

News from the **Oklahoma Corporation Commission**

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 521-4983

January 19, 1999

FOR IMMEDIATE RELEASE...

(OKLAHOMA CITY) - Jay T. Edwards, General Administrator of the Oklahoma Corporation Commission, has been selected as a winner of a Distinguished Service Award from the Oklahoma Chapter of the American Society for Public Administration. Edwards was among 20 strong nominees for the award according to Paul Shinn, President of the Oklahoma Chapter. Shinn describes Edwards as coming from a group of public administrators, all of whom have impressive experience and accomplishments.

Edwards was honored with the award during a luncheon Tuesday, January 19, at the Tinker officer's club.

Commission Chairman Ed Apple, Vice-Chairman Bob Anthony and Commissioner Denise Bode agree that as general administrator of Oklahoma's Corporation Commission, Edwards has distinguished himself with professional leadership.

Edwards is a retired Air Force major general who was a highly decorated combat pilot in Vietnam and later served as Commander of the Oklahoma City Air Logistics Center. Edwards has also served as executive director of the University of Oklahoma Energy Center, president and chief operating officer of CMI Corporation, Oklahoma City, and as a senior management consultant with Tennessee Associates International, Inc., before becoming general administrator of the Oklahoma Corporation Commission in 1993.

News from the **Oklahoma Corporation Commission**

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occeweb.com

January 26, 1999

FOR IMMEDIATE RELEASE

STORAGE TANK COMPLIANCE NEAR 100 PERCENT

(OKLAHOMA CITY)- The Oklahoma Corporation Commission (OCC) has completed its work to enforce the EPA mandate for upgrading underground fuel storage tanks. Meanwhile, citizens can help maintain Oklahoma's nearly 100 percent compliance.

In addition to its enforcement efforts, which began on December 23 of last year, the (OCC's) petroleum storage tank division (PSTD) says Oklahomans can ensure that fuel is not being pumped from tanks which fail to meet the new standards.

Acting PSTD Director Tom Tucker says if anyone knows of any facility in Oklahoma that is dispensing fuel from underground tanks that have not been upgraded, they should call the commission so the pumps can be shut down.

All state, county, school board, municipal and public trust tanks as well as retail tanks and tanks owned by companies for their own use are required to comply.

Tucker suggests that anyone who has knowledge of a non-compliant tank location should call Fuel Inspection Manager Troy Wolzen at 405-522-1448 or Environmental Compliance Analyst Butch Jeffers at 405-522-5265. An inspector will be dispatched to the site. Tucker says if you prefer you may call him at 405-521-4256.

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News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree

Reference: OCC1-28-99-5

William Burkett Named Corporation Commission General Counsel

OKLAHOMA CITY – William R. Burkett, active in law in Oklahoma since 1950, has been named general counsel for the Oklahoma Corporation Commission, effective Feb. 1.

Burkett succeeds Lawrence R. Edmison, general counsel since April 1994, who was named special projects officer for environmental issues and law, including liaison with other state agencies involved in environmental regulation.

The Corporation Commission has environmental quality responsibilities related to oil and gas drilling and production, petroleum storage tanks and underground injection of oil field chemicals and waste materials. The agency's environmental responsibilities were increased with the adoption of the new statutory Title 27A, which created the Oklahoma Department of Environmental Quality and set a coordinating framework for state environmental regulatory activities.

Jay T. Edwards, general administrator, said Edmison's background and experience ideally suited him to undertake this new responsibility.

Before joining the commission as a staff attorney for underground storage tanks in 1991, Edmison served 13 years as director of the Oklahoma Department of Pollution Control, charged with coordinating environmental regulatory activities between various state agencies and the federal Environmental Protection Agency.

Burkett began his law career in private practice in Woodward in 1950, shortly after receiving his degree from the University of Oklahoma School of Law. He also has served as a county attorney for Woodward County and U.S. Attorney for the Western District of Oklahoma, worked in private practice in Oklahoma City, and held Court of Appeals and Oklahoma District Court judgeships. He most recently served as a district judge in Oklahoma's 7th judicial district (Oklahoma County) from January 1997 until January 1999.

The general counsel heads a legal division of 20 attorneys that provides advocacy and advisory services to the commissioners, represents the commission staff in rate case and other regulatory proceedings, represents the commission in state and federal courts and advises the commission concerning legislation, commission rules and contracts.

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News from the **Oklahoma Corporation Commission**

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February 2, 1999

REGIONAL E-P-A OFFICIALS PRAISE OKLAHOMA'S UNDERGROUND FUEL STORAGE TANK COMPLIANCE WHILE SOME IN OTHER STATES FACE LARGE FINES

(OKLAHOMA CITY)-The Oklahoma Corporation Commission's (OCC's) underground fuel storage tank compliance program has produced "fantastic results" for the U.S. Environmental Protection Agency's (EPA's) mandate to upgrade petroleum storage tanks. Those are the words of Dallas based EPA region 6 environmental scientist H. Lynn Dail.

He says Oklahoma is one of the "most active and improved states" as far as compliance among the five states of region 6 which includes Oklahoma, Texas, Arkansas, Louisiana and new Mexico.

Dail says Oklahoma has "worked hard to achieve a compliance of well over 90 percent." He cites the OCC's authority for field inspectors to shut down a tank that has not been upgraded and enhanced record keeping at the commission as factors in Oklahoma's high level of compliance.

EPA enforcement officer John Cernero of the Dallas office says Oklahoma has not had any major field citations, but other states have not done as well.

Cernero says the EPA seeks \$671,000 in fines against eleven "Total" stations belonging to Ultramar Diamond Shamrock in Texas and Arkansas. He says nine of the alleged violators are located in the Dallas area, one is in Jonesboro and another in VanBuren, Arkansas. According to Cernero, an inspection of 38 underground systems at those 11 stations resulted in 72 violations. He claims most of the fines are for suspected releases from tanks that had monitoring systems but station operators failed to report the problem.

Other recent EPA citations reached \$274,000 in Houston and \$87,000 in one Arkansas town.

Most EPA field citations involve a fine of \$1,500 to \$1,600 and require immediate action to correct the problem but Cernero says repeat offenders face fines of up to \$11,000 per day per violation.

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News from the **Oklahoma Corporation Commission**

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Phone: (405) 522-2100, FAX: (405) 522-1623, www.occeweb.com

February 5, 1999

FOR IMMEDIATE RELEASE

AS OKLAHOMA APPROVES RELIEF FOR OIL PRODUCERS, BODE SAYS AMERICA RUNS THE RISK OF BECOMING HOSTAGE TO FOREIGN OIL.

(OKLAHOMA CITY)- Speaking on the Oklahoma Corporation Commission's weekly public service radio program called "it's Your Money," Commissioner Denise Bode called the signing into law of tax relief legislation for state oil producers hope that some producers and jobs will be saved but she said "everyone recognizes that this is just a piece in the puzzle, that it is not a total solution."

The radio program, which airs across the state from the Oklahoma News Network in Oklahoma City, carried some of Bode's thoughts on the oil crisis.

Bode said the oil tax relief in special session was "to get national attention." She cited Governor Keating's summit of governors from producing states which drafted a list of recommendations for congress and the president including tariffs on foreign oil and a national energy policy. Bode called for Oklahoma's "congressional delegation to take action at the federal level."

Bode emphasized there are perils associated with the low price of crude oil, low gasoline prices and no national energy policy. She said recent policy announcements from Venezuela to dump oil on the US and dry up american producers is "absolutely atrocious." She said "everytime we fill up our gasoline tank we might be filling it up on Iraqi oil, (fourth largest importer to the US), and paying for it by sending Oklahoma boys and girls over there to fire missles and to be put in harms way going after Sadaam Hussein. So we are basically funding the missles being shot at americans and at the same time putting americans out of jobs."

Bode said "once Venezuela and other oil producing countries get market share in the US where americans have no ability to produce oil, they will increase the price and we won't be able to stop it, leaving the US hostage to other countries."

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News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree

Reference: PUD2899-8

OCC Orders Dialing Parity for IntraLATA Long-Distance Calling

OKLAHOMA CITY – The Oklahoma Corporation Commission Monday (Feb. 8) ordered Southwestern Bell Telephone to make "1-plus" dialing available to all companies that want to provide long-distance service in Oklahoma's two Local Access and Transport Area (LATA) zones, one covering the 918 area code and the other covering the 405 and 580 area codes.

Presently, when a Southwestern Bell customer dials "1" before placing an intraLATA call, the call is handled by Southwestern Bell. Long-distance companies have offered intraLATA service in Oklahoma since April 1994, but their customers have been required to dial "10" and the carrier's three-digit identification code.

The new rule will allow customers to choose a primary carrier for 1-plus dialing for intraLATA calls, just as they now select a long-distance carrier for 1-plus dialing of interstate and interLATA calls.

Southwestern Bell will start processing requests for intraLATA carrier changes on March 25. Southwestern Bell will begin immediately to notify customers, interexchange carriers and competitive local exchange carriers of the new dialing parity rule.

The commission order reflects an agreement on 1-plus dialing parity reached by Southwestern Bell, MCI Telecommunications, Sprint Communications, WorldCom Inc., the Oklahoma Attorney General and the Corporation Commission's public utility staff.

Commission Chairman Ed Apple praised the negotiated agreement. "It is a tribute to the telecommunications companies that they placed customer interests above corporate interests in opening another element of telephone service to competition," Apple said.

"This order finally allows Oklahoma to join 21 other states that have offered this simplified

competitive option for over three years," Commissioner Bob Anthony said.

Commissioner Denise Bode described the rule change as "an important step toward providing meaningful competition in Oklahoma."

"Thank goodness, Oklahomans won't have to dial 20 numbers anymore just to get a competitive rate. I know this will make a lot of people's lives easier," she said.

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February 12, 1999

OCC'S CONSUMER SERVICES DIRECTOR SAYS MOST COMMON OF SCAMS DEALS WITH PRE-PAID CALLING CARDS.

(OKLAHOMA CITY)-Speaking on "It's Your Money," the Oklahoma Corporation Commission's (OCC's) weekly radio public service program, the OCC's Director of Consumer Services, Bill Burnett, said "one of the most common of scams deals with pre-paid calling cards".

Burnett said "some of these pre-paid calling cards are not backed by the most reputable people. In some instances we are finding that these cards have been sold to the public where no long-distance time was ever purchased by the individual selling these cards. So you may be stuck with a pre-paid calling card that's of no value whatsoever to you."

Asked about commission procedure in such cases, commission attorney, Jeff Southwick, said "consumer services investigates and gathers information on each complaint then submits it to the legal department where we determine if there is a cause of action under existing rules."

Burnett said the consumer frauds of slamming (the unauthorized change of a long distance carrier) and cramming (hidden or unauthorized charges on a phone bill) are "issues of increasing concern for the commission and certainly for consumers."

Burnett said "apparently the size and number of fines that have been issued in past cases have not been sufficient to eliminate slamming. We at the commission continue our efforts to file contempt actions against companies that persist in slamming consumers. We are engaged in a number of them right now. And we are asking for the commission to fine up to the maximum \$10,000 per slamming event in hopes that it will further deter the practice."

"One thing that's taking place at the commission," Burnett said, "is that we are developing a strategic plan for public and consumer education regarding the changes taking place in the utility industries including telecommunications. The public needs to be more aware now than ever before because of the initiatives to de-regulate or increase competition."

"It's Your Money" is produced with the Oklahoma News Network.

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News from the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE

Contact: Patrick K. Petree

Reference: OAP21799-13

Energy Issues Panel Discussion Set for March 18

OKLAHOMA CITY – Oklahoma Corporation Commission commissioners and staff members and state Secretary of Energy Mike Smith will present an information program on petroleum issues for three petroleum industry organizations and other interested parties at a dinner meeting on Thursday, March 18, at the Petroleum Club in Oklahoma City.

Joint sponsors are the Society of Petroleum Engineers, the Oklahoma City Geological Society and the Oklahoma City Association of Petroleum Landmen. Oil and gas attorneys who practice before the commission are invited to attend, said Dana Murphy, administrative law judge, who is coordinating the program.

The program will begin with registration and a social hour at 5:15 p.m. Presentations are scheduled to begin at 6:30 p.m. The cost is \$20 for organization members with reservations, \$25 for non-members and members without reservations and \$15 for students.

Energy Secretary Smith and John Colligan, president-elect of the National Society of Petroleum Engineers, will open the panel presentation.

Corporation Commissioners Ed Apple and Denise Bode and staff members Michael Decker, oil and gas deputy general counsel; Carolyn Tucker, director of the Office of Administrative Proceedings, the commission's court division; and Mike Battles, oil and gas conservation director; will make presentations on recent changes at the commission in response to pending issues related to the oil and gas industry.

Smith will speak on current and pending legislation before the Oklahoma Legislature and the energy outlook on a state and national basis.

Reservations for the Petroleum Club dinner meeting can be made by calling the Society of Petroleum Engineers, (405) 943-5288; Oklahoma City Geological Society, (405) 236-8086; or the Oklahoma City Association of Petroleum Landmen, (405) 840-4111.

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February 22, 1999

FOR IMMEDIATE RELEASE

OCC AND MARGINAL WELL COMMISSION PRESENT FOUR WORKSHOPS IN MARCH

(OKLAHOMA CITY)-The Oklahoma Corporation Commission's Oil and Gas Division and the Oklahoma Commission on Marginally Producing Oil and Gas Wells will jointly present a series of workshops around the state during March on how to prepare the most commonly used Corporation Commission forms.

Corporation Commission staff members will review the forms, answer questions and provide samples of the 23 most used forms.

Cost for the one-day workshops is \$45. The charge covers lunch, a workshop manual and an instructional video on key parts of the forms. The workshops will begin at 9:30 a.m. and conclude at 3:30 p.m.

Workshop dates and sites are:

Tuesday, March 9, Roman Nose State Park, Watonga, (580) 623-7284

Thursday, March 11, Central Oklahoma Area Vo-Tech, 3 CT Circle, Drumright, (918) 352-2551

Friday, March 19, Red River Area Vo-Tech, 3300 W. Bois D'Arc, Duncan, (580) 255-2903

Wednesday, March 24, Pontotoc Technology Center, 601 W. 33, Ada, (580) 436-0180

Register for the workshops by calling the Marginal Well Commission at (405) 366-8688 or 1-800-390-0460.

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FOR IMMEDIATE RELEASE

Contact: Patrick K. Petree
Reference: OCC22599-15

Bode Urges Iraqi Oil Embargo as Step Toward Ending U.S. Oil Crisis

OKLAHOMA CITY – An embargo on oil from Iraq was urged Thursday (Feb. 25) by Oklahoma Corporation Commissioner Denise Bode after Iraq announced that it will no longer buy U.S. wheat.

"Not only are they (Iraq) trying to put our number one industry out of work, now they're trying to put our number two industry, agriculture, out of work, too. Frankly, I think we should demand an embargo of Iraqi oil. If they're going to take that kind of action against us, I think our government ought to stand up for us," Bode said.

She urged the embargo on It's Your Money, a Corporation Commission public service radio program produced by the Oklahoma News Network for broadcast statewide. The program was recorded from Washington where Bode is meeting with congressional leaders and attending House Ways and Means Committee hearings on the U.S. oil crisis.

"We need to take a public stand on this type of situation. Foreign countries have policies that are out to take over our marketplace, but we've had no kind of response from our government, and I think it's about time government started responding to these things.

"This isn't a buggy whip industry. This industry fuels our economy. The fact that we've got foreign powers in charge of our energy infrastructure is extraordinary. It's been a critical factor in every major war that we had a domestic resource base here.

"What are we going to have to give up if we become completely dependent on foreign production in order to keep the supplies running. I find it appalling that we're not standing up and saying 'enough of this,'" Bode said.

Bode said she is confident the House Ways and Means Committee hearings will produce some results. "They just have to. We're in a goal-line stand type of situation here. There are trade actions that we can take, that the government and the industry and the states could initiate, and we're looking into all those things," Bode said.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:O&G31099-17

OCC Increases Gas Production Allowable for Unallocated Wells

OKLAHOMA CITY – The Oklahoma Corporation Commission Wednesday (March 10) voted to increase the amount of gas unallocated wells may produce to the greater of 65 percent of wellhead open flow potential or 2 million cubic feet per day from April through September of 1999.

The production ceiling has been the greater of 65 percent or 1.3 million cubic feet per day since January 1997. The commission staff had recommended raising the cap to 65 percent or 2.6 million cubic feet per day.

The order was approved by a 2-1 vote. Chairman Ed Apple dissented. The 2 million cubic-feet-per-day production cap was a compromise, the order said.

Apple said he favored raising allowable production to 2.6 million cubic feet per day to encourage more production of Oklahoma gas, which has been declining since 1990. In supporting the higher limits, Apple emphasized that proration orders are only for six months and can be revised by emergency orders if unforeseen problems occur.

Commissioner Denise Bode wanted the ceiling kept at 1.3 million cubic feet per day; however, she approved the 2 million cubic feet per day compromise in an effort to "mitigate possible harm to producers and prevent encroachment of correlative rights within the state." Bode said efforts will be made by the commission staff to ensure that potentially impacted producers are notified of the change and are given the opportunity to discuss any detrimental effects with her office.

Commissioner Bob Anthony proposed the 2 million cubic feet per day compromise.

Although most of Oklahoma's 29,000 to 30,000 active gas wells are unallocated – not regulated by production allocations for specific fields – fewer than a hundred are expected to utilize the higher production ceiling since few wells are able to produce 2 million cubic feet of gas per day, commission records indicate.

Corporation Commission rules require a review of production limits twice each year, before the start of the summer and winter gas-buying seasons.

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News from the **Oklahoma Corporation Commission**

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

March 16, 1999

NEWS ADVISORY FOR ASSIGNMENT EDITORS AND NEWS DIRECTORS

VITAL OIL INDUSTRY ISSUES TO BE ADDRESSED BY SPEAKERS AND PANEL

Thursday, March 18, 6:30 p.m. at the Oklahoma City Petroleum Club on the 34th floor of the Liberty Bank Building at Broadway and Main Street.

Joint meeting of the Society of Petroleum Engineers, the Oklahoma City Geological Society, the Oklahoma City Association of Petroleum Landmen and the Chairman of the Oklahoma Corporation Commission.

Key speakers starting at 6:30 p.m. are Oklahoma Energy Secretary Mike Smith, president-elect John Colligan of the International Society of Petroleum Engineers and Corporation Commission chairman Ed Apple.

Among the topics for discussion are:

- 1. the energy outlook on a state and national basis**
- 2. current and pending legislation before the Oklahoma legislature**

Questions about the joint meeting should be directed to Corporation Commission Administrative Law Judge Dana Murphy at 521-4117.

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News from the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN31799-20

Rail Crossing Upgrade Approved for Graves Road in Ardmore

OKLAHOMA CITY – The Oklahoma Corporation Commission has approved an agreement between the Burlington Northern Santa Fe Railway with the City of Ardmore for modification and improvements of a railroad crossing at Graves Road.

The timber crossing surface will be extended 16 feet, gate arms will be lengthened and flashing light signals will be relocated in connection with a widening of Graves Road.

The City of Ardmore will pay the cost of the improvements, estimated at \$34,213, according to information presented at a commission hearing.

Average train traffic at the Graves Road crossing is 20 trains per day at speeds of 55 miles per hour.

The Corporation Commission is responsible for regulating the opening, closing, modifications, site distance requirements and maintenance of all public railroad crossings in Oklahoma.

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News from the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN31799-19

Kansas City Southern Railway Cited for Blocking Crossings in Sallisaw

OKLAHOMA CITY – The Oklahoma Corporation Commission has filed a contempt action against the Kansas City Southern Railway for blocking railroad crossings in Sallisaw for more than the allowed 10 minutes.

