

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The)
East Ohio Gas Company d/b/a Dominion) Case No. 07-829-GA-AIR
East Ohio for Authority to Increase Rates)
for its Gas Distribution Service.)

In the Matter of the Application of the)
East Ohio Gas Company d/b/a Dominion) Case No. 07-830-GA-ALT
East Ohio for Approval of an Alternative)
Rate Plan for its Gas Distribution Service.)

In the Matter of the Application of the)
East Ohio Gas Company d/b/a Dominion) Case No. 07-831-GA-AAM
East Ohio for Approval to Change)
Accounting Methods.)

In the Matter of the Application of the)
East Ohio Gas Company d/b/a Dominion)
East Ohio for Approval of Tariffs to) Case No. 08-169-GA-ALT
Recover Certain Costs Associated with a)
Pipeline Infrastructure Replacement)
Program Through an Automatic)
Adjustment Clause, And for Certain)
Accounting Treatment.)

In the Matter of the Application of the)
East Ohio Gas Company d/b/a Dominion)
East Ohio for Approval of Tariffs to) Case No. 06-1453-UNC
Recover Certain Costs Associated with a)
Automated Meter Reading Deployment)
through an Automatic Adjustment Clause,)
And for Certain Accounting Treatment.)

MOTION FOR LOCAL PUBLIC HEARINGS
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL,
THE CITY OF CLEVELAND,
OHIO PARTNERS FOR AFFORDABLE ENERGY,
THE NEIGHBORHOOD ENVIRONMENTAL COALITION, THE EMPOWERMENT
CENTER OF GREATER CLEVELAND, CLEVELAND HOUSING NETWORK, AND
THE CONSUMERS FOR FAIR UTILITY RATES

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The Office of the Ohio Consumers' Counsel, the City of Cleveland, the Ohio Partners for Affordable Energy, the Neighborhood Environmental Coalition, the Empowerment Center of Greater Cleveland, the Cleveland Housing Network, and the Consumers for Fair Utility Rates (collectively "Joint Consumer Advocates") on behalf of the approximately 1.2 million residential utility consumers of the East Ohio Gas Company d/b/a Dominion East Ohio ("DEO" or "the Company") move for eleven local public hearings to provide customers with an opportunity to testify in the above-captioned proceedings that relate to DEO's proposed rate increase and other matters.

The reasons for granting the Joint Consumer Advocates' Motion is further set forth in the attached Memorandum in Support.

Respectfully submitted,

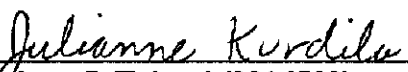
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MEMORANDUM IN SUPPORT

On August 30, 2007, DEO filed an application to increase rates (“Rate Case Application”) for all of its customers, including approximately 1.2 million residential customers in Ohio.¹ DEO’s Rate Case Application seeks a revenue increase of \$72.5 million.² On September 20, 2007, DEO moved to consolidate an automated meter reading (“AMR”) Application -- intended to collect an additional \$100 to \$110 million from customers over ten to fifteen years for the costs associated with deploying AMR devices,³ with the Rate Case Application. DEO’s Motion to Consolidate the AMR Application with the Rate Case Application was pending from September 20, 2007 until April 9, 2008, when the Public Utilities Commission of Ohio (“PUCO” or “Commission”) journalized an Entry granting DEO’s Motion.⁴

Six months into the Rate Case Application review process, on February 22, 2008, DEO filed an application for a \$2.5 billion (in 2007 dollars) pipeline infrastructure replacement program, (“Pipeline Replacement Program” or “PIR”) and a second Motion to Consolidate.⁵ In this second Motion to Consolidate, DEO requested approval to consolidate its \$2.5 billion Pipeline Replacement Program into the Rate Case

¹ *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution Service*, Case No. 07-829-GA-AIR, *et al.*, Application (Volume 1) at 4-5 (August 30, 2007).

² *Id.*

³ *In the Matter of the Application of the East Ohio Gas Company d/b/a Dominion East Ohio for Approval of Tariffs to Recover Certain Costs Associated with Automated Meter Reading and for Certain Accounting Treatment*, Case No. 06-1453-GA-UNC. (December 13, 2006) (AMR devices are meters that permit remote meter reading through the use of a radio signal.)

⁴ *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution Service*, 07-829-GA-AIR, Entry at 9 (April 9, 2008) (“April 9 Entry”).

⁵ *Pipeline Replacement Program*, Motion to Consolidate (February 22, 2008).

Application.⁶ On April 9, 2008, the Commission granted DEO's request to consolidate the Pipeline Replacement Program Application with the Rate Case Application.⁷

Each of DEO's current applications, the Rate Case Application, the AMR Application, and the Pipeline Replacement Program Application, independent of the other two, will result in a significant increase in the rates for DEO's customers, if granted by the PUCO. For example, DEO's Pipeline Replacement Program is equivalent to annual multiple million dollar increases to customers' bills every year for the next twenty-five years. There is a concern that the significant increases proposed by combining DEO's three applications will result in DEO's customers facing significant rate shock and financial instability.

