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PUCO

Chief of Docketing
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793

June 20, 2008

SUBJECT: *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 the Application of The East Ohio Gas Company d/b/a Dominion Case East Ohio for Approval of an Alternative Rate Plan for its Gas Distribution Service No. 07-830-GA-ALT
In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Case Ohio for Approval to Change Accounting Methods Case No. 07-831-GA-AAM

Dear friends:

We are enclosing an Objections to the Staff Report, and a List of the Main Issues, both filed on behalf of our clients, the Citizens Coalition. We have enclosed the requisite number of copies.

Other parties are being served. We have also enclosed an envelope addressed back to us. Please time-stamp one of copy of each filing and return these to us.

Let us know of any problems.

Thank you.

Very truly yours,

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**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 the Application of The)
East Ohio Gas Company d/b/a Dominion)
East Ohio for Approval of an Alternative)
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)
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

**OBJECTIONS TO THE STAFF REPORT
FILED ON BEHALF OF THE
NEIGHBORHOOD ENVIRONMENTAL COALITION
THE EMPOWERMENT CENTER OF GRAETER CLEVELAND,
CLEVELAND HOUSING NETWORK
AND
THE CONSUMERS FOR FAIR UTILITY RATES**

Now comes The Neighborhood Environmental Coalition (hereinafter “Coalition”), The Consumers for Fair Utility Rates (hereinafter “Consumers”), The Cleveland Housing Network (hereinafter “Network”), and The Empowerment Center of Greater Cleveland (hereinafter “Center”) who, through their counsel, hereby file Their Objections to the Staff Report in the above-captioned matters pursuant to Ohio Law, The Rules and Regulations pertaining to the Public Utilities Commission of Ohio, the orders of the Hearing Examiners in this case, and the relevant case law. All four of the interveners are hereinafter referred to as “The Citizens Coalition.”

Their Objections are Numbered and Provided below. (When “Company” is used below, it refers to DEO, the rate increase Applicant.)

1. The Citizens Coalition objects to the provisions by the Staff Report to allow the Company the ability to disconnect service through the use of installing Automatic Meter Reading (AMR) equipment. First, the company and the staff seem to lay the blame for the company’s inability to enter various premises upon the customers

themselves. While this may be true in some cases, our experience is that it is landlords in an eviction procedure or other situations of the tenants moving from a dwelling who will not allow access by East Ohio. This has resulted in former tenants being charged for gas actually and illegally used by new tenants or even by the landlords themselves. In many of these situations, the former tenants who had moved or been evicted, have tried to end their obligation by contacting the Company and often the Company has failed to communicate to the former tenants its inability to gain access to premises. Second, the Citizens Coalition is quite concerned about the errors that might result from the use of AMR. Customers may be improperly disconnected which could result in harm to vulnerable human beings including children and the elderly. Before AMR is ever used for a given premise, the Company representatives must be obligated to contact the customers personally and use every reasonable means for warning customers about the possible use of AMR and an impending shutoff of service. Unless such customer protections are established and implemented, no funding and no permission should be granted to the Company to use AMR.

2. The Staff is recommending the Company be allowed to charge a "1.5% Late Fee". Often low-income families are late in their payments because of their overwhelming budgetary problems and the lack of funds to pay such expenses as DEO's extremely high gas bills. It is ludicrous to place even more economic burdens upon such customers. Furthermore, this late fee only increases the burden upon all customers through the riders and other accounting measures for bad debt. The Citizens Coalition

opposes this "1.5 % Late Fee" and urges that no late fee be imposed upon low-income families including the working poor.

3. The Staff is recommending that the reconnection fee be increased from \$20.00 to \$33.00 while the Company would impose even harsher and Draconian reconnection penalties. Such an increase again only adds to the harsh burdens placed upon low-income families and working poor families who are often disconnected in the first place because DEO gas rates are so high that they cannot pay these and wind up being disconnected because of their efforts at juggling so many financial burdens. The reconnection charge for low-income families including the working poor should be eliminated entirely

4. The Staff in its Rate Design recommendations is proposing an immense increase in the customer charge. This is a 300% increase. Perhaps Staff is not aware of how this will impact low-income families, especially those who try to keep their usage low and try to conserve. This is an example of the Staff failing to consider the needs and financial circumstances of low-income families. Such an increase of about twelve dollars may seem like a small matter to Staff, but to low-income families who must consider every dollar in their meager budgets, this can be the difference between purchasing necessary medicines, fulfilling school requirements for their children, or even buying necessary food items. The Citizens Coalition recommends that all Customer Charges be eliminated for low-income families including the working poor.

5. At various sections in the Staff Report, there are discussions about decoupling. (See, for example, pages 44 to 46.) The Citizens Coalition is opposed to any allowance of decoupling for the Company. Decoupling is nothing more than manipulations of rates and revenues based upon accounting guesswork and trickery. This is subject to all sorts of scheming and gaming, in the grand tradition of Enron. It is very difficult to monitor such decoupling which actually undermines the whole concept of Test Year calculations. If companies are experiencing revenue problems because of conservation and other factors, they can always come in for rate increases or even emergency rate increases. Thus there is no need to resort to decoupling.

