with the Oklahoma Department of Health were among those taking part in the discussion.

An expanded deliberation on the topic will be held August 16, with members of the public invited to attend and take part.

The deliberations are part of a review of the impact of higher temperatures and higher utility costs on Oklahomans, and whether the current rules regarding disconnection are still appropriate.

-OCC-

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News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

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August 9, 2001

ADVISORY

TO ALL MEDIA: THE CORPORATION COMMISSION IS EXPECTED TOMMORROW (FRIDAY, AUGUST 10) TO VOTE ON THE ORDER DENYING OKLAHOMA CITY'S REQUEST THAT IT BE ALLOWED TO REPLACE THE ABOVE-GRADE RAIL CROSSING ALONG WALNUT (WALNUT STREET BRIDGE) WITH AN AT-GRADE RAIL CROSSING.

THE ORDER IS EXPECTED TO BE ONE OF THE ITEMS ON THE COMMISSION'S DAILY SIGNING AGENDA, WHICH WILL BE ACTED ON AT 9:30 A.M. IN THE MAIN COMMISSON COURTROOM (301) IN THE JIM THORPE BUILDING.

-OCC-

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News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

August 15, 2001

ADVISORY

WHO: THE OKLAHOMA CORPORATION COMMISSION

WHAT: SCHEDULED TO HEAR FROM THE PUBLIC AND UTILITY COMPANIES ON WHETHER THE RULES REGARDING DISCONNECTION OF GAS OR ELECTRIC SERVICE IN EXTREME WEATHER SHOULD BE CHANGED. (Currently, electric service cannot be disconnected if heat index is at or predicted to be at least 103 degrees. Service used for heat cannot be disconnected if temperature high for the day is at or below 32 degrees (or predicted to be within that range), or if the nighttime low is at or predicted to be 20 degrees or less).

WHEN: THURSDAY, AUGUST 16, AT 9:30 A.M.

WHERE: COMMISSION COURTROOM (ROOM 301), JIM THORPE BUILDING, OKLAHOMA CAPITOL COMPLEX, OKLAHOMA CITY.

-OCC-

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News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

August 16, 2001

COMMISSION VOTES TO MOVE FORWARD ON POSSIBLE CHANGES TO RULES GOVERNING DISCONNECTION

(Oklahoma City) After hearing from the public and utility representatives, the Oklahoma Corporation Commission today unanimously approved a motion to consider changes in the rules regarding disconnection of utility services to residential customers.

Current rules forbid disconnection of electric service if the heat index is at, or is predicted to be, at least 103 degrees. If the service is used for heating, disconnection cannot occur if the high is, or is predicted to be, 32 degrees or less or the low is 20 degrees or less.

Just a few of the examples of the options to be considered by the Commission:

- 1) Make changes in requirements regarding who the utility must notify before a disconnection takes place, and how such notification is made (i.e., requiring personal contact with the person or a designated representative).**
- 2) Develop and/or revise service tariffs to reduce rates for qualifying families and individuals.**
- 3) Develop optional tariffs that would allow for additional physical equipment to be installed on the consumers cooling and heating equipment to limit usage, enabling limited use to heat and/or cool their home while avoiding the danger of a running up a utility bill that is already overdue.**
- 4) Mount aggressive education campaigns targeting consumers about their rights under the rules, and utility company personnel about their responsibilities under the rules.**
- 5) Consider changes to the various methods under which utilities recoup non-payments from customers, through extended or otherwise structured payment plans, requiring the utility to help the party in question make contact with such funds or organizations that might be able to help.**

Technically, the Commission today voted to open what's called a Notice of Inquiry regarding the disconnection rules. Under state law, this is required to set in motion the process under which the exact proposed changes in the rules will be formulated.

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News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

August 28, 2001

NEWS ADVISORY: GASOLINE PRICES AND THE COMMISSION

The recent spike in Oklahoma gasoline prices has again stirred public debate about who might be responsible for the price increases. Some letters and phone calls to the editor have pointed the finger at the Corporation Commission for not investigating the gasoline price hikes.

The following is provided as an informational source for reporters and the public:

The Commission wishes to make it very clear that it has no statutory authority whatsoever to investigate or regulate the price of gasoline. This means it cannot investigate allegations of price gouging as regards gasoline or diesel fuel.

