

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :  
Application of The East :  
Ohio Gas Company d/b/a : Case No.  
Dominion East Ohio for : 07-1224-GA-EXM  
Approval of a General :  
Exemption of Certain Natural:  
Gas Commodity Sales Services:  
or Ancillary Services. :

- - -

PROCEEDINGS

before Chris Pirik, Attorney Examiner, held at  
the offices of the Public Utilities Commission  
of Ohio, 180 East Broad Street, Room No. 11-C,  
Columbus, Ohio, on Thursday, April 10, 2008, at  
10:00 A.M.

- - -

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24           - - -

ARMSTRONG & OKEY, INC., Columbus, Ohio (614) 224-9481

1 APPEARANCES:

2 Jones Day  
By Mr. Mark A. Whitt  
3 77 West Wacker  
Chicago, Illinois 60601

4  
On behalf of the Applicant.

5  
6 Bricker & Eckler LLP  
By Mr. Thomas J. O'Brien  
7 100 South Third Street  
Columbus, Ohio 43215

8  
On behalf of NOPEC.

9  
10 Vorys, Sater, Seymour & Pease LLP  
By Mr. Howard Petricoff  
11 52 East Gay Street  
Columbus, Ohio 43215

12  
On behalf of The Ohio Gas  
13 Marketers Group.

14  
Mr. Joseph P. Serio  
15 Assistant Consumers' Counsel  
10 West Broad Street  
16 Suite 1800  
Columbus, Ohio 43215

17  
On behalf of the Office of the  
18 Ohio Consumers' Counsel.

19  
Bell & Royer Co., LPA

20 By Mr. Barth E. Royer  
33 South Grant Avenue  
21 Columbus, Ohio 43215

22 On behalf of MXenergy Inc.

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2 APPEARANCES (Continued)

3  
4       Ms. Anne Hammerstein  
5       Assistant Attorney General  
6       180 East Broad Street  
7       9th Floor  
8       Columbus, Ohio 43215

9               On behalf of the Staff of the  
10              Public Utilities Commission of Ohio.

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1                   Thursday Morning Session,

2                   April 10, 2008.

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4                   ATTORNEY EXAMINER: Mr. Whitt.

5                   THE WITNESS: Yes, Your Honor. The

6 parties -- most of the parties to the proceeding

7 have entered a stipulation which has been

8 docketed this morning. It's our understanding

9 the Staff will be presenting a witness to

10 testify in support of the stipulation.

11                  We do not have signatures on

12 the stipulation from the Ohio Partners for

13 Affordable Energy or MXenergy. It's our

14 understanding that those parties may be

15 submitting a letter or taking other action

16 indicating support for some or all of the

17 stipulation.

18                  We would ask for leave to file as a

19 late filed exhibit the notices of publication of

20 the public hearings. While we are waiting for  
21 those notices the record could be left open and  
22 any parties who have not yet indicated support  
23 for the stipulation but intend to do so would  
24 have an opportunity to do that.

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1           ATTORNEY EXAMINER: All right. Do  
2 you have a copy of the stipulation?

3           MR. WHITT: We do, Your Honor. I  
4 believe everybody else has a copy.  
5 And the stipulation, Your Honor, which I just  
6 handed you is marked as Joint Exhibit 1. Also  
7 included is a Joint Exhibit 2 attached to Joint  
8 Exhibit 1.

9           ATTORNEY EXAMINER: Before we go any  
10 further I think I should note for the record  
11 that Mr. Petricoff is here with us today.  
12 I believe Mr. Howard did make an appearance on  
13 your behalf, but I wanted to note for the record  
14 since this is a separate day. And, Ms.  
15 Hammerstein, I believe Mr. Reilly made an  
16 appearance also on your behalf.

17           Okay. So we have a Joint Exhibit 1  
18 which is entitled Stipulation and  
19 Recommendation. And we have a Joint Exhibit 2

20 which is entitled Post SCO Auction Commodity

21 Service Options.

22 MR. WHITT: Correct, Your Honor.

23 ATTORNEY EXAMINER: Okay. And you

24 would like to have a late filed exhibit. Late

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1 filed Exhibit 3 which will be the proof of  
2 publication.

3 MR. WHITT: That would be fine.

4 ATTORNEY EXAMINER: We will keep  
5 the record open for that. Those three documents  
6 will be so marked.

7 (EXHIBITS HEREBY MARKED FOR  
8 IDENTIFICATION PURPOSES)

9 MR. SERIO: Your Honor, that third  
10 exhibit, that is a Dominion exhibit?

11 MR. WHITT: We can call that late  
12 filed Exhibit 1.

13 ATTORNEY EXAMINER: Dominion Exhibit  
14 1. Late filed Dominion Exhibit 1 will be proofs  
15 of publication. I will wait until the witness  
16 is presented to actually ask for Joint Exhibits  
17 1 and 2 into the record. However, with regard  
18 to the late filed Dominion Exhibit 1 are there  
19 any objections? Hearing none we will admit

20 those once they are filed in docketing.

