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PUCO

Public Utilities Commission Of Ohio

Public Hearing

Columbia Gas of Ohio

Case No: 08-1344-GA-EXM

Date Taken June 25, 2009

Date Printed: July 6, 2009

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THE PUBLIC UTILITIES COMMISSION OF OHIO

PUBLIC HEARING

IN RE: CASE NO. 08-1344-GA-EXM

June 25, 2009

- - - - -

PUCO Local Public Hearing for Application of
Columbia Gas of Ohio, Inc. for Approval of a
General Exemption of Certain Natural Gas
Commodity Sales Services or Ancillary Services,
taken before me, the undersigned, Katrina
Dearborn, an RPR and Notary Public in and for the
State of Ohio, at 701 East State Street, Athens,
Ohio 45701, commencing at 6:00 p.m. the day and
date above set forth.

- - - - -

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1 MS. PIRIK: We'll start the
2 formal portion of the hearing at
3 this point. And we have a court
4 reporter who will be recording
5 everything and providing us a
6 transcript of the proceeding at
7 tonight's event.

8 The Public Utilities Commission
9 of Ohio has assigned for hearing at
10 this time and place, Case No.
11 08-1344-GA-EXM, which is captioned:
12 In the matter of the Application of
13 Columbia Gas of Ohio, Inc. for
14 approval of a General Exemption of
15 Certain Natural Gas Commodity Sales
16 Services or Ancillary Services.

17 My name is Christine Pirik. I'm
18 an attorney examiner with the Public
19 Utilities Commission of Ohio, and I
20 have been assigned to hear this
21 case. In addition, there are
22 Commission personnel, Mr. Lorentz
23 who just introduced himself, and
24 Ms. Patterson in the back of the
25 room. They are available to answer

1 questions that you may have
2 regarding other utility issues.

3 The company also has personnel
4 here that may be able to help you
5 with issues that are other than
6 those issues at this hearing
7 tonight, if you have any service
8 issues. And the Office of
9 Consumers' Counsel is present with
10 personnel, likewise.

11 At this time I would like to ask
12 the parties that are present to make
13 their appearances.

14 On behalf the company.

15 MR. CREEKMUR: Thank you, Your
16 Honor. On behalf of Columbia Gas of
17 Ohio, Incorporated, Daniel A.
18 Creekmur, 200 Civic Center Drive,
19 Columbus, Ohio 43125.

20 MS. PIRIK: Thank you. On
21 behalf of the Office of the
22 Consumers' Counsel?

23 MR. SERIO: Thank you, Your
24 Honor. On behalf of the Ohio
25 Consumers' Counsel, we represent the

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1 residential customers of Ohio of
2 Columbia Gas of Ohio, Janine L.
3 Migden-Ostrander, Consumers'
4 Counsel, Joseph P. Serio, 10 West
5 Broad Street, Suite 1800, Columbus,
6 Ohio 43215.

7 MS. PIRIK: Thank you. There
8 are numerous parties that represent
9 numerous constituencies that have
10 intervened in this case. There are
11 19 plus interveners that represent
12 from residential, to industrial, to
13 marketers in this case. The
14 application itself was filed on
15 January 30th, 2009. It was
16 supplemented on March 26th and March
17 31st.

18 The Commission has held four
19 local public hearings in this
20 matter; one in Columbus, one in
21 Parma, Ohio; one in Toledo, and then
22 this evening's hearing in Athens.
23 The local public hearings are only a
24 portion of the process that the
25 Commission goes through to review

1 the issues in the case. Interested
2 persons also had until today, June
3 25th, to file comments in this
4 docket regarding the application.
5 And we will be holding an
6 evidentiary hearing that will
7 commence on August 24th at the
8 offices of the Commission in
9 Columbus, Ohio.

10 The purpose of this evening's
11 hearing is to hear comments from
12 individuals of the public who would
13 like to comment on the application
14 in this case. When you arrived, you
15 were given the opportunity by
16 Ms. Patterson to sign up to
17 testify. We do have one witness who
18 has signed up to testify. If there
19 are others who wish during the
20 course of the proceeding to testify,
21 I will ask for those individuals to
22 identify themselves at that time.

