

FILE

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of: : Case No.06-751-EL-UNC  
In the Matter of the :  
Application of the Ohio :  
Department of Development :  
for an Order Approving :  
Adjustments to the :  
Universal Service Fund :  
Riders of Jurisdictional :  
Ohio Electric Distribution:  
Utilities. :

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PROCEEDINGS

before Janet Stoneking, Hearing Examiner, at the  
Public Utilities Commission of Ohio, 180 East Broad  
Street, Room 11-G, Columbus, Ohio, Columbus, Ohio,  
called at 10:00 a.m. on Friday, December 1, 2006.

- - -

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ORIGINAL

## 1 APPEARANCES:

2 The Dayton Power & Light Company  
3 By Mr. Randall V. Griffin  
4 1065 Woodman Drive  
5 Dayton, Ohio 45432

6 On behalf of The Dayton Power & Light  
7 Company

8 Bell, Royer & Sanders, Co., LPA  
9 By Mr. Barth E. Royer  
10 33 South Grant Avenue  
11 Columbus, Ohio 43215-3927

12 On behalf of the Ohio Department of  
13 Development.

14 American Electric Power  
15 By Mr. Marvin I. Resnik  
16 Mr. Steven T. Nourse  
17 One Riverside Plaza  
18 Columbus, Ohio 43215-2373

19 On behalf of Columbus Southern Power and  
20 Ohio Power.

21 McNeese, Wallace & Nurick  
22 By Ms. Gretchen J. Hummel  
23 Fifth Third Center, Suite 1700  
24 21 East State Street  
Columbus, Ohio 43215

On behalf of the Industrial Energy  
Users of Ohio.

FirstEnergy Corp.  
By Mr. James W. Burk  
76 South Main Street  
Akron, Ohio 44308

On behalf of the FirstEnergy Company.

## 1 APPEARANCES:

2 Duke Energy  
3 By Mr. Paul Colbert  
4 155 East Broad Street  
5 Columbus, Ohio 43215

6 On behalf of Duke Energy Ohio.

7 Mr. David C. Rinebolt  
8 337 South Main Street  
9 Fourth Floor, Suite 5  
10 P.O. Box 1793  
11 Findlay, Oh 45839-1793

12 On behalf of Ohio Partners for  
13 Affordable Energy.

14 Janine L. Migden-Ostrander  
15 Ohio Consumers' Counsel  
16 By Ms. Ann M. Hotz  
17 West Broad Street, Suite 1800  
18 Columbus, Ohio 43215-3485

19 On behalf of the Residential  
20 Consumers of the State of Ohio.

21 Jim Petro, Ohio Attorney General  
22 Duane W. Luckey, Senior Deputy  
23 Attorney General  
24 Public Utilities Section  
By Mr. Thomas W. McNamee  
180 East Broad Street, 9th Floor  
Columbus, Ohio 43215-3793

On behalf of the Staff of the Public  
Utilities Commission.

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1 Friday Morning Session,

2 December 1, 2006.

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4 THE HEARING EXAMINER: The Public  
5 Utilities Commission of Ohio has assigned for hearing  
6 at this time and place case No. 06-751-EL-ENC,  
7 captioned In the Matter of the Application of the  
8 Ohio Department of Development for an Order Approving  
9 Adjustments to the Universal Service Fund Riders of  
10 Jurisdictional Ohio Electric Distribution Utilities.

11 My name is Janet Stoneking. I'm the  
12 attorney-examiner assigned by the Commission to hear  
13 this case.

14 I'd like to take appearances at this time  
15 beginning with ODOD.

16 MR. ROYER: Thank you, your Honor. Barth  
17 Royer, Bell & Royer, 33 South Grant Avenue, Columbus,  
18 Ohio 43212, on behalf of Ohio Department of  
19 Development.

20 THE HEARING EXAMINER: The staff.

21 MR. McNAMEE: On behalf the staff of  
22 Public Utilities Commission of Ohio, Jim Petro  
23 Attorney General of the State of Ohio, I am Thomas W.  
24 McNamee, assistant attorney general, counsel in the

1 case. The address is 180 East Broad Street,  
2 Columbus, Ohio.

3 THE HEARING EXAMINER: OCC.

4 MS. HOTZ: On behalf of the residential  
5 consumers of the electric utilities in Ohio, the Ohio  
6 Consumers' Counsel, Janine Migden Ostrander, by Ann  
7 Hotz, 10 West Broad Street, Columbus, Ohio, 43215.  
8 Thank you.

9 THE HEARING EXAMINER: AEP.

10 MR. NOURSE: On behalf of Ohio Power and  
11 Columbus Southern Power, Marvin I. Resnik, Stephen T.  
12 Nourse, One Riverside Plaza, Columbus, Ohio 43215.