21 MR. WHITT: Thank you, Your Honor.

22 ATTORNEY EXAMINER: Do you have a

23 time frame for the other two parties to the

24 case, OP&E and MX?

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1           MR. ROYER: Your Honor, on behalf of  
2   MXenergy I am 100 percent confident that MX will  
3   be adding their name as a signatory party. It's  
4   just a matter of getting internal approvals this  
5   morning in time to get them to come here and  
6   sign on their behalf. So, that would happen  
7   even today, and certainly by the end of  
8   the week.

9           MR. WHITT: Your Honor, it's  
10   acceptable to the company if MX would like to  
11   merely submit a letter as a late filed exhibit  
12   indicating support for the stipulation. That is  
13   acceptable to us as opposed to a signature on  
14   the stipulation. However they would like to  
15   handle it.

16          MR. ROYER: We will just file a  
17   letter. I don't think we will call it an  
18   exhibit, but we will file a letter.

19          ATTORNEY EXAMINER: And that will be

20 fine as long as it's clear in the letter what  
21 your position is. That will be fine. Do you  
22 have any idea about OP&E timing-wise?  
23 MR. WHITT: I can't say what their  
24 time frame is. It's my understanding Mr.

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1 Rinebolt had another commitment out of town.

2 I will attempt to contact him. I would think we

3 would have something by this time next week.

4 Obviously I can't speak for Mr. Rinebolt, but

5 that would be my assumption.

6 ATTORNEY EXAMINER: Will you please

7 contact me if in fact there is something not

8 filed by the end of next week? That way I will

9 understand exactly where the process is at.

10 MR. WHITT: I would be happy to do

11 that.

12 MR. SERIO: Your Honor, there is a

13 third party that hasn't signed it, Industrial

14 Energy Users. And I noticed that they are also

15 absent.

16 ATTORNEY EXAMINER: I didn't look.

17 I was just looking at the stipulation.

18 MR. WHITT: Yes, Your Honor. There

19 is a signature space for Industrial Energy

20 Users-Ohio who have received drafts of  
21 the stipulation and its various iterations  
22 throughout the possess. It our understanding  
23 that IEU-Ohio will neither support or oppose the  
24 stipulation. I would indicate for the record

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1 that they are not at the hearing today.

2 ATTORNEY EXAMINER: Do you know  
3 whether they will be filing something to that  
4 effect, Mr. Whitt?

5 MR. WHITT: My understanding is they  
6 are going to do nothing.

7 ATTORNEY EXAMINER: Okay. Thank  
8 you. Thank you for that clarification, Mr.  
9 Serio. Before we call the first witness is  
10 there any other procedural matter that we need  
11 to discuss regarding the stipulation itself?  
12 Ms. Hammerstein.

13 MS. HAMMERSTEIN: Thank you, Your  
14 Honor. Staff calls Steven Puican to the stand.

15 (WITNESS SWORN)

16 - - -

17 STEPHEN PUICAN

18 called as a witness on behalf of the Staff,  
19 being first duly sworn, testified as follows:

20 DIRECT EXAMINATION

21 By Ms. Hammerstein:

22 Q. Good morning, Mr. Puican.

23 A. Good morning.

24 Q. Would you please state your name for

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1 the record and spell it?

2 A. Stephen E. Puican. First name is

3 S-T-E-P-H-E-N, last name P-U-I-C-A-N.

4 Q. Thank you. And what is your

5 business address?

6 A. 180 East Broad Street, Columbus,

7 Ohio.

8 Q. And you are employed by?

9 A. By the Public Utilities Commission

10 of Ohio.

11 Q. And what is your position with

12 the Commission?

13 A. I am currently the Co-chief of the

14 Rates and Tariffs Energy and Water Division.

15 Q. Could you give us a brief summary,

16 please, of your background with the Commission

17 and your educational credentials?

18 A. I have a Bachelor's degree in

19 economics from Kent State University and a

20 Master's degree in economics from Ohio State  
21 University. I have been with the PUCO since  
22 1985. Two years prior to that I was with the  
23 Department of Development in the Division of  
24 Energy.

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1           Since being at the PUCO I have  
2   worked on gas, electric and water issues. Since  
3   approximately 1999 I have worked exclusively on  
4   gas issues. I am responsible for the GCR  
5   operations. I participate in all the natural  
6   gas rate cases as well as miscellaneous filings  
7   such as contracts and tariff matters.

8       Q.   Thank you, Mr. Puican. And do you  
9   have before you what has been marked as Joint  
10   Exhibit 1?

11      A.   Yes, I do.

12      Q.   Could you please identify that for  
13   the record?

14      A.   This is a stipulation and  
15   recommendation in Case 07-1224-GA-EXM.

16      Q.   Could you please tell us how you  
17   became acquainted with this document?

18      A.   This is the end result of many, many  
19   months of meetings among various parties that

20 intervened in the case. And this was put  
21 together and signed just this morning as a  
22 resolution to all the issues.

