

**FILE**

**BEFORE**

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**THE PUBLIC UTILITIES COMMISSION OF OHIO**

**PUCO**

In the Matter of the Application of :  
Vectren Energy Delivery of Ohio, Inc., :  
for Authority to Amend its Filed Tariffs : Case No. 07-1080-GA-AIR  
to Increase the Rates and Charges for Gas :  
Services and Related Matters. :

In the Matter of the Application of :  
Vectren Energy Delivery of Ohio, Inc., :  
for Approval of an Alternative Rate Plan : Case No. 07-1081-GA-ALT  
for a Distribution Replacement Rider to :  
Recover the Costs of a Program for the :  
Accelerated Replacement of Cast Iron :  
Mains and Bare Steel Mains and Service :  
Lines, a Sales Reconciliation Rider to :  
Collect Differences between Actual and :  
Approved Revenues, and Inclusion in :  
Operating Expenses of the Costs of :  
Certain Reliability Programs. :

**SUPPLEMENTAL TESTIMONY  
OF  
STEPHEN E. PUICAN**

**RATES & TARIFFS/ENERGY & WATER DIVISION IN  
THE UTILITIES DEPARTMENT OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO**

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Technician [Signature] Date Processed 9-11-08

1 1. Q. Would you please state your name and business address?

2 A. My name is Stephen E. Puican. My business address is 180 East Broad Street,  
3 Columbus, Ohio.

4

5 2. Q. What is your present employment?

6 A. I am currently employed as Co-Chief of the Rates & Tariffs / Energy & Water  
7 Division in the Utilities Department of the Public Utilities Commission of Ohio  
8 ("PUCO").

9

10 3. Q. Are you the same Stephen E. Puican who has previously filed testimony in  
11 this proceeding?

12 A. Yes, I am.

13

14 4. Q. What is the purpose of your testimony?

15

16 A. I am supporting the Stipulation and Recommendation (Stipulation) filed in  
17 this proceeding on September August 8, 2008.

18

19 6. Q. Was the Staff present at the negotiations that resulted in the Stipulation?

20 A. Yes, the Staff was present at all of the meetings.

21

1 7. Q. Were all of the parties to this proceeding present at these meetings?

2 A. Settlement meetings were noticed to all parties and all parties were present  
3 either in person or by phone or they chose not to be present.  
4

5 8. Q. Do you believe the Stipulation filed in this case is the product of serious  
6 bargaining among knowledgeable parties?

7 A. Yes. This agreement is the product of an open process in which all parties  
8 were represented by able counsel and technical experts. Extensive  
9 negotiations occurred. The Stipulation represents a comprehensive  
10 compromise of issues raised by parties with diverse interests. All parties  
11 have signed the Stipulation and adopted it as a reasonable resolution of all  
12 issues except the single rate design issue that has been reserved for litigation.  
13 I believe that the Stipulation that the parties are recommending for  
14 Commission adoption presents a fair and reasonable result.  
15

16 9. Q. In your opinion, does the Settlement benefit ratepayers and promote the  
17 public interest?

18 A. Yes.

19 • The stipulation establishes a fair and reasonable revenue requirement  
20 with an increase in the base rates of approximately 3.34%.

- 1           • It recommends fair compromise of the tariff subsidy issue.
- 2           • It extends Vectren shareholders' funding of a low-income conservation
- 3           program until the effective date of rates approved in this proceeding.
- 4           • It establishes a distribution system replacement program to accelerate the
- 5           replacement of an aging distribution system and provides for reasonable
- 6           oversight of the program.
- 7           • It establishes a program to address the safety concerns of prone-to-fail
- 8           risers and a schedule to replace these risers within a reasonable period of
- 9           time.
- 10          • It adopts a proposal for Vectren to assume ownership and repair
- 11          responsibility of customer service lines.
- 12          • It provides for a significant expansion of funding for energy efficiency
- 13          programs.

14   10.   Q.   Does the Stipulation violate any important regulatory principle?

15       A.   No.

1 11. Q. Are you recommending its adoption by the Commission?

2 A. Yes. I believe the Stipulation represents a fair and reasonable compromise of diverse  
3 interests and provides a fair result for customers.


4

5 12. Q. Does this conclude your testimony?

6 A. Yes, it does.

## PROOF OF SERVICE

I hereby certify that a true copy of the foregoing Supplemental Testimony of Stephen E. Puican, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by regular U.S. mail, postage prepaid, hand-delivered, and/or delivered via electronic mail, upon the following parties of record, this 11th day of September, 2008.

  
Werner L. Margard  
Assistant Attorney General

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