

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 VOLUME VIII

21 before Mr. Gregory Price, Attorney Examiner, at the
22 Public Utilities Commission of Ohio, 180 East Broad
23 Street, Room 11-C, 9:00 a.m. on Tuesday, September 9,
24 2008.

1 APPEARANCES:

2 McNees, Wallace & Nurick
3 By Mr. Samuel C. Randazzo
4 Ms. Gretchen J. Hummel
5 Ms. Lisa G. McAlister
6 Mr. Joseph M. Clark
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10 and

11 Vectren Energy Delivery of Ohio, Inc.
12 By Mr. Larry Friedeman
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15 On behalf of the Company.

16 Chester, Willcox & Saxbe, LLP
17 By Mr. John W. Bentine
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22 On behalf of Interstate Gas Supply.

23 Vorys, Sater, Seymour and Pease, LLP
24 By Mr. Gregory R. Russell
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25 On behalf of Honda of America
26 Manufacturing.

27 Mr. Nolan Moser
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29 Columbus, Ohio 43212

30 On behalf of Ohio Environmental Council.

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32

1 APPEARANCES (Continued):

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4 and

5 Ms. Colleen Mooney
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7 On behalf of Ohio Partners for
8 Affordable Energy.

9 Janine L. Migden-Ostrander
Ohio Consumers' Counsel
10 By Ms. Maureen R. Grady
Mr. Joseph P. Serio
11 Mr. Michael E. Idzkowski
10 West Broad Street, Suite 1800
12 Columbus, Ohio 43215-3485

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

14 Nancy Rogers, Ohio Attorney General
15 Duane W. Luckey, Senior Deputy
Attorney General
16 Public Utilities Section
By Mr. Werner L. Margard III
17 and Ms. Anne L. Hammerstein
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19 On behalf of the Staff of the Public
20 Utilities Commission.

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24

25

1 INDEX

2 - - -

3 WITNESS PAGE

4	Jerrold L. Ulrey		
	Further Direct Examination by Mr. Randazzo		9
5	Examination by Attorney Examiner		11

6 - - -

7 INDEX

8 - - -

9 COMPANY EXHIBITS IDFD ADMTD

10	1 - Application/SFRs	V-I	12	14
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11	2 - Direct Testimony of Jerome A. Benkert	V-I	12	14
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12	5 - Direct testimony of M. Susan Hardwick	V-I	12	14
----	---	-----	----	----

14	5a - Supplemental Testimony of Ms. Susan Hardwick	V-I	12	14
----	---	-----	----	----

15	6 - Direct Testimony of Michael F. Gorman	V-I	12	14
----	---	-----	----	----

17	9b - Rebuttal Testimony of Jerrold L. Ulrey	V-VIII	71	12
----	---	--------	----	----

18	12 - Direct Testimony of Daniel G. Berry	V-I	12	14
----	--	-----	----	----

19	13 - Direct Testimony of William S. Doty	V-I	12	14
----	--	-----	----	----

20	13a - Supplemental Testimony of William S. Doty	V-I	12	14
----	---	-----	----	----

21	14 - Direct Testimony of Ronald B. Keeping	V-I	12	14
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4
5
6
7
8
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10
11
12
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16
17
18
19
20
21
22
23
24

INDEX (Continued)

- - -

COMPANY EXHIBITS

IDFD ADMTD

15	- Direct Testimony of Ellis S. Redd	V-I	12	14
16	- Direct Testimony of Douglas A. Karl	V-I	12	14
16a	- Supplemental Testimony of L. Douglas Petitt	V-I	12	14
17	- Direct Testimony of Matthew F. Rose	V-I	12	14
18	- Notice of Intent to File an Application for an Increase in Rates	V-I	12	16
19	- Proofs of Publication of Application	V-I	12	16
20	- Proofs of Publication of Local Public Hearings	V-I	12	16

- - -

1 Tuesday Morning Session,
2 September 9, 2008.

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4 ATTORNEY EXAMINER: Good morning. The
5 Public Utilities Commission of Ohio has set for
6 hearing at this time and this place Case No.
7 07-1080-GA-AIR in the Matter of the Application of
8 Vectren Energy Delivery of Ohio, Inc., for Authority
9 to Amend its Filed Tariffs to Increase the Rates and
10 Charges for Gas Services and Related Matters.