23 Again, if you decide you don't
24 want to testify, that is fine. When
25 I call your name, you can just

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1 decline. Again, I would ask that
2 you speak clearly. I will ask you
3 to take an oath and state your name
4 and address for the record so that
5 the court reporter will transcribe
6 everything just as it should be, and
7 we'll having everything accurate on
8 the record.

9 At this time I would call Peggy
10 Lee. We don't necessarily have a
11 podium or a witness stand. I mean,
12 you can either stand or sit.
13 Whatever you're more comfortable
14 with.

15 MS. LEE: I'll just stand. And
16 I have a copy of my comments.

17 MS. PIRIK: Actually, in light
18 of the fact that the court reporter
19 is going to take a document, I will
20 mark that, actually, as an exhibit.
21 And then you can make your comments.
22 That way she will have an accurate
23 document. So I think that's fine.

24 So that document, which is your
25 statement, I will have marked as

1 Athens Exhibit 1.

2 MS. LEE: Okay.

3 - - - - -

4 (Athens' Exhibit No. 1
5 was marked for identification.)

6 - - - - -

7 PEGGY LEE,

8 After having been first duly sworn, as
9 hereinafter certified, was examined and testified
10 as follows:

11 MS. PIRIK: Will you please
12 state your full name and address and
13 spellings for the record?

14 MS. LEE: Yes. Peggy Lee, 186
15 Mill Street, Apartment 1201 in
16 Athens, Ohio, 45701.

17 MS. PIRIK: Thank you. Continue
18 with your statement.

19 MS. LEE: Okay. Thank you.
20 Good evening. Thank you for
21 allowing me the opportunity to speak
22 on the issue of Columbia Gas of
23 Ohio's proposal to change how it
24 purchases natural gas.

25 As I said before, my name is

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1 Peggy Lee, and I'm the staff
2 attorney with the Athens Area Office
3 of Southeastern Ohio Legal Services,
4 which provides legal assistance in
5 30 counties throughout Southeastern
6 Ohio. Our Athens office, in
7 particular, serves Athens, Meigs,
8 Gallia and Vinton Counties -- low
9 income clientele in those counties.

10 Based on my knowledge and
11 experience from over 12 years as a
12 low income advocate, I support
13 Columbia Gas's request to hold a
14 wholesale auction to determine the
15 adder amount that determines how
16 much above the NYMEX rate for
17 natural gas would apply, and thus,
18 determine how much the consumer
19 would be required to pay for this
20 natural gas.

21 According to the esteemed
22 experts at the Ohio Consumers
23 Counsel, the evidence from auctions
24 previously conducted by Dominion
25 East Ohio and Vectren Energy

1 Delivery of Ohio show that the
2 affected residential consumers will
3 see a reduction in costs from the
4 Standard Service Offer resulting
5 from the auction after this adder
6 amount is determined.

7 The fact that this adder amount
8 will remain constant for one year
9 can only help to add at least one
10 layer of certainty to counter
11 balance the uncertain market price
12 of natural gas.

13 As we all know, everyone,
14 especially residential consumers, is
15 under economic uncertainty with
16 costs rising on even the most basic
17 of commodities. It makes absolute
18 sense for the PUCO to act
19 accordingly and allow the auction to
20 proceed since it is in the public's
21 best interest, not just that of my
22 low-income consumer clients. This
23 is because the pool of low-income
24 consumer clients and clientele is no
25 longer a discrete part of the

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1 population. In fact, I have seen
2 through my foreclosure defense work
3 how significantly the number of
4 people considered to be low income
5 has increased in the last few years
6 as a result of the economic and
7 employment downturn in Ohio,
8 specifically Southeastern Ohio.

9 I support, therefore,
10 unreservedly, the proposal by
11 Columbia Gas to hold a wholesale
12 auction, with the caveat that has
13 been previously announced by the
14 Ohio Consumers' Counsel, that such
15 recommendation does not include a
16 retail auction or an exit of
17 Columbia Gas's merchant function.

18 Thank you for your time and
19 attention.

20 MS. PIRIK: Thank you. Are
21 there any objections to admitting
22 Athens' Exhibit 1 into the record?

23 None?

24 MR. CREEKMUR: No objection.

25 MS. PIRIK: It will be

1 admitted.

2 All right. Is there anyone else
3 this evening who would like to
4 testify?

5 Again, there are members of the
6 Public Utilities staff, Consumers'
7 Counsel, and the company if anyone
8 has any questions of them after the
9 hearing. I'm sure they would be
10 happy to help them.