Commission fuel inspectors do work to make sure Oklahomans get what they pay for by checking all retail gasoline pumps for fuel quality and pump accuracy. Commission Inspectors also check for water in gasoline and make sure the facility is in compliance with environmental and safety rules.

If consumers think they purchased “bad” gas or that a pump might not be calibrated properly, they should call the Commission’s Consumer Services Division at 1-800-522-8154. Inside the OKC metro area, the number to call is 521-2331.

-OCC-

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News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

August 28, 2001

COMMISSION ORDERS PHONE SERVICE RESTORED TO TULSA-AREA RESIDENTS

(Oklahoma City) The Oklahoma Corporation Commission late this afternoon issued an emergency order to restore phone service to more than 900 Tulsa-area residents who received their local service through a Universal Telephone Company. The Kansas-based firm offers pre-paid local phone service to customers in Kansas, Missouri, and to approximately 1200 Oklahomans in the Tulsa area.

The disconnections are in violation of Commission rules, and Commission action against Universal Telephone is being prepared.

The emergency order issued today allows Southwestern Bell to disconnect Universal Telephone from SWB's OSS system (through which the disconnections are made), thus preventing any more disconnections. In addition, Southwestern Bell will work to get each customer reconnected as a customer of UT Company of Tulsa. There will be no reconnection fees, and customers will receive a mailing from UT explaining the change and their options.

The reconnection process is expected to be complete before tomorrow evening.

-OCC-

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News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

August 30, 2001

BELL'S ATTEMPT TO RAISE PHONE BILLS RAISES EYEBROWS AT THE COMMISSION

(Oklahoma City) – Armed with an outside legal opinion, Southwestern Bell wants to interpret its tariff to allow it to push nearly a third (50) of the exchanges it serves in Oklahoma up into the next, higher priced classification citing the addition of more access lines as the reason.

Bell claims it is merely asking the Commission to do what it is already allowed to do under its existing tariff. Bell's request will add as much as \$10.20 annually to each residential phone line and up to \$61.44 per year to each business line, amounting to an \$11,800,000 increase in Bell's annual revenue.

Ernest Johnson, Director of the Commission's Public Utility Division, said "The Commission's utility staff will conduct a thorough review and analysis of the methodology used by Bell. One of the issues it will focus on is how they determined the growth and higher numbers of access lines claimed in each exchange."

According to Johnson, "Bell's rationale to reclassify ignores the new Oklahoma Plan of alternative regulation agreed to last year by the company, the Commission, Governor Frank Keating, the State Attorney General and the Legislature. That agreement stipulated a five year rate freeze and a cap on prices until 2005 making Bell's latest move appear inappropriate and inconsistent."

Johnson said the staff's review will get underway shortly.

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News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

September 5, 2001

MEDIA ADVISORY

(Oklahoma City) An Oklahoma Corporation Commission Administrative Law Judge (ALJ) today granted ONEOK's request for a stay in the Attorney General's request asking the Commission to issue a contempt order against ONEOK, the parent company of Oklahoma Natural Gas.

The ALJ agreed with ONEOK's contention that the issues involved in the Attorney General's request were essentially the same as those involved in an earlier contempt order from the Commission. That order is currently under appeal before the State Supreme Court.

At issue is ONEOK's refusal to comply with a Commission order that it submit documents related to natural gas sales made last winter.

The parties have until Monday (September 10) to appeal the ALJ's finding to the Commissioners.

-OCC-

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News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

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September 5, 2001

SOUTHWESTERN BELL'S ARGUMENT FOR PRICE HIKE REJECTED

(Oklahoma City) Southwestern Bell's (SWBT) plan to raise the local phone bills of many Oklahomans has hit a roadblock with today's rejection of the plan by Ernest Johnson, the Director of the Oklahoma Corporation Commission's Public Utility Division.

Claiming it did not need Commission approval, Bell announced plans to increase the price paid for basic local exchange service for customers in 50 exchanges in Oklahoma, by moving the exchanges into a higher priced classification. Such a move would result in an increase totaling as much as \$11,800,000 per year. Residential customers' bills would be increased by as much as \$10.20 a year, while businesses could see an annual increase of as much as \$61.44 a year.

In rejecting Bell's notification, Johnson cited the opinion of Commission General Counsel William Burkett. Burkett found the reclassification would violate the price cap regulation plan SWBT agreed to in June of last year. Burkett notes the Florida State Supreme Court upheld the Florida Public Service Commission in a similar case in 1998. In that case, the Florida Commission rejected a plan by Bell South to reclassify its exchanges after the company had opted for price regulation similar to the plan SWBT chose in Oklahoma.

