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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. :

PUCO

2008 SEP 18 PM 2:00

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Transcript of the public hearing
taken on Wednesday, September 3, 2008, starting at
6:00 p.m., at the Sidney Council Chambers, 201 West
Poplar Street, Sidney, Ohio, before Mary A.
Schweinhagen, a Registered Merit Reporter,
Certified Shorthand Reporter, and Notary Public
within and for the State of Ohio.

2018/11/16
This is to certify that the foregoing are true and correct as the same were read and approved by me at the time of filing.

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

9 My name is Gregory Price; I am the
10 attorney examiner provided to preside over the
11 hearing of this case.

12 This is the first of four public
13 hearings in this matter. Let's begin by taking
14 appearances from the parties, starting with the
15 company.

16 MS. HUMMEL: Thank you, Your
17 Honor. On behalf of Vectren Energy Delivery of
18 Ohio, McNeese, Wallace & Nurick, by Gretchen J.
19 Hummel, at 21 East State Street, Columbus, Ohio,
20 43215. And Lawrence K. Friedeman, Vice President
21 and Deputy General Counsel of Vectren Energy
22 Delivery of Ohio, P.O. Box 209, Evansville,
23 Indiana, 47709.

24 For the record, I'd also like to
25 indicate that Vectren has with it tonight the

1 President of Vectren Corporation, Carl Chapman; the
2 President of Vectren Energy Delivery of Ohio, Dan
3 Berry; the community affairs person for Vectren
4 Energy Delivery of Ohio, Lynda Hoffman; two vice
5 presidents, Doug Petitt, of Marketing and
6 Conservation; Dan Bugher, Vice President of
7 Information Technology; three directors, Chase
8 Kelley, Scott Albertson, and Brett Sparks, excuse
9 me, Breck Sparks.

10 And in addition, in case customers
11 are here who have service problems, problems with
12 their bills, problems with their pressure,
13 whatever, and they'd like to speak directly to a
14 Vectren customer service person, we have a number
15 of people who can help customers with any problems
16 they are having, and we'll stay as long as it takes
17 after this hearing is over to help any one of you
18 who needs the help.

19 Thank you, Your Honor.

20 MR. PRICE: Thank you. Consumers'
21 counsel.

22 MS. GRADY: Thank you, Your Honor.

23 On behalf of the residential customers of the PUCO
24 company, the Office of Consumers' Counsel, Janine
25 L. Migden-Ostrander, Consumers' Counsel; Maureen R.

1 Grady, lead attorney, 10 West Broad Street,
2 Columbus, Ohio, 43215.

3 And if Your Honor, if I may, just
4 make a quick brief statement. On behalf of, as
5 your attorney --

6 MR. PRICE: Ms. Grady, I don't
7 think we will be taking statements tonight. Thank
8 you.

9 MS. GRADY: Thank you, Your Honor.

10 MR. PRICE: Once again the purpose
11 of tonight's hearing is to receive comments from
12 the PUCO regarding Vectren's proposed rates. This
13 is your opportunity to let the Commission know what
14 you think about the company's request.

15 I will take the witnesses in the
16 order in which they signed up. Before presenting
17 testimony you will be asked to make an oath or
18 affirmation on which you state is the sworn truth.
19 However, you will also be subject to cross
20 examination by any of the parties.

21 Tonight's hearing is being
22 transcribed by a court reporter. I ask everybody
23 to please speak clearly and try to raise your voice
24 up so that she can accurately reflect your views.

25 Let's begin by taking the

1 testimony of John Laws.

2 WHEREUPON:

3 JOHN LAWS,

4 of lawful age, being first duly sworn as
5 hereinafter certified, testified as follows:

6 JOHN LAWS: Yes, sir.

7 MR. PRICE: Please state your name
8 and address for the record.

9 JOHN LAWS: My name is John Laws,
10 L-A-W-S. I live at 1000 Norwood Drive in Sidney,
11 Ohio.

12 MR. PRICE: Please proceed.

13 JOHN LAWS: I was at the last PUCO
14 meeting at which they were talking about the
15 auction and bidding of the gas service, and I think
16 it went well. It was an excellent meeting. It was
17 kind of nice to meet some people of Vectren. I
18 have been a customer of Vectren ever since they
19 bought out Dayton Power & Light, so I have to say
20 that justifiably.