The citation alleges 51 incidents of illegal blocking between May 28 and Nov. 6, 1998. This includes three incidents when a crossing was blocked for two hours or longer.

Most complaints have been filed by citizens, but two were filed by the Sallisaw Police Department, commission records indicate. Most of the reported blockings have occurred at the South Walnut Street crossing, near where the railroad transfers truck trailers to and from flatcars.

A hearing on the contempt action has been scheduled for April 7.

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News from the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN31799-18

5 SK&O Rail Crossings Officially Close; 15 Due Upgrades

OKLAHOMA CITY – The Oklahoma Corporation Commission has closed five railroad crossings in Bartlesville, but no one has been inconvenienced. Tracks of the South Kansas and Oklahoma Railroad that crossed Third Street, Short Avenue and Virginia, Pennsylvania and Rogers streets were removed sometime ago.

"Presently there are no tracks through the streets. The closure is a formality to remove the crossings from the national inventory of active crossings," G.R.(Buddy) Combs, Railroad Department manager, said.

The closures are part of an agreement reached between the commission and the SK&O Railroad that also includes rehabilitation of 15 crossings in Bartlesville, Dewey, Owasso, north Tulsa County and Tulsa.

Crossing surfaces improvements at Hensley and Frank Phillips boulevards and Cheyenne, 14th and 20th streets in Bartlesville and state highway 123 in Dewey have been completed. The other nine crossings will be upgraded at 60-day intervals with all improvements due for completion by June 30, 2000, Combs said.

Those crossings are at North 86th and North 76th streets in Owasso, a county road in north Tulsa County, and 1500 N. Lewis, 3200 N. Harvard, 3500 N. Yale, Pine Street and U.S. highway 75, 1000 Lansing, and Pine Street at Midland Avenue East in Tulsa.

The Corporation Commission regulates the opening, closing, modifications, site distance requirements and maintenance of all public railroad crossings in Oklahoma.

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News from the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G31899-21

Oklahoma Oil and Gas Production Declined Again in 1998

OKLAHOMA CITY – Oklahoma produced less oil and gas in 1998 than in 1997, preliminary figures compiled by the Corporation Commission indicate. Final figures won't become available until late April or early May after late and revised production reports have been filed with the Oklahoma Tax Commission.

The preliminary figures indicate 1998 oil production of 76,363,701 barrels, down 8.48 percent from actual production of 83,445,151 barrels in 1997. Although actual 1998 production may vary from the preliminary figures, oil production is expected to be the lowest since 1914, when Oklahoma produced 73,632,000 barrels of oil.

A worldwide oversupply of oil which reduced demand and depressed prices for domestic crude contributed to the 1998 production decline. However, Oklahoma oil production has declined for 14 consecutive years, from 168,604,000 barrels produced in 1984.

Preliminary gas figures indicate 1998 production of about 1.610 trillion cubic feet, down 6.01 percent from 1997 actual production of about 1.713 trillion cubic feet. It marks the fifth consecutive year of declining gas production, from 2.016 trillion cubic feet in 1993.

Oil production in December was 4,636,487 barrels, an average of 149,564 barrels per day. December gas production was 110.6 billion cubic feet, an average of 3.5 billion cubic feet per day.

Carter County led the state in December oil production with 660,335 barrels. Other top 10 oil-producing counties, reported in barrels, were Grady, 396,219; Stephens, 358,236; Texas, 304,253; Garvin, 273,336; Pontotoc, 215,808; Creek, 180,137; Lincoln, 174,669; Osage, 174,131; Seminole, 160,607.

The top 10 gas-producing counties, reported in billion cubic feet, were Latimer, 9.742 bcf; Roger Mills, 8.934 bcf; Texas, 8.015 bcf; Grady, 7.534 bcf; Custer, 5.606 bcf; Caddo, 5.416 bcf; Pittsburg, 5.219 bcf; Beaver, 4.367 bcf; Beckham 3.916 bcf; Major, 3.899 bcf.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: OCC31999-22

'Make Something Better,' Apple Urges Leadership Visitors

OKLAHOMA CITY – Leadership class members from Stephens, Jefferson and Cotton counties were challenged Thursday (March 18) by Corporation Commission Chairman Ed Apple to "make something better."

The 31 students and adults were in Oklahoma City to visit a session of the State Legislature and get a briefing on the duties of the Corporation Commission. The group comprised 19 students from the Duncan High School Leadership Class and 14 adults from the Red River Leadership Class, sponsored jointly by the Red River Vo-tech District and the Association of South Central Oklahoma Governments (ASCOG).

"Leadership classes can be entertaining, but they are not meant for entertainment. If you aren't interested in making something better, then you shouldn't be in this class," Apple said.

Apple said there are plenty of opportunities to make things better in Oklahoma's rural communities as the state works to add high technology to its historic economic bases of agriculture and petroleum.

"Oklahoma's small towns would be attractive to more people if they could make a living there. Jobs come from attracting business and industry, and one way to attract industry is to provide modern telecommunications facilities that allow high-speed access to information everywhere. At the Corporation Commission we're working hard to make this happen," Apple said.

He urged the leadership class members to learn all they can about what will be needed to make Oklahoma prosperous in the next century. "And share what you learn with others," Apple urged.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD4199-23

Corporation Commission Reschedules Start of Gas Supplier Choice

OKLAHOMA CITY – The Oklahoma Corporation Commission has rescheduled the starting time for most gas utility retail customers to have the choice of buying gas from alternative suppliers.

An order issued Wednesday (March 31) changes from Oct. 1, 1999, to June 1, 2001, the start date for retail competition for gas utilities that serve more than 25,000 customers. The order also allows groups wanting to propose competitive purchase programs at earlier dates to submit their proposals for commission consideration.

Chairman Ed Apple said he concurs with testimony presented at a hearing that significant tax and municipal franchise issues should be addressed prior to restructuring the natural gas service industry. "I think these issues could take two years or more to resolve. We would be premature in setting this year (1999) as a target date for starting retail competition," Apple said.

Commissioner Bob Anthony said forced delays in implementing gas industry restructuring at the wholesale level caused the change in starting time for retail competition.

The commission revised its gas rules in 1998 to begin separating integrated gas systems into individual services at the wholesale level. Oklahoma Natural Gas Co. appealed several issues to the Oklahoma Supreme Court, staying the effectiveness of the order. The Supreme Court has not ruled on the appeal.

"Oklahoma Natural Gas has caused this delay. We are also disappointed that the Supreme Court did not dismiss the ONG appeal of an interim order which would have benefited consumers during last year's heating season," Anthony said.

"I want consumers to have a choice about who provides their natural gas as soon as possible, but wholesale competition must come first. More importantly, consumers need to have time to prepare for the coming change. This revised schedule takes that into account," Commissioner Denise Bode said.

Anthony said most of the savings will occur from upstream restructuring and competitive bidding for gas procurement. "These savings have to be in place before they can be passed through to the retail customers," he said.

The commission order affects customers of Oklahoma Natural Gas Co. and Arkansas Louisiana Gas Co., the only gas utilities that serve more than 25,000 Oklahoma customers. ONG serves about 750,000 customers in 295 communities. Arkla serves about 115,000 customers, mostly in the southern half of the state, including Lawton and McAlester.

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Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occeweb.com

April 2, 1999

The Public Utilities Division (PUD) of the Oklahoma Corporation Commission has compiled a quarterly Y2K update on Oklahoma's regulated utilities. The report will be available Friday, April 2, 1999, at the PUD office on the fifth floor of the Jim Thorpe building at 2101 N. Lincoln Boulevard in Oklahoma City.

Copies of the Y2K plans filed with the Commission are available and can be viewed within the Public Utility Division by appointment. Arrangements to purchase copies can be made by contacting Marilyn Anderson at (405) 522-1376.

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April 2, 1999

OCC ISSUES Y2K UPDATE ON UTILITY READINESS

(OKLAHOMA CITY)-The Oklahoma Corporation Commission (OCC) has compiled a Y2K update on regulated utilities in Oklahoma. Larry Schroeder, Deputy Director of the Public Utilities Division, said the review of utility filings shows the larger companies serving most of Oklahoma's customers are well on their way to being Y2K ready.

Schroeder said several of the larger utilities plan to be Y2K ready by mid-year. The OCC requested all regulated utility companies to file quarterly status reports no later than February 22 for the quarter ending December 31, 1998. Companies were also asked to provide the Commission with a detailed description of their Y2K contingency plans by July 1.

The quarterly reports show Y2K readiness among Oklahoma's major utility services of telephone, natural gas and electricity are moving toward full compliance. Southwestern Bell serves about 83 percent of the state's local phone customers and expects to be Y2K ready by the end of June. Public Service Company and Oklahoma Gas and Electric Company together serve about 66 percent of the state's electric customers. Both PSO and OG&E indicate they will be Y2K ready by June 30. Oklahoma Natural Gas Company serves about 81 percent of all the state's gas customers. ONG reports it has a contingency plan and is 90 percent ready.

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News from the **Oklahoma Corporation Commission**

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April 8, 1999

COMMISSION APPROVES RECORD SLAMMING FINE AGAINST FEIST

(OKLAHOMA CITY)- The Oklahoma Corporation Commission has unanimously ordered the largest slamming fine in its history as part of a settlement with Feist Long Distance Service now doing business as Advanced Communications Group. On a 3-0 vote, Commissioners Ed Apple, Bob Anthony and Denise Bode approved the settlement which includes a \$200,000 fine and intense regulatory oversight of Feist Long Distance over the next three years.

The order says Feist must pay \$50,000 within 45 days, and each April 10 for the next three years faces another \$50,000 fine for a total of \$200,000 unless it receives fewer than 10 slamming complaints and complies with a required series of reports to the Commission's Consumer Services Division.

Feist is also ordered within 30 days to send a letter to all its Oklahoma customers surveying customer satisfaction, with detailed descriptions of optional service offerings and allowing customers to "opt out" of any services not ordered. The letter is to be accompanied by a self-addressed and stamped envelope for customers to respond.

Commission chairman Ed Apple called the company's actions "wrong." He commended the citizens who came forward saying "they did the right thing by reporting their slamming incidents to the Commission." Apple joined Bode and Anthony in praising the staff for "an excellent job investigating and resolving the issues."

Commissioner Bob Anthony said "by today's settlement, the Commission sends a strong message that companies doing business in Oklahoma are expected to follow the rules. We welcome competition but we also insist that companies compete ethically and fairly to bring the best benefits to the citizens of Oklahoma."

Commissioner Denise Bode said "this is a huge victory for Oklahoma consumers. The message to companies is if you don't police yourselves, we will. And I will not tolerate consumers being abused." Bode added, "to Feist's credit, they have owned up to their mistakes and I commend them for that. However, the Commission has in place a \$50,000 per year penalty if they don't comply."

-occ-

News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: OCC41599-27

Death Notice: Claude V. McNully

OKLAHOMA CITY – Claude V. McNully, 62, Technical Department manager for the Oklahoma Corporation Commission's Oil and Gas Conservation Division, died of an apparent heart attack at his home in Edmond early Thursday (April 15).

McNully first worked for the Corporation Commission as a temporary employee in 1987 after closing a 22-year career in the oil industry. He joined the state regulatory agency as a full-time petroleum geologist in January 1989. He had managed the Technical Department since January 1993. The Technical Department supervises geology, engineering, surety, well records and records processing functions.

McNully held bachelor's and master's degrees in geology from the University of Arkansas. He spent most of his career with Exxon USA, Humble Oil and Refining Co., an Exxon predecessor; and Esso Libya, an overseas affiliate; from 1965 until 1981. He worked in Libya, Tripoli, and offshore Colombia as well as Alaska, Mississippi, Louisiana, Texas, California, Arkansas, Kansas and Oklahoma.

After leaving Exxon, McNully worked as an independent petroleum geologist and for ANR Production Co., Entex Petroleum and Stream Energy Co. in various geological and management positions before joining the Corporation Commission.

McNully was an officer in the U.S. Naval Reserve for eight years, retiring with the rank of lieutenant. He served three years of active duty at sea as an unrestricted line officer after graduating from the Navy's officer candidate school at Newport, R.I. in 1960.

-OCC-

News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G41599-25

Oil and Gas Production Down; Bode Doubts Quick Rebound

OKLAHOMA CITY – Oklahoma oil production in January was down 32.27 percent and gas production was down 37.17 percent from production levels in January 1998, according to preliminary production figures for both years, the Corporation Commission reported. January oil production totaled 4,616,205 barrels, compared with 6,816,035 barrels in January 1998. Gas production was 99.553 billion cubic feet, compared to 158.448 billion cubic feet a year ago. The figures are compiled from production reports filed with the Oklahoma Tax Commission.

Commissioner Denise Bode said the decrease in production is due largely to the depressed prices of the past year, and she said no quick recovery is expected.

"We are not likely to see a turnaround in this production decline in the near future even though prices have recovered somewhat. That is because it generally takes six months to a year for operators to develop confidence in the stability of the market to start investing again in exploration and production," Bode said.

Carter County led the state in oil production in January with 624,673 barrels. The other Top 10 oil-producing counties, in order, were Grady, 378,965 barrels; Stephens, 357,023 barrels; Texas, 321,572 barrels; Garvin, 240,054 barrels; Pontotoc, 208,823 barrels; Osage, 162,683 barrels; Lincoln, 161,612 barrels; Creek, 159,398 barrels; Pottawatomie, 130,871 barrels.

The Top 10 gas-producing counties were Latimer, 9.902 billion cubic feet; Roger Mills, 8.621 bcf; Grady, 7.373 bcf; Canadian, 6.210 bcf; Custer, 5.534 bcf; Pittsburg, 5.357 bcf; Texas, 5.115 bcf; Coal, 4.641 bcf; Caddo, 4.357 bcf; Washita, 3.730 bcf.

-OCC-

News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN41599-26

Pipeline Safety Seminars Set for Tulsa in May

OKLAHOMA CITY – The Oklahoma Corporation Commission’s Pipeline Safety Department will present seminars on natural gas and hazardous liquid pipeline safety at the Doubletree Downtown Hotel in Tulsa May 3-7.

The presentations and panel discussions are designed to help operators of pipeline systems understand federal Department of Transportation safety regulations and compliance requirements.

The natural gas seminar will be on Monday and Tuesday, May 3-4, and the hazardous liquid seminar will be on Thursday and Friday, May 6-7. A day-long session on pipeline accident investigations on Wednesday, May 5, is a part of both seminars. The cost for each seminar is \$100 in advance or \$125 at the door.

Transportation Safety Institute (TSI) officials will make the primary seminar presentations.

DeWitt Burdeaux will conduct the gas pipeline seminar. He joined TSI as a pipeline safety specialist in 1994 after working five years as a pipeline specialist with the Louisiana Department of Natural Resources. From 1978 to 1989 he worked in pipeline operations for the Trans Louisiana Gas Co.

Thomas M. Lael will present the hazardous liquid pipeline seminar. Before joining the Transportation Safety Institute in 1993, Lael worked with the California fire marshal’s office and was a pipeline safety engineer for the Illinois Commerce Commission for 14 years.

Sammy Russo, an independent consultant, will conduct the accident investigation session. He conducts risk management audits for pipeline operators and provides TSI accident investigation training for federal and state pipeline safety inspectors.

Registration forms and additional information about the seminars are available from the Corporation Commission’s Pipeline Safety Department at (405) 521-2258.

-occ-

News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:OAP42199-28

Seminar on May 7 Will Examine Oil & Gas Hearing Procedures

OKLAHOMA CITY -- Procedures for processing oil and gas cases through the Oklahoma Corporation Commission will be examined, explained and demonstrated in a one-day seminar on May 7 at Oklahoma State University-Oklahoma City, 900 N. Portland Ave.

Administrative law judges, other Corporation Commission officials and several private-practice oil and gas attorneys, engineers and consultants will present five instruction programs, two mock trial presentations and a question and answer panel.

The seminar, presented by the OSU-Oklahoma City Training and Development Center, is recommended for oil and gas attorneys who practice before the commission and petroleum industry employees and consultants who may present testimony at hearings or prepare application forms, Dana Murphy, seminar moderator, said.

"There are many requirements for compliance with Oklahoma's oil and gas laws. This seminar seeks to make meeting those requirements as easy and efficient as possible, said Murphy, an oil and gas administrative law judge and geologist.

Instruction programs include permitting injections wells, preparing oil and gas forms, the status of proposed oil and gas rules and rules changes, issues in oil and gas hearings and preparation for technical conferences and hearings.

Mock trials will simulate notice testimony in spacing and pooling cases and engineering testimony for a protested increased density case.

The seminar cost is \$75. Information and registration forms are available by calling OSU-Oklahoma City at (405) 945-3278.

-occ-

News from the **Oklahoma Corporation Commission**

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occeweb.com

April 22, 1999

ADVISORY TO ALL NEWS OPERATIONS

Attention: News Directors, Assignment Editors, News Promotion

COMMISSION OFFERS Y2K LINKS OF MAJOR OKLAHOMA UTILITIES, Y2K REPORTS AND Y2K REGULATORY AND INDUSTRY INFORMATION ON THE YEAR 2000.

The Oklahoma Corporation Commission has set up a special "year 2000" link on its home page to assist the news media with obtaining the latest Y2K information and to help stations offer this information to their viewers and listeners.

Stations interested in making this highly informative, quick and user-friendly link available are encouraged to do so as a public service to all Oklahomans.

People who click on the Commission's "year 2000" link will be taken directly to a menu offering the Commission's latest Y2K utility status report with the responses of Oklahoma utilities and to a series of special Y2K links for additional information.

The link you may use on your news or station web site is:

http://www.occ.state.ok.us/text_files/year2000.htm expired

The Commission will continue to update this site throughout the year with the latest Y2K information. No home page with Y2K links is complete without this master link from the OCC. And, of course, the Commission staff will continue assisting news rooms with their requests.

-occ-

News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G42799-29

Ray Smith Named Acting Manager of Oil & Gas Technical Department

OKLAHOMA CITY – E. R. (Ray) Smith has been appointed acting manager of the Oklahoma Corporation Commission's Oil and Gas technical department. He succeeds Claude V. McNully, who died unexpectedly on April 15.

The technical department handles geology, engineering, surety and records functions of oil and gas industry regulation. Mike Battles, Oil and Gas Division director, said a search for a permanent manager probably won't start until the new Oklahoma fiscal year begins on July 1.

Smith joined the Corporation Commission in February 1994 as director of the agency's Fuel Division after retiring as a group vice president of Mustang Fuel Corp. and president of Mustang Fuel of Oklahoma.

He has handled special projects for the Oil and Gas Division since July 1998, when the Fuel Division was merged into the Petroleum Storage Tank Division.

Smith has a bachelor's degree in geology from the University of Wyoming. He worked 27 years with Skelly Oil Co. and Getty Oil Co. in onshore and offshore exploration and production management before joining Mustang Fuel in 1982.

-OCC-

News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G43099-30

Low Oil Prices Slow Plugging of Abandoned Oil and Gas Wells

OKLAHOMA CITY – Low oil prices are slowing the rate of plugging abandoned oil and gas wells with state funds this year, Oklahoma Corporation Commission records indicate.

Through the first nine months of the state's fiscal year, \$154,459 was spent or committed to plug 42 wells. In all of fiscal 1998, there were 188 wells plugged at a cost of \$773,371.

State funds are used to plug abandoned wells when no responsible party can be found to pay the plugging costs. The money comes from an excise tax on the wellhead price of petroleum production. Less production and low prices have greatly reduced tax revenue available for plugging abandoned wells.

