

8



City of Cleveland
Frank G. Jackson, Mayor

FAX

Department of Law
Robert J. Trizzo, Director
601 Lakeside Avenue, Room 106
Cleveland, Ohio 44114-1077
216/664-2800 • Fax: 216/664-2663
www.cleveland-oh.gov

VIA FEDERAL EXPRESS

June 20, 2008

Betty McCauley
The Public Utilities Commission of Ohio
Docketing Division
180 East Broad Street
Columbus, Ohio 43216-3793

RECEIVED-DOCKETING DIV
2008 JUN 20 PM 1:44
PUCO

Re: Objections in Case Nos. 07-829-GA-AIR; 07-830-GA-ALT; 07-831-GA-AAM; 08-169-GA-ALT & 06-1453-GA-UNC

Dear Ms. McCauley:

I have enclosed an original and 20 copies of the City of Cleveland's Objections and Summary of Major Issues for filing in the above-referenced docket. Please return a time-stamped copy to me in the enclosed self-addressed stamped envelope.

If you have any questions regarding this filing, please contact me at (216) 664-4190.

Very truly yours,

Julianne Kurdila
Chief Assistant Director of Law
Utilities

Enclosure

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician SM Date Processed 6/20/08

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Application of
The East Ohio Gas Company
d/b/a Dominion East Ohio
for Authority to Increase Rates for
its Gas Distribution Service.**)
)
) **Case No. 07-829-GA-AIR**
)
)
)

**In the Matter of Application of
The East Ohio Gas Company
d/b/a Dominion East Ohio
For Approval of an Alternate Rate
Plan for its Gas Distribution Service.**)
)
) **Case No. 07-830-GA-ALT**
)
)
)

**In the Matter of the Application of
The East Ohio Gas Company
d/b/a Dominion East Ohio
for Approval to Change Accounting
Methods.**)
)
) **Case No. 07-831-GA-AAM**
)
)
)

**In the Matter of the Application of
The East Ohio Gas Company
d/b/a Dominion East Ohio for Approval
of Tariffs to Recover Certain Costs
Associated with a Pipeline
Infrastructure Replacement Program
Through an Automatic Adjustment
Clause, and for Certain Accounting
Treatment.**)
)
) **Case No. 08-169-GA-ALT**
)
)
)
)
)
)
)

**In the Matter of the Application of
The East Ohio Gas Company
d/b/a Dominion East Ohio for Approval
of Tariffs to Recover Certain Costs
Associated with a Automatic Meter
Reading Deployment Through an
Automatic Adjustment Clause, and for
Certain Accounting Treatment.**)
)
) **Case No. 06-1453-GA-UNC**
)
)
)
)
)
)
)

**THE CITY OF CLEVELAND'S OBECTIONS TO THE STAFF REPORT AND
SUMMARY OF MAJOR ISSUES**

Robert J. Triozzi (0016532)

Director of Law

Email: RTriozzi@city.cleveland.oh.us

Direct Dial: (216) 664-2800

Julianne Kurdila (0043582)

Email: JKurdila@city.cleveland.oh.us

Direct Dial: (216) 664-4190

City of Cleveland

Cleveland City Hall

601 Lakeside Avenue, Room 206

Cleveland, Ohio 44114-1077

(216) 664-2663 (Fax)

Attorneys for the City of Cleveland

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Application of)
The East Ohio Gas Company)
d/b/a Dominion East Ohio) **Case No. 07-829-GA-AIR**
for Authority to Increase Rates for)
its Gas Distribution Service.)**

**In the Matter of Application of)
The East Ohio Gas Company)
d/b/a Dominion East Ohio) **Case No. 07-830-GA-ALT**
For Approval of an Alternate Rate)
Plan for its Gas Distribution Service.)**

**In the Matter of the Application of)
The East Ohio Gas Company)
d/b/a Dominion East Ohio) **Case No. 07-831-GA-AAM**
for Approval to Change Accounting)
Methods.)**

**In the Matter of the Application of)
The East Ohio Gas Company)
d/b/a Dominion East Ohio for Approval) **Case No. 08-169-GA-ALT**
of Tariffs to Recover Certain Costs)
Associated with a Pipeline)
Infrastructure Replacement Program)
Through an Automatic Adjustment)
Clause, and for Certain Accounting)
Treatment.)**

**In the Matter of the Application of)
The East Ohio Gas Company)
d/b/a Dominion East Ohio for Approval) **Case No. 06-1453-GA-UNC**
of Tariffs to Recover Certain Costs)
Associated with a Automatic Meter)
Reading Deployment Through an)
Automatic Adjustment Clause, and for)
Certain Accounting Treatment.)**

**THE CITY OF CLEVELAND'S OBECTIONS TO THE STAFF REPORT AND
SUMMARY OF MAJOR ISSUES**

The City of Cleveland hereby files its objections to the Public Utilities Commission of Ohio ("PUCO" or "Commission") Staff Report of Investigation for the East Ohio Gas Company d/b/a Dominion East Ohio (DEO). These objections are made pursuant to Ohio Revised Code (R.C.) Section 4909.19 and Ohio Administrative Code (O.A.C.) Section 4901-1-28, which require parties to register disagreement with the Staff Report by formal objection.