21 With the increase which was
22 published Tuesday, July 29, 2008, in Dayton Daily
23 News, approximately 27 million dollars was what
24 they were asking for in increases. My biggest pet
25 peeve of the bunch was the customer service charge

1 increase, from \$7 to \$16.75. That's a 139 percent
2 increase. I think it's quite exuberant. This
3 would be actually during a period from November 1st
4 of 2008 through April 30th of 2009. Then May 1st
5 it would remain at \$10, in other words it would go
6 up from 7 to 10, which is a 43 percent increase.
7 So we are getting an exorbitant increase I feel.

8 The company states the
9 distribution rate would be lower. Well, first of
10 all I question how much is it going to be lower.
11 We have not been told that because -- the public
12 out here. How many customers do you have that
13 would be affected by the huge customer service
14 charge increase? How much is really a reasonable
15 charge? I think that's what you've asked for in
16 your charges.

17 I'd like to say as part of
18 services which Vectren provides, crude oil prices
19 have now dropped again dramatically since April.
20 So I am sure that if they buy the gas at the rates
21 they are at now, it will be less expensive then for
22 to use their vehicles and service people than it
23 would be -- than it would have been just a few
24 weeks ago.

25 I give you an example, my own

1 residential statement. I am just a family, my wife
2 and I; we are both retired, 77 years old and proud
3 of it. Just received the statement from Vectren,
4 and all I have on this is a 40-gallon hot water,
5 gas-fired tank. That's all we've got on this gas
6 line. It's insulated because one of the guys said,
7 well, you ought to insulate it. Well, I have
8 insulated it. I think it's R-13 but I am not sure;
9 it's insulated.

10 Based on 28 days, my cost for that
11 hot water heater was \$52.82. Now if that's
12 reasonable, then something's wrong. If you base it
13 on 28 days, that's an average of \$1.89 per day. It
14 doesn't sound like much. But just the increase
15 with the customer service charge my cost would
16 increase to \$69.32, that's making 2.48 per day
17 instead of 1.89, 31 percent increase.

18 How many of you here present are
19 going to receive a 30 percent increase in your
20 wages and salaries that you get?

21 I'd like to ask a question, too,
22 also of Vectren. I hope it can be answered. Who
23 sets the gas recovery charges? At the present time
24 our charge is at 1.37679 per ccf. I'd just like to
25 say, you know, how much of a raise is enough? And

1 I do -- I think they did receive a 15 million
2 dollar increase in 2005. And now you are asking
3 for about 27 million more.

4 So I'm thankful that you take time
5 to listen to me, and I'm happy to be a consumer of
6 Vectren, but I just think you are asking for way,
7 way, way too much of an increase. Thank you very
8 much.

9 MR. PRICE: Thank you.

10 MS. GRADY: Your Honor, may I ask
11 the witnesses questions? Will I have that
12 opportunity in this proceeding?

13 MR. PRICE: All witnesses are
14 subject to cross examination. Mr. Laws please come
15 back up.

16 MS. GRADY: Can you please?

17 JOHN LAWS: Yes, yes.

18 MS. GRADY: Mr. Laws, can I call
19 you John?

20 JOHN LAWS: Yes.

21 MS. GRADY: I am with the Office
22 of Consumers' Counsel. I am your attorney in this
23 proceeding.

24 JOHN LAWS: Thank you.

25 MS. GRADY: Are you aware that in

1 2010 the customer charge will increase to 20.04?

2 JOHN LAWS: That's correct.

3 MS. GRADY: With the winter charge
4 and the summer charge would be 11.96.

5 JOHN LAWS: That's correct.

6 MS. GRADY: So that's more of a 30
7 percent increase.

8 JOHN LAWS: That's correct.

9 MS. GRADY: That's all the
10 questions I have.

11 MR. PRICE: Yes, thank you.

12 Anything else?

13 MS. HUMMEL: I don't think so.

14 Thank you.

15 MR. PRICE: Betty Hughes.

16 WHEREUPON:

17 BETTY HUGHES,

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

20 MR. PRICE: Please state your name
21 and address for the record.

22 BETTY HUGHES: I am Betty Hughes
23 of 3333 Buckeye Avenue, Sidney, Ohio, 45365-1209.

24 MR. PRICE: Please proceed.

25 BETTY HUGHES: And I am just a

1 small homeowner consumer. And my level billing in
2 2006 to 2007 was \$94. I pay by the month. I have
3 gas heat and I have a hot water heater.