The commission's Oil and Gas Division has identified 295 other wells eligible for state-funded plugging at an estimated cost of about \$1.2 million, but the state plugging fund had only \$186,803 available in mid April, a monthly plugging status report said.

Mike Battles, Oil and Gas Division director, said the low rate of plugging doesn't pose any environmental threat because emergency funds are kept available for wells that require immediate plugging. The other wells are dormant and must await funds for plugging.

Many of the wells were drilled and abandoned during the oil boom period in the late 1970s and early 1980s by companies that no longer exist, Battles said.

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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

May 5, 1999

UTILITY SERVICES UPDATE

OG&E...

Approximately 26,000 customers without electric service. About half of the 26,000 customers cannot take power because of structural damage from the storms. OG&E crews are working house to house in the storm damaged areas to make repairs and restore power to structures able to receive it. Demolished and unsafe structures will have their electric meters pulled or "booted" until repairs are made. Two more transmission lines delivering power to the Oklahoma City area will be restored by late today. Power to the cities of Enid and Sapulpa is expected to be restored by late today. The town of Crescent remains without power. OG&E spokesman Paul Renfrow says crews have been treated "beautifully" by people. He says everyone is being very patient and cooperative. Walkup service centers are located in the hardest hit areas in Moore at the New City Center, 12th Ave. and I-35, and in Del City at Brannon's, SE 29th and Sunnyslane.

PSO...

All PSO customers in the storm damaged areas of Tulsa and Chickasha were restored to service by 11:00 p.m. Tuesday night. Work continues on the 345 KV line knocked out 7 miles west of Stroud. Construction is being expedited with completion expected within a week.

(OAEC) Oklahoma Association of Electric Cooperatives...

Fewer than 3,000 customers remain without power. The Cooperatives hope to have all customers who can safely receive electric service back on line no later than Friday. Central Rural Electric in Stillwater had 1,400 customers without power at 6:00 a.m. this morning. CREC was scheduled to have two 2,000 KW generators from Tulsa fully operational at noon today which will greatly reduce the number of customers without power in its western service area. CREC lost a total of 28 miles of distribution powerlines in the hardhit Mulhall, Orlando and Perry areas. Eight crews are expected to work the rest of the week to restore those lines. KAMO Power is rebuilding more than 6 miles of 69 KV transmission line in the Perry, Mulhall and Orlando areas. (continued)...

OAEC continued...

750 Norman area customers of Oklahoma Electric Cooperative were without power at 6:00 a.m. this morning. Ten crews from Oklahoma and Texas are working the Norman area. Crews will also be working to restore 15 miles of distribution line from Cyril to Cement to Chickasha to Blanchard to Newcastle to Moore. OEC says families who decide to rebuild in the areas of total devastation will receive full assistance with their electrical needs. Cimarron Electric in Kingfisher had power restored to all but 700 customers at 6:00 a.m. this morning. All substations supplied by Western Farmers are up and running. Crews are replacing more than 100 power

poles in the Okarche, Crescent, Dover, Kingfisher and El Reno areas.

Southwestern Bell (SWB)...

Bell reports all of its central offices have power restored except for the Mulhall office. SWB wishes to let everyone know that business and residential customers without phone service in the storm damaged areas will be offered free call forwarding and call notes voice messaging for the next 30 days. The number for more information is 800-464-7928.

ONG...

Oklahoma Natural Gas expects to restore service to approximately 1,200 of its 8,500 storm disconnected customers within about the next 24 hours. Most of those will be on the perimeter of the devastated areas. ONG's Don Sherry says within a week they hope to have service restored to all customers whose homes and businesses are safely able to receive service. Some crews from Kansas Gas Service Co. are in Oklahoma to help ONG crews. As they go house to house, ONG is leaving door hangers with contact information for the owners.

-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 6, 1999

UTILITY SERVICE UPDATE

ONG...

Oklahoma Natural Gas estimates that about 2,500 customers have had their homes or businesses so badly damaged that it is not yet possible to restore service to them. ONG spokesman Don Sherry said 700 customers were reconnected Wednesday leaving 5,300 customers without service. Sherry said service is expected to be restored to another 1,000 customers by tomorrow. Within a week, Sherry said ONG anticipates it will have service restored to all structures capable of receiving it.

(OAEC) Oklahoma Association of Electric Cooperatives...

Sidney Sperry, Director of Member Relations for OAEC, said the Oklahoma Electric Cooperative serving the Norman, Moore, Newcastle, Blanchard area has about 200 customers still without power. Cimarron Electric Cooperative, Kingfisher, has about 500 customers without power. Sperry said crews are rebuilding about five miles of power lines each day so that by Saturday at the latest they hope to have power restored to most of those customers. Central Rural Electric, Stillwater, has about 1,250 customers without service. The delay is in rebuilding several miles of transmission line in the Perry, Mulhall, Orlando area. KAMO power is working on that and when they are finished CREC can power up its substations and restore service to its customers.

OG&E...

About 19,000 customers remain without service, down from 26,000 on Wednesday. OG&E spokesman Paul Renfrow said crews were also working to restore service to customers in Dover and Crescent Thursday. Mulhall remains without service. OG&E is coordinating with state and federal disaster officials to determine how many homes and businesses were destroyed or damaged to the extent that service cannot be restored.

PSO...

Construction work continues on the 345 KV line about seven miles west of Stroud.

Utility Service Update cont'd...

Southwestern Bell (SWB)...

Fewer than 2,000 customers remain without service. SWB has set up two information locations for its customers in and around the disaster areas. One is in Moore at 316 NE 27th Street. A new information center opens Friday morning in Midwest City, 15th and South Air Depot. Bell continues to offer free service for 30 days for call forwarding and call notes messaging to those left homeless or whose service was knocked out by the tornadoes. Bell's information number is 800-464-7928.

-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 7, 1999

UTILITY SERVICE UPDATE

OG&E...

OG&E spokesman Paul Renfrow reports 12,000 customers remain without power. That's 7,000 fewer than on Thursday. Renfrow said OG&E is getting very close to restoring power to all of its customers capable of receiving it. OG&E wants its customers without power to get back in touch with them so they can identify them as quickly as possible. Renfrow said in the Oklahoma City metro customers can call 272-9595 and statewide 800-522-6870 or they can go to the walk up centers in Moore's New City Center, 12th Ave. and I-35, and in Del City at Brannon's, SE 29th and Sunnyslane. Crews continue to go door to door on the fringe of the heavily damaged areas.

(OAEC) Oklahoma Association of Electric Cooperatives...

Sidney Sperry, Director of member relations for OAEC, said only 12 customers remained without service in the Norman area served by Oklahoma Electric Cooperative and those customers are expected to have service by Friday at 5:00 p.m. Cimarron Electric of Kingfisher expects to have power for all of its customers restored by Friday at midnight. KAMO Power has re-energized two of Stillwater based Central Rural Electric Cooperative's (CREC) substations putting 650 of its 1,250 customers without power back on line. Crews are working to repair a distribution line across I-35 which will, no later than Friday at 5:00 p.m., put about 600 more customers back in service leaving about 200 still without service.

PSO...

Bill Crawley of PSO said construction crews continue to work on rebuilding towers for the 345 KV line west of Stroud. Completion will be sometime next week.

ONG...

Oklahoma Natural Gas Co. spokesman Don Sherry said ONG has re-evaluated its original storm outage figure of about 8,500 without gas service. Sherry said the new, more accurate figure of outages in the "total scope" and "immediate aftermath" of the tornadoes is 6,650 customers without service. Of that number Sherry said 2,500

UTILITY SERVICE UPDATE , page 2

ONG (cont'd)...

are too heavily damaged to restore service; 2,653 are in need of some minor repairs and/or city inspection and 1,497 remain to have service restored. Sherry said as the

crews go door to door a lot of people are not home so they are leaving door hangers with contact information and will return.

Southwestern Bell (SWB)...

Bell Spokesman Jeff Konkel said SWB has approximately 2,000 customers without access to residential phone service. The SWB network is performing well with only one central office still operating on back-up power. Konkel said there are reports of isolated service disruptions due to downed electric lines, wet phone lines and broken telephone poles. Southwestern Bell has donated 10 phones for victims' use in Mulhall. And the company has boosted its wireless capacity by installing four mobile wireless antennas in Moore, Del City and Oklahoma City. Information on free phone services to disaster victims is available at two locations: Moore at 316 NE 27th Street and Midwest City at 15th and South Air Depot. Customers may also call 800-464-7928.

GTE...

GTE spokesman Bob Grey says 30 to 50 residential customers in Stroud remain without phone service. Full restoration is expected by Sunday afternoon.

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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

May 10, 1999

UTILITY SERVICES UPDATE

OG&E...

Electric power has been restored to all customers able to receive service. OG&E has 5,506 customers not able to receive service. All temporary electric lines have been rebuilt. 40 Oklahoma City metro customers without service due to last night's storms should be restored today. Collection cut-offs begin today for "Positive ID" customers (those denied service for unpaid finals) and customers receiving service without a contract (inactive kwh usage). Normal cut-off procedures begin Tuesday, May 11.

ONG...

Don Sherry reported restoration of natural gas service to ONG customers able to receive it is "substantially complete." Sherry said 375 customers remain without service because they were not home when ONG swept the area. Door hangers were left and crews are on standby to restore service when called by the customer. Sherry says ONG remains "extremely flexible" with cut-off and payment matters for those affected by the tornado. He said all collection activity is suspended.

(OAEC)...

Sid Sperry of the Oklahoma Association of Electric Cooperatives said final repairs to restore 390 customers in the Mulhall and Orlando area are underway by Central Rural Electric of Stillwater with everyone expected to have service by Monday at 6:00 p.m. Oklahoma Electric Cooperative (OEC) in Norman located three more customers without service and will have them back on-line by Monday at 5:00 p.m. Cimarron Electric has all of its customers up and running.

GTE...

Bob Gray said all GTE customers in Stroud have service restored and they are responding to normal trouble tickets.

SWB (Southwestern Bell)...

Bell continues to offer storm victims 30-days free call forwarding and call notes voice messaging. Stop by an emergency shelter in Moore, Midwest City or Del City or Call 800-464-7928. Free phone directories to replace those lost in the storm are available at emergency shelters or by calling 800-SWB-BOOK (800-792-2665).

-occ-

News from the **Oklahoma Corporation Commission**

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occeweb.com

May 11, 1999

COMMISSION APPROVES AEP-CSW MERGER

By a 3-0 vote Tuesday, May 11, the Oklahoma Corporation Commission conditionally approved the merger between American Electric Power Company Inc (AEP). and Central and South West Corp. (CSW), parent of Public Service Company of Oklahoma (PSO).

The approval contains the condition that PSO work with Oklahoma Gas and Electric Co. (OG&E) and the Southwest Power Pool to mitigate possible congestion problems from increased electrical power entering the state.

In approving the merger, the Commission adopted a stipulated agreement entered into by commission staff, the Office of the Attorney General, AEP and CSW. The stipulation divides merger benefits the first five years with 55 percent or \$27.7 million going to ratepayers through a rider attached to monthly bills and the remaining 45 percent going to stockholders. Starting in year six, ratepayers will receive an additional \$9.4 million annually until the next change in base rates.

Further PSO savings of \$11.8 million over ten years are expected as a result of lower fuel costs. PSO promises not to initiate a rate increase case until at least January 1, 2003. Should the company start a rate case between January 1, 2003 and the end of the fifth year after the merger, the amount of increase it might have otherwise been entitled to will be reduced by \$5 million.

PSO agrees that no stranded costs will result from the merger. Should stranded costs result from other sources, PSO will be viewed as a stand alone company rather than assuming a proportionate share of the combined AEP-CSW stranded costs. The stipulation also contains a clause that if the regulatory authority in another state approves more merger benefit, PSO ratepayers will share in those benefits. There is also a clause that PSO's Oklahoma customers will not be held responsible for any unforeseen events that may lessen merger benefits.

Chairman Ed Apple and Commissioners Bob Anthony and Denise Bode are available for comment.

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 17, 1999

FOR IMMEDIATE RELEASE:

RATE REDUCTION, WITHDRAWAL OF APPEAL, COMPETITIVE BIDDING AND UNBUNDLING HIGHLIGHT STIPULATED AGREEMENT BETWEEN OCC STAFF AND ONG

The public utility staff of the Oklahoma Corporation Commission along with ONEOK, Incorporated and its subsidiaries of Oklahoma Natural Gas Company (ONG) and Kansas Gas Service Company (KGS), have reached a negotiated settlement of a number of interim issues on rates, unbundling of assets and competitive bidding for gas services.

The terms of the stipulated agreement must still be approved by the Commissioners en banc before they are implemented.

The agreement consolidates two ongoing rate cases and provides for an interim rate reduction for Oklahoma customers of ONG and KGS of \$5 million on an annual basis to be effective with the first billing cycle in September, 1999. A final order establishing permanent rates is expected next spring.

In addition to the rate reduction for Oklahoma customers and a timetable for the unbundling process, ONEOK agrees to dismiss its Oklahoma Supreme Court appeal of the Commission's unbundling orders and rules after orders in the consolidated rate case become final.

Settlement terms call for new effective dates for ONG's competitive bidding for gas supplies and transmission service beginning November 1, 1999 and November 1, 2000 respectively.

Also contained in the agreement are procedures and timetables for setting permanent rates and the identification and designation of ONEOK assets for the transmission, distribution, gathering and storage of natural gas and the process as outlined under OCC rules for obtaining the deregulation of gathering and storage assets.

-OCC-

All Oklahoma Corporation news releases are available for review and downloading from the OCC web site:

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

May 20, 1999

FOR IMMEDIATE RELEASE:

BODE TESTIFIES BEFORE CONGRESSIONAL SUBCOMMITTEE ON GOVERNMENT ROLES IN ELECTRICITY COMPETITION

Addressing the House subcommittee on Energy and Power in the nation's capitol on Thursday, May 20, Commissioner Denise Bode noted that as we look to restructure the electricity industry it is important to look outside of "the box" and consider energy as a whole. Bode pointed to Oklahoma's promulgation of new rules this year to restructure the natural gas industry and bring competition and choice to consumers. She said Oklahoma is the third largest gas producing state in the nation, yet we only use 30% of what we produce.

Bode said a key issue in Oklahoma's electricity restructuring is the state's low cost for electricity. That cost is as much as 50% lower than such states as California and Pennsylvania and 19% below the national average.

With low cost an issue, Bode cited the need "to move cautiously to be sure Oklahomans are better off as a result of competition." This issue has been identified by study groups as the Oklahoma Corporation Commission (OCC) participates in the study of electricity restructuring with the Oklahoma legislature's Joint Electric Utility Task Force. The Task Force study is being done under the state's legislative mandate to restructure electricity in Oklahoma by July 1, 2002.

Bode said "in Oklahoma and elsewhere in the country, competition in the electric marketplace is coming." The Commissioner said "it is important to manage the restructuring in a steady and careful fashion."

Bode called for establishing clear and consistent regional transmission policies. The Commissioner's testimony called for the removal of barriers in current law. Bode asked Congress to "repeal the Public Utilities Regulatory Act (PURPA). The Public Utility Holding Company Act (PUHCA) should be changed to reflect today's market structure and allow a more competitive model to develop." Bode said "Rural Utilities Service (RUS) policies must change to allow rural electric cooperatives to successfully transition to competitive markets."

Commissioner Bode told subcommittee members that "removing barriers may not

-(continued)-

BODE TESTIFIES (Cont'd)...page 2

be enough. Congress must also consider ways to enhance the development of

competitive electric markets." Bode urged Congress "to resist the temptation to impose its own views by mandating set asides of fuel choice on the market place." Emphasizing that Oklahoma is a low cost electricity state, Bode said "states should be allowed to manage the opening up of their markets to competition because a cookie cutter approach by the federal government won't work."

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Interviews with Commissioner Bode in Washington may be arranged through Kevin Knutson at 405-521-2267.

All Oklahoma Corporation news releases are available for review and downloading from the OCC web site: 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

May 21, 1999

HOME BUILDERS ALERT

DON'T BUILD OVER OR NEAR AN OLD OIL WELL SITE WITHOUT CHECKING ON IT FIRST

(OKLAHOMA CITY)...If you are among the many Oklahomans looking for a place to build your new home or a builder or developer setting up a new housing addition, there might be more than location, size and cost you will want to consider. The Oklahoma Corporation Commission (OCC) reminds prospective home builders and home owners that for more than a century this state has been a leader in active oil exploration and production. That means that for more than a hundred years the search for oil and gas has resulted in hundreds of thousands of holes (at least 450,000) being drilled in all areas of Oklahoma, both before and after statehood.

It's important to remember that many of those earliest holes were drilled in the ground dating back to before the turn of the last century (1890's) many years before state lawmakers called for regulation of oil and gas drilling (1915, 1917) and before today's modern methods of plugging abandoned and non-producing wells. That means there are thousands of holes which were drilled from the 1890's until about 1917 for which the Corporation Commission has limited records. Some companies voluntarily provided records to the Oklahoma Geological Survey during this time.

Many of these early wells, drilled before there were spacing, drilling permits and completion report requirements, go undetected by oil and gas field inspectors and land owners until someone stumbles across them or they purge oil or gas to the surface. Many have not been found because there is little or nothing above ground to indicate their presence. Drilling sites that originally were in the wilderness or on the prairie are now in suburban areas of rapid growth.

To offer an example, a new home built in south Tulsa was constructed with a well in its back yard which was plugged in 1929, before there were any modern safety regulations regarding the closure of wells. After being gone for a few days, the home owners returned. What they apparently did not know is that the old well on the edge of their foundation apparently began leaking odorless natural gas into the house. When the home owner flipped on a switch, the gas ignited causing a mild explosion. As a result, the OCC had to obtain emergency state funds to properly plug the well site to prevent further problems.

-(continued)-

HOME BUILDERS ALERT (Cont'd)...

It is important for everyone involved to work to prevent such problems. The Commission and its field inspectors are prepared to assist with inspection and records when called on by builders, developers and home buyers.

Anyone thinking of building or buying a new home near any well site, including abandoned well sites, should contact the OCC. Field inspectors will verify the location and properly inspect the site. If needed, the well should be re-plugged according to modern safety methods.

The Oil and Gas Conservation Division's field operations office may be reached in Oklahoma City at 521-2240. Inquiry may also be made to any one of the four oil and gas field offices in Bristow, Kingfisher, Duncan or Ada or to the toll free hot line at 800-522-0034.

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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

May 25, 1999

NEWS ADVISORY:

FOR ASSIGNMENT EDITORS AND NEWS DIRECTORS

The Oklahoma Corporation Commissioners continue hearing the proposed stipulated agreement between the OCC's Public Utility Division staff and Oklahoma Natural Gas Company (ONG) on Wednesday morning, May 26. The continuation is scheduled for 9:30 a.m. in courtroom 301 on the third floor of the Jim Thorpe Building at 2101 N. Lincoln Blvd.

The Commission began hearing testimony on the proposed agreement last Friday, May 21. At the end of Friday's hearing, the Commission asked that a technical conference along with further study and negotiation be pursued during the interim.

Among the issues focused on during last Friday's hearing were the amount and timing of the proposed \$5-million rate reduction and the contingencies upon which ONG might agree to withdraw its Oklahoma Supreme Court appeal of the Commission's unbundling orders.

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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

May 26, 1999

COMMISSIONERS VOTE APPROVAL OF AGREEMENT WITH ONG

Concluding two days of public hearings, the Oklahoma Corporation Commission (OCC) voted 2 to 1 in favor of a stipulated agreement worked out between the OCC's public utilities staff and ONEOK, Incorporated and its subsidiaries of Oklahoma Natural Gas Company (ONG) and Kansas Gas Service Company (KGS).