11 Seeing no further witnesses, we
12 will adjourn this evening's
13 hearing. And I thank everyone for
14 coming. Thank you.

15 - - - - -

16 (Hearing adjourned at 6:19 p.m.)

17 - - - - -

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1 The State of Ohio,)
2 County of Cuyahoga.) SS: CERTIFICATE

3 I, Katrina L. Dearborn, Notary Public within
4 and for the State of Ohio, duly commissioned and
5 qualified, do hereby certify that the testimony
6 given was, by me, reduced to stenotypy in the
7 presence of said witnesses, afterwards
transcribed on a computer, and that the foregoing
is a true and correct transcript of the testimony
so given as aforesaid.

8 I do further certify that this deposition was
9 taken at the time and place in the foregoing
caption specified and was completed without
adjournment.

10 I do further certify that I am not a
11 relative, employee of, or attorney for any of the
12 parties in the above-captioned action; I am not a
13 relative or employee of an attorney for any of
14 the parties in the above-captioned action; I am
15 not financially interested in the action; I am
not, nor is the court reporting firm with which I
am affiliated, under a contract as defined in
Civil Rule 28(D); nor am I otherwise interested
in the event of this action.

16 IN WITNESS WHEREOF I have hereunto set my
17 hand and affixed my seal of office at Cleveland,
18 Ohio on this 2nd day of July, 2009.

19
20
21 
Katrina L. Dearborn, Notary Public
22 In and for the State of Ohio.
23 My commission expires 11-02-10.
24
25

<p>A</p> <p>able 3:4 above 1:16 8:16 above-captioned 12:11,12 absolute 9:17 According 8:21 accordingly 9:19 accurate 6:7,22 act 9:18 action 12:11,12 12:12,14 actually 6:17,20 add 9:9 adder 8:15 9:5,7 addition 2:21 address 6:4 7:12 adjourn 11:12 adjourned 11:16 adjournment 12:9 admitted 11:1 admitting 10:21 advocate 8:12 affected 9:2 affiliated 12:13 affixed 12:16 aforesaid 12:6 after 7:8 9:5 11:8 afterwards 12:5 Again 5:23 6:1 11:5 allow 9:19 allowing 7:21 amount 8:15 9:6,7 Ancillary 1:11 2:16 announced 10:13 answer 2:25 anyone 11:2,7 Apartment 7:15 appearances 3:13 application 1:8</p>	<p>2:12 4:14 5:4,13 apply 8:17 approval 1:9 2:14 Area 8:2 arrived 5:14 assigned 2:9,20 assistance 8:4 Athens 1:14 4:22 7:1,4,16 8:2,6,7 10:22 attention 10:19 attorney 2:18 8:2 12:10,11 auction 8:14 9:5 9:19 10:12,16 auctions 8:23 August 5:7 available 2:25</p> <p>B</p> <p>back 2:24 balance 9:11 Based 8:10 basic 9:16 before 1:12 7:25 behalf 3:14,16,21 3:24 best 9:21 Broad 4:5</p> <p>C</p> <p>call 5:25 6:9 caption 12:8 captioned 2:11 case 1:5 2:10,21 4:10,13 5:1,14 caveat 10:12 Center 3:18 Certain 1:10 2:15 certainty 9:10 CERTIFICATE 12:1 certified 7:9 certify 12:4,7,10</p>	<p>change 7:23 Christine 2:17 Civic 3:18 Civil 12:14 clearly 6:2 Cleveland 12:16 clientele 8:9 9:24 clients 9:22,24 Columbia 1:9 2:13 3:16 4:2 7:22 8:13 10:11 10:17 Columbus 3:19 4:5,20 5:9 comfortable 6:13 coming 11:14 commence 5:7 commencing 1:15 comment 5:13 comments 5:3,11 6:16,21 commission 1:2 2:8,19,22 4:18 4:25 5:8 12:22 commissioned 12:3 commodities 9:17 Commodity 1:11 2:15 company 3:3,14 11:7 completed 12:8 computer 12:5 conducted 8:24 considered 10:4 constant 9:8 constituencies 4:9 consumer 8:18 9:22,24 consumers 3:9,22 3:25 4:3 8:22 9:2,14 10:14 11:6 Continue 7:17</p>	<p>contract 12:13 copy 6:16 correct 12:6 costs 9:3,16 Counsel 3:9,22,25 4:4 8:23 10:14 11:7 counter 9:10 counties 8:5,8,9 County 12:2 course 5:20 court 2:3 6:5,18 12:13 Creekmur 3:15 3:18 10:24 customers 4:1 Cuyahoga 12:2</p> <p>D</p> <p>Daniel 3:17 date 1:16 day 1:15 12:16 Dearborn 1:13 12:3,21 decide 5:23 decline 6:1 defense 10:2 defined 12:13 Delivery 9:1 deposition 12:7 determine 8:14 8:18 determined 9:6 determines 8:15 discrete 9:25 docket 5:4 document 6:19,23 6:24 Dominion 8:24 downturn 10:7 Drive 3:18 duly 7:8 12:3 during 5:19</p>	<p>E</p> <p>East 1:14 8:25 economic 9:15 10:6 either 6:12 employee 12:10 12:11 employment 10:7 Energy 8:25 especially 9:14 esteemed 8:21 even 9:16 evening 7:20 11:3 evening's 4:22 5:10 11:12 event 2:7 12:14 everyone 9:13 11:13 everything 2:5 6:6,7 evidence 8:23 evidentiary 5:6 examined 7:9 examiner 2:18 Exemption 1:10 2:14 exhibit 6:20 7:1,4 10:22 exit 10:16 experience 8:11 experts 8:22 expires 12:22</p> <p>F</p> <p>fact 6:18 9:7 10:1 few 10:5 file 5:3 filed 4:14 financially 12:12 fine 5:24 6:23 firm 12:13 first 7:8 follows 7:10 foreclosure 10:2</p>
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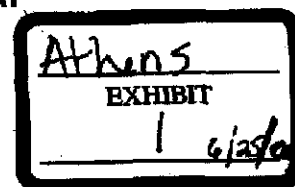
Good evening, thank you for allowing me the opportunity to speak on the issue of Columbia Gas of Ohio's proposal to change how it purchases natural gas.