4 In 2007-2008 it went to \$135,
5 which was \$41 increase per month. We called and
6 asked why it went up that quickly and that much.
7 It had only gone up a little the prior years. And
8 they said, well, because you pay more for your --
9 at the end of the year you are still paying for
10 what you used all year. And I said okay. So I was
11 paying \$135 till this month.

12 And this month I am paying \$170.
13 That's another \$45 per month. And it's just more
14 than -- and I had, my August billing, I had credit.
15 So if they got my money all year long and used it
16 and yet I had credit, why do they have to increase
17 it for the next year? Thank you.

18 MR. PRICE: Ms. GRADY?

19 MS. GRADY: No questions, Your
20 Honor.

21 MR. PRICE: Ms. Hummel?

22 MS. HUMMEL: No, thank you, Your
23 Honor.

24 MR. PRICE: Our next witness is
25 Wayne York.

1 WHEREUPON:

2 WAYNE YORK,

3 of lawful age, being first duly sworn as
4 hereinafter certified, testified as follows:

5 MR. PRICE: Please state your name
6 and address for the record.

7 MR. YORK: My name is Wayne York;
8 I am the village administrator in New Bremen, Ohio,
9 in Auglaize County, 3,000 people. Yes, John, I
10 didn't see you in a long time.

11 As far as the merits of the case,
12 Mayor Jeff Pape and I are here tonight; we are
13 going to here the proceedings and we are going to
14 report back and perhaps the Village Council may
15 choose to file comments or not.

16 But I do have one thing I would
17 like to report on, the field operations, and it's
18 actually, it's a very important hidden cost in
19 there. The last year the New Bremen -- we chose to
20 rebuild a street in town. We gave Vectren very
21 little notice, and they took care of replacing
22 their gas line. It had to be lowered and had to be
23 moved because of some of the facilities, you know,
24 waterlines and sewer lines that we were replacing.
25 They did a good job. And they took care of that

1 promptly.

2 I think I would have complained on
3 the short notice that we gave them. We made a
4 major policy decision about how far to go with the
5 project. And at least as field operations go, and
6 I know that that's plowed into this base rate, they
7 did a good job. And of course they didn't get the
8 full life out of that gas line that was, you know,
9 originally expected. So at least as far as the
10 field operations go I wanted to report that because
11 I think that's part of the picture also.

12 And I know another hidden cost
13 here in that base rate is the cost of locating
14 utility lines. That's the oops protection service.
15 And I know in our village office we have water,
16 sewer, and electric operations of our own, and I
17 mean it's daily. And I can't imagine what it is
18 for a large utility like Vectren, but we have a
19 constant trail of faxes coming in to go out and
20 locate lines. And you got to pay somebody like
21 central locating or do it yourself and go out there
22 and measure those, find these things, and then
23 locate them.

24 So at least those part of the
25 field operations work pretty good as far as I see

1 on a day-to-day basis. And as far as the rest of
2 the matter I will defer that to the Village Council
3 next week.

4 MR. PRICE: Thank you.

5 Ms. Grady?

6 MS. GRADY: No questions, Your
7 Honor.

8 MR. PRICE: Ms. Hummel?

9 MS. HUMMEL: No, thank you.

10 MR. PRICE: Thank you very much.

11 Mayor Pape.

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1 WHEREUPON:

2 MAYOR JEFF PAPE,
3 of lawful age, being first duly sworn as
4 hereinafter certified, testified as follows:

5 MR. PRICE: State your name and
6 address for the record.

7 MAYOR JEFF PAPE: I am Jeff Pape,
8 as Wayne said. I am the Mayor of New Bremen.
9 Wayne made all the points, you know, for Vectren.
10 But I being the mayor also have to be concerned of
11 the persons like John, and I forget your name, I am
12 sorry, that they are on a fixed income. So we want
13 to be fair to the residents as well.

14 Everyone has to do things to keep
15 their monies up to maintain their properties, their
16 utilities, whatever. We incur the same thing in
17 New Bremen. All I'm saying is I hope it's fair and
18 that you've judged properly. And it is a fair rate
19 and not an overfair rate, as John may have said
20 before. So I would just like to make those
21 comments.