23 Q. Okay. And do you believe that the  
24 stipulation, Joint Exhibit 1, is the product of

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1 serious bargaining among capable, knowledgeable  
2 parties?

3 A. Yes, I do. The participants to the  
4 discussions have probably many decades of  
5 cumulative experience in utility matters. There  
6 was a great diversity of participation, a  
7 diversity of interests in addition to the  
8 company's staff, OCC. Many parties were  
9 represented. Ohio Partners for Affordable  
10 Energy, Northeast Ohio Public Energy Council,  
11 industrial, transportation customers.

12 It's a wide diversity of interests  
13 that ended up with a unanimous stipulation, or  
14 at least no one in opposition to the  
15 stipulation. So, yes, I believe that criteria  
16 has been met.

17 Q. Okay. And does the stipulation  
18 considered as a package benefit ratepayers and  
19 the public interest in your estimate?

20       A. I believe it does. The standard  
21   service offer process that has been in place for  
22   the last 18 months or so has provided benefits  
23   to customers. There is substantial evidence  
24   that customers that are receiving the SSO

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1 service are paying a lower price than they would  
2 have under the GCR regime.

3 I believe that this move from a  
4 wholesale auction to a retail auction has  
5 potential to provide even greater benefits. We  
6 believe that auction participants will receive  
7 additional value in being allocated actually as  
8 customers as a result of the auction as opposed  
9 to simply generic load. And so we think there  
10 is potential for even greater savings by  
11 customers.

12 In addition the public interest is  
13 protected because the Commission retains the  
14 authority to reject any auction result if it  
15 believes it's not in the public interest or a  
16 benefit to customers.

17 Q. Okay. And based on your experience  
18 and understanding of regulatory principles in  
19 Ohio do you believe the stipulation violates any

20 important regulatory principle?

21 A. It does not. It's really just a

22 continuation and enhancement of the existing SSO

23 process. It takes that to another level by

24 moving from wholesale to retail. And I believe

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1 it does so without violating any regulatory  
2 principles.

3 And again even in this new retail  
4 regime the Commission would retain the ability  
5 to revert to GCR service if at any time it  
6 believes that the auction procedures are no  
7 longer serving the public interest.

8 MS. HAMMERSTEIN: Your Honor, Mr.  
9 Puican is available for cross-examination.

10 ATTORNEY EXAMINER: Mr. Whitt.

11 MR. WHITT: No questions.

12 ATTORNEY EXAMINER: Any party?

13 Hearing no questions from any of the parties,  
14 thank you, Mr. Puican.

15 THE WITNESS: Thank you.

16 ATTORNEY EXAMINER: Mr. Whitt, I  
17 noticed in the Joint Exhibit 1 that on  
18 the second page there is a list of different DEO  
19 exhibits with different numbers. So will you be

20 moving the admission of Joint Exhibit 1 with  
21 these attached exhibits referencing the  
22 application?

23 MR. WHITT: We can do that, Your  
24 Honor. The DEO exhibits that are listed have

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1 been filed. They were filed with the part of  
2 the company's original application. So those  
3 are part of the docket. We can to the extent  
4 deemed necessary move for the admission of those  
5 exhibits as well.

6 ATTORNEY EXAMINER: That will be  
7 fine. As well as Joint Exhibit 2 which is  
8 attached to Joint Exhibit 1?

9 MR. WHITT: Correct.

10 ATTORNEY EXAMINER: Okay. Are there  
11 any objections to the admission of Joint Exhibit  
12 1 and Joint Exhibit 2 and these additional DEO  
13 Exhibits as part of the stipulation? Hearing  
14 none Joint Exhibit 1, Joint Exhibit 2 and the  
15 DEO Exhibits referencing the application shall  
16 be admitted into the record

17 (EXHIBITS ADMITTED INTO EVIDENCE)

18 ATTORNEY EXAMINER: Is there  
19 anything else to come before us? Hearing none,

20 this case will be adjourned and submitted on the

21 record for the Commission's consideration.

22 Thank you.

23 MR. WHITT: Thank you, Your Honor.

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1           (At 10:50 A.M. the hearing was  
2 concluded)

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5           CERTIFICATE

6           I do hereby certify that the foregoing  
7 is a true and correct transcript of the  
8 proceedings taken by me in this matter on April  
9 10, 2008, and carefully compared with my  
10 original stenographic notes.

9

10           \_\_\_\_\_  
11           Michael O. Spencer,  
12           Registered Professional  
13           Reporter.

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**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

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Summary: Transcript East Ohio Gas 4/10/08 electronically filed by Mrs. Jennifer D. Duffer on behalf of Armstrong & Okey, Inc.