The vote on a motion by Chairman Ed Apple resulted in a yes vote from both Apple and Commissioner Denise Bode while Commissioner Bob Anthony voted no.

The Agreement is highlighted by a \$5 million interim rate reduction for Oklahoma customers of both ONG and KGS beginning with the first billing cycle in September, 1999.

Settlement terms also include new dates for ONG's competitive bidding for gas supplies and transmission service beginning November 1, 1999 and November 1, 2000.

In addition to the rate reduction and competitive bidding starting this year, the stipulated agreement establishes a new timetable for the unbundling process. ONEOK also agrees to dismiss its Oklahoma Supreme Court appeal of the Commission's unbundling orders and rules after new final orders are issued in the consolidated rate case next year.

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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

May 27, 1999

NEWS ADVISORY: ASSIGNMENT EDITORS, NEWS DIRECTORS, EXECUTIVE PRODUCERS

ONLY OCC WOMEN CERTIFIED TO CONDUCT INSPECTIONS

The Oklahoma Corporation Commission has the only female agents certified to conduct Commercial Vehicle Safety Alliance (CVSA) inspections in the state's Motor Carrier Safety Assistance Program (MCSAP) and they will take part in National Transportation Safety Week inspections beginning Tuesday, June 1.

Sandra Stephens is a motor carrier enforcement officer in the OCC's Transportation division. Sherry Soliz is Safety Administration Coordinator for the division and Peggy Gilworth is a rate, weight and safety field agent.

Soliz will work safety inspections at the Davis weigh station on I-35 June 1 while Stephens serves as a safety inspector June 3.

OCC Safety Administrative Assistant Sherri Twidwell will be running the software program for collection of inspection data and selection of motor carriers for safety inspections.

-OCC-

All Oklahoma Corporation Commission news releases are available for review and downloading from the OCC web site: www.occ.state.ok.us

News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:O&G52899-35

Oklahoma Oil and Gas Production Declined in 1998

OKLAHOMA CITY – Oil and gas production in Oklahoma in 1998 was lower than production in 1997, Oklahoma Corporation Commission statistics reveal.

Oil production totaled 77,796,579 barrels, down 6.96 percent from production of 83,617,152 barrels in 1997. It was the lowest annual production since 1914, when 73,632,000 barrels were produced, and the 14th consecutive year of declining oil production, from 168,604,000 barrels in 1984.

Gas production was 1.649 trillion cubic feet, down 4.68 percent from 1997 production of 1.730 trillion cubic feet. It was the lowest total of annual gas production since 1.606 trillion cubic feet were produced in 1968, and the fifth year of declining production since 2.016 trillion cubic feet were produced in 1993.

Oil or gas production, or both, occurred in 70 of the state's 77 counties. Adair, Cherokee, Delaware and Ottawa counties, in northeastern Oklahoma, and Choctaw, McCurtain and Pushmataha counties, in extreme southeastern Oklahoma, had no petroleum production.

Carter County led oil production with 10,005,101 barrels. Stephens County ranked second with 7,273,125 barrels. Together, the adjoining counties in south-central Oklahoma provided 22.2 percent of the state's oil production in 1998.

The other eight top-ten oil-producing counties were Grady, 6,171,883 barrels; Osage, 4,204,988 barrels; Texas, 3,967,321 barrels; Garvin, 3,896,104 barrels; Pontotoc, 2,769,833 barrels; Creek, 2,649,083 barrels; Caddo, 2,596,901 barrels; Major, 2,426,499 barrels.

Roger Mills County led gas production with 152.9 billion cubic feet. Latimer County ranked second with 138.8 billion cubic feet. The other top-ten gas-producing counties were Texas, 111.9 bcf; Grady, 97.8 bcf; Caddo, 93.9 bcf; Custer, 81.0 bcf; Pittsburg, 75.1 bcf; Washita, 68.2 bcf; Beaver, 66.5 bcf; Beckham, 63.9 bcf.

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News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G6199-36

OCC Specialist to Help Former Soviet State Develop Effective Regulation for Emerging Oil and Gas Industry

OKLAHOMA CITY – Michael Battles, Corporation Commission Oil and Gas Conservation Division director, has been selected to help government officials in the former Soviet Union state of Georgia learn how to regulate its oil and gas industry.

"Georgia and several other former Soviet states are now independent countries. They make their own rules, and they want to design regulation that will allow their oil and gas industries to grow as economic assets while protecting the environment and public safety. Protecting water is a major concern because fishing is a major industry," Battles said.

Battles has bachelor's and master's degrees in environmental science and nearly 20 years of experience regulating oil and gas operations in Oklahoma for the Corporation Commission.

Battles and Morris Bell, operations manager for the Colorado Oil and Gas Commission, will meet with government leaders in Georgia on June 10-11 on behalf of the U.S. State Department's USAID program.

Oklahoma Energy Secretary Michael Smith and David Bolin, of the Alabama State Oil and Gas Board, conducted a similar educational mission to Kazakhstan, another former Soviet state, on May 25-26.

"Our purpose is to become a regulatory resource. We want to show them that there are ways other than writing rigid rules to achieve efficient regulation. Communication among all parties and education can be effective alternatives," Battles said.

In two days of conferences with about 30 Georgia government leaders, Battles and Bell will explain the history of oil and gas regulation in the United States and discuss case studies, including two from Oklahoma, that illustrate regulation through education and involvement rather than rules.

One Oklahoma case concerns run-off of sediment from oil and gas operations into streams and lakes in southeast Oklahoma. The Corporation Commission achieved pollution-prevention compliance from small oil and gas operators by producing a book that explained the newest technologies for handling waste materials in a cost-effective manner. The commission also developed a quarterly newsletter for oil and gas operators and formed citizen committees to make recommendations for improving regulatory procedures.

The other Oklahoma case study discusses formation and activities of the Oklahoma Energy Resources Board, funded by the oil and gas industry, to clean up abandoned oil field sites and develop educational materials for schools and the general public on the importance of the oil and gas industry to the economy and environment of Oklahoma.

Battles said the goal of the educational assistance is to develop a long-term partnership arrangement. "We have a lot of information and assistance to offer, and these new countries may come up with some ideas that will help us make our regulation better," Battles said.

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News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G61099-38

Oklahoma Oil Production Showing Gains in 1999

OKLAHOMA CITY – Oklahoma oil production climbed to 6,151,456 barrels in March, the second consecutive month of increased output, preliminary figures compiled by the Corporation Commission indicate.

March production was 17.8 percent higher than the 5,221,280 barrels produced in February, which had been 6.5 percent higher than the 4,894,883 barrels produced in January.

However, 1999 first-quarter production of 16,713,371 barrels was 15.7 percent below 1998 first-quarter production of 19,843,313 barrels.

The preliminary figures are based on production reports filed with the Oklahoma Tax Commission. They are subject to change as late reports are filed.

Gas production in March was reported at 113.1 billion cubic feet. Production had been reported at 116.1 billion cubic feet in January and 92.7 billion cubic feet in February. The fluctuations could have been caused by delays in filing February production reports, Larry Claxton, statistics manager, said.

First-quarter 1999 gas production was 351.4 billion cubic feet, down 17.1 percent from first-quarter production of 423.7 billion cubic feet in 1998.

The top ten oil-producing counties in March were Carter, 708,164 barrels; Stephens, 566,290 barrels; Grady, 462,929 barrels; Texas, 321,673 barrels; Osage, 315,765 barrels; Garvin, 303,360 barrels; Creek, 212,525 barrels; Caddo, 210,126 barrels; Pontotoc, 202,604 barrels; Lincoln, 198,344 barrels.

The top ten gas-producing counties were Roger Mills, 9.639 billion cubic feet (bcf); Latimer, 9.529 bcf; Texas, 9.097 bcf; Grady, 8.344 bcf; Custer, 5.717 bcf; Caddo, 5.551 bcf; Pittsburg, 4.738 bcf; Beckham, 4.414 bcf; Beaver, 4.364 bcf; Washita, 3.981 bcf.

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News from the **Oklahoma Corporation Commission**

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June 16, 1999

CHAIRMAN APPLE WITHDRAWS SUPPORT OF STIPULATED AGREEMENT WITH ONG

(OKLAHOMA CITY)...Saying "several changes have taken place since my oral commitment," Oklahoma Corporation Commission Chairman Ed Apple opened Wednesday morning's signing agenda with the announcement that he would vote no on the written order for the stipulated agreement between the commission and Oklahoma Natural Gas Co. (ONG).

Apple made it clear he was particularly disturbed by the Attorney General's appeal in this matter that could have clouded the issue for months.

A motion to approve the joint stipulation was denied with Commissioners Apple and Bob Anthony voting against the stipulation and Commissioner Denise Bode dissenting in favor of the agreement.

Bode expressed disappointment with Apple's change of view but respect for the opinions of her colleagues. In her dissenting opinion, she called the last minute change "a real bottom-line loss to Oklahomans." Bode said "moving forward to restructure the gas industry is a matter of profound importance to our state."

The commission declared a motion by the Attorney General (AG) to stay the stipulation pending appeal to be moot and denied it. A motion by the AG to recuse was also denied. The commission further ordered that the ONG causes be remanded to the administrative law judges on June 23 to determine a procedural schedule.

The proposed stipulated agreement worked out between commission utility staff and ONEOK, Incorporated, the parent of ONG and Kansas Gas Service Co. (KGS), was approved on May 26 by a 2-1 vote of the Commission with Commissioner Anthony the lone dissenting vote.

Following today's action, two rate reviews of ONG remain in effect. One was instigated by commission staff and the other by an ONG application. ONG's appeal of the commission's unbundling order from last summer also remains in effect.

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News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:PUD61799-38

Corporation Commission Approves New Cotton Gin in Garfield County

OKLAHOMA CITY -- The Oklahoma Corporation Commission on Thursday (June 17) approved construction and operation of a new cotton gin near Carrier, in Garfield County.

The gin will be owned and operated by Johnston Gins Inc., a wholly-owned subsidiary of the W.B. Johnston Grain Co. of Enid. It will have a ginning capacity of 30 bales per hour, or 30,000 bales in a 100-day ginning season, a license application filed with the commission indicates.

The application was only the third for a new cotton gin in Oklahoma since 1992 and the second in two years for a new gin in northern Oklahoma. Licenses were granted for a new gin near Altus in 1992 and another near Blackwell in 1998. The commission also approved the reopening of a gin in Minco in 1998.

The new gin near Carrier will be about 16 miles northwest of Enid. It is expected to be operational for the 2000 ginning season, Lew Meibergen, Johnston Gins president and W.B. Johnston Grain Co. chief executive officer, said at a commission hearing.

He said there is no other existing or proposed cotton gin within a 30-mile-radius of the Carrier gin location. No one appeared at the hearing to protest approval of the application.

Meibergen said the Johnston Grain Co. was approached by several north-central Oklahoma cotton growers who have been transporting cotton to ginning facilities near Burns Flat, in western Oklahoma, and wanted a gin closer to their fields to reduce transportation costs.

"They asked us to consider it, and we have, and we feel that within the year there will be adequate acres in this general area to justify construction of the gin. We feel it will take between 9,000 and 11,000 bales per year to break even," Meibergen said.

Meibergen said that cotton acreage in north-central Oklahoma will be below estimates this year because of excessive moisture that delayed planting. "But (in the future) we feel that there should be or could be anywhere from 15,000 to 25,000 acres planted within a 30-mile or 20-mile radius of the gin, and with the yields they have we're looking at 25,000 to 30,000 bales," he said.

"We've been in the grain business, the ag business, for almost 106 years, and it has always been our practice to try to accommodate and take care of the needs of the producers in our particular area, and that's why we've made the decision to build the gin," Meibergen said.

The company also recently completed construction of a cotton gin in Anthony, Kan., about 48 miles north of Carrier.

The Corporation Commission has regulated public cotton ginning services in Oklahoma since 1915. Other cotton gin operations, such as the sale of cotton seed and hulls and cotton seed oil, are not regulated.

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News from the **Oklahoma Corporation Commission**

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June 22, 1999

ATTENTION NEWS DIRECTORS AND ASSIGNMENT EDITORS

(OKLAHOMA CITY)-The Oklahoma Corporation Commission today hosts a second "visions" roundtable discussion with executives of the state's public utilities and other interested parties as part of shaping the vision of regulatory responsibilities into the 21st century. The roundtable is scheduled for this afternoon at 1:30 p.m. in courtroom 301 on the third floor of the Jim Thorpe Building at 2101 N. Lincoln Blvd.

The purpose of the roundtable is for the Commission to solicit comments from competing telecommunications, natural gas, electric power suppliers and consumer groups.

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News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:OCC62399-42

Anthony Elected Corporation Commission Chairman

OKLAHOMA CITY -- Bob Anthony will assume chairmanship of the Oklahoma Corporation Commission with the start of the new state fiscal year on July 1 following his unanimous election Wednesday, June 23.

Commissioner Denise Bode was elected vice chair. The elections were held in accord with the agency's regular leadership rotation process.

The Oklahoma Constitution calls for the three commissioners to elect their own chair person. Historically, those elections have occurred on a two-year cycle, although that pattern has sometimes been broken by commissioner resignations and appointments between elections. Ed Apple has chaired the commission since July 1997. Anthony previously served as chairman from August 1989 through January of 1991 and from August 1991 until January of 1993.

Accepting election, Anthony called on the agency to continue and to strengthen its commitment to serving the public interest through an open process that respects all parties.

"To accomplish these goals I renew my commitment and the agency's commitment to meaningful and open communication both among ourselves and with the public.

"Our agency should have a relationship with regulated companies based on professionalism and a commitment to advance the public interest. As we move from an environment of regulated monopolies to one of competitive market forces, the Commission shifts from a judicial role to that of policy setter.

"Toward that end we should adopt an open collaborative process as a standard for commissioners dealing with legislative and public utility matters. To ensure that all parties have an equal opportunity to have their views fairly considered, we should also renew our agency commitment to having the strongest ethics code in state government," Anthony said.

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News from the **Oklahoma Corporation Commission**

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June 23, 1999

BODE REPRESENTS COMMISSION ON TELECOMMUNICATIONS TASK FORCE

Oklahoma's Corporation Commissioners have designated by unanimous vote Commissioner Denise Bode as the Commission's representative to the Task Force on Telecommunications. The Task Force was formed June 18 by Governor Frank Keating, House Speaker Loyd Benson, Senate President Pro Tempore Stratton Taylor, Attorney General Drew Edmonson and Corporation Commission chairman Ed Apple.

Charged with studying alternative forms of regulation that expedite a transition into a competitive marketplace for telecommunications services in Oklahoma, Bode and the other members of the Task Force will report their findings and recommendations no later than August 20, 1999.

The Task Force will examine the impact of the 1997 Oklahoma Telecommunications Act on the industry, Oklahoma consumers and the state and recommend whether a financial settlement is justified in view of the rate review moratorium imposed by the Act. Task Force members are also asked to recommend appropriate uses for such a settlement.

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News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN62999-42

OCC, KC Southern Resolve Sallisaw Crossing Blockage Complaint

OKLAHOMA CITY – The Kansas City Southern Railway has agreed to pay a \$2,750 fine to settle allegations by the Corporation Commission that the railroad illegally blocked grade crossings in Sallisaw 51 times in 1998.

A settlement agreement reached with the commission staff and approved by the commissioners also dismisses a contempt action filed by the commission following investigation of complaints by citizens and the Sallisaw Police Department. The complaints claimed that certain crossings were being blocked for longer than the 10 minutes allowed by a commission rule.

The settlement agreement also acknowledges that the railroad is now in "substantial compliance with applicable commission rules" and directs the Kansas City Southern to seek a variance to the time limit rule on crossing blockage.

The variance would allow blockage of a crossing for longer than 10 minutes without penalty by notifying police and other city officials in advance so emergency motor vehicle traffic could be temporarily rerouted.

Complaints to the Corporation Commission in 1998 indicated most of the alleged crossing blockage problems occurred at the South Walnut Street crossing, near an intermodal transfer point where the railroad moves truck trailers to and from railroad flatcars.

Evidence presented at a commission hearing indicated breaking the train (to open the crossing) during freight transfer is not feasible. A variance to the 10-minute time limit rule would provide a temporary compromise solution until the railroad can relocate its intermodal transfer facility, a commission spokesman said.

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News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:PUD6299-37

OCC Will Collect Ideas on Future Course of Utility Regulation

OKLAHOMA CITY -- The Oklahoma Corporation Commission will host two roundtable discussions in June with top executives of the state's public utilities and other interested parties as part of shaping the vision of regulatory responsibilities moving into the 21st Century.

The first meeting, scheduled for 1:30 p.m. Thursday, June 17, is for chief executive officers of the state's major telecommunications, natural gas and electric utilities. The meeting will seek a positive exchange of ideas between the commissioners and the companies regarding the future role of utility service in Oklahoma and the corresponding changes needed in regulation, commission Chairman Ed Apple said.

Four general subject areas are listed for the roundtable discussion:

1. What is your company's vision for the State of Oklahoma?
2. What is your company's vision for the future regulatory process in Oklahoma?
3. What role would your company play in Oklahoma relative to these visions?
4. The Commissioners' visions for the State of Oklahoma and their regulatory role.

A second roundtable will be hosted by the Commission at 1:30 p.m. on Tuesday, June 22, to solicit comments from competing telecommunications, natural gas and electric power suppliers, consumer groups and other interested parties.

Both meetings will be held in the Commissioners' Courtroom, Room 301, Jim Thorpe Office Building, 2101 N. Lincoln Blvd., Oklahoma City.

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News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: OCC63099-43

Senior Oklahoma Government Employee Will Retire on July 1

Gov. Keating Will Honor Glen T. McHale in Blue Room Ceremony

OKLAHOMA CITY – Glen T. McHale, Oklahoma state government's senior active employee, will retire on Thursday, July 1, on the anniversary of his 50 years of state service.

Gov. Frank Keating will preside at a retirement ceremony at 10:30 a.m. in the Blue Room of the State Capitol. A reception will follow at the Oklahoma Corporation Commission, where McHale has worked the past 28 years as a motor carrier enforcement officer.

McHale, 73, has spent nearly all of his state government career in southwest Oklahoma.

He began Oklahoma government service as a dispatcher for the Oklahoma Highway Patrol in Lawton on July 1, 1949. After training, he was assigned as a highway patrol trooper in October 1950. He served in the Blackwell and Perry districts until returning to the Lawton district and moving to Waurika, in January 1952.

McHale transferred to the Corporation Commission as a motor carrier enforcement officer in 1971 after completing a 22-year career with the Oklahoma Highway Patrol. He has continued to patrol southwest Oklahoma roads from his base in Waurika.

McHale is a World War II Navy veteran. He served aboard the battleship Pennsylvania in the South Pacific in 1943-46. He said his interest in law enforcement came about in part from Navy shore patrol duty while awaiting military discharge after returning to the United States.

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News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Larry Lago (405)521-2823

OIL, GAS INDUSTRY, CORPORATION COMMISSION GOOD FIT, ANTHONY SAYS

Oklahoma Corporation Commissioner Bob Anthony has made it clear that he thinks oil and gas is a perfect fit under the umbrella supervision of the Commission, which includes public utility regulation.

Speaking at the annual conference of the Oklahoma Independent Petroleum Association at Shangri La, Anthony called for an end to what has become an almost annual ritual of trying to divide the OCC's responsibility by placing either oil and gas or public utility regulation in a separate agency. He stressed the value of providing a regulatory knowledge base stretching from exploration through to consumption at the burner tip.

