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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :
Application of Christi :
Water System, Inc. for an : Case No. 09-569-WW-AIR
Increase in Rates and :
Charges. :

- - -

PROCEEDINGS

before Mr. Henry H. Phillips-Gary and Mr. Jeffrey
Jones, Hearing Examiners, at the Public Utilities
Commission of Ohio, 180 East Broad Street, Room 11-C,
Columbus, Ohio, called at 10:00 a.m. on Wednesday,
March 24, 2010.

- - -

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APPEARANCES:

Christi Water System, Inc.
By Mr. Marc F. Warncke
419 Fifth Street, Suite 2000
Defiance, Ohio 43512

On behalf of the Company.

Richard Cordray
Attorney General of Ohio
Duane W. Lucky, Section Chief
By Sarah J. Parrot
and John H. Jones
180 East Broad Street, 6th Floor
Columbus, Ohio 43215

On behalf of the Staff.

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ID'D

REC'D

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- - -

1 Ohio 43512.

2 EXAMINER PHILLIPS-GARY: Are there any
3 public witnesses here today that would like to speak
4 before we begin with the expert testimony of the
5 staff, the company, and so forth?

6 (No response.)

7 EXAMINER PHILLIPS-GARY: Let the record
8 reflect that are no members of the public to testify
9 today.

10 We understand that the parties have
11 docketed a stipulation and are ready to make a
12 statement?

13 MS. PARROT: Yes, that's correct, your
14 Honor.

15 As you know, a stipulation and
16 recommendation that fully addresses all of the issues
17 in this proceeding was docketed yesterday on
18 March 23, 2010. This stipulation was signed by both
19 parties to this proceeding, the staff of the
20 Commission and Christi Water System, Inc.

21 If I may, I'd like to at this time mark
22 the stipulation as Joint Exhibit No. 1 for
23 identification purposes.

24 EXAMINER PHILLIPS-GARY: It will be so
25 marked.

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(EXHIBIT MARKED FOR IDENTIFICATION.)

MS. PARROT: The staff is prepared to offer the testimony of Syeda Choudhury in support of the stipulation. And we call her at this time to the witness stand.

EXAMINER PHILLIPS-GARY: All right.

(Witness sworn.)

EXAMINER PHILLIPS-GARY: You may be seated.

- - -

SYEDA CHOUDHURY

being first duly sworn, as prescribed by law, was examined and testified as follows:

DIRECT EXAMINATION

By Ms. Parrot:

Q. Good morning. Would you please state and spell your name for the record?

A. Syeda Choudhury, S-y-e-d-a, C-h-o-u-d-h-u-r-y.

Q. Thank you.

And what is your business address?

A. 180 East Broad Street, Columbus, Ohio.

Q. And by whom are you employed?

A. The Public Utilities Commission of Ohio.

Q. And what is your role with the Public

1 Utilities Commission?

2 A. I'm a utility specialist 1 in the
3 Accounting and Electricity Division.

4 Q. How long have you been employed in that
5 position?

6 A. In my current position?

7 Q. Yes.

8 A. I think four, maybe five years.

9 Q. And would you please describe for us your
10 educational and other relevant work experience?

11 A. I have a Bachelor of Arts from Franklin &
12 Marshall College in Pennsylvania. I also have an
13 Associate in Accounting from Columbus State. Also I
14 have attended various seminars by PUCO such as NEROS
15 and other work-related seminars.

16 Q. Thank you very much.

17 Are you familiar with the stipulation and
18 recommendation that's been marked as Joint
19 Exhibit No. 1 in this proceeding?

20 A. Yes, I am.

21 Q. And how did you become familiar with that
22 stipulation and recommendation?

23 A. I was responsible for the rate base and
24 the operating income sections of the Staff Report. I
25 was also involved in the prehearing conference.

1 Q. Were you involved with the negotiations
2 that led up to the execution of the stipulation?

3 A. Yes, I was.

4 Q. Are you familiar with the three-part test
5 that the Commission uses for evaluating the
6 reasonableness of the stipulation and recommendation?

7 A. Yes, I am.

8 Q. And if you would please turn your
9 attention to what's been marked as Joint Exhibit
10 No. 1, the stipulation and recommendation, I'd like
11 to ask you if you believe that this stipulation is
12 the product of serious bargaining among capable and
13 knowledgeable parties.

