

FILE

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE :
 APPLICATION OF VECTREN :
 ENERGY DELIVERY OF OHIO, :
 INC. FOR AUTHORITY TO AMEND : CASE NO.07-1080-GA-AIR
 ITS FILED TARIFFS TO :
 INCREASE THE RATES AND :
 CHARGES FOR GAS SERVICES :
 AND RELATED MATTERS. :

IN THE MATTER OF THE :
 APPLICATION OF VECTREN :
 ENERGY DELIVERY OF OHIO, :
 INC. PLAN FOR A DISTRIBUTION: CASE NO.07-1081-GA-ALT
 REPLACEMENT RIDER TO RECOVER:
 THE COSTS OF A PROGRAM FOR :
 THE ACCELERATED REPLACEMENT :
 OF CAST IRON MAINS AND BARE :
 STEEL MAINS AND SERVICE :
 LINES, A SALES :
 RECONCILIATION RIDER TO :
 COLLECT DIFFERENCES BETWEEN :
 ACTUAL AND APPROVED REVENUES:
 AND INCLUSION IN OPERATING :
 EXPENSE OF THE COSTS OF :
 CERTAIN SYSTEM RELIABILITY :
 PROGRAMS. :

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Transcript of the public hearing
 taken on Thursday, September 4, 2008, starting at
 2:00 p.m., at the Dayton City Hall Council
 Chambers, 101 West Third Street, Dayton, Ohio,
 before Lisa K. Keller, a Registered Merit Reporter
 and Notary Public within and for the State of Ohio.

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1 MR. PRICE: Good afternoon. The
2 Public Utilities Commission of Ohio is set for
3 hearing at this time and this place for Case Number
4 07-1080-GA-AIR, in the matter of the application of
5 Vectren Energy Delivery of Ohio, Inc. for authority
6 to amend its filed tariffs to increase the rates
7 and charges for gas services and related matters.

8 My name is Gregory Price. I'm the
9 attorney examiner presiding over this case. With
10 me this afternoon is Commissioner Valerie Lemmie
11 and Rhonda Fergus. I'd like to begin by taking
12 appearances by the parties, starting with the
13 company.

14 MS. HUMMEL: Thank you, Your
15 Honor. I'm Gretchen Hummel on behalf of Vectren
16 Energy Delivery of Ohio, McNees, Wallace and
17 Nurick, 21 East State Street, Columbus, Ohio,
18 43215, and Lawrence Friedeman, vice-president and
19 deputy general counsel, Vectrin Energy Delivery of
20 Ohio, Inc., P.O. Box 209, Evansville, Indiana,
21 47709.

22 I would also like for the record
23 to note that today we have with us the president of
24 the Vectrin Corporation Carl Chapman. We also have
25 with us the president of Vectren Energy Delivery of

1 Ohio, Dan Berry; Lynda Hoffman, who is our
2 community affairs manager for Vectren Energy
3 Delivery of Ohio. In addition to Mr. Friedman, we
4 have two additional corporate vice-presidents,
5 Jerry Ulrey, regulatory affairs and fuels, and Doug
6 Petitt, marketing and conservation. And we have
7 with us also three directors of the company, Chase
8 Kelley of corporate communications, Scott
9 Albertson, regulatory affairs, and Breck Sparks,
10 customer regulations.

11 Additionally we have with us a
12 number of customer service people right in the back
13 on this side of the room where I'm standing and in
14 case any of our customers have come today with
15 questions about their bills or service problems
16 that they would like to discuss, these folks have
17 come to be available for that purpose, and we will
18 remain here after this hearing is over as long as
19 it takes to talk to anyone who would like to talk
20 with us and address their issues. Thank you.

21 MR. PRICE: Thank you.

22 MR. REESE: Thank you, Your Honor.

23 On behalf of the residential rate payers of Vectren
24 Energy Delivery and on behalf of the Ohio Consumers
25 Council, Janine Migden-Ostrander, Rick Reese,

1 assistant consumers counsel.

2 We have several people from our
3 office as well sitting back here on the left side
4 if you have any questions regarding your bill,
5 particularly with the residential customers. Feel
6 free to talk to them or me. And again, we will
7 also be willing to stay after and talk to you.
8 We'll be here as well for the 6:00 p.m. hearing.

9 MR. PRICE: Thank you. The
10 purpose of today's hearing is to receive comments
11 from the public regarding the proposed rate
12 increase. This is your opportunity to let the
13 Commissioners know what you think about the
14 proposal.

