

1 BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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3 In the Matter of: :
: Case No. 07-1080-GA-AIR

4 The Application of Vectren:
Energy Delivery of Ohio, :

5 Inc., for Authority to :
Amend its Filed Tariffs to:

6 Increase the Rates and :
Charges for Gas Services :

7 and Related Matters. :
:

8 In the Matter of: :
: Case No. 07-1081-GA-ALT

9 The Application of Vectren:
Energy Delivery of Ohio, :

10 Inc., for Approval of an :
Alternative Rate Plan for :

11 a Distribution Replacement:
Rider to Recover the Costs:

12 of a Program for the :
Accelerated Replacement of:

13 Cast Iron Mains and Bare :
Steel Mains and Service :

14 Lines, a Sales :
Reconciliation Rider to :

15 Collect Difference Between:
Actual and Approved :

16 Revenues, and Inclusion in:
Operating Expense of the :

17 Costs of Certain :
Reliability Programs. :

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19 PROCEEDINGS

20 before Ms. Cheryl Roberto, Commissioner, and

21 Mr. Gregory Price, Attorney Examiner, at the Fayette
22 County Commission on Aging, 1179 South Elm,
23 Washington Court House, Ohio, 6:00 p.m. on Monday,
24 September 8, 2008.

ARMSTRONG & OKEY, INC., Columbus, Ohio (614) 224-9481

1 APPEARANCES:

2 McNees, Wallace & Nurick
By Ms. Gretchen J. Hummel
3 Fifth Third Center, Suite 1700
21 East State Street
4 Columbus, Ohio 43215

5 and

6 Vectren Energy Delivery of Ohio, Inc.
By Mr. Larry K. Friedeman
7 One Vectren Square
Evansville, Indiana 47708

8
On behalf of the Company.

9
Janine L. Migden-Ostrander
10 Ohio Consumers' Counsel
By Mr. Michael E. Idzkowski
11 10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485

12
On behalf of the Residential
13 Consumers of the State of Ohio.

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1 Monday Evening Session,

2 September 8, 2008.

3 - - -

4 EXAMINER PRICE: Let's go on the record.

5 Good evening. The Public Utilities Commission has

6 set for hearing at this time and this place Case No.

7 07-1080-GA-AIR, being in the Matter of the

8 Application of Vectren Energy Delivery of Ohio, Inc.,

9 for Authority to Amend its Filed Tariffs to Increase

10 the Rates and Charges for Gas Services and Related

11 Matters.

12 My name is Gregory Price. I am the

13 Attorney Examiner assigned to this case. Presiding

14 with me this morning is Commissioner Cheryl Roberto.

15 Let's begin by taking appearances from the parties

16 beginning with the company.

17 MS. HUMMEL: Thank you, your Honor. On

18 behalf of Vectren Energy Delivery of Ohio, McNees,

19 Wallace & Nurick, and I am Gretchen J. Hummel, 21

20 East State Street, Columbus, Ohio 43215 and Lawrence

21 K. Friedeman, Vice President and Deputy General

22 Counsel, Vectren Energy Delivery of Ohio, P.O. Box

23 209, Evansville, Indiana 47709.

24 And I would like to state for the record

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1 that also with us tonight we have Carl Chapman who is
2 the President of the Vectren Corporation. We have
3 Dan Berry who is the President of Vectren Energy
4 Delivery of Ohio. In addition to Mr. Friedeman we
5 have two Corporate Vice Presidents with us, Vice
6 President Dan Bugher -- or did Dan not come? I beg
7 your pardon. Dan Bugher is not with us. We have
8 Vice President Doug Petitt, Vice President. He is
9 Vice President of Marketing and Conservation.

10 We have several corporate directors with
11 us. We have Chase Kelley, Director of Corporate
12 Communications; Scott Albertson, Director of
13 Regulatory Affairs; Breck Sparks, Director of
14 Customer Relations; and we also have with us some of
15 our customer service folks so that for any of our
16 customers who have come here tonight because they
17 have questions about their service or concerns or
18 problems with their service or their bills that they
19 would like to talk to a company representative about,

20 we will stay as long after the hearing as needed to
21 address those and to talk with our customers about
22 any questions or concerns or problems they might
23 have.
24 Thank you.

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1 EXAMINER PRICE: Thank you.

