

FILE

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE :  
 APPLICATION OF VECTREN :  
 ENERGY DELIVERY OF OHIO, :  
 INC. FOR AUTHORITY TO AMEND : CASE NO.07-1080-GA-AIR  
 ITS FILED TARIFFS 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. PLAN FOR A DISTRIBUTION: CASE NO.07-1081-GA-ALT  
 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 :  
 RECONCILLIATION RIDER TO :  
 COLLECT DIFFERENCES BETWEEN :  
 ACTUAL AND APPROVED REVENUES :  
 AND INCLUSION IN OPERATING :  
 EXPENSE OF THE COSTS OF :  
 CERTAIN SYSTEM RELIABILITY :  
 PROGRAMS. :

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Transcript of the public hearing  
 taken on Thursday, September 4, 2008, starting at  
 6:00 p.m., at the Dayton City Hall Council  
 Chambers, 101 West Third Street, Dayton, Ohio,  
 before Lisa K. Keller, a Registered Merit Reporter  
 and Notary Public within and for the State of Ohio.

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1 MR. PRICE: Good evening. The  
2 Public Utilities Commission of Ohio is set for  
3 hearing at this time and this place for Case Number  
4 07-1080-GA-AIR, in the matter of the application of  
5 Vectren Energy Delivery of Ohio, Inc. for authority  
6 to amend its filed tariffs to increase the rates  
7 and charges for gas services and related matters.

8 My name is Gregory Price. I'm the  
9 attorney examiner presiding over this case. With  
10 me this evening is Commissioner Valerie Lemmie.  
11 I'd like to begin by taking appearances by the  
12 parties, starting with the company.

13 MS. HUMMEL: Thank you, Your  
14 Honor. I'm Gretchen Hummel on behalf of Vectren  
15 Energy Delivery of Ohio, McNeese, Wallace and  
16 Nurick, 21 East State Street, Columbus, Ohio,  
17 43215, and Lawrence Friedeman, vice-president and  
18 deputy general counsel, Vectren Energy Delivery of  
19 Ohio, Inc., P.O. Box 209, Evansville, Indiana,  
20 47709.

21 And for the record I'd like to  
22 note that we also have with us a number of other  
23 folks from the company. We have with us the  
24 president of Vectren Corporation, Carl Chapman,  
25 president of Vectren Energy Delivery of Ohio, Dan

1 Berry. We have Lynda Hoffman, who is our community  
2 affairs manager for Vectren Energy Delivery of  
3 Ohio. In addition to Mr. Friedman, we have two  
4 additional corporate vice-presidents, Jerry Ulrey,  
5 regulatory affairs and fuels, and Doug Petitt,  
6 marketing and conservation. And we have with us  
7 also three directors of the company, Chase Kelley  
8 of corporate communications, Scott Albertson,  
9 regulatory affairs, and Breck Sparks, customer  
10 regulations.

11 And finally and not the least we  
12 have with us a number of customer service people  
13 right in the back on this side of the room where  
14 I'm standing and in case any of our customers have  
15 come today with questions about their bills or  
16 service problems that they would like to discuss,  
17 these folks have come to be available for that  
18 purpose, and we will remain here after this hearing  
19 is over as long as it takes to talk to anyone who  
20 would like to talk with us and address their  
21 issues. Thank you.

22 MR. PRICE: Thank you.

23 MR. REESE: Thank you, Your Honor.

24 On behalf of the residential rate payers of Vectren  
25 Energy Delivery and on behalf of the Ohio Consumers

1 Council, Janine Migden-Ostrander, Rick Reese,  
2 assistant consumers counsel, 10 West Broad Street  
3 18th floor, Columbus, Ohio, 43215.

4 I also wanted to note that we have  
5 four of my colleagues from the Consumers Council  
6 offices on the back left there in case any of you  
7 have any questions about your residential bill or  
8 concerns about the case. Thank you very much.