13 THE HEARING EXAMINER: Dayton Power &  
14 Light.

15 MR. GRIFFIN: I am Randall V. Griffin,  
16 in-house counsel for Dayton Power & Light. With me  
17 today is Aaron Cooper, the manager of retail pricing.  
18 And, your Honor, I have a procedural type question to  
19 ask.

20 While I have my petitions pending before  
21 the Supreme Court and I have practiced energy law for  
22 30 years, I'm not yet a member of the Ohio Bar so I'm  
23 not sure if I am able to make an official appearance  
24 here. I have not filed a pro hac vice motion.

1 MS. HUMMEL: Your Honor, I would be happy  
2 to sponsor a motion of pro hac vice for the  
3 proceeding for Randall Griffin.

4 THE HEARING EXAMINER: Thank you. Your  
5 motion is granted.

6 MR. GRIFFIN: Thank you.

7 THE HEARING EXAMINER: Anyone from Duke  
8 here?

9 MR. ROYER: Mr. Colbert I talked to; he's  
10 not coming.

11 THE HEARING EXAMINER: IEU.

12 MS. HUMMEL: Thank you. On behalf of the  
13 Energy Users of Ohio, I am Gretchen E. Hummel,  
14 McNees, Wallace & Nurick, 21 East State Street  
15 Columbus, Ohio, 43215.

16 THE HEARING EXAMINER: Thank you.

17 Mr. Royer, do you want to enter the  
18 appearances for the other people who aren't coming at  
19 this time?

20 MR. ROYER: I do that pursuant to  
21 telephone authorization. I would like to enter the  
22 appearance of James Burk on behalf of FirstEnergy  
23 Companies, and Paul Colbert on behalf of Duke Energy  
24 Ohio, both of whom are named parties in this case,

1 and Mr. Rinebolt, as well, Mr. David Rinebolt of  
2 OP&E.

3 THE HEARING EXAMINER: Thank you,  
4 Mr. Royer.

5 MR. ROYER: Thank you, your Honor.

6 The parties have once again reached a  
7 Stipulation and Recommendation which, if adopted by  
8 the Commission, will resolve all the issues in the  
9 case. It has been signed today by all the parties  
10 except the staff and OCC, and my understanding is the  
11 staff is still continuing its review of the numbers.  
12 We don't anticipate a problem. They will file a  
13 letter with docketing as soon as they've confirmed  
14 that.

15 My understanding is The Office of  
16 Consumers' Counsel, while not joining the  
17 stipulation, has agreed not to oppose it for purposes  
18 of this proceeding.

19 I'd like to have that stipulation marked  
20 as Joint Exhibit 1.

21 THE HEARING EXAMINER: So marked.

22 (EXHIBIT MARKED FOR IDENTIFICATION.)

23 (Discussion off record.)

24 MR. ROYER: As part of the stipulation,



1 the parties have agreed that certain exhibits will be  
2 admitted into evidence. First will be the Amended  
3 Application filed November 22, 2006. I'd like to  
4 have that marked as ODOD Exhibit 1.

5 THE HEARING EXAMINER: So marked.

6 (EXHIBIT MARKED FOR IDENTIFICATION.)

7 MR. ROYER: I'd like to have the  
8 testimony of Nick Sunday on behalf of Ohio Department  
9 of Development marked as ODOD Exhibit 2.

10 THE HEARING EXAMINER: So marked.

11 (EXHIBIT MARKED FOR IDENTIFICATION.)

12 MR. ROYER: I'd like to have the  
13 testimony of Donald A. Skaggs on behalf of the Ohio  
14 Department of Development filed October 31, 2006  
15 marked as ODOD Exhibit 3; and finally the  
16 Supplemental Testimony of Donald A. Skaggs that was  
17 filed November 22, 2006 marked as ODOD Exhibit 4.

18 THE HEARING EXAMINER: So marked.

19 (EXHIBITS MARKED FOR IDENTIFICATION.)

20 MR. ROYER: I have a few corrections to  
21 make the testimony I'd like to read into the record at  
22 this time. They're very minor.

23 With respect to ODOD Exhibit 1, the  
24 Amended Application, at page 5, the number that

1 appears about midway through paragraph 8, which now  
2 reads \$7,203,001 should be \$7,201,328.

3 On page 6, Amended Application, there's a  
4 table that sets out the anticipated USF rider surplus  
5 and deficiencies for each of companies. There's a  
6 minor error in this table which is the cause for the  
7 correction I just made, and as part of the  
8 stipulation, we have prepared a substitute corrected  
9 table that should replace -- will replace the table  
10 that's in this exhibit, and it's part of a pending  
11 page for the stipulation.