15 We will take witnesses in the
16 order in which they signed up. Before you testify
17 we'll ask you to take an oath or affirmation to
18 swear what you're about to say is true. Attorneys
19 for the company or for any interveners will be able
20 to cross examine you regarding the contents of your
21 statement.

22 We'll begin with our first
23 witness, Mr. Ray Mitchell.

24 WHEREUPON:

25 RAY MITCHELL,

1 being first duly sworn as hereinafter certified,
2 testified as follows:

3 MR. PRICE: State your name and
4 address.

5 MR. MITCHELL: Ray Mitchell, 259
6 Cardigan Road, Washington Township, Montgomery
7 County, 45459-1711.

8 MR. PRICE: You may proceed.

9 MR. MITCHELL: First of all, I'd
10 like to thank you, Valerie Lemmie, former city
11 manager and a wonderful official for the City of
12 Dayton for hearing me and I'd like to thank the
13 media for advising me about this meeting. Both of
14 those, I think, deserve a huge thank you. And I'd
15 like to thank the Public Utilities Commission for
16 coming to this and bringing this to the attention
17 of all citizens and allowing citizens to come and
18 speak.

19 Basically I have questions that
20 are quite simple, and they are, is this rate
21 increase based on inflation, standard maintenance
22 or intended new infrastructure? Now, you mentioned
23 about the profits or non-profits on gas and
24 delivery and basically I want to know what the
25 customer is going to get from this. Are we going

1 to have a lot of new gas pipelines throughout Ohio?
2 Is gas in my neighborhood going to be maintained?
3 What's going to occur?

4 Supposedly we have businesses
5 leaving Ohio all over the place. Is somebody going
6 to go and clean up all those old gas pipes hanging
7 around? I want to know those things. That's what
8 I want to know. I'm not arguing about whether a
9 rate increase should be or shouldn't be, that's
10 your job, but I'm simply asking and I'm going to
11 repeat this, what am I getting for it?

12 And as I said to the media people
13 here earlier, I said, in this community, and Ms.
14 Lemmie knows, she's had to listen to me for a long
15 time and she's smiling there and she's an absolute
16 delight, so she can verify everything that I'm
17 stating to you. This region has had a huge battle
18 on whether we should create alternate energy
19 resource parks, research centers, alternate energy
20 development in this region, and it's a diabolical
21 battle between the labor union, between the owners
22 of the facilities and between the municipalities in
23 this area.

24 The City of Miamisburg looks at
25 development of new alternate sources of energy as a

1 challenge to what they already have. The City of
2 Dayton looks upon it as a challenge to its dump,
3 and I want to know is or are the utilities asking
4 for this rate increase going to spend some of this
5 money on alternate fuel development? Especially in
6 this state and in this region where it could be a
7 huge, huge asset towards this region, the state and
8 the nation in this so-called energy crisis.

9 So I think I've been as simple as
10 I can, and I want to thank Ms. Lemmie for teaching
11 me how to be simple and direct. And again, I want
12 to thank you very much. Any questions? Thank you
13 very much.

14 MR. PRICE: Thank you. Our next
15 witness is Mary Pruitt.

16 WHEREUPON:

17 MARY PRUITT,
18 of lawful age, being first duly sworn as
19 hereinafter certified, testified as follows:

20 MR. PRICE: State your name and
21 address.

22 MS. PRUITT: My name is Mary
23 Pruitt, 2509 Hoover Avenue, and I'm here in the
24 hearing, and I know you're constantly telling me to
25 speak louder.

1 MR. PRICE: Pull the microphone
2 towards you.

3 MS. PRUITT: And I'm here --
4 Vectren, the price of the rate is going up and I'm
5 going to ask if it's to come, why are the rates
6 going up? And Vectren come and said that -- well,
7 the bill doubled from what I had. And I'm just
8 wondering what you do about this? Because each
9 time it goes up and it's not helping the people on
10 fixed incomes. It may be helping others, but not
11 people on fixed incomes.

12 So that's what I come for because
13 I had a bill and I paid my bill and then it come
14 double, just about double, and then I wonder why.
15 Then the next time I get a bill saying I owe some
16 more money. That's what I want to know.

17 So with Vectren, they are forever
18 saying it, because I'm just like everybody else
19 that has the same thing, the rates keep rising and
20 will they keep rising? And, you know, fixed income
21 doesn't rise that much. Thank you.