9 MR. PRICE: Thank you. Let's  
10 begin with our first witness. I would like to  
11 remind our witnesses that you will be giving sworn  
12 testimony this evening and the attorneys from the  
13 company or the interveners are allowed to ask  
14 questions about your testimony while you're under  
15 oath. Our first witness this evening is Dale  
16 Louderback.

17 WHEREUPON:

18 DALE LOUDERBACK,  
19 of lawful age, being first duly sworn as  
20 hereinafter certified, testified as follows:

21 MR. PRICE: State your name and  
22 address.

23 MR. LOUDERBACK: Dale Louderback,  
24 1272 Eagles Way, Xenia, Ohio.

25 MR. PRICE: Thank you. Please

1 proceed.

2 MR. LOUDERBACK: My name is Dale  
3 Louderback, as I just said. I'm a member of Xenia  
4 City Council, so I'm here speaking for a lot of our  
5 citizens tonight. So I'd like to begin with some  
6 facts. In September of 2007 Vectren Energy  
7 Delivery of Ohio filed a request with the Public  
8 Utilities Commission of Ohio to increase its  
9 delivery rates. In addition, Vectren seeks to  
10 shift the rate structure of its natural gas  
11 delivery charge from a usage-based fee to a higher  
12 fixed monthly customer charge.

13 I oppose both the increase and the  
14 proposed change in the rate structure. The company  
15 is proposing an approximately 27 million dollar  
16 annual base rate increase for all customers. The  
17 customer charge would raise from \$7 to \$16 and \$75  
18 dollars per month during the peak -- I'm sorry --  
19 the peak winter heating months from November 1,  
20 2008, through April 30, 2009.

21 Vectren has also requested an  
22 increase from \$7 to \$10 per month from May 1st  
23 through October 31st, 2009. Beginning November  
24 1st, 2009, winter rates will increase to \$20.04 per  
25 month while summer rates will go up \$11.96 per

1 month the following May.

2                   These requests come at a time when  
3 energy prices are on the rise again. Prediction  
4 for this winter's heating season indicate the  
5 prices will continue to rise. A higher flat rate  
6 customer charge means customers will pay over \$16  
7 and \$75 during the winter heating season  
8 regardless, and I say again, regardless of how much  
9 natural gas is used.

10                   I oppose raising the flat customer  
11 charge because it will negatively impact customers  
12 who attempt to conserve energy and result in  
13 customers who use less natural gas paying the same  
14 customer charge as higher-usage customers. To me  
15 this is just the rich feeding from the poor.  
16 Increasing the fixed customer charge limits the  
17 ability for consumers to control their monthly  
18 bills by being more energy efficient, which is  
19 critical as the cost of natural gas continues to  
20 rise.

21                   I also believe increasing the  
22 customer charge has the potential to result in low  
23 usage, lower income customers subsidizing high  
24 usage, higher income customers, as I said before.

25                   Now I come from a small town where

1 we have a lot of people in poverty and at the  
2 poverty level. We have a lot of people on fixed  
3 incomes. I believe the gasoline companies is the  
4 demise of this country, spinning us into a  
5 recession soon to be, hopefully not, but soon to be  
6 maybe a depression. And I think the natural gas  
7 companies are just following suit and they are  
8 putting their hands in the till with the big oil  
9 companies. Thanks for the opportunity.

10 MR. PRICE: Thank you. Are there  
11 any interested parties who signed the sheet that I  
12 have not called that would like to testify?  
13 Anybody who has not signed the sheet that would  
14 like to testify? Yes, sir, please come up.

15 WHEREUPON:

16 WES FARROW,  
17 of lawful age, being first duly sworn as  
18 hereinafter certified, testified as follows:

19 MR. PRICE: State your name and  
20 address.

21 MR. FARROW: I'm Wes Farrow, 942  
22 Fieldson Drive here in Dayton, and I just want to  
23 make a short statement. In January I paid 91 cents  
24 for 100 cubic feet of natural gas. Last month I  
25 paid 1.39 for the same 100 cubic feet of natural

1 gas. This is a 55 percent increase in six months,  
2 and I'm just concerned. That's a pretty strong  
3 increase in such a short period of time. I think  
4 what you're doing now -- maybe what I'm asking, is  
5 the increase you're asking for now on top of this  
6 increase that we already have or is this it? It's  
7 a 55 percent increase right now in the past six  
8 months.