11 My name is Gregory Price. I am the
12 Attorney Examiner assigned to preside over the
13 hearing today. This is our eighth day of hearing, I
14 believe, in this matter.

15 Let's begin as has been our practice by
16 taking abbreviated appearances from parties starting
17 with the company.

18 MS. HUMMEL: Thank you, your Honor.
19 McNeese, Wallace & Nurick, Gretchen J. Hummel, Samuel
20 C. Randazzo, and Lawrence K. Friedeman for the
21 company.

22 ATTORNEY EXAMINER: Thank you.
23 Consumers' Counsel.

24 MS. GRADY: Thank you, your Honor. On

1 behalf of the residential customers of VEDO, Janine
2 L. Migden-Ostrander, Consumers' Counsel, by Maureen
3 R. Grady, Joseph P. Serio, and Michael E. Idzkowski,
4 10 West Broad Street, Columbus, Ohio 43215.

5 ATTORNEY EXAMINER: Thank you.
6 Staff.

7 MR. MARGARD: Thank you, your Honor. On
8 behalf of the staff of the Public Utilities
9 Commission of Ohio, Werner L. Margard, Assistant
10 Attorney General.

11 ATTORNEY EXAMINER: Thank you.

12 Do we have any preliminary matters for
13 the Bench before we begin?

14 MR. RANDAZZO: Your Honor, just briefly
15 yesterday the parties in this proceeding were able to
16 reflect a stipulation and recommendation addressing
17 many of the issues in this proceeding and also
18 specifically identifying issues related to the
19 residential rate design that have been reserved for
20 litigation. That document has been filed with the --
21 was filed with the Commission yesterday at 3:53 p.m.,
22 and it is supported by all the parties in the
23 proceeding with the exception of Honda, and Honda has
24 indicated it is not opposed. Again, that document

1 addressing what I will call the revenue requirements
2 phase of this litigation.

3 And on behalf of the company I would like
4 to formally thank all the parties for the hard
5 work -- and certainly that includes the staff for the
6 hard work that went into the negotiations that
7 produced that document which I assure you was
8 bargaining in good faith by folks with a lot of
9 talent and experience. So I report that formally on
10 the record, and I believe the document has been
11 served on all the parties as well.

12 ATTORNEY EXAMINER: Thank you. Any other
13 matters before we take our first witness?

14 Hearing none, Mr. Ulrey, if you would
15 return to the stand. Remind you you are still under
16 oath from the previous testimony.

17 THE WITNESS: Yes, sir.

18 ATTORNEY EXAMINER: Mr. Randazzo.

19 MR. RANDAZZO: Thank you, your Honor.

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1 JERROLD L. ULREY

2 being first duly sworn, as prescribed by law, was
3 examined and testified as follows:

4 FURTHER DIRECT EXAMINATION

5 By Mr. Randazzo:

6 Q. Mr. Ulrey, would you just for the record
7 state your business address again.

8 A. My business address is One Vectren
9 Square, Evansville, Indiana 47708.

10 Q. And when we were last together in the
11 hearing room, we had talked briefly about your
12 rebuttal testimony which has been marked for
13 identification purposes as Company Exhibit 9b. Do
14 you recall that?

15 A. Yes, I do.

16 Q. In that rebuttal testimony in many places
17 you referred to an agreement in principle; is that
18 correct?

19 A. That is correct.

20 Q. Are you familiar, sir, with the
21 stipulation and recommendation that I referenced
22 briefly in my opening remarks here this morning?

23 A. Yes, I am.

24 Q. And it is correct that stipulation and

1 recommendation was filed with the Commission
2 yesterday afternoon?

3 A. Yes.

4 Q. And you were involved in the negotiations
5 and deliberations that went into that document; is
6 that correct?

7 A. That's correct.

8 Q. And would it be correct, sir, to say that
9 when you reference the agreement in principle in
10 Company Exhibit 9b, you are reflecting the terms and
11 conditions that have now been incorporated in the
12 stipulation and recommendation?