Looking back over the decade he has served on the Commission, Anthony reminded oil and gas producers of the progress that has been made in modernizing and streamlining regulation. He pointed out that the agency provides them with a "one-stop regulatory shop". Created by the Oklahoma Constitution, the Commission is a court of record with standing equivalent to that of a district court. Orders are appealed directly to the Oklahoma Supreme Court.

Anthony told the independent producers that "there is a pot of gold in utility regulation and that they should quit fighting it and use it to their advantage."

He noted that the last Oklahoma Gas and Electric Co. rate case included a \$2 million reduction in the cost of electricity used on oil and gas leases. Last year the state's electric utilities adopted a special tariff rider for oilfield lease operations which brought cheaper rates during periods of low oil prices, to be repaid when oil prices increased.

Anthony noted that having commissioners knowledgeable of the interaction between oil and gas production and public utility consumption has provided the producing sector with benefits in Commission rules restructuring natural gas utilities. These include several million dollars in rate savings for existing customers of natural gas gathering systems and a 10 percent set aside for independent producers bidding to supply gas to the utility.

The Commissioner praised OIPA for supporting OCC budget requests for modernized record keeping equipment and its support for funds earmarked for plugging abandoned wells. He especially noted OIPA's support of the Oklahoma Energy Resources Board and its efforts to restore abandoned well sites.

"It is my job to follow the law and promote the public interest," Anthony said. "I think supporting the petroleum industry in Oklahoma is in the public interest. The stakes are high! Providing fuel for America! This is important to the nation and to Oklahoma's economy. We've made progress in the past decade. It is a privilege to continue working together."

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News from the Oklahoma Corporation Commission

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July 7, 1999

NEWS ADVISORY FOR NEWS DIRECTORS AND ASSIGNMENT EDITORS

COMMISSION VERBALLY APPROVES NEW STIPULATION WITH ONG

The Oklahoma Corporation Commission has voted unanimously (3-0) on a motion by Chairman Bob Anthony to verbally approve a revised stipulated agreement with ONEOK, Inc. and its subsidiaries, Oklahoma Natural Gas Co. (ONG) and Kansas Gas Service Co. (KGS). The agreement calls for a one-time \$5 million credit on the September, 1999 bills of ONG residential customers and addresses issues of competitive bidding for this winter's gas supplies, the unbundling of certain ONG assets and ONG rate case consolidation.

Chairman Anthony included in his motion that the stipulation be signed by all parties who have expressed agreement with its terms. Anthony also asked that an order covering the stipulated agreement be prepared for the commission to sign Friday, July 9, at 9:30 a.m.

Only the Attorney General has said he will not support the agreement and instead entered his own 20-page proposed agreement into the record near the end of the two day public hearings. Following the 3-0 vote by the commissioners, AG representative Debra Morgan immediately entered an oral motion for a stay which was taken under advisement by the commission.

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News from the **Oklahoma Corporation Commission**

Jim Palmer, Director of Information

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July 9, 1999

COMMISSIONERS APPROVE AGREEMENT IN WHICH ONG CREDITS \$5 MILLION TO RESIDENTIAL CUSTOMERS THIS SEPTEMBER

Acting on their unanimous vote, Oklahoma's Corporation Commissioners signed an order approving a stipulation between ONG, Commission staff, Enogex, Transok, Octagon Resources Inc., Williams Pipeline Central Inc., Oklahoma Industrial Energy Consumers and GPM Corp. The Office of the Attorney General participated in the discussions but did not sign the final agreement.

Residential customers are guaranteed a one-time \$5 million dollar credit by the stipulation in lieu of holding a costly interim rate hearing on speculative proposals. The credit, of approximately \$7 per residential customer, will appear on September bills and cover the interim period of Sept. 1, 1999, to May 5, 2000.

ONG will request competitive bids for natural gas supplies for the 1999-2000 heating season and will seek competitive bids for transmission service effective Nov. 1, 2000. The stipulation sets up hearing schedules for unbundling ONG's utility assets and for permanent rates.

ONG agrees to voluntarily follow the Commission's unbundling rules. No assets will be removed from utility regulation until the Commission has made a specific finding that effective competition exists for those services.

The company will seek a stay of its appeal of last summer's unbundling order pending before the Oklahoma Supreme Court and will dismiss the appeal once final orders are issued in the new case. In the meantime, the company agrees to implement certain consumer protections from the unbundling order as part of the stipulation.

Commission Chairman Bob Anthony praised the agreement.

"I wish to thank Oklahoma Natural Gas Co., Commission staff and all parties to this case for their dedication in being willing to return to the bargaining table. The agreement we are signing this morning contains a \$5 million credit to be applied to residential customers September bills and significantly strengthens the ratepayer benefits and protections."

Anthony said "I would also like to specifically thank my colleague, Commissioner Denise Bode, for working with the parties to get the process off high center and negotiations moving."

Commissioner Bode pointed to the multi-million dollar rate reduction in Oklahoman's utility bills which highlights the agreement but also emphasized the importance of customers gaining greater access at competitive prices to gas that is now being exported.

"The \$5 million rate reduction is the icing on the cake we expect with a new open gas market in Oklahoma. Right now, we export 70% of our gas out of Oklahoma. This agreement will allow greater access to that Oklahoma gas by Oklahoma consumers, large and small, with competition at better prices. The consensus that finally developed among the regulators, ONG, and its competitors and customers to move forward is great news for all Oklahomans," Bode said.

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News from the **Oklahoma Corporation Commission**

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occeweb.com

July 14, 1999

NEWS ADVISORY FOR ASSIGNMENT EDITORS AND NEWS DIRECTORS

COMMISSION CONTINUES DELIBERATIONS ON UNDBUNDLING OF ONG GATHERING AND STORAGE ASSETS

The Oklahoma Corporation Commission has continued to Thursday, July 15, at 11 a.m. its deliberations on a proposed order which would declare that there is competition for ONG's natural gas gathering and storage assets and therefore they should be removed from utility regulation by the Commission.

A written order is being prepared for the Commission's consideration and vote on Thursday in courtroom 301 of the Jim Thorpe Building, 2101 N. Lincoln, Oklahoma City.

This week's hearings and deliberations are part of the schedule of hearings set forth in the stipulated agreement between the Commission and ONG which was approved last week.

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News from the **Oklahoma Corporation Commission**

Jim Palmer, Director of Information

Phone: (405) 522-2100, FAX: (405) 522-1623, www.occeweb.com

July 15, 1999

COMMISSION OPENS ONEOK'S GAS GATHERING AND STORAGE SERVICES TO COMPETITIVE BIDDING WITH MILLIONS IN CUSTOMER SAVINGS

By a vote of 2-0 the Oklahoma Corporation Commission has approved an order unbundling the upstream natural gas gathering and storage services of Oklahoma Natural Gas Co. (ONG) and Kansas Gas Service Co. (KGS), divisions of ONEOK, Inc.

Commissioners Denise Bode and Ed Apple voted for the order while Chairman Bob Anthony concurred with the result in a separate opinion.

The order removes ONEOK's storage and gathering assets from utility rates effective Nov 1, 1999. It further provides for storage and gathering services to be based on market rates and not set by the Commission.

Commissioner Bode called the approval of the order a "historic occasion" and referred to the unbundling and ratepayer savings from competitive bidding as "in the best interest of Oklahomans today."

Commissioner Apple emphasized that he had "confidence in the market place" and said "Oklahoma will be well served."

Chairman Bob Anthony said in his separate opinion "I concur in the results of bringing the savings anticipated by this order to ratepayers beginning November 1, 1999. Those savings include \$5.5 million in natural gas costs through the competitive bidding process and a \$5.7 million rate base reduction in gathering."

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News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD71599-47

Cotton Gin Near Tipton Approved for Closure

OKLAHOMA CITY – The Oklahoma Corporation Commission has approved closure and dismantling of the Tipton Farmers Cooperative cotton gin near Tipton, southeast of Altus in Tillman County.

Jay Cowart, general manager, said decreasing cotton acreage has made the gin unnecessary. He said four other gins within a 30-mile radius of the Tipton gin, in Altus, Frederick and Martha, meet the needs of cotton farmers in the area.

Corporation Commission records indicate the 20,000-bale-capacity facility ginned 12,886 bales of cotton in 1995 but only 5,140 bales in 1997. Cowart said the Tipton gin did not operate during the 1998 ginning season. He said the gin stands and other equipment will be sold and the building will be converted to other uses, not yet determined.

Cowart said other farm services provided by the Tipton Farmers Cooperative will continue.

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Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G71699-49

Notice of Inquiry Seeks Comment on Gas Gathering Rules

OKLAHOMA CITY – The Oklahoma Corporation Commission has issued a notice of inquiry that invites comment on rules and procedures for settling disputes between gas producers and gas gatherers.

Senate Bill 235, passed earlier this year by the Oklahoma Legislature, establishes requirements and prohibitions for both producers and gas gatherers. The commission must develop rules for implementing provisions of the new law.

The notice of inquiry seeks comment from all interested individuals and organizations concerning factors the commission should consider in developing the rules and strongly encourages those parties with similar interests to join together to file joint statements where applicable.

Technical conferences for informal discussion of issues will be held at 1:30 p.m. on Aug. 10 and Aug. 24 in Room 301, Jim Thorpe Bldg., 2101 N. Lincoln Blvd., Oklahoma City.

Written comments may be filed with the Corporation Commission's court clerk through the close of business on Sept. 9. The commissioners will conduct a hearing at 9:30 a.m. on

Sept. 9 to consider future actions concerning a rulemaking procedure.

Further information concerning the notice of inquiry is available by calling Michael Decker, deputy general counsel at (405) 521-4258 or Susan Conrad, assistant general counsel, at (405) 521-3939.

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July 23, 1999

BODE URGES ENERGY SERVICE CONTRACTORS TO SPEAK OUT ON BEHALF OF DOMESTIC OIL AND GAS PRODUCERS

(NASHVILLE)...Oklahoma Corporation Commissioner Denise A. Bode was the featured speaker Friday at the national meeting of the Association of Energy Service Contractors (AESC) in Nashville.

Addressing the AESC's political affairs luncheon, Bode encouraged the group's members to "be active on both the local and federal levels to have their voices heard."

In her speech, Bode told the energy service contractors that "it is up to those who understand the oil and gas industry to educate the policy makers and general public to protect the domestic oil and gas industry."

Bode explained that policy makers and the general public need to be informed that a "strong domestic oil industry is America's insurance policy against supply interruption."

Bode said Oklahoman Buddy Row of Enid will be installed as the new AESC National President.

The AESC was formed to represent the needs and interests of the well servicing industry and has expanded to provide leadership and guidance to promote a safer and more efficient industry.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G72899-54

Conference and Hearing Set to Consider Gas Production Caps

OKLAHOMA CITY – The Oklahoma Corporation Commission will conduct a technical conference on Monday, Aug. 2, and a public hearing on Thursday, Aug. 26, to consider production limits for unallocated gas wells for the last quarter of 1999 and the first quarter of 2000.

The present limits are 65 percent of wellhead open flow potential or 2 million cubic feet of gas per day. They were approved for April through September, the second and third quarters of 1999.

Production limits on high-volume wells are designed to give all gas producers an opportunity to share in the available market for natural gas. Commission rules require a review of production limits twice each year.

The technical conference will begin 1:30 p.m. in Room 105 of the Jim Thorpe Bldg., 2101 N. Lincoln Blvd. Oklahoma City.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: O&G72899-53

Lake Oologah Well-Plugging Project Ready to Begin

Joint Effort with EPA May Lead to Capping More than 1,000 Abandoned Wells

OKLAHOMA CITY -- After more than three years of planning and preparation, the Oklahoma Corporation Commission's Oil and Gas Division expects to start plugging nearly 200 abandoned and leaking oil and gas wells near the eastern shore of Lake Oologah by late September.

The process will begin on Aug. 2, when the U.S. Environmental Protection Agency (EPA) establishes an on-site command post to oversee what has been designated as a pilot for a larger cleanup program that may eventually plug more than a thousand wells near the lake, Mike Battles, Corporation Commission Oil and Gas Division director, said.

The EPA has hired the Corporation Commission as the pilot project general contractor. Wells to be plugged and contractors to plug them will be determined in August and early September. Battles said the plugging is expected to take about two months, unless weather intervenes. "Most of these wells are very shallow, about 500 feet deep, and we should be able to plug up to four wells a day," Battles said.

The commission's Oil and Gas Division, which has coordinated plugging preparations, will supervise plugging, and the Oklahoma Energy Resources Board will handle site restoration, including removal of soil contaminated by crude oil leaks and old equipment left by operators at the well sites.

In June 1996, the Corporation Commission asked the EPA to assist in plugging the leaking wells because Oklahoma lacked funds to pay for the project.

Plugging costs have been estimated at about \$2 per foot. The cost of the pilot project won't be known until the plugging work has been completed.

Most costs will be paid from the federal Oil Spill Liability Trust Fund, administered by the U.S. Coast Guard, because surface water runoff from the area of the leaking wells is considered a threat to Lake Oologah, a part of the U.S. navigable waters system.

(more)

Lake Oologah Plugging – 2

Mike Schmidt, Oil and Gas Division deputy director, said the Corporation Commission may be able to plug more than the approximately 200 wells in the pilot project.

"Federal funds will pay only for plugging abandoned wells considered an environmental threat to Lake Oologah. But federal funds also will reimburse the Corporation Commission for

its services, and this may provide funds for plugging some additional wells at state expense," Schmidt said.

The approximately 200 wells in the pilot project are in two sections in Rogers County. The future cleanup zone includes wells in 40 additional sections along the entire eastern shore of Lake Oologah in Rogers and Nowata counties.

No work plan for the larger project will be developed until the pilot project is completed and its performance evaluated, Battles said.

Many of the wells were drilled in the early 1900s and produced from the Bartlesville Sand formation. Many are fewer than 165 feet apart. They were abandoned either unplugged or plugged with early-century technology, which consisted of dropping a log down the bore hole and filling the rest of the hole with mud.

Extensive preparation for the plugging program was required because there are few records available concerning the location or condition of the nearly 100-year-old wells.

The Corporation Commission coordinated preparations that included an aerial survey of site conditions, use of satellite imagery and global positioning system data to help locate the well sites and infrared photographs to identify oil spills, on-site examination of the wells to determine their physical condition, record searches to determine well history and ownership and getting site entry permission from land surface owners.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:PST8499-55

Inspector uses Cardboard, Physics Law to Curtail Diesel Leak Damage

OKLAHOMA CITY – The procedure wasn't complex, but cardboard boxes and a natural law helped an Oklahoma Corporation Commission fuel specialist prevent a diesel fuel leak from becoming an environmental problem.

Mike Staples usually checks fuel pumps for proper calibration, storage tanks for water or other contaminants and fuel station operators for compliance with Environmental Protection Agency (EPA) record-keeping requirements.

But when he went to investigate a problem at a service station in Clayton, a rural hamlet about 25 miles south of Wilburton, he found diesel fuel and water running along a bar ditch and entering a small stream which flows into the nearby Kiamichi River.

Staples called for help, and the nearest environmental remediation company, Tulsa-based Enercon Services, was immediately dispatched to the scene.

But with help nearly three hours away, Staples had to improvise a way to at least slow the flow of diesel. He knew that the diesel was floating on top of the water. From the service station, he got some moisture-resistant cardboard containers used to package beverage cans to use as skimmers. He floated the boxes at the edge of the stream, using weeds to help hold them in place. The boxes trapped much of the diesel fuel and let the clear water flow underneath. Staples tended his improvised dam, changing boxes when necessary, until Enercon specialists arrived with floating booms and vacuuming devices to remove diesel that had entered the stream. No diesel reached the Kiamichi River.

"There are better ways, but when you don't have any equipment and have to think quickly and use what's available, this was very inventive and I'd give him an 'A'," said Dick Opper, a Corporation Commission geologist/hydrologist who coordinates fuel spill emergency response programs.

The diesel leak was traced to an above-ground tank at the service station. Tank records indicated a loss of between 600 and 700 gallons.

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News from the **Oklahoma Corporation Commission**

Jim Palmer, Director of Information

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August 6, 1999

TRACKING 10-10 NIGHTMARES

As more Oklahomans try to save money through the use of the popular "10-10" long distance codes advertised on TV and in home mailings, the more complaints surface in the Consumer Services Division of the Oklahoma Corporation Commission (OCC).

As a result, Consumer Services has implemented the tracking of "10-10" complaints that will alert the OCC to any future need for action. Consumer Services Director Bill Burnett said "statistics supplied by this tracking procedure will also enhance the OCC's ability to educate the consumer to avoid future problems."

"Ten-ten" long distance customers who have contacted Consumer Services said they used the "10-10" codes because they wanted to enjoy the savings touted in the ads and commercials. Some expressed a desire to avoid paying certain minimum fees many companies now charge.

"Ten-ten" calling can save on costs depending on the circumstances. But consumers need to be conscious of the terms or the nightmares will continue. For example, a caller expected to pay \$4 for four calls of 20-minutes but instead was faced with a long distance bill of \$128, plus appropriate taxes and fees, plus regular monthly phone charges. This created an unexpected hardship on a social security income of \$500 per month.

Case investigations reveal special dialing and switching is involved in using "10-10" codes and errors do occur. When a call is not dialed correctly or a switch not properly executed, a call goes astray on the network and whatever company is available becomes the carrier. This company does not recognize the caller as a customer and any non-customer is billed at what the industry calls random or casual rates.

An average random bill is about a \$1.50 per minute with many carriers adding a "user fee" of up to \$2.50 just for accepting the call. That 20-minutes for 99 cents call experienced by one caller computed to \$1.50 times 20-minutes plus \$2.50 or more than \$32 which is some 32 times what the caller expected to pay. Another caller expecting to pay 8 cents per minute for a 10-minute call, ended up paying \$17.50 instead of 80 cents.

Burnett said "consumers might believe this situation is rare but complaints have been received where none of the attempts to access a particular code were successful. There is no way for the OCC to prove a number was dialed properly or if there was a switching problem." He said we have all heard the term "buyer beware" but the lesson learned appears to be "caller beware."

Commission Chairman Bob Anthony emphasized that most "10-10" companies provide the services as advertised.

"However, problems can occur in any system," Anthony said. "As the new competitive marketplace makes more companies and more services available, consumer education becomes increasingly important."

The Corporation Commission's Consumer Services Division wants to hear from Oklahomans who have experienced either usage or billing problems with a "10-10" code. Consumer Services in the Oklahoma City metro may be contacted at 521-2331 or statewide toll free at 1-800-522-8154. A complaint may be filed over the OCC web site at www.occeweb.com by using "feedback corner" or clicking on "Public Complaints."

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August 18, 1999

OCC ISSUES NOTICE OF RULEMAKING FOR ALTERNATIVE REGULATION OF TELECOMMUNICATION SERVICE PROVIDERS

(OKLAHOMA CITY)—The Oklahoma Corporation Commission (OCC) has issued a notice of proposed rulemaking regarding alternative regulation for telecommunications service providers. The Commission has also set dates for submission of comments, two technical conferences and a hearing on the merits.

Through the rulemaking, the Commission proposes to revoke and/or amend the OCC's current rules regarding rate of return regulation and adopt rules regarding alternative regulation of telecommunication service providers.

The Commission also gave notice that it is necessary to adopt both emergency and permanent rules on alternative regulation with the emergency rules to be submitted for gubernatorial approval and the permanent rules for approval by the governor and the Oklahoma Legislature.

August 31 is the deadline for submitting comments on the proposed rules and for submitting alternate rules to the Commission's Court Clerk's Office.

Technical conferences for all interested persons will be held at 10 a.m. on September 7 and 14 in courtroom 301, third floor, of the Jim Thorpe Building, 2101 N. Lincoln Boulevard, Oklahoma City, Oklahoma.