2 Consumers' Counsel?

3 MR. IDZKOWSKI: Yes, thank you. Hearing

4 Officer Price, I'm sorry about my voice, I'm Mike

5 Idzkowski, an attorney with Ohio Consumers' Counsel.

6 Janine Migden-Ostrander is the state's Consumers'

7 Counsel. And we are representing residential

8 customers of Vectren Energy Delivery of Ohio.

9 I am here with other members of the Ohio

10 Consumers' Counsel, Anita Boling, she is in our

11 Analytical Services Division; Seiver Horn in our

12 Consumers Services Division; Ray Fuller in the

13 Communications Division; and Marty Berkowitz also in

14 the Communications Division.

15 I would like to thank several customers

16 of Vectren who showed up to come to this public

17 hearing, and if anyone has any questions, you can

18 address those after the hearing to Consumers' Counsel

19 representatives.

20 Thank you.

21 EXAMINER PRICE: Thank you.

22 The purpose of tonight's public hearing

23 is to receive comments from the public regarding

24 Vectren's proposed rate increase. I will take the

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1 witnesses in the order they signed up on our witness
2 sheets. Before you begin your statement you will be
3 sworn in, and I will ask you to state your name and
4 address for the record. And the company or
5 Consumers' Counsel may ask you any questions while
6 you are under oath regarding your statement.

7 Tonight's hearing is being transcribed by
8 a court reporter so that I would ask that you speak
9 clearly and raise your voice so that everybody can
10 hear and so she can record it accurately. We
11 appreciate your participation in tonight's public
12 hearing, and we will now take our first witness.

13 Jeanne Swift.

14 MS. SWIFT: I am here but I don't know --

15 EXAMINER PRICE: Would you like to
16 testify?

17 MS. SWIFT: I didn't know what I was
18 signing up for.

19 EXAMINER PRICE: Would you like to

20 testify?

21 MS. SWIFT: Would you like for me to

22 testify tonight? What is it you would like for me --

23 what am I supposed to testify for?

24 EXAMINER PRICE: Your thoughts on the

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1 rate increase.

2 MS. SWIFT: About the rate increase?

3 EXAMINER PRICE: Yes. I have got to
4 swear you in first.

5 - - -

6 JEANNE SWIFT

7 called as a public witness, being first duly sworn,
8 testified as follows:

9 DIRECT EXAMINATION

10 EXAMINER PRICE: Please state your name
11 and address for the record.

12 THE WITNESS: Well, I am Jeanne Swift,
13 and I live on 657 Willabar Cove Drive here in Court
14 House. I have been a resident here for six years. I
15 moved here from the south, Memphis, Tennessee, and I
16 have enjoyed very much the small town atmosphere.

17 I am glad to get out of the big city, but
18 since I have been here, of course, I am retired and I
19 am on a fixed income, very much of a fixed income,

20 and my goal has been to cut down on as much of the
21 overhead as I possibly can, and one of the things is
22 particularly the utilities. I was -- I am really --
23 I can understand the small increase, but I am not --
24 not the increase that has hit me which was \$32 a

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1 month and that's sort of a big hunk out of what my
2 plans are, my budget. But what I was concerned about
3 is you made a statement that this increase was not
4 based on usage.

5 EXAMINER PRICE: One of the proposals is
6 to more of a flat charge for distribution costs
7 rather than based on usage.

8 THE WITNESS: Such as what? What is on
9 our bill now?

10 EXAMINER PRICE: Right now, you have a
11 mix of a flat charge and volume -- for the 20 percent
12 of your bill that's the distribution system, not the
13 80 percent that's the cost of the gas, for the 20
14 percent you have a mix of a flat charge and a
15 volumetric charge.

16 THE WITNESS: Well, what is it now? I
17 mean, does it fluctuate that 20 percent?

18 EXAMINER PRICE: It fluctuates based on
19 how much you use.

20 THE WITNESS: On how much I use.

21 EXAMINER PRICE: Yes.

22 THE WITNESS: Well, what is the purpose
23 of us being economical and cutting down?

24 EXAMINER PRICE: Those are the issues

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1 that the Commission is -- that are before the

2 Commission now.

3 THE WITNESS: Because I plan to cut down

4 and cut back even more than what I have. But I

5 don't -- I really -- I don't think -- I really think

6 that the usage -- I don't think that should be a flat

7 rate. Is that what you wanted to hear me say,

8 whether I wanted it or not?

9 EXAMINER PRICE: The Commission wants to

10 hear your thoughts.