9 MR. PRICE: As Commissioner Lemmie  
10 pointed out, 80 percent of the bill is the  
11 commodity cost. The remaining 20 percent is the  
12 cost to deliver gas to your home. I don't know the  
13 exact numbers there. It may be that this is in  
14 lieu of part of that or maybe it's part of it, I'm  
15 not sure whether you're quoting just your GCR cost.

16 MR. FARROW: That's all.

17 MR. PRICE: Just the GCR?

18 MR. FARROW: Yes.

19 MR. PRICE: This is a different  
20 portion of your bill.

21 MR. FARROW: It's included in the  
22 bill, but it's just part of it?

23 MR. PRICE: That's correct.

24 MR. FARROW: There's more to it?  
25 This is just the gas itself?



1 MR. PRICE: Just the gas itself.  
2 This case is on the other part, the cost of  
3 delivering the gas.

4 MR. FARROW: Okay. I'm sorry.

5 MR. PRICE: No problem.

6 WHEREUPON:

7 VICKIE CARRAHER,

8 of lawful age, being first duly sworn as  
9 hereinafter certified, testified as follows:

10 MR. PRICE: State your name and  
11 address.

12 MS. CARRAHER: Vickie Carraher,  
13 2007 Highlander Drive, Xenia. I'm representing the  
14 senior citizens of our area. I am a geriatric  
15 specialist and on a daily basis I sit before  
16 seniors who ask me how do I pay this bill? It  
17 increases so much on a regular basis. Many of them  
18 are being shut off because they can't afford to pay  
19 the bill.

20 Our agencies that have assistance  
21 for individuals who cannot pay those bills, they  
22 have waiting lists, and there are people that are  
23 unable to pay bills on a regular basis. I sit in  
24 front of seniors on a regular basis who say to me  
25 do I eat this month or do I pay this bill. So I

1 would just like to let people know that there are a  
2 lot of people who have experienced a lot of  
3 increased costs during this time and with increased  
4 gas and increases in just about everything that you  
5 need to live.

6 There are people on very fixed  
7 incomes who those incomes will not go up and those  
8 individuals will be affected very greatly by this  
9 increase. That's it.

10 MR. PRICE: Thank you.

11 MS. HUMMEL: Your Honor, we will  
12 meet with Ms. Carraher after the hearing and  
13 provide her information with respect to options for  
14 help and assistance in paying bills and assistance  
15 with options for payment plans that she can pass on  
16 to the people that she speaks with.

17 MR. PRICE: Thank you.

18 MS. CARRAHER: I do that. I do  
19 refer people to the PIP program and the subsidy  
20 programs on a regular basis, but right now there  
21 isn't a lot of money left for help. Thank you.

22 MR. PRICE: Thank you. Would  
23 anybody else like to testify at this time? I think  
24 we're going to go off the record at this point and  
25 take a short ten-minute recess and see if anybody

1 else comes that would like to testify in these  
2 proceedings. Thank you.

3 (Whereupon, a recess was taken.)

4 MR. PRICE: We're going to go back  
5 on the record at this time. We have returned from  
6 our brief recess. Are there any customers that  
7 would like to testify at this time who have not had  
8 an opportunity to testify? Seeing none, we'll  
9 adjourn today's hearing. We'll have another public  
10 hearing September 8 at 6:00 in Washington  
11 Courthouse. Thank you for attending.

12 (Concluded at 6:31 p.m.)

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C E R T I F I C A T E

I, Lisa K. Keller, a Registered Professional Reporter, do hereby certify that the foregoing is a full, true and correct transcript of my notes taken in the above-styled case and thereafter transcribed by me.



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Lisa K. Keller, RMR

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