14 A. Yes, it is. The parties have extensively
15 talked to each other, and since there's no one
16 opposing it, it is a product of serious bargaining.

17 Q. So there are no parties that are in
18 opposition to the stipulation.

19 A. Yes.

20 Q. All of the parties to the proceeding have
21 signed onto the stipulation; is that correct?

22 A. Yes.

23 Q. And were those parties represented by
24 counsel?

25 A. Yes.

1 Q. Were they represented by technical
2 experts?

3 A. Yes, they were.

4 Q. Thank you.

5 Based on your experience, do you believe
6 that the settlement as a package benefits ratepayers
7 in the public interest?

8 A. Yes, they do. The stipulation obviously
9 decreases the expense that would have happened if it
10 went to litigation. Also, even though there's a rate
11 increase, it's to the benefit of the taxpayers in a
12 way that the company has not asked for a rate
13 increase in 24 years, and this will allow them to
14 continue, you know, to provide services for the
15 customers.

16 Q. Does the stipulation represent a
17 reasonable compromise among the parties with diverse
18 interests?

19 A. Yes, it does.

20 Q. Do you believe that the settlement
21 package violates any important regulatory principle
22 or practice?

23 A. No, it does not.

24 Q. Thank you very much.

25 Based on your experience, do you

1 recommend that the Commission adopt the stipulation
2 and recommendation?

3 A. Yes, I do.

4 MS. PARROT: I have no further questions
5 for the witness, your Honor.

6 EXAMINER PHILLIPS-GARY: The witness may
7 be excused. Thank you.

8 MS. PARROT: I think just a few more
9 housekeeping matters. A few exhibits to be marked.

10 On behalf of the company I would like to
11 mark the application of Christi Water System, Inc.
12 It was filed in the docketed proceedings on July 7,
13 2009, and I would ask that this be marked as Company
14 Exhibit No. 1.

15 EXAMINER PHILLIPS-GARY: So that's
16 Exhibit 1 is the application of Christi Water System
17 filed on what day was that again?

18 MS. PARROT: July 7, 2009.

19 EXAMINER PHILLIPS-GARY: That will be
20 marked as Company Exhibit 1.

21 (EXHIBIT MARKED FOR IDENTIFICATION.)

22 MS. PARROT: I would also like to mark
23 the staff's report in this case that was docketed on
24 December 30, 2009, and I would like to mark that as
25 Staff Exhibit No. 1.

1 EXAMINER PHILLIPS-GARY: So Staff
2 Exhibit No. 1 will be the Staff Report filed on
3 December 30, 2009.

4 MS. PARROT: That's correct.

5 EXAMINER PHILLIPS-GARY: So marked.

6 (EXHIBIT MARKED FOR IDENTIFICATION.)

7 MS. PARROT: And finally, I would like to
8 mention that it's my understanding that the company
9 has published all notices that have been required in
10 this proceeding and will be filing as a late-filed
11 exhibit proof of those publications. And I would ask
12 that those be marked as Company Exhibit No. 2.

13 EXAMINER PHILLIPS-GARY: And Company
14 Exhibit 2 will be the late-filed exhibit the proof of
15 publications. Those are so marked.

16 (EXHIBIT MARKED FOR IDENTIFICATION.)

17 MS. PARROT: And finally, I would move
18 for the admission of Staff Exhibit No. 1, Company
19 Exhibit Nos. 1 and 2, and Joint Exhibit No. 1.

20 EXAMINER PHILLIPS-GARY: If there's no
21 opposition to those, that motion, those exhibits will
22 be admitted.

23 (EXHIBITS ADMITTED INTO EVIDENCE.)

24 MS. PARROT: We have nothing further,
25 your Honor.

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EXAMINER PHILLIPS-GARY: Well, if there's nothing further before us today, then this case will be submitted -- based on the evidence submitted on the record with the exception of the late-filed to be filed later, Exhibit No. 2.

We are adjourned.

MS. PARROT: Thank you.

(The hearing adjourned 10:13 a.m.)

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CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Wednesday, March 24, 2010, and carefully compared with my original stenographic notes.

Julieanna Hennebert, Registered Professional Reporter and RMR and Notary Public in and for the State of Ohio.

My commission expires February 19, 2013.

(JUL-1537)

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This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 09-0569-WW-AIR

Summary: Transcript Transcript of Christi Water System, Inc. hearing held on 03/24/10.
electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Hennebert,
Julieanna Mrs.