22 MR. PRICE: Thank you very much.

23 Linda Sanders.

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1 WHEREUPON:

2 LINDA SANDERS,

3 of lawful age, being first duly sworn as
4 hereinafter certified, testified as follows:

5 MR. PRICE: State your name.

6 LINDA SANDERS: My name is Linda
7 Sanders, 1233 Turner Drive, Sidney, Ohio, 45367.
8 And again I'm just a regular consumer; you know,
9 we're a working family. And I just want to
10 mention, three years ago -- we're budget people.
11 Three years ago our budget was \$40. The following
12 year it went to \$83. Now it's \$107.

13 And I also have account balance
14 credit on our account. And so I just -- and I've
15 called a couple times trying to, you know -- it's
16 not very clear on how we get all these little extra
17 charges, you know. Those are, you know, you just
18 have to accept them, you know. There's not
19 anything you can do.

20 But the other thing that I'm
21 concerned is the flat billing. You know, where is
22 the incentive to be good consumers, you know, to be
23 energy conscious, you know? There is lots of ways
24 these days that they are selling products that you
25 can save energy and be good consumers, you know.

1 And with this, it's just taking that out
2 completely. So that's all I have to say.

3 MR. PRICE: Thank you.

4 MS. GRADY: Your Honor, if I may
5 address?

6 MR. PRICE: Certainly.

7 MS. GRADY: Linda, again I am with
8 the Office of Consumers' Counsel; we are their
9 representatives in this case.

10 You mentioned the flat rate and
11 increase in the customer charge. If the flat rate
12 is increased from the current charge of \$7 to the
13 company's proposed winter charge of 16.75, are you
14 personally going to have incentive to conserve --

15 LINDA SANDERS: No --

16 MS. GRADY: -- or engage in any
17 energy conservation?

18 LINDA SANDERS: -- absolutely not.

19 MS. GRADY: And why is that.

20 LINDA SANDERS: Because if it's --
21 my usage rate is now based on my usage. I mean the
22 rate is, the distribution rate is on the usage.
23 Well, if you are not going to -- if everybody's
24 getting the same rate, why should I turn the
25 thermostat down, other than for, so that I can

1 afford, you know, to pay the bill, you know. But
2 other than that, there's no incentive.

3 MR. PRICE: Thank you.

4 Ms. Hummel?

5 MS. HUMMEL: No thank you, Your
6 Honor.

7 MR. PRICE: Thank you. Our next
8 witness is Ronald R. Suitor.

9 RONALD SUITOR: Your Honor, I
10 would like to forfeit my right to speak.

11 MR. PRICE: Thank you. Our next
12 witness then is Maryellen Switzer.

13 WHEREUPON:

14 MARYELLEN SWITZER,

15 of lawful age, being first duly sworn as
16 hereinafter certified, testified as follows:

17 MR. PRICE: Please state your name
18 and address for the record.

19 MARYELLEN SWITZER: My name is
20 Maryellen Switzer, and I live at 819 Stratford
21 Street here in Sidney, Ohio, 45365.

22 Now, I have been listening to all
23 these politicians speak from both parties and they
24 all say let's do what's good for all America. And
25 so then I have to come down here to say, well, how

1 do we start? I mean where do we start?

2 I don't know if you're allowed to
3 find this out at the PCO, or PCU, but what is the
4 current reasonable rate of return and the current
5 executive salaries for Vectren? I mean I think
6 that would be nice to know. And then I would like
7 to know what the expected increase as a result of
8 this raise is going to be for both, the return and
9 the executives' salary.

10 And then when does reasonable
11 profit become corporate greed? That was a question
12 we all have to ask. You know, when does -- when
13 did greed come into the picture? I don't know. We
14 hear these lovely speeches. We all want what's
15 best for America I think. And I just would wish
16 that everybody would be treated more fair. Thank
17 you.

18 MR. PRICE: Thank you.
19 Ms. Switzer, just as an aside, the answer to some
20 of your questions, but not all, may be contained in
21 the staff report which was prepared by the PUCO
22 technical staff. As we heard earlier, they are
23 independent of the Commissioners; this does not
24 necessarily reflect the Commissioners' views, but
25 it does have some information regarding rate of

1 return and the requested increase. And you can get
2 this from the PUCO at either our website,
3 www.PUCO.ohio.gov, or you can call 1-800-686-PUCO.