11 THE WITNESS: Well, anyway I think we

12 need to encourage people to be economical, especially

13 in this day and age, but I was thinking that the

14 increase was on the gas, and I also when I came in

15 and saw a notice out there that said public hearing,

16 I had not heard anything at all about it except that

17 somebody in my exercise class, they told me that they

18 had gotten a letter. So I don't know how the word

19 was spread around. It evidently wasn't spread around

20 much, but I do think that based on usage is the best
21 approach. And as I said, I am trying to be as
22 economical. My income and since I retired doesn't go
23 up like you -- like yours does.
24 I guess that's it. Do I need to do

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1 anything else?

2 EXAMINER PRICE: Thank you very much.

3 Rita Sue Ladd. Would you like to testify

4 tonight?

5 MS. LADD: I just have one thing to say,

6 that flat rate is way out of line. We have -- we own

7 a small farm --

8 EXAMINER PRICE: If you are going to

9 testify, I need --

10 MS. LADD: Sue Ladd.

11 - - -

12 RITA SUE LADD

13 called as a public witness, being first duly sworn,

14 testified as follows:

15 DIRECT EXAMINATION

16 THE WITNESS: We live at State Route 38,

17 Bloomingburg, Ohio. We own a small farm. We have

18 two Vectren gas meters in our yard because Vectren

19 insisted we have the farm on a separate meter so,

20 therefore, we have two flat rates to pay and I -- if
21 it goes up, what, \$20 -- during the winter, we use
22 the one meter strictly for a grain bin. If it goes
23 up, that's a lot of money to pay for an entire year
24 when you have no choice for a raise that they haven't

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1 done anything out there to improve or upgrade or
2 anything as far as I can tell. They have never done
3 anything that we can see.

4 I'm sure they are doing stuff other
5 places. I know they are putting a big gas line
6 through. I don't know how they are involved, Vectren
7 is involved with that, but it's a lot of money for a
8 raise to go up a flat rate without using an ounce of
9 gas or a cubic feet or however they want to measure
10 it.

11 EXAMINER PRICE: Thank you.

12 Ron Ladd.

13 MR. LADD: How do you wish to be
14 addressed? Mr. Price?

15 EXAMINER PRICE: Your Honor. Come on up.

16 - - -

17 DONALD LADD

18 called as a public witness, being first duly sworn,
19 testified as follows:

20 DIRECT EXAMINATION

21 EXAMINER PRICE: Please state your name

22 and address for the record.

23 THE WITNESS: My name is Donald Ladd,

24 4463 State Route 38, Bloomingburg, Ohio 43106.

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1 EXAMINER PRICE: Please proceed.

2 THE WITNESS: I guess I can't add too
3 much to what this young lady said and what my wife
4 said. We pay a monthly rate for the meter. It kind
5 of caught me by surprise. I was taking some notes.
6 It seems like we are being penalized for being
7 economic. We have to have gas. And DP&L, when they
8 sold it to Vectren, it was a whole new ball game,
9 different rules, different regulations. We've had
10 one or two for instances -- one of -- this thing is
11 for maintaining and upgrading facilities and
12 conservation. Was that correct, conservation?

13 EXAMINER PRICE: Yes.

14 THE WITNESS: That was part of the deal.
15 I am not sure I understand that part of it but
16 conservation to me means, what, wetland and so on and
17 so forth?

18 EXAMINER PRICE: I think it means to
19 promote efforts to use less gas.

20 THE WITNESS: Promotes effort to use less
21 gas, conservation in that form, not conservation in
22 land management. Okay. I didn't understand.
23 A simple thing like curb stops, we have
24 absolutely no way to shut off the gas if we have an

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1 accident before it gets to the meter. There is no
2 curb stops. I had that happen. DP&L/Vectren came
3 around, you have got a little leak. You are going to
4 have to fix it. I said I will fix it or get somebody
5 to fix it, but they have got to be able to shut it
6 off. I don't want to fix a live meter. And they
7 looked at me and called in and said okay. We will
8 take care of it. They didn't want to put a curb stop
9 in. It would be handy to have curb stops.

10 I understand everybody's costs in this
11 country is going up. I understand that. But our
12 costs go up too and we have to keep up with you and I
13 would like to see it kind of be a little more
14 flexible rather than across the board we got to have
15 this. I would like to be able to raise my rates on
16 what I sell across the board. I can't; maybe you
17 can.