Southwestern Bell has argued the reclassification is neither a rate hike nor a price change, but Johnson says that is "a distinction without a difference," as the bottom line is that customers would still pay more for their service.

-OCC-

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News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

September 12, 2001

THE CORPORATION COMMISSION DOING ALL IT CAN TO FIGHT GASOLINE PRICE GOUGING

(Oklahoma City) – As American’s work to rebuild from the heinous and cowardly terrorist attacks on our great nation, it appears the acts of a few gasoline retailers have set off a panic among Oklahomans with efforts to dramatically increase prices. While a report from the Oklahoma Petroleum Marketers Association said refiners passed on an increase of about 30 cents per gallon to wholesalers on Tuesday, September 11, reports from consumers of a handful of retailers around the state trying to double the price of their gasoline appears to have set off a gasoline buying panic.

Gasoline is a commodity which reacts to uncertainties in the market. Such uncertainties may include the consistency of oil supplies from the Middle East and what actions the United States may take to respond to the terrorism.

The Corporation Commission has no authority to regulate the price of gasoline but in an effort to do everything possible to help prevent Oklahomans from being gouged, Commission Chairman Denise Bode said “Along with the Governor, I contacted representatives of the Oklahoma Fuel Marketers to urge restraint in this time of national crisis. In addition, the Commission’s Petroleum Storage Tank Division has been contacting gasoline retailers across Oklahoma to make sure they are in strict compliance with all rules including the posting of fuel prices, pump calibration and quality of fuel.”

Commissioner Bob Anthony said “All of the Commission’s fuel inspectors are and have been in the field addressing the problem to the best of their ability. The inspectors are driving around looking for gas stations where the price is not prominently posted and telling them it has to be clearly visible and must be the same as the price on the pump.”

In addition to the correct and prominent posting of the price, Commissioner Ed Apple said “Commission fuel inspectors will continue to keep a close eye on the quality of the fuel and the calibration of the pumps to be certain Oklahomans get the proper value for their money.”

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News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occ.state.ok.us

September 13, 2001

NEW INFORMATION ON GASOLINE PRICING AS CORPORATION COMMISSION DOES ALL IT CAN TO FIGHT PRICE GOUGING

(Oklahoma City) – As Americans work to rebuild from the heinous and cowardly terrorist attacks on our great nation, it appears the acts of a few gasoline retailers have set off a panic among Oklahomans with efforts to dramatically increase prices. There have been reports from consumers of a handful of retailers around the state trying to double the price of their gasoline. Any suspected gouging should be reported to the state Attorney General at 405-521-2029.

Conoco, which has a large number of retailers in Oklahoma, indicates in a release this week that its gasoline prices will remain at pre-attack levels. Richard Severance, President of Conoco's U.S. downstream operations said overall, ample supplies are available and he discouraged panic buying which could lead to local shortages. Severance said Conoco will continue to exercise "common sense and restraint" in pricing decisions.

Gasoline is a commodity which reacts to uncertainties in the market. Such uncertainties may include the consistency of oil supplies from the Middle East and what actions the United States may take to respond to the terrorism.

The Corporation Commission has no authority to regulate the price of gasoline but in an effort to do everything possible to help prevent Oklahomans from being gouged, Commission Chairman Denise Bode said "Along with the Governor, I contacted representatives of the Oklahoma Fuel Marketers and Refiners to urge restraint in this time of national crisis. In addition, the Commission's Petroleum Storage Tank Division has been contacting gasoline retailers across Oklahoma to make sure they are in strict compliance with all rules including the posting of fuel prices, pump calibration and quality of fuel."

Commissioner Bob Anthony said "All of the Commission's fuel inspectors are and have been in the field addressing the problem to the best of their ability. The inspectors are watching for stations where the price is not conspicuously posted at the pump and where the advertised price is not the same as the pump price on the facility's marquee and remote billboards."

In addition to the correct and prominent posting of the price, Commissioner Ed Apple said "Commission fuel inspectors will continue to keep a close eye on the quality of the fuel and the calibration of the pumps to be certain Oklahomans get the proper value for their money."