4 MARYELLEN SWITZER: So at this
5 point, based on that you have got that published,
6 you would assume they are getting a reasonable rate
7 of return?

8 MR. PRICE: I think you have to --
9 I really can't answer any questions in that role
10 but the staff's view is contained in this.

11 MARYELLEN SWITZER: I will ask if
12 Social Security has given us a reasonable increase?
13 And with that I will sit down. Thank you.

14 MR. PRICE: Thank you. Let's go
15 off the record.

16 (Off the record.)

17 MR. PRICE: Is there anybody who
18 did not sign up that would like to take advantage
19 of this opportunity to testify at this time? Yes,
20 ma'am. Please come on up.

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1 WHEREUPON:

2 DARLENE FERGUSON,
3 of lawful age, being first duly sworn as
4 hereinafter certified, testified as follows:

5 MR. PRICE: Please state your name
6 and address for the record.

7 DARLENE FERGUSON: Darlene
8 Ferguson, 631 Wilson Avenue, Sidney, Ohio, 45365.

9 MR. PRICE: Please proceed.

10 DARLENE FERGUSON: Okay. I
11 basically have many concerns about this. I, too,
12 have been someone who has been on budget billing,
13 and I've always paid more on my bill than what my
14 bill was due, just because I've always known that
15 in August you are going to get -- you are going to
16 have to make up your billing.

17 I got notified by Vectren to
18 please not do that any more. They don't like to
19 carry a credit on a customer who has budget
20 billing. Yesterday, sorry about yesterday -- last
21 month I got a bill with a zero balance. I've had
22 very small, you know, amounts that are actually due
23 but yet still need to pay, you know, my budget
24 billing amount.

25 But I always look on my usage and

1 what is due. And when I look on there and it says
2 only 37 so what dollars is due on this bill but yet
3 I am paying \$127, and then the month of July I get
4 a bill that says zero due, zero due. And this was
5 after they had called and asked me not to pay any
6 additional money so that I won't have a running
7 credit. They said this is very hard for Vectren to
8 take care of on customers who have budget billing.

9 Now when you know that there is
10 going to be a bill coming at the end of the year
11 that you are either going to have to make up or
12 some people will get a credit, I've had a running
13 credit with Vectren for the past year because, as I
14 said, I always pay more.

15 Then this month -- after last
16 month of having a zero account balance, this month
17 I get a bill for \$234. You know, this doesn't make
18 sense to me. I don't understand how Vectren -- I
19 could be off a couple dollars, I do not have my
20 bill here with me, but you tell me how I can go
21 from a credit balance to them asking me not to pay
22 on a credit balance, it's, quote, easier to take
23 care of your budget billing customers when they pay
24 just the straight amount. They don't want to deal
25 with any credits.

1 My second comment is the fact
2 that, you know, I'm in a home with a very limited
3 budget. I consider as well my mother, my
4 mother-in-law, they are on fixed incomes. I do not
5 see anyone's check rising from the government. I
6 don't see Social Security paying out saying, oh,
7 you know, in this month's check we are notifying
8 you that we have realized that your Vectren bill
9 has gone up and is going to go up this many dollars
10 so we as the United States Government are going to
11 take over and give you a raise to compensate for
12 that.

13 You are absolutely robbing from
14 your customers, you are absolutely overstepping
15 your bounds, and you are asking for too much money.

16 MR. PRICE: Thank you very much.

17 Would anybody else like to testify
18 who's not had an opportunity to sign up? Seeing no
19 one, we are adjourned for the evening. Thank you
20 all very much.

21 The next public hearing will take
22 place tomorrow at 2 p.m. in Dayton, Ohio.

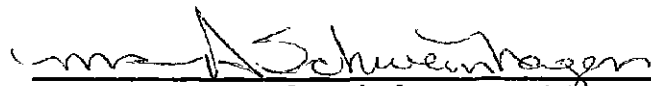
23 (Hearing concluded at 6:36 p.m.)

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C E R T I F I C A T E

I, Mary A. Schweinhagen, a Registered Merit Reporter and Certified Realtime 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.


Mary A. Schweinhagen, RMR, CRR