22 MR. PRICE: Next witness is Carla
23 Pitsinger.

24 WHEREUPON:

25 CARLA PITSINGER,

1 of lawful age, being first duly sworn as
2 hereinafter certified, testified as follows:

3 MS. PITSINGER: I'm Carla
4 Pitsinger. Can you hear me okay? I'm here --

5 MR. PRICE: State your name and
6 address.

7 MS. PITSINGER: Carla Pitsinger,
8 my address is 3329 Shadyview Road, one word,
9 Moraine, Ohio, 45439.

10 MR. PRICE: Thank you.

11 MS. PITSINGER: I was coming here
12 on behalf of my organization, Dayton Housing Task
13 Force, and mostly Tim Walters with Organize Ohio
14 and the Ohio Empowerment Coalition, which I've been
15 a member for about over ten years now which is a
16 group of grass roots organizations to reduce
17 poverty. And right now we're doing the Safe and
18 Stable Families campaign helping grandparents to
19 get like \$300 assistance if they need that or equal
20 to foster care assistance if they need that, and
21 Grandparents Day is like Sunday, so I wanted to
22 mention that real quick.

23 But we all help each other out and
24 Tim Walters from Cleveland, who is also with the
25 May Dugan Center was quite upset several months ago

1 and I wanted to this get these changes out into the
2 public so people are aware of that, because I'm
3 also on the Community Action Partnership Advocate
4 Council and there was about over 150 families or
5 people that were turned away from here a couple
6 months ago because they couldn't afford this
7 co-pay. And I believe if they had known that there
8 was a reduction in assistance, they, you know, they
9 wouldn't have been -- there would have been help
10 here.

11 Anyway, I thought this public
12 hearing was also on the changes for other things
13 here like these prepaid meters, which is 08723
14 AUROD, because there is no public hearing I guess
15 for that. So when I heard about this, I thought,
16 well, I'll come here.

17 But since it's related I wanted to
18 let you know that Mr. Walters says prepaid meters
19 have not been tested and it is way too early to
20 consider this as an alternate credit resource. We
21 can't experiment with our low income consumers. It
22 is unreasonable to even think of the loss of safety
23 net by PIP customers, even after lowering their
24 bill for PIP, many simply do not have the resources
25 in these severe economic times to always pay their

1 gas bill. You must maintain the safety net.

2 Many of our elderly are living on
3 a fixed-limit income and families who struggle with
4 the rising cost of food and other necessities will
5 be in real danger if this program is not available.
6 But I wanted to mention -- I wrote a letter, so I
7 want to give you guys a copy later, too -- that
8 asking churches, which is what Community Action
9 Partners is, you know, I don't know of any churches
10 or anything that hasn't already helped out. I
11 don't think that's fair to be asking churches or
12 anything either, but I also know that these answers
13 reminded me of an elderly lady who passed away, her
14 name was Mrs. Monroe of Pierce Street, over a year
15 ago in February.

16 She lived alone. She had her gas
17 shut off. She only had a small electrical heater,
18 but it was shut off. She didn't have the phone to
19 call any churches. I know of many seniors and
20 disabled who live alone and have to put up with so
21 much health problems, et cetera, who would rather
22 scrimp than change and ask for assistance here. I
23 think I'm going to be one of them also in a few
24 years. Two months ago I had to figure out should I
25 pay my gas and electric or my water bill. You

1 know, I went to the Sunrise Center and they said a
2 church could pay if I came up with \$89, they'll pay
3 \$100. And I said, well, why can't the county wait
4 one more week until I can get some money instead
5 and that way that \$100 could go to someone else
6 that needs it more?

7 Just because the County Water
8 Department couldn't wait a week, you know, I was
9 going to get my water disconnected and I would be
10 asking for church help. So I want to say if we can
11 help people to make payments and know ahead of time
12 what these changes are, you know, I wouldn't have
13 gone to the Sunrise Center. I wouldn't have, you
14 know, waited in line all night here to get
15 assistance here. A few years ago I waited several
16 hours in the wee hours of the morning here and it
17 reminds me of the depression.

18 But I don't think elderly folks,
19 you know, seniors, should have their electric
20 disconnected as well as their heat. So I wanted to
21 support that here. And I'll give you this letter
22 later because I could go on for several hours, but
23 I wanted to mention these things.

24 MR. PRICE: Thank you. Our next
25 witness is Jim Stevens.

1 WHEREUPON:

2 JAMES B. STEVENS,

3 of lawful age, being first duly sworn as
4 hereinafter certified, testified as follows: Sworn
5 police state your name address.