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News from the Oklahoma Corporation Commission

Jim Palmer, Director of Information

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September 25, 2001

NEWS ADVISORY

ATTENTION ASSIGNMENT EDITORS AND NEWS DIRECTORS

COMMISSION DELIBERATES FATE OF MILLIONS IN OKLAHOMA NATURAL GAS COMPANY GAS COST CHARGES FROM LAST WINTER WHICH COULD BE PASSED THROUGH TO CUSTOMERS

In his posting for the meeting, Commissioner Bob Anthony called for consideration of his deliberations statement disallowing the pass through to customers of \$59-million of ONG's Purchased Gas Adjustment Clause charges.

Commissioner Ed Apple filed a position statement which recommends the entire cause filed by the Commission to review ONG's natural gas costs be dismissed saying "It's time to move on."

The deliberations will begin Wednesday, Sept 26, at 9:30 a.m. (following signing agenda) in courtroom #301 on the third floor of the Jim Thorpe Building in the capitol complex at 2101 N. Lincoln Blvd. in Oklahoma City.

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News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

September 26, 2001

COMMISSION MOVES ON RESOLUTION OF GAS COST

Commissioners cite need for answers to protect public, reject ONEOK'S conditions on document issue, question timing of offer

Chairman expresses disappointment with ONEOK

(Oklahoma City) Corporation Commissioners today took officials of Oklahoma Natural Gas and its parent company ONEOK to task over their response to questions raised concerning last winter's natural gas costs. Today's deliberations were scheduled by the Commissioners to move toward resolution of whether ONG acted prudently in its handling of last winter's natural gas costs.

ONEOK Chairman David Kyle made a surprise proposal during the deliberations, suddenly offering to comply with a Commission order that ONEOK surrender documents related to gas purchases made last winter.

While saying they are "grateful," for the offer, Corporation Commissioners questioned the timing and conditions of it.

ONEOK's offer is predicated on the understanding that the company still does not recognize the Commission's authority to request the documents. The company has tried and failed twice in the Oklahoma Supreme Court to get a ruling to that effect, and a third attempt is presently before the Court. ONEOK faces fines of over 200 thousand dollars for its refusal to comply with the Commission order.

Commissioner Chairman Denise Bode and Vice Chair Bob Anthony say the issue of authority must be resolved once and for all.

"It is critically important not only to this case, but future matters involving the restructuring of the various utilities," said Bode. "This Commission must be allowed to carry out its constitutional authority, or there will be no way of gathering information to be sure Oklahomans are protected."

Commissioner Anthony said he cannot accept the offer without recognition of Commission authority in such matters.

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"We have a burning legal question here that goes to the heart of whether the Commission can fulfill its constitutional responsibility to oversee what the Oklahoma Constitution defines as a 'public service company.' We need the Supreme Court to rule on this."

Commissioner Bode chided the company for making the offer at such a late date.

"We're going into the winter with this case still unresolved, because you (ONEOK) have been doing all you can to delay it, refusing to comply with our orders. It appears to me you've been less than forthright in this entire matter. I had numerous informal meetings prior to last winter with ONEOK and ONG officials about the impact of expected higher natural gas costs, and was repeatedly assured the company was taking action to mitigate the impact on

consumers. Those assurances were proven to be less than accurate. As a result, consumers were hurt.”

Chairman Bode warned ONEOK officials that it appears the company has shown “almost a callous disregard” for consumers.

ONEOK Chairman David Kyle expressed surprise at Bode’s comments, saying he was not aware she had concerns about rising gas prices and the need for storage prior to last winter. In response, Commissioner Anthony offered to assist Kyle in going over the past record of the case.

“The Commission’s challenge is to take the evidence of this case and weigh it in the context of the law,” said Anthony. “I think the record makes clear mismanagement and imprudence on the part of ONG when it comes to the natural gas costs of last winter.”

Anthony is recommending that ONG not be allowed to pass on to its customers millions in gas costs from last winter.

Commissioner Ed Apple was unable to attend today’s meeting because of the birth yesterday evening of his granddaughter. He has filed a statement of position recommending the entire matter against ONEOK and its affiliates be dismissed. It is Commissioner Apple’s belief that no evidence exists to substantiate the allegation that ONG was imprudent in its handling of gas costs last winter.

Commissioners Bode and Anthony took the ONEOK offer regarding the requested documents under advisement, and concurred that the entire case involving the question of last winter’s gas costs should be settled no later than October 31st.