12 THE HEARING EXAMINER: Okay.

13 MR. ROYER: With respect to ODOD  
14 Exhibit 1, the testimony of Nick Sunday, I noticed  
15 there's apparently been a line omitted in the  
16 printing of this exhibit. At page 12, the bottom of  
17 page, insert after the sentence beginning at the  
18 bottom of the page the following: "209,960  
19 enrollments in the month of the," so that sentence  
20 would now read: "In FY 2006, there were some 209,960  
21 enrollments in the month of the highest  
22 PIPP-enrollment."

23 THE HEARING EXAMINER: Thank you.

24 MR. ROYER: With respect to ODOD

1 Exhibit 3, the original testimony of Mr. Skaggs, just  
2 two minor corrections. At DAS-29 in the exhibits,  
3 which is towards the end, that page is the interest  
4 calculation. It's for Duke. It says CG&E in the  
5 caption, but it should be Duke.

6 Similarly in DAS-43, the caption says  
7 CG&E; that should be Duke. And in DAS-50, the  
8 caption says CG&E, and that should also be Duke.

9 THE HEARING EXAMINER: Thank you.

10 MR. ROYER: Then in the supplemental  
11 testimony of Mr. Skaggs, ODOD Exhibit 4 at page 3,  
12 line 9, the number \$119,009,989 should be  
13 119,008,309; and the following line, the figure  
14 7,203,001 should be 7,201,320. I believe I might  
15 have said 23 when I read that number. It's 20 if I  
16 said that incorrectly in the amended application  
17 while we are doing that. I think it's 20. I  
18 couldn't read my own writing.

19 THE HEARING EXAMINER: Then it should be  
20 7,201,320 rather than 323.

21 MR. ROYER: Right, I apologize.

22 Those changes, this information is  
23 basically presented for informational purposes so it  
24 had no effect on either the revenue requirements or

1 the rate design, but we also have part of the  
2 stipulation two corrected schedules, DAS revised 39,  
3 which will be substituted for that page in the  
4 exhibits to Mr. Skaggs supplemental testimony, as  
5 well as DAS revised, 42. Which will be also  
6 substituted for that corresponding page in the  
7 testimony. Again, that had no effect on either the  
8 revenue requirements or the rate design numbers. It  
9 was internal of the calculation.

10 And then, finally, DAS revised 29,  
11 supplemental testimony. That is the CG&E caption,  
12 that should be Duke; and DAS revised 50, CG&E caption  
13 should be changed to Duke.

14 THE HEARING EXAMINER: Mr. Royer, to make  
15 sure I understand correctly, what will be with the  
16 stipulation, there will be an Exhibit A?

17 MR. ROYER: I didn't make an extra copy.  
18 I am waiting to reproduce it when we got all the  
19 signatures, but there's Appendix A to the stipulation  
20 that contains the substitute table from page 6 of the  
21 amended application and the corrected 39 and 42.

22 THE HEARING EXAMINER: Thank you.  
23 Are there any further corrections?

24 MR. ROYER: No, that's it for the

1 corrections. And with that I would then offer Joint  
2 Exhibit 1 and ODO Exhibits 1 through 4.

3 THE HEARING EXAMINER: Thank you. First  
4 are there any objections to the corrections as noted?

5 (No response.)

6 THE HEARING EXAMINER: Okay. Hearing  
7 none, are there any objections to Joint Exhibit 1,  
8 and ODOD Exhibits 1 through 4?

9 MS. HUMMEL: No, your Honor.

10 THE HEARING EXAMINER: Thank you. Those  
11 exhibits will be admitted for the record.

12 (EXHIBIT ADMITTED INTO EVIDENCE.)

13 THE HEARING EXAMINER: Are there any  
14 matters for the proceeding at this time?

15 MR. ROYER: I don't believe so.

16 THE HEARING EXAMINER: Hearing there are  
17 no further issues for this case, the case will be  
18 submitted for the Commission's consideration and the  
19 hearing is adjourned.

20 Thank you.

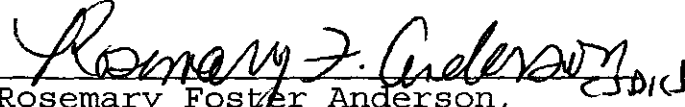
21 (Thereupon, the hearing adjourned at  
22 10:16 a.m.)

23 - - -

24

## CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Friday, December 1, 2006, and carefully compared with my original stenographic notes.

  
Rosemary Foster Anderson,  
Professional Reporter and  
Notary Public in and for  
the State of Ohio.

My commission expires April 5, 2009.

(RFA-6950)

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Case Number 06-751-EL-UMC

The following exhibit(s) were prefiled and can be located with the pleadings:

Exhibits	Date Filed
Stipulation & Rec	Joint Ex #1 12-01-06
Am'd Stip & Rec	ODOP Ex #1 11-22-06
Testimony: - Mick Sunday	ODOP Ex #2 10-31-06
Testimony - Donald A. Skaggs	ODOP Ex #3 10-31-06
Supplemental testimony - Donald A. Skaggs	ODOP Ex #4 11-22-06