13 A. Yes, that would be correct.

14 MR. RANDAZZO: Your Honor, I asked those
15 questions to clarify the record and hopefully to
16 streamline any cross-examination that may exist. I
17 formally offered Exhibit 9b previously when we were
18 together and we recessed to allow for
19 cross-examination, and I believe that
20 cross-examination would now be appropriate.

21 ATTORNEY EXAMINER: Thank you.

22 Consumers' Counsel, cross-examination.

23 MR. SERIO: Thank you, your Honor. We
24 have no questions for Mr. Ulrey.

1 ATTORNEY EXAMINER: Staff.

2 MR. MARGARD: Nor does staff. Thank you,
3 your Honor.

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5 EXAMINATION

6 By Attorney Examiner:

7 Q. I think I have one or two. Mr. Ulrey,
8 looking at page 12 of your testimony, if the
9 Commission chose to go right to a single rate year
10 round with no volumetric charge, what would the
11 single rate need to be?

12 A. If it was a year round --

13 MR. RANDAZZO: Might I just for the
14 record, your Honor, we are talking about residential
15 rate now?

16 ATTORNEY EXAMINER: Residential, yes, I'm
17 sorry. Thank you very much.

18 MR. RANDAZZO: You bet.

19 A. The average year round customer charge
20 would be \$18.37.

21 Q. Do you have an idea what the average
22 customer usage is annually for Vectren, average
23 residential customer usage is?

24 A. Yes. It is approximately 81-1/2

1 dekatherms, I believe. I can check real quick in my.

2 Q. That would be fine. It is probably
3 somewhere else, but I am just trying to make sure I
4 have this. And if you can get it in Ccf, that would
5 make my life easier.

6 A. 815 Ccf per year --

7 Q. Thank you.

8 A. -- was in our application filing.

9 Q. If the Commission chose to do -- back to
10 page 13, if the Commission chose staff's Phase I but
11 didn't have winter and summer rates, the appropriate
12 number would be the \$16.04 that's at the bottom of
13 page 12; is that correct?

14 A. Yes, that's correct.

15 ATTORNEY EXAMINER: Thank you. That's
16 all I have. You are excused.

17 Any objections to the admission of
18 Company Exhibit 9b as previously moved by the
19 company?

20 MR. SERIO: No, your Honor.

21 ATTORNEY EXAMINER: Hearing none it will
22 be admitted.

23 (EXHIBIT ADMITTED INTO EVIDENCE.)

24 ATTORNEY EXAMINER: Any other matters

1 before we do the briefing schedule? Any other
2 matters we need to address?

3 MR. RANDAZZO: Your Honor, I think we
4 would like to take the opportunity to offer the
5 balance of the exhibits that have been marked.

6 ATTORNEY EXAMINER: Sure.

7 MR. RANDAZZO: And Ms. Hummel will do
8 that.

9 ATTORNEY EXAMINER: Ms. Hummel.

10 MS. HUMMEL: Thank you, your Honor. We
11 would like to move for the admission of the remainder
12 of the company's testimony for the witnesses who have
13 not been called to the stand. That would be Company
14 Exhibits 2, 3, 3a, 4, 4a, 5, 5a, 6, 12, 13, 13a, 14,
15 15, 16, 16a, 17, and I would move for the admission
16 of those exhibits, please.

17 ATTORNEY EXAMINER: Ms. Grady.

18 MS. GRADY: Yes, your Honor. I believe
19 we have an objection to if among those exhibits your
20 notice is one of those exhibits.

21 MS. HUMMEL: Those were just the exhibit
22 numbers -- I was going to get to that next. This is
23 just testimony of the witnesses who have not yet
24 testified who -- and this is consistent with the

1 understanding of the parties in paragraph 17 of the
2 stipulation that was filed yesterday.

3 MS. GRADY: I'll hold my objection.

4 MS. HUMMEL: Thank you.

5 ATTORNEY EXAMINER: Thank you.

6 The exhibits that Ms. Hummel has just
7 enumerated will all be admitted.

8 (EXHIBITS ADMITTED INTO EVIDENCE.)