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News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

September 28, 2001

COMMISSIONER IS NAMED 'STATE OFFICIAL OF THE YEAR'

(Oklahoma City) Calling her “an outstanding example of a public official that truly cares for Oklahoma’s poor,” the Oklahoma Association of Community Action Agencies (OACAA) has presented Oklahoma Corporation Commission Chairman Denise Bode with the Association’s State Official of the Year Award.

“It is truly an honor to be recognized by those who work so diligently to improve the lives of the less advantaged in our great state,” said Bode. “I feel strongly that with the challenges many of our fellow Oklahomans face, it’s important that we work together toward a brighter future for all.”

Chairman Bode was recognized for her leadership role in organizing a statewide summit on weatherization. She brought together a coalition of utilities, energy producers, government, and the public to form a cooperative effort aimed at lowering the utility bills of low-income people thorough the weatherization program.

Using her background as a tax attorney, Chairman Bode also publicized a little-known state law allowing a tax credit to all those who contribute to the weatherization program. She has worked to promote this tax credit to potential contributors in order to allow the program the needed capital to grow.

Chairman Bode has also lobbied both federal and state governments for more funding for such programs, as well as for programs such as LIHEAP that help low income Oklahomans pay their utility bills.

The award was presented Thursday, September 27 during the OACAA Annual Conference in Oklahoma City.

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News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occeweb.com

October 5, 2001

BODE WARNS TOMMOROW MAY BE TOO LATE

Inaction on energy policy helping to fund enemies, says Chairman

(Oklahoma City) Oklahoma Corporation Commission Chairman Denise Bode is calling on the Senate to act immediately on the House-passed national energy bill.

“Those who say it’s not a pressing issue are ignoring the fact that we are pumping billions of dollars a year into the economies of those who fund acts of terrorism against the United States,” said Bode. “In April of this year, Americans purchased 862 thousand barrels a day of oil from Iraq, a country run by a regime that is an avowed enemy of America, and one that is known to harbor terrorists. The State Department is warning Americans not to travel to five of the 11 OPEC nations we depend on for much of our oil. Why should Americans be forced to spend their dollars on a needed product from those who are hostile to us, especially when it’s possible to replace much of it with domestic oil? Why should we be forced to continue to fund acts of war against us?”

“The Clinton Administration made two separate findings concluding that our reliance on foreign oil was, in fact, a threat to the security of the United States. And yet when Senator Jim Inhofe attempted to get action recently on this critical bill to keep America’s energy flowing, he was criticized for his timing. This in spite of the fact that America is going on a war footing, and even the peacetime economy has in the past year seen price spikes caused by shortages of natural gas, gasoline, and electricity. When is the right time?”

“Military action means an even greater demand for energy. During Desert Storm Allied forces consumed 450 thousand barrels a day; eight times what was used during World War II.

“We’ve already seen the result of this ‘live for today’ attitude when it comes to energy,” said Bode. “It’s the main reason behind the huge jump in natural gas prices nationwide last winter, and gasoline prices that climb sky-high every time there is even a small mishap at just one refinery. Our energy infrastructure in America is crumbling. It’s long past time to do something.”

Chairman Bode warns those who think the current drop in energy prices signals ‘light at the end of the tunnel’ are wrong.

“That ‘light’ is an oncoming train,” warned Bode. “The last time we had a drastic drop in oil and gas prices, we lost thousands of domestic producers. As a result, our natural gas supply was depleted, and prices skyrocketed. What was an aberration could become a permanent state of affairs if we don’t act on a policy that will provide the American consumer with some stability.”

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Matt Skinner, Public Information Officer

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October 8, 2001

CORPORATION COMMISSIONERS TO DISCONNECTED RELIANT ENERGY ARKLA CUSTOMERS: 'DON'T WAIT'

(Oklahoma City) The Oklahoma Corporation Commission is urging Reliant Arkla gas customers who have had their natural gas service disconnected to quickly get in touch with the utility and make whatever arrangements are necessary for reconnection.

“If too many people wait until the cold weather takes hold to arrange for reconnection, the system might be overwhelmed,” warned Commissioner Ed Apple. “Neither the Commission nor Reliant Energy Arkla want people waiting in the cold for days to get reconnected.”

“A Reliant Energy Arkla technician doesn’t just go to a home and turn on a valve,” pointed out Commission Chairman Denise Bode. “They must make a careful on-site inspection before restoring service. This takes time.