The Commissioners will conduct a hearing on the proposed rulemaking at 9:30 a.m. on September 23 in courtroom 301, third floor, Jim Thorpe Building at 2101 N. Lincoln Boulevard, Oklahoma City, Oklahoma.

A rule impact statement will be available for public inspection at the Court Clerk's Office and on the Commission's web site (www.occeweb.com) about September 1.

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News from the Oklahoma Corporation Commission

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August 19, 1999

Commission receives Task Force endorsement to move ahead with rulemaking for alternative telecom regulation

(OKLAHOMA CITY)--The Task Force on telecommunications formed June 18 by the governor, legislative leaders, attorney general and then Corporation Commission Chairman Ed Apple made interim recommendations Aug. 19. The Task Force advised the Oklahoma Corporation Commission that it should proceed with its announced rulemaking on alternative regulation and should pursue reinvestment of a significant portion of Southwestern Bell's apparent over earnings.

The task force noted a Commission staff report that based on 1996 financial data Southwestern Bell collected \$91.6 million in excess revenue, including \$28 million from Yellow Page operations. The task force furthered referenced two reports that Oklahoma is lagging in the broadband capabilities needed for high-speed internet access when compared to the other 49 states.

Commission Vice Chairman Denise Bode represented the OCC on the Task Force. On the issue of alternative regulation, Bode said "we need to invest in competition so we can grow Oklahoma business such as Educational World."

Commissioner Bode points out that investing in competition should lead to greater investment in infrastructure. Bode said "Oklahomans should be able to live anywhere in the state and do business anywhere in the world. That means ensuring that all Oklahoma has a first rate telecommunications system."

Bode said "this means encouraging Southwestern Bell to invest in competition so other companies such as Cox and MCI World Com will also invest in Oklahoma's telecommunications infrastructure.

Commission Chairman Bob Anthony noted the rulemaking would allow the larger regulated companies the option of remaining under rate-of-return rules or moving to an alternative form of regulation.

"As we offer the option of alternative regulation, we need to make sure that real, robust competition becomes a reality. We don't just want to open the door to

competition, we want to encourage people to crowd through that door bringing new investment and new opportunities to Oklahoma," Anthony said.

Commissioner Apple backed the move to competition. Apple said "the commission must look for competition in new ways, places and forms."

The task force report concluded "we must initiate efforts at the state level to catalyze investment in Oklahoma's telecommunications infrastructure. The most recent proposal by Southwestern Bell to invest \$200 million toward this noble end is a good starting point."

The task force adjourned with the possibility of a final meeting after the Commission completes its rulemaking in late September.

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August 31, 1999

APPLE'S VISION 2000...A CORPORATION COMMISSION FIRST

"...it needs to be done."

"It's a change in the way we approach being a commissioner."

(OKLAHOMA CITY)--Since 1907, Oklahoma Corporation Commissioners have been required to serve the state from the capital. With the advances in electronic communications it is now possible to be present at the capital through two-way video communications and still remain among the people the Commission serves.

On September 1, Commissioner Ed Apple will operate on that premise by being in his home town of Duncan and taking a look at the Commission from the perspective of the public. "Looking in" at the workings of the Commission will be made possible by videoconferencing between the Oil and Gas Conservation Division district office in Duncan and the main courtroom in the offices of the Commission.

As a believer that advances in electronic communication foster economic development and are useful servants to the people, Commissioner Apple wants to be on the leading edge of their use to encourage wider application and to insure the rural areas are included in the benefits.

The videoconferencing that he will use is primitive, as are most new initiatives. The small, fixed cameras will be the pilot and test phase for other more sophisticated and improved systems of the future to bring the functions of the Commission closer to the people.

Operating from Duncan will allow the Commissioner to lead the way to new procedures at the Commission, improve his visibility of the agency from a different geographic perspective and to spend more time with the public whose lives he wishes by his service to enrich and ennoble.

Commissioner Apple will be present in Oklahoma City for hearings relative to restructuring of public utilities and other cases where his physical presence would be beneficial.

Apple views his return to Duncan as both a practical and a philosophical matter. Practically speaking, the move puts him closer to the issues affecting small town and rural Oklahoma. He says Duncan has three competing electric service companies which will have a lot of significance as electricity is restructured. He also points to Duncan being an area of oil and natural gas production. Apple says these things put him at the point of application much more than in Oklahoma City. Also on the practical side is the reduction of costs for people doing business with the commission. He says videoconferencing in the future can reduce travel costs for people who now have to come to the Oklahoma City or Tulsa offices.

Philosophically, Apple sees a need to be sure as a government that we don't have artificial restraints on commerce or individual lives.

Apple said "the technology is here...by returning to Duncan and putting video-conferencing to use I am doing something for the people of Oklahoma. I have the support and encouragement of people who understand and know this, to do less I would be remiss in my duties."

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September 1, 1999

Russians Tour Oklahoma

Some of you have inquired concerning the small tour group of Russians who flew into Oklahoma City Tuesday. They are here under the auspices of the United States Energy Association and are being hosted by Oklahoma's Secretary of Energy Mike Smith and Mike Battles, Director of the Oil and Gas Division of the Oklahoma Corporation Commission. Today and tomorrow, September 1 and 2, they are visiting several oil, gas and pipeline facilities in Oklahoma.

Tonight the group will eat dinner in Bricktown then attend a RedHawks baseball game at the Bricktown ballpark. The Russian visitors will be watching the game from the Fred Jones box.

Friday morning from 9 a.m. to noon they will visit the Corporation Commission where they will be briefed by representatives of the Commission and the Department of Environmental Quality. The group will finish its visit to Oklahoma with a 1:30 p.m. tour of the National Cowboy Hall of Fame before departing for the airport.

The visiting group consists of:

Mr. Alexander Arobelidze, Principal and General Manager, A&E Environmental Consultants Limited

Mr. Levan Gogodze, Head of Staff, Committee on Economic Sectors, Parliament of Georgia

Mr. Solomon Tsabadze, Head of Department, Ministry of Environment of Georgia

Shota Mjavanadze, Project Director, Georgian International Oil Corporation

Mikhail Lebedskoi, Senior Program Coordinator, USEA-Moscow

Leonid Frolov and Dmitri Zolotov, Interpreters

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News from the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:O&G9899-59

Corporation Commission Keeps Gas Production Cap at Present Level

OKLAHOMA CITY – The Oklahoma Corporation Commission has issued an order that keeps the production ceiling on most Oklahoma gas wells at its present level during the fourth quarter of 1999 and the first quarter of 2000.

The order formalizes a vote by the commissioners to keep the cap at the greater of 65 percent of wellhead open flow potential or 2 million cubic feet of gas per day for unallocated wells, which are not regulated by field production limits.

The present ceiling was set for the second and third quarters of 1999. The commission staff and several major gas producers recommended that it be continued.

Most of approximately 29,000 gas wells in Oklahoma are unallocated, but the production cap affects few of them because most wells aren't able to produce up to the allowed volumes.

The order said keeping the production cap at its present level is necessary to provide a stable environment to encourage drilling. The order said the commission will continue to do what it can to encourage the expenditure of funds for exploration, drilling, production and distribution of Oklahoma gas.

Restricting production from high-volume wells is designed to give all producers a chance to share in the available market for gas. Corporation Commission rules require a review of production limits twice each year, before the start of the summer and winter gas-buying seasons.

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Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:TRN9899-60

Hearing Due on Ponca City Rail Crossing Removal Plan

OKLAHOMA CITY – The Oklahoma Corporation Commission will conduct a hearing on Monday, Sept. 13, to consider an agreement between the Burlington Northern Santa Fe Railway and the City of Ponca City to close a rail crossing on Waverly Street by removing track that crosses the street.

The rails and surface crossing materials are part of an inactive spur track. The rest of the spur track will be left in place, and the BNSF could petition the commission for approval to reinstall track across Waverly Street in the future if the spur track needs to be reactivated.

Ponca City will pay for the track removal project, including reimbursement to the railroad for its costs for removing motorist warning signals.

The hearing to consider approval of the agreement will be at 9 a.m. (Monday, Sept. 13) in Courtroom B, Jim Thorpe Bldg., 2101 N. Lincoln Blvd., Oklahoma City.

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September 9, 1999

NEWS ADVISORY: Assignment Editors and News Directors

COMMISSIONERS FOCUS ON TELECOM RATE HIKE NOTICE RULES

The Oklahoma Corporation Commission has a proposed emergency rule making to amend telecommunications service rules on its 24 hour signing agenda for Friday morning, Sept. 10, at 9:30 a.m. The emergency rule making will consider rules affecting notice to consumers on rate changes in their long distance service.

Some new information regarding recent telecom rate hikes affecting Oklahoma consumers is also anticipated.

Signing agenda is conducted in the main commission courtroom #301 on the third floor of the Jim Thorpe building at 2101 N. Lincoln Blvd. In Oklahoma City

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News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:PUD91099-61

OCC Sets Hearing on Phone Rate Increase Notice Rules

OKLAHOMA CITY – The Oklahoma Corporation Commission decided Friday (Sept. 10) to consider changes in rules regarding what notice long-distance telephone service providers must give customers about rate increases.

A public hearing to consider more stringent customer notice rules for both interexchange carriers and resellers of interexchange services will be held at 9:30 a.m. on Tuesday, Sept. 14 in Room 301, Jim Thorpe Building, 2102 N. Lincoln Blvd., Oklahoma City.

Interested parties may submit comments concerning the proposed rules changes at or before the hearing. Comments should be filed with commission's court clerk. The proposed rules are available for review on the Corporation Commission's Internet web page [www.occ.state.ok.us] and are available for downloading without charge.

The commission decided to consider strengthening customer notice rules after AT&T notified Oklahoma customers of certain rate increases nearly two months after the increases became effective.

Present rules do not require long-distance carriers to provide any public notice of rate increases if their bill includes a disclaimer that rates may be increased at any time without notice.

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September 14, 1999

COMMISSIONERS HEAR FROM APOLOGETIC AT&T...VOTE TO REVISE RATE CHANGE NOTICE LANGUAGE

BODE CALLS ON AT&T TO REFUND CUSTOMERS

(OKLAHOMA CITY)—The Oklahoma Corporation Commission voted Tuesday, September 14, in an emergency rule making hearing, to change the language long distance companies must use to let their customers know about rate increases.

Commission Chairman Bob Anthony and Commissioner Denise Bode voted to require prior or concurrent notice to customers when rates are increased for competitive telecommunication services. The hearing stemmed from AT&T customer complaints from receiving notice nearly two months after a July 8 long distance rate increase.

The new language on notice was referred to the commission's General Counsel to be placed in final form and transmitted to Governor Frank Keating's office for signature.

Commissioner Ed Apple abstained. Apple indicated during the hearing that he believed the problem was solved and that AT&T had agreed to do a better job of notifying its customers in the future.

AT&T attorney Mark Edwards told Commissioners that the company supports the commission staff's proposed rules language changes. Edwards called advance notice in the best interest of AT&T's customers and claimed the company changed its practices.

Commissioner Denise Bode asked the AT&T attorney if his company had considered refunding the nearly two months of increased long distance rates to its Oklahoma customers. Edwards said he had not discussed that possibility with the company.

Bode later pointed out that AT&T notified commission staff that they were already providing refunds to customers that complain. Bode believes a refund to all Oklahoma customers would serve to demonstrate AT&T's commitment to better customer service in the future.

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September 21, 1999

NEWS ADVISORY: ATTENTION NEWS DIRECTORS AND ASSIGNMENT EDITORS

CORPORATION COMMISSION WILL CONDUCT PUBLIC MEETING ON OKLAHOMA'S TELECOMMUNICATIONS INFRASTRUCTURE, EXPANDED CALLING SCOPES AND ALTERNATIVE REGULATION.

The Wednesday afternoon meeting has two main phases. The first phase beginning at 1:00 p.m. will be the overview from OCC staff and representatives from Williams Communications, MCI/UUNET, Logix, Southwestern Bell and Cox Communications. There will be Commissioner comments and Q and A.

The second phase starting about 3:00 p.m. will address Consumer issues with Q and A and concluding comments.

The meeting will be held Wednesday, September 22, from 1 – 4 p.m., in courtroom 301 of the Jim Thorpe Building at 2101 N. Lincoln, Blvd. in Oklahoma City.

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News from the **Oklahoma Corporation Commission**

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September 24, 1999

NEWS ADVISORY: TULSA AREA MEDIA

ATTENTION NEWS DIRECTORS, ASSIGNMENT EDITORS

COMMISSIONERS TAKE PUBLIC DISCUSSIONS ON TELECOMMUNICATIONS TO TULSA

TO MEET WITH INDUSTRY, MAYORS AND CONSUMERS AS THEY EXAMINE THE STATE OF TELECOM IN OKLAHOMA, EXPANDED CALLING SCOPES AND ALTERNATIVE REGULATION.

The meeting gets underway at 9:30 a.m., Monday, Sept. 27, at the Court of Appeals on the 6th floor of the Kerr Building at 440 S. Houston in Tulsa.

Comments and presentations will focus on how to best provide for improved telecom services through investments in more broadband, high speed data access to voice, video and the internet. The commission is studying the telecom infrastructure statewide.

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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 28, 1999

NEWS ADVISORY: NEWS DIRECTORS AND ASSIGNMENT EDITORS

(Oklahoma City)—Deliberations are scheduled for Wednesday morning, Sept. 29, before Oklahoma's Corporation Commissioners on Y2K contingency plans and readiness disclosure statements of all regulated public utilities.

Public Utility Division Director Ernest Johnson and his staff requested the contingency plans and readiness statements to evaluate the measures taken by electric, gas and telecommunications service providers operating within the state to avoid interruption of those services associated with the Y2K problem.

Staff is providing updates including discussion of those that have and have not submitted their Y2K contingency plans to the Commission.

Two recommended boundary changes for phone companies serving Purcell, Dibble and Wynona will also be considered.

Deliberations begin at 8:30 a.m. Wednesday in courtroom 301 on the third floor of the Jim Thorpe Building at 2101 N. Lincoln Blvd. in Oklahoma City.

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September 29, 1999

GOVERNOR SIGNS COMMISSION'S EMERGENCY RULE TO REQUIRE ADVANCE NOTICE TO CONSUMERS OF TELECOM RATE INCREASES

(OKLAHOMA CITY)—The Oklahoma Corporation Commission's emergency rule change to require phone companies to notify their customers in advance of rate changes has been signed into law by Governor Frank Keating. It was Sept. 14 that the Commission acted on the request of Commissioner Denise Bode to change the notice rule on telephone rate changes.

The commission's decision stemmed from numerous complaints received from Oklahoma AT&T customers who were notified by AT&T nearly two months after the long distance company increased its rates on several of its calling plans.

During the Sept. 14 emergency rule making, AT&T apologized for being late in its notice to customers. Commissioner Bode asked the company if it had considered a refund to Oklahoma customers as an act of good faith. The company said it would consider it and nine days later announced a two-month roll back of its rate increase for Oklahomans so they would have time to consider what service they wanted.

Previous notice rules allowed companies to tell their customers concurrent with rate increases or as soon as practical thereafter. The new rule requires advance or concurrent notice.

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News from the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:O&G92999-65

Well Pluggings Decline as Low Oil Prices Reduce State Funds

OKLAHOMA CITY – The Oklahoma Corporation Commission spent \$343,291 of state money to plug 98 abandoned oil and gas wells in fiscal year 1999, less than half of the \$773,371 spent in fiscal year 1998 to plug 188 wells.

The 1999 fiscal year ended on June 30.

Commission officials said low oil prices during much of the year contributed to the decline in plugging activity. The petroleum industry provides most of the money for plugging abandoned wells through taxes on oil and gas production. The low oil prices reduced production, which reduced tax money available for plugging abandoned wells.

They said funding is expected to increase gradually as rising oil prices encourage more production.

According to a Corporation Commission report issued on Sept.17, the commission spent \$68,852 to plug 21 wells in the first two months of this (2000) fiscal year. The report also listed 64 wells with estimated plugging costs of \$401,819 awaiting plugging orders and 233 wells with estimated plugging costs of \$965,874 in various stages of the plugging bid process.

The state plugging fund had only \$101,241 in uncommitted funds available on Sept.17, the report said.

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October 1, 1999

COMMISSIONER BODE RECEIVES WOMAN OF THE YEAR AWARD

(OKLAHOMA CITY)—Oklahoma Corporation Commission Vice Chairman Denise Bode is the recipient of The Journal Record's 19th annual Woman of The year Award. Bode received the award before 750 people attending a banquet Thursday evening, Sept. 30, at the Marriott Hotel in Oklahoma City. The event was keynoted by former Miss America Phyllis George.

The Journal Record is an Oklahoma City business news publication.

Commissioner Bode was chosen from among 50 finalists all of whom were outstanding professional and business women from across the state.

Bode is the second woman to be elected as a corporation commissioner from among the 35 commissioners who have served since statehood. She came to the commission with a mix of government and energy industry experience. Bode served nine years as an aide to former U.S. Senator David Boren. She later was a founding partner in a Washington law firm and was president of the Independent Petroleum Association of America.

Bode was born in Tulsa and raised in Bartlesville. Her husband John is also an Oklahoma native and partner in the law firm of Olsson, Frank and Weeda. They have a son, Sean, who attends Bishop McGuinness High School.

Commissioner Bode serves on the board of Trustees of the Oklahoma Foundation for Excellence, the Interstate Oil and Gas Compact Commission's Legal and Regulatory Affairs Committee, as well as a governing board member of the Jasmine Moran Children's Museum in Seminole. Bode is on the board of directors of the Oklahoma Academy for State Goals and chairman of the Oklahoma Rhodes Scholarship selection committee.

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October 4, 1999

OCC RESPONDS TO OPEN RECORDS ACT REQUESTS FOR ONG-DYNAMIC ENERGY GAS PURCHASE CONTRACTS AND SETS HEARING

(OKLAHOMA CITY)—The Oklahoma Corporation Commission (OCC) has received Open Records Act requests regarding Oklahoma Natural Gas (ONG) gas purchase contracts with Dynamic Energy Resources, Inc. and a related commission staff report with attachments. The OCC is compelled by the Oklahoma Open Records Act to provide public access to the information.

Commission files indicate previous or current Open Records Act requests were made by KTOK Radio, Business Week Magazine, Common Cause Oklahoma, The Arizona Corporation Commission and Stephen P. Dresch, Ph.D., working for a New York law firm defending a party to the 1996 airplane crash lawsuit involving former U.S. Commerce Secretary Ron Brown and his Bosnian Trade Mission.

Commission Chairman Bob Anthony filed some 60 pages of documents with the commission's General Counsel and court clerk's office to assist with the commission's response to Dresch's Open Records Act request. The documents relate to Dynamic Energy Resources Corp., Gage Corporation, Creek Systems, Nora and Eugene Lum, Michael A. Brown, Thomas F. ("Mack") McLarty III, Ronald G. Miller, James Kitchens and others directly or indirectly involved in the affairs of the late Secretary of Commerce Ronald H. Brown.

The commission set a hearing for Wednesday, October 6, at 9:30 a.m. in court room 301 on the third floor of the Jim Thorpe Building at 2101 N. Lincoln Blvd. in Oklahoma City.

The OCC's General Counsel, Bill Burkett, requested the hearing to determine if the staff report and attachments and other documents held by the commission subject to protective orders should continue to be held as confidential or may be released through open records requests. The General Counsel also requests that if a portion of the information is determined to be confidential that the commission decide what portions are not confidential so a new copy can be made available through the Oklahoma Open Records Act.