18 And I am not sure how the PUCO deals with
19 this. I read your literature. There's several

20 exclusions in there. I didn't know that you didn't
21 make a profit on gas. Didn't know that. Kind of
22 through me a curve ball. I thought like gas
23 companies, you know, they make a big profit. I
24 didn't know Vectren didn't.

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1 Let's see, as I say, this feels like we
2 are being penalized for the conservation part of it.
3 It doesn't seem kosher. I will sit down and shut up.
4 Thank you.

5 EXAMINER PRICE: Thank you.

6 George Keiter, Keiter.

7 MR. KEITER: Keiter.

8 - - -

9 GEORGE KEITER

10 called as a public witness, being first duly sworn,
11 testified as follows:

12 DIRECT EXAMINATION

13 EXAMINER PRICE: Mr. Keiter, would you
14 state your name and address for the record.

15 THE WITNESS: George Keiter, K-E-I-T-E-R,
16 596 Martin Drive, Xenia, Ohio.

17 EXAMINER PRICE: Thank you.

18 THE WITNESS: What I would like to know
19 is there a representative from the PUCO?

20 EXAMINER PRICE: Well, this is the
21 Commissioner from the PUCO. I am employed by the
22 Commision of the PUCO. I have some staff in the back
23 from our Service Monitor Department if you have any
24 questions outside the case.

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1 THE WITNESS: But my question is what
2 justifies this significant change in a flat rate?
3 What justifies it from the PUCO's? How do you
4 understand it?

5 EXAMINER PRICE: Well, again, the
6 Commissioners have not made a decision. This is the
7 issue of the case, whether it should go to that or
8 continue.

9 THE WITNESS: Let me ask a question, do
10 you see a justification?

11 COMMISSIONER ROBERTO: Sir, if it's okay,
12 before you came in there was a -- Jill did a little
13 outline workshop on what the key issues in the case
14 were, and if it's okay, I would like to take 2
15 minutes and give that information to you.

16 Can we go off the record?

17 (Discussion off the record.)

18 COMMISSIONER ROBERTO: We are back on the
19 record then.

20 THE WITNESS: I don't like the amount. I

21 don't think that's justified.

22 COMMISSIONER ROBERTO: Go ahead and

23 explain what your recommendation is.

24 THE WITNESS: Somebody has to make an

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1 adjustment. Somebody has to make PUCO's job as to
2 what is valid in 19 -- excuse me, 2009, what is valid
3 now in your business, and I haven't seen any
4 justification of that much of a change even though
5 it's only for the facility of delivering the gas, not
6 the gas. That's where I am at. Am I completely
7 clear?

8 EXAMINER PRICE: Yes.

9 COMMISSIONER ROBERTO: Thank you. Thank
10 you very much.

11 THE WITNESS: That's all.

12 EXAMINER PRICE: Penny Keiter.

13 MS. KEITER: I am going to decline
14 because I thought I had a legitimate complaint. I
15 thought that our budget bill had gone way up like
16 40 percent up and had sent them the amount so that I
17 wouldn't get knocked off the budget. And, now, as I
18 look at this bill a little further, it looks like
19 it's the same amount so where I got that idea I am

20 not sure.

21 EXAMINER PRICE: I'm sure one of the

22 company's representatives will be happy to help

23 explain it.

24 MS. KEITER: I will just swallow that

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1 complaint.

2 EXAMINER PRICE: I am sure they will be
3 happy to help you at the end of the hearing.

4 Is there anyone who has not signed up who
5 would like to testify?

6 COMMISSIONER ROBERTO: All right. Just
7 before we go off the record I just wanted to thank
8 everybody who did come and we will stay around after
9 we close the hearing and talk with anybody who would
10 like to talk for a while, if you have more questions
11 or concerns or if you would feel more comfortable
12 speaking directly instead of in front of the room.

13 So thank you very much for coming this
14 evening. It's a very important part of the process,
15 and it's very meaningful as we struggle with making
16 these decisions so thank you.

17 EXAMINER PRICE: With that we are
18 adjourned.

19 (Thereupon, the hearing was adjourned at

20 6:29 p.m.)

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CERTIFICATE

I do hereby certify that the foregoing is
a true and correct transcript of the proceedings
taken by me in this matter on Monday, September 8,
2008, and carefully compared with my original
stenographic notes.

Karen Sue Gibson, Registered
Merit Reporter.

(KSG-4969)

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Summary: Transcript Hearing from 9/8/08 electronically filed by Mrs. Jennifer D. Duffer on behalf of Armstrong & Okey, Inc.