“Nor is it a matter of simply hiring more people to quickly meet demand. Service technicians have to undergo months of training to ensure the safety of the public when doing this kind of work.”

Commission Vice-Chair Bob Anthony says there are two factors that are of concern.

“One is the unusually high number of Reliant Energy Arkla customers expected to ask for reconnection from the past winter. Coupled with that is the length of time it takes to reconnect a customer’s natural gas service because of all the precautions that must be observed.”

Before technicians are dispatched, payment arrangements must be made. To arrange for payment and reestablishment of service, Reliant Energy Arkla customers should call 1-866-275-5265. If after contacting the utility there are still unresolved issues, customers are urged to contact the Commission’s Consumer Services Division toll free at 1-800-522-8154.

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News from the **Oklahoma Corporation Commission**

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October 29, 2001

ADVISORY

How can Oklahomans save money on their utility bills?

How can you help the less fortunate and get a little-known tax break at the same time?

Corporation Commission Chairman Denise Bode and Russell Perry, the Governor's Special Assistant for Economic Development will provide the answers at a news conference tomorrow.

The news conference will take place at an Oklahoman's home chosen for the Weatherization Assistance Program, which provides funding to help eligible Oklahomans get "more bang for their buck" in heating or cooling their homes. In addition, Oklahoma law allows for a 50 percent tax credit on contributions to the program.

Print and television media should note the photo and video opportunities afforded by the location, where ways of determining where a homeowner is wasting the most money in heating and cooling his home will be demonstrated, as well as ways to make a home more energy-efficient for both winter and summer.

WHEN: TUESDAY, OCTOBER 30, 2001

WHERE: 1128 S.W. 38TH, OKLAHOMA CITY (If the weather is bad, the news conference will be held at Oklahoma Department of Commerce Headquarters, 900 N. Stiles, OKC).

TIME: 9:30 A.M.

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News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

October 30, 2001

MEDIA ADVISORY

WHO: OKLAHOMA CORPORATION COMMISSIONERS

WHAT AND WHY: EXPECTED TO VOTE IN THE MATTER INVOLVING LAST WINTER'S GAS COSTS AND OKLAHOMA NATURAL GAS CUSTOMERS. AT ISSUE: HOW MUCH, IF ANY, OF ONG'S REMAING GAS COSTS FROM LAST WINTER SHOULD BE "PASSED THROUGH" TO ITS CUSTOMERS. COMMISSION VICE-CHAIR BOB ANTHONY HAS FILED A DELIBERATIONS STATEMENT PROPOSING THAT 59 MILLION DOLLARS BE DISALLOWED (NOT ALLOWED TO BE PASSED-THROUGH)

WHEN: WEDNESDAY OCTOBER 31, 2001 TIME - 1:30 PM.

WHERE: COMMISSION COURTROOM (Room 301) THIRD FLOOR, JIM THORPE BUILDING, OKLAHOMA CAPITOL COMPLEX

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News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

November 2, 2001

ADVISORY

TO ALL MEDIA

There have been incorrect news reports telling ONG customers who owe money from last winter that their bills will be forgiven. AGAIN, THIS IS NOT CORRECT.

While it is true the Corporation Commission this week voted to not allow ONG to charge customers for some of the company's gas costs incurred last winter, THE AMOUNT IN QUESTION HAS NOT YET BEEN PLACED ON CUSTOMERS' BILLS.

Early this year, the Commission slowed ONG's recovery of its gas costs from last winter. Rather than the full amount being collected, the Commission ordered the company to only "pass through" a portion of the gas cost incurred by ONG last winter. This resulted in a charge of 75 cents per MCF of gas on the customer's bill. The order was made pending further review of the matter.

Wednesday's decision by the Commission was a result of this review. Again, the Commission ruled the company would not be allowed to charge customers for that portion of its gas costs for which it has yet to charge customers. The decision will result in the elimination of the 75 cents per MCF charge starting on December 1st.

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News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

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November 5, 2001

ADVISORY

What would electric restructuring (commonly called “deregulation”) mean for Oklahomans’ electric bills? Would they pay more? Less?

The Oklahoma Corporation Commission will be discussing specific answers to that and other questions on Tuesday, November 6 as the Oak Ridge National Laboratory presents the results of its phase 2 analysis of the likely impact of electric restructuring in Oklahoma.