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October 5, 1999

COMMISSION CHAIRMAN CALLS IT A FREEDOM OF INFORMATION VICTORY FOR ALL SIDES AS COMPANIES APPROVE RELEASE OF PREVIOUSLY PROTECTED INFORMATION

"the people are vested with the inherent right to know and be fully informed"

(OKLAHOMA CITY)—After releasing all the information about the Oklahoma Natural Gas (ONG) gas purchase contracts with Dynamic Energy Resources it was possible under the Open Records Act to release, the Oklahoma Corporation Commission has learned it can now release all additional information previously protected as confidential.

The freedom of information revelation comes from the commission's General Counsel, Bill Burkett, who reports that all the companies which were parties to the two protective orders preventing the release of certain information considered confidential no longer object to full public release of the information.

Commission Chairman Bob Anthony called the development a victory for freedom of information and referred to the opening paragraph stating the purpose of Oklahoma's Open Records Act, often referred to as the sunshine law, which reads in part "it is the public policy of the state of Oklahoma that the people are vested with the inherent right to know and be fully informed about their government."

The OCC hearing set for Wednesday morning, Oct. 6, will go on as scheduled but will no longer be an inquiry on what is and is not confidential language. Instead, the commissioners will have orders prepared for their signature to provide the information requested by several individuals and groups. Commissioner Anthony wishes to thank all those who submitted Open Records Act requests in the ONG-Dynamic Energy case including Edwin Kessler, Interim Chair of Common Cause Oklahoma.

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October 7, 1999

COMMISSIONER BODE ADDRESSES NATIONAL SUMMIT ON RESTRUCTURING OF ELECTRICITY AND NATURAL GAS

(WASHINGTON D.C.)—Oklahoma Corporation Commissioner Denise Bode speaks today at a national summit in the nation's capital on electricity and natural gas. Bode joins utility commissioners from other states and members of congress, including Oklahoma Congressman Steve Largent, for an examination of proposed Congressional legislation which would set rules for a competitive marketplace in electricity and natural gas services.

Bode will focus on the impact of proposed federal legislation on Oklahoma consumers.

The summit showcases some of the most prominent state and federal leaders in the restructuring movement while providing a forum for debating the key issues affecting both the electricity and natural gas industries.

The two-day forum, Oct. 6 and 7, examines the issues of state and federal jurisdiction, consumer protection, environmental implications of restructuring and the economic and investment opportunities of restructured markets.

The Oklahoma Corporation Commission assisted in a year-long study of electricity restructuring and helped prepare a final report to the Oklahoma Legislature.

The Commission is also involved in the unbundling of natural gas services in Oklahoma as that industry moves toward competitive restructuring.

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October 11, 1999

QWEST COMMUNICATIONS AGREES TO \$30,000 SETTLEMENT FOR CONSUMER COMPLAINTS FILED WITH COMMISSION

(OKLAHOMA CITY)—The Oklahoma Corporation Commission has ordered QWEST Communications to pay the Commission \$30,000 within 30 days as the result of several slamming complaints from Oklahoma consumers filed with the commission's Consumer Services Division. QWEST also faces the possibility of an additional \$150,000 in payments to the commission under the order.

Slamming is defined as changing a person's long distance carrier without prior authorization.

The settlement with QWEST also contains provisions providing for additional payments of \$50,000 a year for each of the next three years if the commission receives 10 or more consumer complaints each year in violation of state law.

The total amount which QWEST might possibly pay the commission pursuant to the terms of the order is \$180,000.

Consumer Services Director Bill Burnett calls the QWEST settlement "an effort to bring about a behavior change in the telecommunications industry without hearings and fines." Burnett says he doesn't want to hinder competition, but further complaints will result in the commission examining the company's certificate to do business in the state.

As part of the settlement, QWEST must notify all consumers identified in the complaint and reinstate them to the service provider of their choice without cost, including reimbursement of charges previously paid by consumers to reestablish service.

QWEST agrees to submit to the commission's Consumer Service Division for review and approval any sales, advertising and marketing materials directed to individual Oklahoma residents and inform the commission in writing of all complaints received from Oklahoma customers.

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October 13, 1999

COMMISSIONERS UNANIMOUSLY APPROVE RELEASE OF ONG-DYNAMIC ENERGY CONTRACT INFORMATION

(OKLAHOMA CITY)—Oklahoma's Corporation Commissioners have unanimously approved an order dissolving two protective orders which kept confidential certain material involving gas purchase contracts between Oklahoma Natural Gas (ONG) and Dynamic Energy Resources.

The 3-0 vote by Commissioners Bob Anthony, Denise Bode and Ed Apple allowed 128 pages of documents related to the contracts to be released to the public. The order stems from a series of open records requests for information about the gas contracts received at the commission in recent weeks.

The order comes after ONG told the commission it had no objections to release of the information, and no objections were received from the other parties to the contracts after they were notified by the commission's general counsel.

It was one week ago the commission prepared to release the confidential contract information but met with objections from ONG. Attorney's representing ONG asked to review the documents and be allowed time to contact the other companies in the contracts for their permission.

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News from the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: OCC101599-73

Corporation Commission TV Show Looks at Telecom Future

OKLAHOMA CITY – The October cable television program presented by the Oklahoma Corporation Commission provides a capsule look into the future of telecommunications in Oklahoma.

The 30-minute program offers taped excerpts from a recent public forum where industry specialists discussed what is ahead for Oklahoma in telecommunications infrastructure, Internet access, high-speed data transmission capability and alternative regulation for service providers.

The program, "It's Your Money," is shown in the Oklahoma City area each Tuesday at 5 p.m. on Cox Communications (22) and Multimedia Cablevision (35).

The program airs in Tulsa each Tuesday at 4 p.m. and Thursday at 6 p.m. on TCI (9).

Program content is changed each month to inform the public about various regulatory duties and actions of the Corporation Commission.

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October 20, 1999

OKLAHOMA CORPORATION COMMISSION IS FIRST REGULATORY BODY IN THE NATION TO APPROVE ALTERNATIVE RULES TO OPEN THE STATE'S MAJOR TELECOMMUNICATIONS MARKETS TO COMPETITION

(OKLAHOMA CITY)—By unanimous (3-0) vote Wednesday, Oct. 20, the Oklahoma Corporation Commission (OCC) adopted alternative regulations designed to open the state's major telecommunications markets to competition and customer choice.

The Commission's vote culminates nine months of research and negotiations started by the OCC's Public Utilities Division with significant input from the Commission's Telecommunications Advisory Group (TAG) and the Governor's Telecommunications Task Force.

Commission Chairman Bob Anthony said "we are especially grateful to commission staff, Southwestern Bell, the office of Attorney General and the telecommunications industry representatives who dedicated countless hours of technical expertise needed to bring final form to this very complex subject."

Adopted on both an emergency and permanent basis, the new rules provide ratepayer protection while allowing time for market competition to grow.

Commissioner Denise Bode emphasized the work was accomplished with the full support of the state's policy makers and said "Oklahoma is the first state that has done this at the agency level and done it right." Bode described it as "moving into a competitive environment with the right checks and balances to make sure Oklahomans are better off as a result of the change. I also thank and commend Chairman Anthony for his leadership in moving this very complex matter forward in a manner that kept everyone focused on the issues that were important."

Commissioner Ed Apple compared the tough rule-making process with a space launch. Apple said "we are going to have to launch this rocket and if there are any problems with it we will tweak it on its way." Apple pointed out that the decision "reaffirms our commitment to open markets and favors competition as opposed to artificially subjective limitations. He said it removes barriers as our journey continues and we work to benefit Oklahomans."

-continued-

Page 2, new competition rules

Highlights of the new alternative regulation rules are:

- 1. Opening the local market to competition**
- 2. Changes from traditional earnings regulation to price regulation which encourages companies to be more efficient in offering services.**
- 3. Caps prices at current levels for basic local service for five years to allow time for competition to grow and restricts price increases until competition is established.**
- 4) The regulatory half of the plan will be accompanied by a transition plan which includes incentives to bring competition into the market and requires infrastructure development particularly in those areas not likely to**

engender competition on their own behalf.

Chairman Anthony said "it is obvious this change to competition does not work without active, aggressive competitors which is why the transition plan is weighted toward incentives for competition."

The Commission will conduct deliberations on the second phase of alternative regulation for competition or the transition plan by the end of November with a hearing and vote on the final phase scheduled for December 1.

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October 21, 1999

COMMISSIONERS MOVE AHEAD WITH TELECOM TRANSITION FOR COMPETITION AND GREATER INVESTMENT IN OKLAHOMA

Having completed the rulemaking portion of establishing consumer protections during the time needed for competitors to enter the local phone market, the Oklahoma Corporation Commission is moving ahead with the job of developing incentives to transition Oklahoma's local phone markets to competition.

Commission Chairman Bob Anthony said "Obviously, none of this works without having active, aggressive competitors in the market. Therefore, our transition plan must continue with its primary focus on incentives to draw competitors into the market while improving infrastructure in those areas not likely to attract competition on their own merit."

Commissioner Denise Bode talked with Senate President Pro Tempore Stratton Taylor and others about the concerns of legislative leaders and with Senator Cal Hobson about his push for Southwestern Bell money for common education. Bode made it clear she "will take their concerns under advisement" as the Commission enters the second half or transition phase of planning for alternative regulation.

Through it's Telecommunications Advisory Group (TAG), the Oklahoma Corporation Commission has conducted more than 20 public meetings for the purpose of gathering input on the needs of both residential and business telecom users. The commissioners also held public meetings as recently as September 27, in Tulsa and September 22 in Oklahoma City to discuss openly the condition of the state's telecommunications infrastructure and how to boost investment in high cost rural areas.

The Commissioners are not dealing with alternative regulation only for how much money Bell might be able to contribute to specific issues. There are important incentives to be devised to attract competition and spur lower prices or more service options for Oklahoma consumers.

The Commission has established a procedural schedule for between now and December 1 when it will conduct final deliberations and vote on a plan of alternative regulation for presentation to the Governor and Legislature.

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News from the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: PUD102299-76

Telephone Reseller Axces Inc. Facing Contempt Charges for Slamming and Cramming Oklahoma Telephone Users

OKLAHOMA CITY – The Oklahoma Corporation Commission has filed a contempt action against Axces Inc., a Houston-based telephone services reseller, for nine violations of Oklahoma telephone laws and Corporation Commission rules.

The complaint by the Consumer Services Division seeks the maximum fine allowed by law, the greater of \$10,000 per occurrence or \$500 per day per violation, and revocation of Axces's authority to resell telephone services in Oklahoma.

The complaint alleges that Axces switched the long-distance service of seven customers without authority, called "slamming," and added unauthorized charges, called "cramming," to the telephone bills of two of those customers. Six of the customers live in the Oklahoma City area and one lives in Copan, north of Bartlesville.

The contempt citation is the third action filed against Axces Inc. since the company began reselling telephone services in Oklahoma in 1995. Axces settled the first action by paying a \$500 fine. In an order issued last month [September 1999], in the second contempt case, the Corporation Commission ordered Axces Inc. to remove its "drawing boxes" from locations throughout the state within 30 days. The boxes were used to collect entry forms for drawings to win a prize. Each signed entry form was a written authorization to have Axces change that person's long-distance service.

A commission spokesman said the pending citation may be amended to include additional complaints made against Axces before a hearing date on Jan. 20, 2000.

Customers who believe they have been slammed or crammed by Axces Inc. are asked to contact the Corporation Commission's Consumer Services Division. The Oklahoma City area number is 521-2331. The statewide toll-free number is 1-800-522-8154.

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree

Reference:O&G111099-75

Through August, '99 Oil, Gas Production Trails '98 Yields

OKLAHOMA CITY -- Oklahoma produced 5,074,279 barrels of oil and 109.3 billion cubic feet of natural gas in August, bringing oil production through the first eight months to 44,502,356 barrels and gas production to 957.8 billion cubic feet, according to preliminary figures compiled by the Oklahoma Corporation Commission..

Oil production was down about 16.5 percent and gas production was down about 14 percent from production during the first eight months of 1998, Larry Claxton, oil and gas statistics manager, said. But he added that the 1999 figures are subject to change as late production reports are filed with the state Tax Commission.

The top ten oil-producing counties in August were Carter, 536,310 barrels; Stephens, 341,243 barrels; Osage, 313,551 barrels; Texas, 291,532 barrels; Grady, 283,383 barrels; Garvin, 247,836 barrels; Creek, 205,275; Lincoln, 197,939; Major, 180,908; and Caddo, 180,352 barrels.

The top ten gas-producing counties were Texas, 8,785 billion cubic feet (bcf);* Roger Mills, 7.511 bcf; Latimer, 6,986 bcf; Grady, 6.896 bcf; Washita, 5,010 bcf; Custer, 4.647 bcf; Pittsburg, 4.341 bcf; Beaver, 4316 bcf; Major, 3.926 bcf; and Caddo, 3,878 bcf.

* - *Texas County gas production in August is estimated, pending revisions in official calculations.*

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November 12, 1999

YOUR CORPORATION COMMISSION WORKS TO ENHANCE THE GAS RESOURCE BASE FOR OKLAHOMANS

Oklahoma is the third largest gas producing state but it only uses 30% of what it produces and it exports the remaining 70%. The other two major gas producing states, Texas and Louisiana, use all of the gas they produce because they have open access and an unbundled, competitive gas utility marketplace.

Oklahoma's natural gas reserves and drilling activity are down. This is a direct result of historic low oil prices in '98 and early '99. Since most producers are both oil and gas producers, the crisis impacted exploration for gas in addition to oil.

Commissioner Ed Apple said "We must act to increase exploration and production of natural gas in Oklahoma. The Commission has acted to increase time for drilling permits to assist in the deeper gas wells being drilled here in Oklahoma. We also strongly encourage the Governor and the State Legislature to extend and expand the tax incentives for Oklahoma oil and gas production."

On the economic horizon, Oklahomans will see greatly increased demand for natural gas in the state. Commissioner Denise Bode points out that because Oklahoma's natural gas resources are being underutilized in the state, the Commission undertook new gas rules last year. Those rules unbundle Oklahoma's major gas utility services and open greater access to gas supplies and transmission while encouraging more access to gas at reasonable prices for Oklahomans.

Commissioner Bode stated "As a result of this action and the opening of the electric utility marketplace to competition, there are as many as 21 clean, gas-fired, combined cycle, electric power plants on the drawing board to utilize Oklahoma gas."

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: CSD111799-80

Texas Pay Phone Service Company Cited for Contempt

OKLAHOMA CITY -- Guest Communications, a Texas-based private pay telephone company, has been cited by the Oklahoma Corporation Commission for violation of Oklahoma telephone rules at five locations where it operates 33 pay telephones.

Consumer Services Division investigators said none of the phones have signs that provide required consumer information, and 17 phones at two locations do not provide a connection for 911 emergency calls.

The citation also alleges that the Austin, Texas, company has failed to pay the full amount of a \$1,000 fine levied in June for conducting pay phone business in Oklahoma without a license.

The Corporation Commission staff is seeking fines for violation of Oklahoma telephone rules, revocation of Guest Communications' authority to provide pay telephone service in Oklahoma and an order directing local service telephone companies to stop providing connections to the company's pay telephones.

The telephones are table-mounted instruments in truck-stop type restaurants that accept only credit card and third-party billings.

A hearing on the complaint has been scheduled for Dec. 2 before a commission administrative law judge in Oklahoma City.

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November 18, 1999

COMMISSION APPROVES 3.6 MILLION DOLLAR REFUND FOR G-T-E CUSTOMERS IN OKLAHOMA.

(OKLAHOMA CITY)—The Oklahoma Corporation Commission has approved a joint stipulation which features a \$30 refund next spring to the users of each of GTE Southwest's (GTE-SW) approximately 120,000 retail access lines in Oklahoma. The agreement resolves the application by Commission staff to review the rates and charges of GTE-SW.

Customers will receive a bill message in February 2000 announcing the no less than \$3.6 million refund. The \$30 checks will be mailed in the April 2000 billing to retail residential and business customers in good standing as of March 31, 2000. Additional specifics will be provided in writing as bill stuffers.

The stipulated agreement also calls for GTE-SW to discontinue the \$1.86 per month network modernization surcharge when it has recovered \$14.680 million. Adding to customer savings, GTE-SW will forego recovery of its additional investment of about \$7.3 million in the modernization.

"This \$11 million savings to GTE ratepayers is another example of the benefits achieved by allowing the Commission to work with big utility companies to benefit the citizens of Oklahoma, rather than seeking political answers that benefit only select groups," Commission Chairman Bob Anthony explained. "It comes on the heels of a \$5 million credit to residential customers of Oklahoma Natural Gas Co., appearing as a \$7.11 per customer reduction on last month's bill. Our staff is currently working with ONG, Oklahoma Gas and Electric Co., Southwestern Bell Telephone Co. and other utilities to provide further benefits to Oklahoma ratepayers," Anthony said.

"As we move into the newly restructured telecommunications market, it remains important for our staff to ensure that ratepayers fully share in the benefits of that new market," Commissioner Denise Bode said. "The \$30 refund per access line represents the kind of return ratepayers deserve."

Commissioner Ed Apple said he is pleased with the agreement especially in light of the planned buy-out of GTE in Oklahoma by d-b-a Communications.

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November 19, 1999

COMMISSION PUZZLED OVER TELECOM REPORT WHICH FRIGHTENS CONSUMERS AND SUGGESTS COMMISSIONERS SHOULD NEGOTIATE MONEY FOR EDUCATION IN EXCHANGE FOR GIVING SOUTHWESTERN BELL A NEW FORM OF REGULATION

(OKLAHOMA CITY)—A report written on behalf of state senate leadership which is critical of allowing Southwestern Bell (SW Bell) to be placed under a new form of regulation without Bell providing hundreds of millions of dollars for the legislature to appropriate in Oklahoma has Oklahoma's Corporation Commissioners (OCC) concerned and puzzled.

The report ignores the year-long series of telecom studies, meetings and hearings about local telephone regulation involving SW Bell, its potential competitors, consumer groups as well as the Commission, Attorney General, Governor's office and Legislative leaders.

"Hiring out a report to frighten Oklahoma ratepayers with predictions of dire consequences from an alternative telecommunications package now under review is a disingenuous use of taxpayer money. We need to remember that these are the rates approved by the legislature when they amended the Oklahoma Constitution to remove our authority to conduct a rate review of Southwestern Bell," said Commission Chairman Bob Anthony.

The report wrongly states that the rule is contrary to logic and antitrust. The over twenty meetings and hearings included specifically in the record resulted in all competitors and consumers groups involved as well as the Commission, AG and the Governor supporting the final rule.

The report is wrong in criticizing the rules elimination of old style regulation. The legislature made the decision to eliminate the OCC's ability to examine rates and found existing rates in 1997 to be appropriate. The OCC moved forward to extend the cap passed by the legislature and to write incentives for competition and protection for consumers.

The report wrongly states that "the Oklahoma Plan promises to encourage competition by lessening the regulatory oversight." Commissioner Denise Bode said "the encouragement to competition comes from the well-balanced incentives to competitors to enter the market as they increase their market share."

Page 2, concerned

Investments in infrastructure which are characterized as increasing Bell's competitive advantage over new entrants are the very items that so many citizens and business partners across the state testified they must have in order to keep their businesses alive and prosperous. Bode said "we must provide all citizens of the state, not just Tulsa and Oklahoma City, with the technology they so desperately need to compete in the next century."

Commissioner Ed Apple calls it "strange that the report would attack a company willing to make \$220 million in upgrades...what's wrong with that?" Apple also asks the question "why were all records and transcripts not reviewed by the person making the report."

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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

November 24, 1999

NEWS ADVISORY: ATTENTION ASSIGNMENT EDITORS AND NEWS DIRECTORS

MONDAY, NOV. 29

9:30 A.M.