9 MS. HUMMEL: Thank you, your Honor. I
10 would also like to move for admission of Exhibit --
11 Company Exhibit No. 1 which is the application
12 including the standard filing requirements for the
13 07-1080 and 07-1081 proceedings.

14 ATTORNEY EXAMINER: Any objections to the
15 admission of Company Exhibit 1?

16 MR. MARGARD: Staff has no objections,
17 your Honor.

18 ATTORNEY EXAMINER: Thank you.

19 Mr. Serio?

20 MR. SERIO: We have no objections to it.

21 ATTORNEY EXAMINER: Excellent. Hearing
22 no objections Company Exhibit 1 will be admitted.

23 (EXHIBIT ADMITTED INTO EVIDENCE.)

24 MS. HUMMEL: I will save the good one for

1 last. I would like to move for admission of the
2 proofs of publication -- two proofs of publication,
3 one for the application and one for the -- I will
4 move the admission of Exhibits 18, 19, and 20, the
5 notice of intent, the proofs of publication for the
6 application, and the proofs of publication for the
7 local public hearings. And pursuant to paragraph 18
8 of the stipulation the signatories thereto have
9 already agreed those exhibits should be admitted into
10 evidence.

11 ATTORNEY EXAMINER: Any objection to the
12 admission of Company Exhibits 18, 19, and 20?

13 MS. GRADY: Yes. That would be our
14 objection on the notice, I believe.

15 MS. HUMMEL: Well, the stipulation signed
16 yesterday paragraph 18 indicates that that exhibit
17 shall be admitted into evidence in these proceedings.

18 MS. GRADY: Yeah. If you go to paragraph
19 14, Gretchen --

20 ATTORNEY EXAMINER: Ms. Grady, you have a
21 legal argument with respect --

22 MS. GRADY: Yes, I do, I do.

23 ATTORNEY EXAMINER: So as an evidentiary
24 matter, we are going to go ahead and admit. If I

1 don't admit it, the Commission will never get to your
2 legal argument, so we will admit Company Exhibits 18,
3 19, and 20 at this time.

4 MS. GRADY: Yes, your Honor, if I could
5 just make a statement very quickly. On page 16 of
6 the stipulation --

7 ATTORNEY EXAMINER: Certainly.

8 MS. GRADY: -- OCC preserved its right to
9 litigate and object -- or to litigate the Stage 2
10 rates associated with the appropriateness of VEDO's
11 published notice, so consistent with that reserved
12 right OCC objects to the admission of those exhibits,
13 the notice exhibits.

14 ATTORNEY EXAMINER: I understand. Your
15 objection is overruled. The exhibits will be
16 admitted into evidence at this time.

17 (EXHIBITS ADMITTED INTO EVIDENCE.)

18 MS. HUMMEL: Thank you, your Honor.

19 ATTORNEY EXAMINER: Thank you.

20 MR. SERIO: Your Honor, one last item, we
21 don't have the complete listing of all the other OCC
22 testimony. It was our understanding that that all
23 was referenced in paragraph 17. When we get back
24 together for Mr. Puican, if you would like us to have

1 the specific numbers with the testimony, we can have
2 that available.

3 ATTORNEY EXAMINER: Let's mark them when
4 we next convene just to make the record clear.

5 Let's go off the record for one second,
6 please.

7 (Discussion off the record.)

8 ATTORNEY EXAMINER: Let's go back on the
9 record. In light of the fact that the next hearing
10 date will be on the stipulation which it appears to
11 be unopposed we are going to go ahead and set our
12 briefing schedule at this point. Initial briefs will
13 be due on September 26. Reply briefs will be due on
14 October 7.

15 We will set the date of the next hearing
16 by subsequent entry. Thank you all.

17 Off the record.

18 (Thereupon, the hearing was adjourned at
19 9:31 a.m.)

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CERTIFICATE

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I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Tuesday, September 9, 2008, and carefully compared with my original stenographic notes.

Karen Sue Gibson, Registered
Merit Reporter.

(KSG-4970)

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This foregoing document was electronically filed with the Public Utilities

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in

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Summary: Transcript Vectren Energy Volume VIII 9/9/08 electronically filed by Mrs. Jennifer D. Duffer on behalf of Armstrong & Okey, Inc.