Under the statutory rate increase procedure pursuant to R.C. 4903.083, the Commission is directed to hold:

public hearings in each municipal corporation in the affected service area having a population in excess of one hundred thousand persons, **provided that, at least one public hearing shall be held in each affected service area.**⁸

That statutory requirement has good purposes. A local public hearing forewarns customers of potential rate increases. The notice of the hearing provides the Commission with the opportunity to "state prominently the total amount of the revenue increase requested in the application for the increase" and to explain the case in "a brief summary of the then known major issues in contention." Such a notice of the hearing will assist in conveying to the customers the parties' differing positions on some of the issues in the

⁶ Id.

⁷ April 9 Entry at 8.

⁸ R.C. 4903.083. (emphasis added).

cases. Moreover, the local public hearings will provide an opportunity for the Company's customers to participate in the case.

To address the statutory requirement of R.C. 4903.083 that there be at least one public hearing in each affected service area, the Joint Consumer Advocates reviewed the size of DEO's customer base, both in square miles and the number of customer served. In its Rate Case Application DEO states that its service areas include approximately 1.2 million customers⁹ spread out over all or portions of 27 counties.¹⁰ The 1.2 million customers of DEO live in over 400 communities¹¹ in northeast, west and southeast Ohio.¹² Based on the Joint Consumer Advocates' review of DEO's service area the large distance between major population centers, the Joint Consumer Advocates propose eleven local public hearings to be held at ten different sites. The proposed locations include:

1. Akron (Summit County)
2. Canton (Stark County)
3. Cleveland (Cuyahoga County) - one during the day and one in the evening
4. Geneva (Ashtabula County)
5. Kenton (Hardin County)
6. Lima (Allen County)
7. Marietta (Washington County)
8. Mentor (Lake County)
9. Warren (Trumbull County)
10. Youngstown (Mahoning County)

The eleven public hearing locations represent significant population centers spread out throughout DEO's customer service area including sites in northeast, west and southeast Ohio. Both Cleveland and Akron have populations over one hundred thousand

⁹ Rate Case, Application (Volume 1) at 4 (August 30, 2007).

¹⁰ Id. at 5 (August 30, 2007).

¹¹ Rate Case, Notice of Intent to File An Application To Increase rates for Gas Distribution Service at 2. (July 20, 2007).

¹² Rate Case, Application (Volume 1) at 4 (August 30, 2007).

people and therefore the PUCO is required, under R.C. 4903.083, to hold local public hearings there. In addition, eight of the ten sites which the Joint Consumer Advocates are requesting were approved by the Commission in DEO's last rate case as sites for local public hearings.¹³ The other two sites the Joint Consumer Advocates are requesting for local public hearings, Lima and Kenton, are located in the service territory of the former West Ohio Gas Company that was merged with DEO after the last rate case.¹⁴

In addition to the ten public hearing sites requested, the Joint Consumer Advocates are also requesting a second public hearing in Cleveland, one in the afternoon and one in the evening. As the largest city in DEO's service territory with a population of almost five hundred thousand people -- almost double any other city in DEO's service territory -- the Joint Consumer Advocates believe that at least two public hearings are appropriate to provide DEO's customers in Cleveland an opportunity to be heard.

In past rate cases the Commission has determined that it is appropriate and reasonable to schedule public hearings within a close proximity of the Company's customers.¹⁵ Finally, it is the practice of the Commission -- and the intent behind R.C. 4903.083 -- that state officials and Applicant utilities travel to the location of the public in the affected areas to offer them the opportunity to be heard on the issues.

¹³ *In the Matter of the Application of The East Ohio Gas Company and the River Gas Company for Authority to Increase Rates for its Gas Distribution Service*, Case No. 93-2006-GA-AIR, Entry (September 9, 1994).

¹⁴ *In re DEO Merger with the West Ohio Gas Company*, Case No. 96-991-GA-UNC, Order (October 12, 2002).

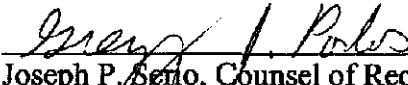
¹⁵ See *In the Matter of the Application of Ohio American Water Company to Increase its Rates for Water and Sewer Services Provided to its Entire Service Area*, Case No. 06-433-WS-AIR, Entry at 1-2 (November 14, 2006). (The attorney examiner found it appropriate to add an additional local public hearing in response to an OCC motion for an additional local public hearing because of the number of customers that would have to travel more than 100 miles to testify at one of the other local public hearings.)

The Commission should hold public hearings in ten separate locations where many of the customers who face the rate increase reside. Moreover, the Commission should order the eleven local public hearings to provide all of DEO's residential customers a fair reasonable and meaningful opportunity to participate in the case. DEO's service territories are spread out across an extremely large geographic area and scheduling ten sites for the public hearings provides DEO's customers a reasonable opportunity to participate in this rate case

WHEREFORE, the Joint Consumer Advocates' motion should be granted.

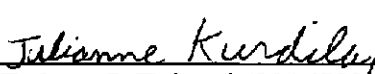
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion for Local Public Hearings was served by first class United States Mail, postage prepaid, to the persons listed below, on this 23rd day of June 2008.


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