

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of The East)
Ohio Gas Company d/b/a Dominion East)
Ohio to Adjust its Automated Meter)
Reading Cost Recovery Charge and Related)
Matters)

Case No. 09-1875-GA-RDR

**STATEMENT REGARDING DISPUTED ISSUES OF
THE EAST OHIO GAS COMPANY D/B/A DOMINION EAST OHIO**

Pursuant to the Attorney Examiner's Entry of March 5, 2010, The East Ohio Gas Company d/b/a/a Dominion East Ohio ("DEO") hereby submits the foregoing statement regarding disputed issues, as reflected in comments filed by Commission Staff and the Office of the Ohio Consumers' Counsel ("OCC") on March 29, 2010.

Staff's only exception to DEO's Application is that DEO should utilize the latest known property tax rate, rather than an estimated tax rate, to calculate property tax expense. Staff's recommendation would result in a monthly AMR Rider charge of \$0.47 per applicable customer, rather than the \$0.49 AMR Rider charge originally proposed in the Application. DEO concurs with Staff's recommendation. There are thus no issues of dispute between DEO and Staff.

OCC raises three issues that cannot be resolved and will require a hearing.¹ First, OCC argues that O&M meter reading cost savings resulting from the AMR program should be based on forward-looking cost savings projections that DEO provided in its last rate case, Case No. 07-829-GA-AIR et al., rather than the actual cost savings identified in DEO's Application. OCC's proposal expressly violates the Stipulation and Opinion and Order in the last rate case, which

¹ OCC notes that its comments are "preliminary in nature." (OCC Comments, p. 1.) The schedule in this case does not contemplate multiple rounds of comments. Moreover, OCC had ample opportunity to serve discovery in a timely fashion so that it could receive responses before its comments were due on March 29. OCC failed to do so. OCC waited until March 23, 2010 to serve its first round a discovery, and served a second set of discovery on March 30, 2010.

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adopted Staff's recommendation that 2007 be used as the baseline year for calculating meter reading and Call Center expense adjustments for purposes of establishing the appropriate AMR Charge, and the Stipulation and Opinion and Order in DEO's previous AMR adjustment case, which established the agreed upon amount of the 2007 baseline. (Rate Case Staff Report, p. 43; Rate Case Stipulation, p. 10 ¶ P; Rate Case Opinion & Order, p. 13; Case No. 09-38-GA-UNC Stipulation, pp. 2-3 ¶ 3; and Case No. 09-38-GA-UNC Opinion and Order, pp. 5-6.) These prior Commission Opinions and Orders, and the underlying Stipulations, require that O&M savings credited to the AMR rider shall be based on actual, "quantifiable" savings as compared to a 2007 base line. (Id.) (Emphasis added.)² The undisputed, actual O&M meter reading savings for 2009 pursuant to this agreed-upon methodology were \$680,659.

Second, and similarly, OCC argues that O&M call center savings should also be based on projections furnished in the last rate case. This proposal should also be rejected. As with meter reading savings, the Staff Report, Stipulations and Commission Opinions and Orders in the last rate case and previous AMR adjustment case collectively specify that O&M call center savings will be based on quantifiable savings as compared to a 2007 baseline. (Rate Case Staff Report, p. 43; Rate Case Stipulation, p. 10 ¶ P; Rate Case Opinion & Order, p. 13; AMR Case Stipulation, pp. 2-3 ¶ 3; and AMR Case Opinion and Order, pp. 5-6.)) Because call center costs increased in 2009 (due mainly to regulatory requirements), no savings are available to credit against the AMR Rider.

Third, OCC argues that "[a]ny failure on the part of Dominion to apply for stimulus funding for which the Company qualifies should result in a reduction to the AMR Rider rate by treating all potential unapplied for stimulus dollars as a reduction to the current year's

² Inexplicably, pages 3 and 4 of OCC's comments quote the sections of the Rate Case Stipulation pertaining to DEO's PIR program.

maintenance expense." (OCC Comments, p. 8.) OCC does not identify what stimulus funding it is referring to, nor does the Rate Case Stipulation require DEO to apply for stimulus funding, assuming such funding is even available to DEO.

Based on the foregoing, a hearing will be required to address the three issues identified above.

Dated: April 2, 2010

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Statement Regarding Disputed Issues of The East Ohio Gas Company d/b/a Dominion East Ohio was served by electronic mail to the following persons on this 2nd day of April, 2010:

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