The City of Cleveland specifically objects to the Staff Report's recommendation of a rate structure based on a fixed distribution service charge, or a Straight Fixed-Variable (SFV) rate design.¹ The Staff's recommendation rejects the Company's proposed Sales Reconciliation Rider (SRR), or decoupling mechanism, in favor of the SFV rate design. Whether it comes in the form of a SRR, as DEO requests, or a SFV rate design, as the Staff recommends, the City opposes any mechanism or rate design that, in the event customers conserve natural gas or are just low-volume users, guarantees DEO recovery.

The City of Cleveland vigorously promotes energy conservation for its residents and businesses. The SFV creates a disincentive for Cleveland residents and businesses that conserve natural gas. The Staff's recommendation also is contrary to the State of Ohio policy of Conservation as noted in R.C. 4929.02 and 4905.70. The Staff Report even admits that a change from a volume-based rate to a primarily-fixed rate creates a negative impact on low use customers.² Overall, the Staff's recommended SFV design

¹ *In the matter of the application of The East Ohio Gas Company d/b/a Dominion East Ohio for authority to increase rates for its Gas Distribution Service*, Case No. 07-829-GA-AIR, et. al., Staff Report p. 44-46.

² Staff Report p. 34.

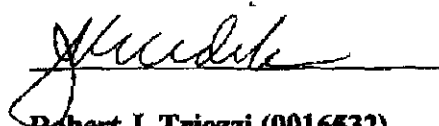
sends improper price signals to the customer, fails to encourage conservation, and adversely affects DEO's energy efficiency efforts.

SUMMARY OF MAJOR ISSUES

The City of Cleveland submits its Summary of Major Issues pursuant to R.C. 4903.083, which requires the Commission to provide notice to the public of an opportunity to testify at local public hearings regarding the case. In the notice, the Commission must list a brief summary of the then known major issues of the parties. The City of Cleveland's major issues are as follows:

1. Approval of Straight Fixed-Variable (SFV), or similar recovery, is improper and harmful to low-usage customers or customers that conserve natural gas.
2. DEO's consolidation of Case No 08-169-GA-ALT, the Pipeline Infrastructure Replacement Program (PIRP), into this case is inconsistent with the rate-increase principles of R.C. 4909.18 and 4909.19 and improper.

Respectfully Submitted,



Robert J. Triozzi (0016532)
Director of Law
Email: RTriozzi@city.cleveland .oh.us
Direct Dial: (216) 664-2800
Julianne Kurdila (0043582)
Email: JKurdila@city.cleveland.oh.us
Direct Dial: (216) 664-4190
City of Cleveland
Cleveland City Hall
601 Lakeside Avenue, Room 206
Cleveland, Ohio 44114-1077
(216) 664-2663 (Fax)
Attorneys for the City of Cleveland

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Objections to the Staff Report and Summary of Major Issues of the City of Cleveland was served upon the following parties of record or as a courtesy, via ordinary U.S. mail, express mail, hand delivery, or electronic transmission on 20 June, 2008.


Julianne Kurdila

Parties of Record:**David A Kutik**

Jones Day
North Point, 901 Lakeside Avenue
Cleveland, Ohio 44114-1190

Christopher W. Flynn

Jones Day
77 West Wacker
Chicago, Illinois 60601-1692

Mark A. Whitt (Counsel of Record)

Andrew J. Campbell
Jones Day
Mailing address:
P.O. Box 165017
Columbus, Ohio 43216-5017
Street address:
325 John H. McConnell Blvd. Suite 600
Columbus, Ohio 43215-2673

Jean A. Demarr

The East Ohio Gas Company d/b/a
Dominion East Ohio
1201 East 55th Sreet
Cleveland, Ohio 44101

Jeffrey A. Murphy

The East Ohio Gas Company d/b/a
Dominion East Ohio
1201 East 55th Sreet
Cleveland, Ohio 44101

Joseph P. Meissner

The legal Aid Society of Cleveland
1223 West 6th Street
Cleveland, Ohio 44113

David C. Rinebolt

Ohio Partners for Affordable Energy
231 W. Lima Street
P.O. Box 1793
Findlay, Ohio 45839-1793

Colleen L. Moony
Ohio Partners for Affordable Energy
1431 Mumford Rd.
Columbus, Ohio 43212

John W. Bentine
Chester, Wilcox & Saxbe LLP
65 East State Street, Suite 1000
Columbus, Ohio 43215-4213

M. Howard Petricoff
Stephen Howard
Integrays Energy Systems, Inc.
52 E. Gay Street
P.O. Box 1008
Columbus, OH 43216

Barth E. Royer
Dominion Retail, Inc.
Bell & Royer Co., LLP
33 South Grant Ave.
Columbus, OH 43215

Stephen Howard
Ohio Gas Marketers' Group
52 E. Gay Street
P.O. Box 1008
Columbus, OH 43216

Todd M. Smith
Utility Workers of America
Local G555
616 Penton Media Building
1300 E. Ninth St.
Cleveland, OH 44114

W. Jonathan Airey
Ohio Oil & Gas Association
52 E. Gay Street
P.O. Box 1008
Columbus, OH 43216

John M. Dosker
General Counsel

Stand Energy Corporation
1077 Celestial Street, Suite 110
Cincinnati, OH 45202

Stephen A. Reilly
Assistant Attorney General
Ohio Attorney General's Office
180 East Broad Street, 9th Floor
Columbus, OH 43215