The session will be held in the main Commission Courtroom (301) on the third floor of the Jim Thorpe Building in the Oklahoma State Capitol Complex.

TIME: 1:30 p.m.

NOTE: The report will be presented to the Electric Restructuring Advisory Committee meeting in Tulsa on Wednesday, November 6. The meeting is scheduled for 10 a.m. at the Allen Chapman Center on the University of Tulsa campus. The Committee is composed of legislators and state officials who have been charged with the task of studying the restructuring issue and making recommendations next year.

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News from the Oklahoma Corporation Commission

Matt Skinner, Public Information Officer

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November 6, 2001

ELECTRIC RESTRUCTURING: PROCEED WITH CAUTION, SAYS STUDY

(Oklahoma City) Restructuring Oklahoma's electric industry (commonly referred to as "deregulation") can benefit residential consumers, but there do exist problems and potential pitfalls. That's the finding of a first-of-its-kind study on restructuring done by the Oak Ridge National Laboratory at the request of the Oklahoma Corporation Commission.

"The study makes clear there are many areas of concern if the consumer is to benefit from competition," said Commission Chairman Denise Bode. "For example, one scenario in the study shows consumers could pay lower electric prices in the short term, but much higher prices in the long term if such issues as transmission capacity and differing generating costs from plant to plant are not taken into account."

"This is an extremely important issue," agreed Commissioner Bob Anthony. "Oklahoma should consider the safeguards suggested by this national study if it pursues electric deregulation in the near future."

The study warns that any restructuring plan must take into account the inherent competitive advantage that would be enjoyed by existing low-cost power plants. Such an advantage could result in higher prices in the long term because newer, higher-cost plants could be forced out of the marketplace.

The study also finds that Oklahoma would face an electricity "glut" if the state's transmission grid is not upgraded to allow the export of the electricity to other states. The study says that while such an over-supply of electricity could result in lower prices for the ratepayer over the short term, prices could eventually rise sharply as those companies unable to profitably generate electricity are forced to shut down, thus lessening competition.

The report presented today to the Commission is the second phase of the Oak Ridge study. The first phase of the study focused on the immediate impact on Oklahoma ratepayers if the electric utility industry were to be deregulated today, with no other

(STUDY, pg. 2)

concerns addressed. It concluded there would be an immediate sharp jump in electric rates.

This is the only restructuring study ever done using the sophisticated modeling analysis afforded by the Oak Ridge National Laboratory's technical and intellectual expertise. It allows for specific answers to the many "what-if" questions surrounding the complex issue of restructuring.

The study will be presented to the Electric Restructuring Advisory Committee meeting in Tulsa on Wednesday, November 7 (tomorrow). The meeting is scheduled for 10 a.m. at the Allen Chapman Center on the University of Tulsa campus. The Committee is composed of legislators and state officials who have been charged with the task of studying the restructuring issue and making a recommendation to the Legislature next year.

Corporation Commission Chair Denise Bode is a member of the Committee.

**Phase One and Phase Two of the study are available on the Oak Ridge National Laboratory's web site:
www.ornl.gov**

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News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

November 20, 2001

COMMISSION SAYS “NO MORE” TO ONG

(Oklahoma City) The Oklahoma Corporation Commission today approved the final order stopping Oklahoma Natural Gas from further charging customers for its gas costs of last winter.

Earlier this year, the Commission slowed ONG's recovery of its gas costs from last winter. Rather than the full amount being collected, the Commission ordered the company to only "pass through" a portion of the gas cost incurred by ONG last winter, pending further review of the matter. Over the past months, this “pass-through” took the form of a surcharge on a ratepayer’s bill of about 75 cents per dekatherm.

Today’s final order is a result of the Commission’s review of the way ONG handled its purchase of gas for last winter. The order states that the company will no longer be allowed to charge for that portion of its gas costs for which it has yet to bill customers. The order would result in the elimination of the 75 cents per dekatherm charge starting on December 1st. The total amount covered by the order is approximately 34 point 6 million dollars.

Commission Chairman Denise Bode calls the order a step “not taken lightly.”

“The fact remains that as a result of the company’s failure to prepare for what were expected to be high gas prices for the winter of 2000, consumers face a continued charge on their bill as ONG seeks to be reimbursed for its gas costs of the past winter. It is wrong for the consumer to pay for ONG’s failure to take action to protect consumers against tight supplies and rising prices.