My name is Peggy Lee, and I am a staff attorney with the Athens area office of Southeastern Ohio Legal Services, which provides legal assistance in 30 counties throughout southeastern Ohio. Our Athens office in particular serves low-income clientele in Athens, Meigs, Vinton, and Gallia counties.

Based on my knowledge and experience from over 12 years as a low-income advocate, I support Columbia Gas's request to hold a wholesale auction to determine the "adder" amount that determines how much above the NYMEX rate for natural gas would apply, and thus, determine how much the consumer would be required to pay for the natural gas.

According to the esteemed experts at the Ohio Consumer Counsel, the evidence from auctions previously conducted by Dominion East Ohio and Vectren Energy Delivery of Ohio show that the affected residential consumers will see a reduction in costs from the Standard Service Offer resulting from the auction after the "adder" amount is determined. The fact that this "adder" will remain constant for one year can only help to add at least one layer of certainty to counterbalance the uncertain market price of natural gas.

As we all know, everyone, especially residential

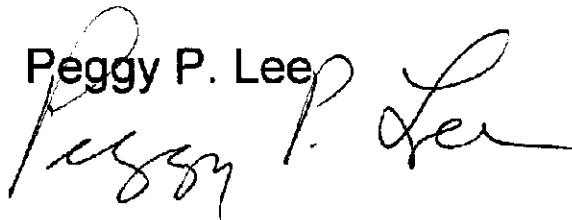


consumers, is under economic uncertainties, with costs rising on even the most basic of commodities. It makes absolute sense for the PUCO to act accordingly and allow the auction to proceed since it is in the public's best interests, not just that of my low-income consumer clients. This is because the pool of low-income clientele is no longer a discrete part of the population. In fact, I have seen through my foreclosure defense work how significantly the number of people considered low-income has increased in the last few years as a result of the economic and employment downturn in Ohio.

I support, unreservedly, the proposal by Columbia Gas to hold a wholesale auction, with the caveat (as previously announced by the OCC) that such recommendation does not include a retail auction or an exit of Columbia Gas's merchant function.

Thank you for your time and attention.

Peggy P. Lee

A handwritten signature in black ink, appearing to read "Peggy P. Lee", written over the printed name.