6 MR. STEVENS: James B. Stevens,
7 137 Virginia Avenue, Dayton, Ohio.

8 MR. PRICE: Please proceed.

9 MR. STEVENS: Fortunately I heard
10 of this on the news at noon today that you were
11 having the hearing. A year and a half ago -- I'm a
12 member of the Southeast Priority Board for the City
13 of Dayton on the public safety committee. We had
14 the matter of numerous gas leaks in the Walnut
15 Hills section of the city brought to our attention
16 repeatedly, and so I initiated action to see about
17 getting Vectren to go ahead and continue replacing
18 the lines that they were doing.

19 The adjoining street to mine was
20 also a three-block-long street named Indiana. The
21 lines were replaced on that street and at that time
22 we were told they were going to continue on over to
23 ours. We had had some minor leaks that when you
24 get out at 2:00 in the morning, in the air you
25 definitely would detect those leaks by nose and it

1 stuck out enough that you knew there was a leak.

2 Vectren had been notified on
3 several occasions. They've come out and tested but
4 usually wait until the middle of the day when the
5 dissipation of that was much higher. I made
6 contacts with the vice-president of Vectren and
7 with Mr. Berry and he had a gentleman by the name
8 of Don Speck come to our public safety committee
9 meeting of the priority board at that time.

10 We asked him at that time if they
11 would communicate with us on a regular recurring
12 basis, provide us with a list of the documentation
13 of the leaks that they have received as well as we
14 would like to have a three-year timeline when they
15 plan to go and remedy the situation of the leaks in
16 the area so we could let the neighbors know, yes,
17 they do know about it, yes, they are interested in
18 it, yes, they are working on it, and no, we have
19 not seen any of that documentation over the past --
20 since last -- April 5th was the meeting of the
21 priority board and it was the public safety meeting
22 on 3-22 of '07 that we had invited them to.

23 I think that there seems to be
24 severe communications breakdown between the company
25 and the customers they are serving. I think there

1 seems to be a severe lack of willingness on the
2 part of the company to consciously remedy the
3 situations and they don't want us to know how bad
4 the situation is because a lot of the people would
5 go ahead and change and get their own bottled gas
6 or what have you to take care of the situation, so
7 they weren't put at risk.

8 There have been a couple of house
9 fires that have been caused by gas leaks in the
10 area and I think that it's entirely appropriate for
11 us to have that feedback being given to us and I
12 expressed that to, I believe it was Mr. Berry who
13 was at the meeting on April 5th. He did not speak
14 at the meeting. He really kind of observed it.

15 But we had asked that they do that
16 and they were welcome to participate. The first
17 Thursday of every month the priority board has an
18 administrative counsel meeting and we advised the
19 City -- Valerie, as city manager you know that we
20 invite all of the department heads to have a
21 representative available and we discuss the issues
22 within the neighborhoods at that meeting and get
23 input to the City and receive feedback from the
24 City as to what the timeline looks like for trying
25 to remedy the situations, if they are already on

1 the scope of what we're looking to do or not, but
2 we really need to have some serious cooperation in
3 these matters.

4 I do see a problem with them
5 coming for a large increase in the distribution
6 system funds when I'm not seeing the willingness to
7 maintain the system as it exists today, and worse
8 yet, not to alert the public of the hazards so that
9 they know and stay informed on those situations and
10 dynamics.

11 And I think that's the best I can
12 do for you, the Readers Digest condensed version of
13 the issue. I can get you some of the copies of
14 some of the minutes of the meetings if you need
15 that. I'll make those available to you. Give me
16 an e-mail address and I'll be happy to follow
17 through on that. Any questions?

18 MR. PRICE: Thank you. Our next
19 witness is Bob Newman.

20 MR. NEWMAN: I was just coming
21 with Jim today.

22 MR. PRICE: Is there anybody who
23 had signed up to testify whose name I have not
24 called? Anybody who would like to testify who
25 didn't sign up to testify who would like to take

1 advantage of the opportunity now?

2 All right. Thank you all then.

3 We are adjourned for the day. We'll be commencing

4 again at 6:00 tonight. Thank you all.

5 (Concluded at 2:32 p.m.)

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C E R T I F I C A T E

I, Lisa K. Keller, a Registered Professional Reporter, do hereby certify that the foregoing is a full, true and correct transcript of my notes taken in the above-styled case and thereafter transcribed by me.



Lisa K. Keller, RMR