**Main courtroom #301, third floor of Jim Thorpe Bldg., 2101 N. Lincoln,
Oklahoma City**

**The Oklahoma Corporation Commission is scheduled to conduct a hearing
and possibly vote on an alternative regulation transition plan for
Southwestern Bell Telephone Co.**

**The schedule calls for the Commission to hear testimony from witnesses
and allow for public comment. Several potential developments could affect
the length of the proceedings and even continue it into Tue., including the
possibility that a proposed stipulated agreement among Bell, the
Commission, the AG and other interested telecommunication parties might
be presented for consideration and vote.**

Setup: request that electronic media be in place by 9:30 a.m. start time.

-OCC-

News from the Oklahoma Corporation Commission

Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference:O&G112499-81

OCC Adopts Rules for Settling Gas Gathering Disputes

OKLAHOMA CITY – By a 2-1 vote, the Oklahoma Corporation Commission Monday (Nov. 22) adopted rules for settling disputes between natural gas producers and gas gathers. Gas gatherers are companies that transport gas from the wellhead to gas transmission pipelines.

The rules specify, define and outline the procedures for filing a complaint, conducting a formal complaint hearing and mediating a dispute on an informal, voluntary basis.

Senate Bill 235, passed earlier this year by the Oklahoma Legislature, established requirements and prohibitions for both producers and gas gathers. The commission rules implement provisions of the new law.

Commissioner Ed Apple opposed passage of the rules because they allow only producers to file complaints. He said he believes restricting who can file a complaint is unconstitutional. Commissioners Bob Anthony and Denise Bode approved the rules. Anthony said the matter of who could file a complaint had been determined at the legislative level.

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November 30, 1999

COMMISSION APPROVES HISTORIC, CONSUMER BASED AGREEMENT WITH SOUTHWESTERN BELL

(OKLAHOMA CITY)—With a unanimous (3-0) vote, Oklahoma's Corporation Commissioners approved a stipulated agreement between the Commission, Southwestern Bell Telephone Co. (Bell), sixteen other major telecommunications firms, the Attorney General and the Oklahoma Education Coalition. The stipulation is designed to bring competition to local telephone service through a new alternative form of regulation.

The agreement culminates more than four years of Commission study including over 20 public meetings the past five months with input from industry, consumer groups and state government leaders. Additional hearings were conducted by the state Telecommunications Task Force representing the Governor, Attorney General, Corporation Commission and House and Senate.

The Task Force recommended shifting from rate of return/rate base regulation to an alternative form of regulation. The result is the first plan in the country to be adopted through the regulatory agency with technical expertise on public utilities rather than by legislation.

The new alternative regulation rules cap charges for basic local service so they cannot increase during the five-year transition to competition. Capping rather than freezing rates keeps charges to consumers from going up but allows them to go down as competition comes into play.

Commission Chairman Bob Anthony called the agreement "A victory for Oklahoma telephone customers over monopoly service. We have approved a balanced settlement with consumer protections, rate caps, and most of all, the strongest incentives in the region to bring real competition and choice to Oklahoma consumers."

Commissioner Denise Bode said "The action we take today will help build Oklahoma's information highway for the new millenium."

-continued-

Page 2, alternative regulation plan continued...

Among the settlement benefits, Bell agrees over the next three years to deploy ADSL (digital subscriber line) technology in 22 non-metro cities across the state and deploy additional facilities in Oklahoma City and Tulsa.

As someone who lives in rural Oklahoma, Commissioner Ed Apple considers the expansion of digital technology to the rural areas "a monumental cornerstone for maintaining a strong rural Oklahoma."

Bell will also replace all remaining analog switches in the state with digital switches and replace other switches not capable of providing selected optional services such as Caller-ID. The estimated cost of these infrastructure improvements is approximately \$200 million.

Bode calls the infrastructure investment "essential just for Oklahomans to stay competitive. Expansion of and access to state-of-the-art telecommunications service is the key to economic growth in this information age."

The plan helps to remove what potential competitors identified as a barrier to them coming to Oklahoma by providing discounts on the rates for certain pieces of equipment which are needed by a competitor to interconnect with the Bell system. The discounts will be good for five years as a means for companies to enter the market and become competitive.

The agreement further provides for Bell to contribute \$30 million to the Oklahoma Academy for State Goals to establish an education information technology fund. The fund will be managed by a seven person Board of Trustees made up primarily of representatives of various educational associations and councils.

The plan was endorsed during sworn testimony by the president of the Oklahoma Education Association representing the Oklahoma Education Coalition.

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December 2, 1999

COMMISSIONER DENISE BODE CHAIRS OKLAHOMA'S RHODES SCHOLARSHIP FINALISTS SELECTION COMMITTEE

RHODES SCHOLARSHIP FINALISTS CHOSEN

TWO TO COMPETE FOR PRESTIGIOUS NATIONAL AWARD

Contact: Kevin Knutson

(405) 521-2267

Norman – Oklahoma's two candidates for the Rhodes Scholarship—Stephanie Anne Lipe and Jason Sanders—were announced late Wednesday, Dec. 1, by the state selection committee after interviews were conducted with 12 finalists. Lipe, an environmental science major, at the University of Oklahoma and Sanders, a biochemistry major, at University of Oklahoma will represent the state in this year's Rhodes Scholarship competition.

Rhodes Scholar Selection Committee Chair Denise A. Bode said, "On behalf of the Oklahoma selection committee, I am pleased to congratulate Stephanie and Jason on their selection today. The Rhodes Scholar is selected not just for his or her scholastic achievements and athletic endeavors but also for strength of character and leadership abilities. These students are more than 'bookworms' - they are active, caring young people just as Cecil Rhodes would have wished. I believe all the nominees we interviewed met those qualifications. My only regret is that we could choose only two to represent us."

"Oklahoma has a great future ahead of us with young people like this leading the way," Bode continued. "I was particularly pleased to see so many promising candidates from Oklahoma schools of higher education. It demonstrates that the hard work of our educators is paying off. Now, we must all redouble our efforts to make sure that we build a state where the right kind of jobs are available for them, so that they can be whatever they want to be and do it right here in Oklahoma."

The regional selection of four The Rhodes Scholars will be made this weekend in Houston, Texas. The Oklahoma candidates will compete with 14 other candidates from Colorado, Idaho, Montana, New Mexico, Oklahoma, Texas, Utah, and Wyoming. A total of 32 Rhodes Scholars will be selected nationally.

Add 1 – Rhodes Scholar Candidates Chosen for Oklahoma The Rhodes Scholarships, the oldest international fellowships, were initiated after the death of Cecil Rhodes in 1902, and now bring outstanding students from 18 countries to the University of Oxford. The first American Scholars were selected in 1902. Rhodes a British colonial pioneer and statesman dreamed of promoting international understanding and peace by bringing together future leaders who were motivated to serve their contemporaries.

1. literary and scholastic attainments;
2. fondness for and success in sports;
3. truth, courage, devotion to duty, sympathy for and protection of the weak, kindness,

- unselfishness and fellowship;
4. Moral force of character and instincts to lead, and take an interest in one's fellow beings.

Underlying these standards is the aim that Scholars be physically, intellectually, and morally capable of leadership, in the words of Cecil Rhodes, people who will "esteem the performance of public duties as [their] highest aim." The selection committees assign the highest importance to a blend of character with intellect. Applicants are judged on intellectual excellence as well as integrity of character, interest in and respect for their fellow beings, and the ability to lead and the energy to use their talents to the fullest.

Members of the Oklahoma selection committee are chair Denise A. Bode, vice chairman on the Oklahoma Corporation Commission and former Rhodes Scholars; secretary of the committee David L. Boren, president of the University of Oklahoma; Paul Rahe, professor of history at the University of Tulsa; Brian C. Griffin, secretary of environment for the State of Oklahoma; Brad R. Carson, an attorney with the law firm of Crowe and Dunlevy; and Deacon Turner a financial advisor for Sanford C. Bernstein in Dallas Texas.

The scholarship consists of full tuition fees and maintenance allowance for two years of study at the University of Oxford in England.

Finalists for the Oklahoma competition included: Mandi Bozarth from Hydro, Oklahoma State University; Jennifer Campbell from Colleyville, Texas, Oklahoma Baptist University; Melissa Ann Cox from Tulsa, University of Tulsa; Tobi Edwards from Midwest City, George Washington University; Stephanie Anne Lipe from Tulsa, The University of Oklahoma; Jeffrey Wayne Moles from Oklahoma City, The University of Oklahoma; Adam Ian Muchmore from Edmond, The University of Oklahoma; Jeff Oldham from Glendale, Arizona, University of Tulsa; Jason Sanders from Norman, The University of Oklahoma; John Peter Stevenson from Tulsa, United States Naval Academy; Stephanie Troyer from Norman, Georgetown University; Alisabeth Wolfgram from Marlow, Oklahoma City University.

Candidates may apply in the state where they are legally a resident, or where they have attended a university for at least two years.

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December 6, 1999

APPLE GETS SPECIAL GROUP TOGETHER WITH THE GOVERNOR TUESDAY TO FORM ADVISORY COUNCIL

(OKLAHOMA CITY)—"Just as tomorrow is the 58th anniversary of the bombing of Pearl Harbor, which drew the United States of America into World War II, it is also the memory of December 7 which reminds us of the courage and strength of Oklahomans who have not only answered the call to serve but have committed their lives to fighting for results," said Oklahoma Corporation Commissioner Ed Apple.

Apple points out that Oklahoma has always been an integral part of America's efforts to blunt the advance of tyranny and carry the banner of freedom around the world making it the home of several key military installations (Tinker, Vance and Altus Air Force Bases and Fort Sill) and attracting a large number of general officers in their retirement years.

At the request of Commissioner Apple, who has for years been working to improve living conditions through economic development in Oklahoma, and because of the assistance of the Secretary of Veterans Affairs Norman Lamb, several retired general officers will be welcomed by Governor Keating Tuesday morning at 9:30. The volunteers will then meet to discuss the reasons they decided to remain in Oklahoma after traveling the world and examine ways to enhance Oklahoma as a location for new business and families. The generals will become known as the Oklahoma General Officers Council (OGOC) and will meet to consider how they can help Oklahoma.

As envisioned by Commissioner Apple, the OGOC objectives include suggesting initiatives to increase Oklahoma's attraction as a location for military retirees, publicizing those attractions, preparing and/or accompanying the governor on visits to out-of-state defense-related firms looking to relocate, expand or contemplating a presence in Oklahoma, assisting the governor as requested in interactions with the state's congressional delegation, the Military Departments and the Department of Defense and providing advice and assistance in matters related to state military installations, military-municipal relations, veterans' affairs and the Guard.

Apple said "the OGOC will provide a unique body of experience to brainstorm and prioritize ideas for making Oklahoma more attractive to those who may be seeking a business location, jobs or retirement in a safe, healthful and productive community." -more-

page 2, retired volunteer general officers...

Among the OGOC volunteers are Lieutenant General Dick Burpee, Major Generals William Bowden, Stanley Newman, Gillis Johnson, S.T. Ayers, Jay Edwards, Charles Jones III, all of Oklahoma City, Major General Jerry Holmes of Norman, Brigadier General James F. Brickman of Norman, Major General Clyde W. Spence, Jr. of Enid, Major General Robert A. Goodbarry of Edmond, and Major General Lee Baxter, Major General Eugene S. Korpall and Brigadier General Horace L. Sanders all of Lawton.

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News from the Oklahoma Corporation Commission

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FOR IMMEDIATE RELEASE Contact: Patrick K. Petree

Reference: O&G12999-7

Conference and Hearing Set to Consider Gas Production Caps

OKLAHOMA CITY – The Oklahoma Corporation Commission will conduct a technical conference on Monday (Feb. 1) and has scheduled a public hearing for Feb. 26 to consider production limits for unallocated gas wells for the period of April through September.

Most Oklahoma gas wells are unallocated, meaning they are not regulated by production allocations for specific fields.

The present allowable -- the greater of 65 percent of wellhead open flow potential or 1.3 million cubic feet of gas per day -- has been in effect since January 1997. Commission rules require a review of the production limits twice each year, before the start of the summer and winter gas-buying seasons.

Production limits on high-volume wells are designed to give all gas producers an opportunity to share in the available market for natural gas. The production caps affect few wells since most of about 29,000 gas wells in Oklahoma are unable to produce gas up to the allowed limits.

The Feb. 1 hearing will be at 10 a.m. in Room 105 of the Jim Thorpe Building, 2101 N. Lincoln Blvd., Oklahoma City. The Feb. 26 hearing will begin at 9:30 a.m. in Room 301 (Commissioners' Courtroom) in the Jim Thorpe Building.

-OCC-

News from the **Oklahoma Corporation Commission**

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December 10, 1999

COMMISSION ORDER GIVES GO-AHEAD TO VIGOROUS COMPETITION AND INVESTMENT IN OKLAHOMA'S TELECOMMUNICATIONS SYSTEM

(OKLAHOMA CITY)—Oklahoma's Corporation Commissioners, in a unanimous 3-0 vote, have issued a final order providing the best regional incentives to bring robust competition for local telephone service to Oklahoma. The order adopts a stipulation negotiated between Southwestern Bell, Commission staff, Attorney General Drew Edmondson, 16 competing phone companies and the Oklahoma Education Coalition.

The order speeds infrastructure development needed to modernize the state's education and economic base by providing digital, high-speed service to more of rural Oklahoma as well as the metro areas. The rules protect consumers with a five year cap on basic local rates and restrict increases in other charges during the transition to competition. The order contains a \$9 million savings for Southwestern Bell customers over the next five years because Bell will continue to pay into the Oklahoma Universal Service Fund without passing those charges through to customers.

Chairman Bob Anthony said the development of the state's telecom infrastructure is important because "it is good for the citizens of Oklahoma providing extended healthcare benefits through Telemedicine, increased learning opportunities by accessing databases on a more real time connection, and bringing increased economic development through participation in e-commerce via the Internet."

Commissioner Denise Bode said "This is a balanced package of economic development incentives and consumer protections. Today's order creates a five-year window of opportunity for Oklahoma, both through incentives to attract new or expanded telecommunications companies and by enlarging the infrastructure so needed to allow our citizens full participation in the rapidly growing world of e-commerce. Meanwhile, the rules adopted in October provide rate caps to protect consumers during the transition."

"A major step toward complete and comprehensive telephone competition both at the national and state levels," said Commissioner Ed Apple, who also expressed pleasure with the plan to move the state to a high-speed phone system.

In his concurring opinion, Anthony debunks what he describes as five myths about the agreement with Bell. Anthony said "for all the good this program can do, it has become equally important to explain what it does not do."

Myth Number 1—This rulemaking will deregulate Southwestern Bell.

FACT—The Oklahoma Corporation Commission surrenders no regulatory oversight. What does change is that the OCC moves from overall earnings regulation of the company, which by state law we have been unable to do since 1997, to price regulation.

Myth Number 2—The Commission decision freezes Bell rates which are already too high.

FACT—The Commission has not frozen rates. Basic local service rates have been capped for five years but they may decrease as competitors bring market forces to bear.

Myth Number 3—The Commission’s decision will lead to automatic rate increases.

FACT—The rules cap rates for basic local service for a period of five years. If , at the end of that five-year cap, competitors have not been established, rates may only increase once per year by a formula of inflation less one percent. This would be the first basic service rate increase since 1989.

Myth Number 4—This order is a settlement for past excessive revenues collected by Bell.

FACT—The Oklahoma Corporation Commission is prohibited by law from engaging in retroactive rate making. Southwestern Bell is charging rates authorized by the Commission. Those rates were reviewed and left in place by the Legislature in 1997. By law the Commission was ordered not to begin a rate review prior to February 5, 2001.

Myth Number 5—The Commission should require Bell to contribute more money for public schools.

FACT—Simply put the Oklahoma Corporation Commission lacks any jurisdiction to raise revenue for public education through placing a surcharge on phone bills, or any other means. Requiring Bell to invest in public education could make the company eligible to recapture that investment through the Oklahoma Universal Service Fund. If so, the money would be passed through not just to Bell customers, but proportionately to all state telecommunications ratepayers.

-OCC-

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News from the Oklahoma Corporation Commission
Office of Public Information — Phone: (405) 521-4180 FAX (405) 521-6945

FOR IMMEDIATE RELEASE Contact: Patrick K. Petree Reference: TRN122299-87

Corporation Commission Approves 3 Rail Corridor Safety Upgrades

OKLAHOMA CITY – Three railroad corridor safety upgrade projects estimated to cost nearly \$2.5 million have been approved by the Oklahoma Corporation Commission.

Federal funds allocated for railroad crossing safety upgrades will pay about \$2 million of the costs of the projects at Hennessey, in Kingfisher County; Apache, in Caddo County; and Panama, in LeFlore County. The projects must be completed within 12 months.

Corridor projects seek to improve safety for the railroads and motorists by upgrading safety systems at some crossings and closing other crossings in a specific zone.

The largest project is in Hennessey, where the Union Pacific Railroad will install flashing- light signals with gate arms and concrete crossing surfaces at the Main, Oklahoma, Fourth and Seventh street and Conoco Road and state highway 51 crossings.

The project also will close the Nebraska, Second and Third street crossings and construct an access road parallel to the tracks between First and Third streets. Total Cost is estimated at \$1,197,000. Federal funds will pay 79 percent of the cost and the Union Pacific will pay the rest, according to documents filed with the Corporation Commission.

In the Apache corridor project, the Union Pacific Railroad will install new crossing surfaces and safety equipment at crossings at U.S. 62/281 highway (north), U.S. 62/281 and state 19 highways, Cob Lake Road, U.S. 62 highway (south) and at Evans Street, and close the crossing at Lorriss Street.

Federal funds will pay 80 percent of the total estimated cost of \$953,300. The Union Pacific will pay the other 20 percent.

Apache is served by a secondary main line that runs from Lawton to Chickasha.

In Panama, the Kansas City Southern Railway will reconstruct crossing surfaces and install flashing-light signals with gate arms at the Choctaw and Tecumseh street crossings and close the McCurtain Street crossing. The McCurtain Street crossing closure project will include resurfacing Pierce Road between McCurtain and Tecumseh streets.

Federal funds will pay 90 percent of the estimated \$335,723 cost of the project. The Kansas City Southern will pay 10 percent of crossing surface construction costs and the town of Panama will pay 10 percent of signal construction and roadway repaving costs, documents filed with the Corporation Commission indicate.

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December 29, 1999

OKLAHOMA NATURAL GAS APPEALS COMMISSION LAW JUDGE'S DECISION TO HEAR DEPOSITIONS OF FORMER AND PRESENT O-N-G EXECUTIVES

(OKLAHOMA CITY)—Oklahoma Natural Gas Co. has asked the Corporation Commission for a hearing to block an administrative law judge's (ALJ's) ruling to hear deposed testimony from several former and current executives of ONG and its parent ONEOK, Inc. in connection with a 1993 Dynamic Energy Resources contract which requires ONG to pay above market costs for natural gas.

The motion for depositions for the ONG executives to be heard before the ALJ was filed Dec. 9 on behalf of ratepayers asking for relief from improper and excessive purchased gas costs they claim are contained in the 1993 Dynamic Energy contract. The ratepayer applicants requested depositions of Larry Brummett, David Kyle, Stephen Guy, J. D. Scott and John Gaberino, all former or present employees of ONEOK, Inc. or ONG.

The depositions motion was granted Dec. 23 by Commission Administrative Law Judge Connie Moore who stated in her decision that "This is an unusual case regarding contract negotiations and depositions would be more appropriate for discovery and speed up the process."

In filing its appeal to block the testimony of its various corporate executives, ONG requests oral arguments on the appeal before the Commission.

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