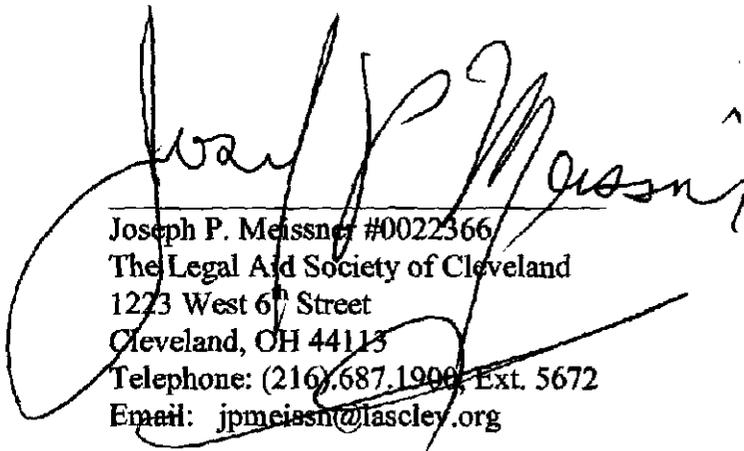
6. Staff has made recommendations about the Demand-Side Management Proposals for DEO. For many years, since 1987, the Company has provided support for such programs. In fact, it was some of the membership of the current Citizens Coalition which was involved in recommending and helping the Company begin this program of "House Warming" in 1987. The Company and its leadership are to be complimented on its continuous support for these programs, such as Housewarming. The amount of funding has been about the same for over twenty years at about \$ 3.5 million. The problem is that both Staff and Company are now proposing a figure of \$5.27 million. This is an increase, but of only about fifty percent. During this same period gas rates have about quadrupled. The need for weatherization and other such energy savings programs has multiplied correspondingly. Such energy saving measures are required both for individual customers as well as for our American economy in general. The Citizens Coalition certainly agrees there should be such programs and does again

compliment both Staff and the Company for their efforts. However, the amount must be substantially and significantly increased. Furthermore, the Stockholders share should be substantially augmented, especially if any rate increases are granted at all. The Citizens Coalition recommends that the amount for the DSM and related programs be increased to \$25,000,000 a year with \$5 million being the share from the stockholders.

7. The Staff is recommending a rate of return of 8.72% with a range running from 8.22% to 8.75%. The Citizens Coalition does not understand why a figure near the top of the range should be recommended rather than either a rate of return at the bottom of the range or one in the middle. The Citizens Coalition is opposed to any rate increases at this time, when food prices, gasoline prices, and other costs for necessities are skyrocketing. It is time for the Company, its executives, and the stockholders to do their share to control prices for necessities such as energy. The Citizens Coalition urges the Staff to adopt the bottom of the proposed range for a rate of return of 8.22% for this Company, which is still within the Staff's overall recommendation..

This completes the Objections to the Staff Report for the Citizens Coalition. the Coalition does reserve the right to rely upon and use Objections which are filed by any other party to this proceeding.

Respectfully submitted,

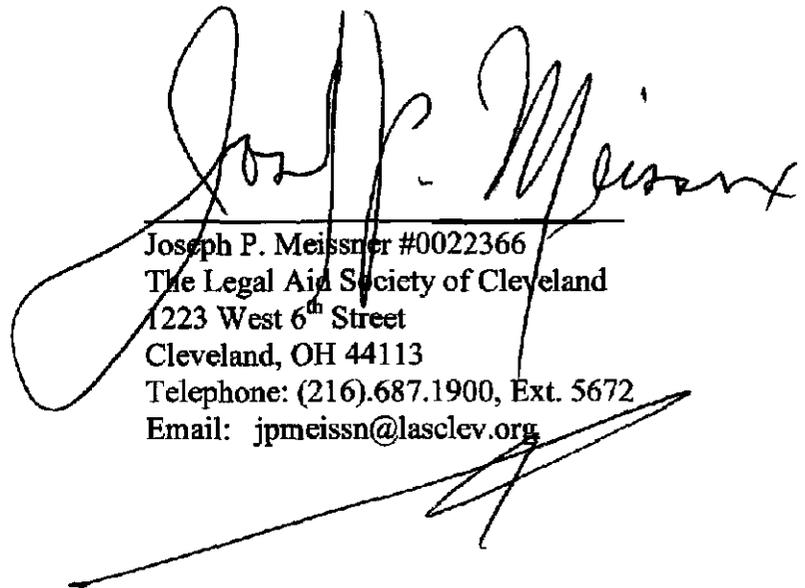


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and
The Empowerment Center of
Greater Cleveland

NOTICE OF SERVICE

I hereby certify that a copy of the foregoing Legal Document was served upon the address of the parties in this PUCO proceeding listed below, and the other parties listed in this case, by ordinary first class mail, postage prepaid, on this 23 day of June 2008.



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