“Today’s order should result in an average savings of 10 to 12 dollars a month for the average residential consumer through this winter,” said Bode.

Commission Vice-Chair Bob Anthony says the order simply corrects a situation in which consumers were paying for ONG’s mismanagement in preparing for the predicted high gas costs that became reality last winter.

(continued)

(57 case, page 2)

“Over \$30 million of ONG’s gas costs last winter were excessive and imprudent. In fairness to consumers, today’s order disallows pass through of these charges to the consumer.”

Commissioner Ed Apple was not present at the meeting and did not vote on the matter today, but has issued a dissenting opinion.

Oklahoma Natural Gas has announced it intends to appeal the Commission's order to the Oklahoma Supreme Court.

All OCC releases and advisories are available on the OCC web site at www.occ.state.ok.us

**OKLAHOMA CORPORATION COMMISSION
308 Jim Thorpe Building**

P.O. BOX 52000-2000(405) 521-2264

**OKLAHOMA CITY, OKLAHOMA 73152
(405) 522-1623**

Ed Apple

Commissioner

Application of Ernest G. Johnson,)
Director of the Public Utility Division) Cause No. PUD 200100057
Oklahoma Corporation Commission to)
Review those Aspects of Oklahoma)
Adjustment Clause Related to Least)
Cost Procurement Practices and)
Related Affiliate Transactions.)

DISSENTING OPINION of COMMISSIONER ED APPLE

Two wrongs do not make a right.

Woeful is the elected official who can only apply a static "letter of the law" concept to a multi-dimensional situation.

Edmund Burke characterized the duty of an elected official this way:

"One who owes you not his industry only, but his judgment; and he betrays instead of serving you if he sacrifices it to your opinion."

Blind adherence to words displays either an unwillingness to understand the facts or a bias so set that logic and reason are ignored.

In either case, "fair, just and reasonable" are merely crutches for the pre-determined outcome. Judgment in this cause has been sacrificed.

News from the **Oklahoma Corporation Commission**

Matt Skinner, Public Information Officer

Phone: (405) 521-4180, FAX: (405) 522-1623, www.occ.state.ok.us

November 28, 2001

MEDIA ADVISORY

With the advent of cold weather, the OCC has received numerous inquiries regarding the rule governing disconnection of utilities during extreme weather. For reference, it is as follows:

COLD WEATHER DISCONNECTS: If the daytime high temperature is actually, or is predicted to be, 32 degrees Fahrenheit or below on the day of disconnection, or the nighttime low is predicted to be 20 degrees or less, the utility shall suspend disconnection. NOTE: This rule does not apply if the meter has been tampered with. It also applies only to that utility that the ratepayer uses for heat (i.e., a gas furnace as opposed to an electric furnace).

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News from the Oklahoma Corporation Commission

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December 20, 2001

A BREAK FOR AMERICA'S DEFENDERS

Commission approves Bell fee waiver for some members of the military

(Oklahoma City) There's one less worry for military personnel in Oklahoma deployed as part of America's war on terrorism. They won't have to concern themselves with the reconnection charges normally assessed Oklahoma Southwestern Bell customers at the time telephone service is restored.

The Commission today unanimously approved an order granting Southwestern Bell's request that it be allowed to provide a waiver of non-recurring charges for Military Reservists, National Guard, and full time Military Personnel who are forced to disconnect their SWB telephone service due to being deployed as part of Operation Enduring Freedom or Operation Noble Eagle.

Commission Chairman Denise Bode praised the Bell request.

"Southwestern Bell's action is commendable, and I encourage all their competitors and other utility companies in Oklahoma to follow the example set by Bell. This is one way such companies can support our brave men and women of the military and contribute to the war on terrorism."

Vice-Chair Bob Anthony noted the Commission approved a similar waiver in 1991 for those deployed as part of Operation Desert Storm.

"I am pleased that Southwestern Bell has again requested this waiver, this time to help our military personnel deployed in our country's war on terrorism," Anthony said.

Commissioner Ed Apple hopes the order will serve as an example to all Oklahomans.

"We have many military families in Oklahoma," said Apple. "This order should encourage all of us to do what we can to support our armed forces. It's the least we can do."

The fee waivers will take effect January 2, 2002. The fees in question are those one-time charges normally assessed an Oklahoma SWB customer when their service is reconnected. They include a fee of \$44.45 for a residential line, \$20.00 for a second line, and \$11.00 per calling feature package.

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