

FILE

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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
Energy Ohio, Inc. for an Increase in) Case No. 08-709-EL-AIR
Electric Distribution rates)

In the Matter of the Application of Duke)
Energy Ohio, Inc. for Tariff Approval) Case No. 08-710-EL-ATA

In the Matter of the Application of Duke)
Energy Ohio, Inc. for Approval to) Case No. 08-711-EL-AAM
Change Accounting Methods.)

In the Matter of the Application of)
Cincinnati Gas & Electric Company for) Case No. 06-718-EL-ATA
Approval of its Rider BDP, Backup)
Delivery Point Rider.)

PREPARED TESTIMONY

of

Victor P. Gallina
Rates and Tariffs/Energy and Water Division

STAFF EXHIBIT _____

March 30, 2009

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1 PREPARED TESTIMONY OF VICTOR P. GALLINA
2

3 1. Q. Please state your name and business address?

4 A. My name is Victor P. Gallina. My business address is 180 East
5 Broad Street, Columbus, Ohio 43215.
6

7 2. Q. By whom are you employed and in what capacity?

8 A. I am employed by the Public Utilities Commission of Ohio as a
9 Public Utility Administrator 2 in the Rates and Tariffs/Energy and
10 Water Division of the Utilities Department.
11

12 3. Q. Please outline your educational background and work experience?

13 A. I received a Bachelor of Science Degree in Business Administration
14 with a major in Accounting from Ohio State University in 1979. I
15 began employment with the Commission that same year by joining
16 the Accounts and Valuation Division of the Utilities Department.
17 During the first five years of my employment I performed rate case
18 audits of various gas, electric, telephone, and water utilities. I
19 testified in several of those proceedings on revenue requirement
20 issues. In 1984, shortly after the break up of the Bell System, I
21 transferred to the Telecommunications Division. For the next 17
22 years I worked on various telecommunications issues and cases; my

1 duties included responsibility for rate design and cost of service
2 studies in rate cases and alternative regulation cases, but mainly I
3 dealt with a panoply of issues that arose as that industry transitioned
4 to one characterized by competition. I joined the Electricity
5 Division in 2001 and was assigned to the Rates and Tariffs/Energy
6 and Water Division upon its inception in 2005. My current duties
7 include review of electric utility tariff applications, and to assist in
8 other matters in which the Division has responsibilities.

9
10 4. Q. What is the purpose of your testimony in this proceeding?

11 A. I will respond to the Greater Cincinnati Health Council (GCHC)
12 Objection regarding the Backup Delivery Point Capacity Rider, to
13 Duke Energy Ohio, Inc.'s (DE-Ohio or Company) Objections 14 and
14 15, and to all of the Ohio Cable Telecommunications Association
15 (OCTA) objections excepting those addressed by Messrs. Brown and
16 Miller of the Staff.

17
18 5. Q. GCHC objects to Staff's recommendation pertaining to DE-Ohio's
19 proposed Backup Delivery Point Capacity Rider, particularly with
20 respect to its impact on hospitals. How do you respond?

21 A. I agree with the objection. GCHC references a provision in DE-
22 Ohio's Electric Security Plan (ESP) proceeding (Case No. 08-920-

1 EL-SSO) which provides that GCHC members be able to receive
2 this service at no charge through the duration of the ESP. I agree
3 that Staff's recommendation should be revised to restore the ESP
4 benefits to hospitals.

5
6 6. Q. DE-Ohio's Objection 14 deals with the pole attachment rate and its
7 calculation. Please comment.

8 A. The differences between the Staff's and the Company's calculations
9 appear to be largely attributable to the use of Staff-supported inputs
10 as found in Staff's schedules, as compared to the Company's inputs,
11 as found in the Company's schedules. Staff continues to believe
12 Staff's inputs are appropriate. Further, as to the rate itself, Staff
13 continues to recommend the pole rate be limited to a fifty percent
14 increase as opposed to a full cost of service as recommended by the
15 Company.

16
17 7. Q. DE-Ohio, init Objection 15, opposes the Staff's recommendation
18 regarding the proposed penalties for both unauthorized pole
19 attachments and attachments that violate codes, regulations, or
20 technical specifications of the Company. Please respond.

21 A. Staff does not agree. The Staff Report adequately articulates Staff's
22 position on this issue.

1 8. Q. OCTA filed a number of objections. How do you intend to respond
2 to these objections in your testimony?

3 A. For the most part, I will respond only generally.
4

5 9. Q. Specifically, which OCTA objections will you be responding to?

6 A. OCTA propounded 30 objections. Mr. Brown is responding to a
7 portion of Objection 1. Mr. Miller is responding to Objections 17,
8 19, and 24. I will respond to the remainder.
9

10 10. Q. Do you agree with any of the objections of OCTA?

11 A. Yes. Objection 1 deals with the determination of the pole
12 attachment rate. The OCTA takes the position that the pole count,
13 which is the denominator in the formula for calculating the pole
14 attachment rate, should be based on the March 31, 2008 pole count
15 rather than the December 31, 2007 count used by Staff. I agree that
16 a March 31, 2008 pole count should be used for consistency with the
17 rest of the calculation. The December 31, 2007 count was the best
18 information available to Staff at the time the Staff report was
19 prepared.

20 Also, Objection 30 deals with a requirement that would give a
21 Licensee 10 days to remove, replace, or change its location on a pole

1 or conduit should the Company require such. Staff agrees 10 days
2 may not be a sufficient amount of time.

3

4 11. Q. With respect to OCTA Objections 2, 3, 4, 5, 16, and 18, how do you
5 respond?

6 A. The objections deal with issues that are addressed in the Staff
7 Report. I do not agree with the objections, and Maintain Staff's
8 position as articulated in the Staff report.

9

10 12. Q. Are there OCTA objections to issues to items that are not addressed
11 in the Staff report?

12 A. Yes. OCTA Objections 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 20, 21, 22,
13 23, 25, 26, 27, 28, and 29 regard issues or items not addressed in the
14 Staff Report.

15

16 13. Q. Do you have a response to these objections?

17 A. Yes. All of these objections deal with parts of the Pole
18 Attachment/Conduit Occupancy Tariff or which the Company
19 proposed no change. During its investigation, Staff did, nonetheless,
20 review each of these items since it reviewed the entire tariff. These
21 parts of the tariff, for which there was no proposed change, did not

1 appear to be unreasonable on their face. Accordingly, Staff did not
2 recommend any change and does not agree with these objections.

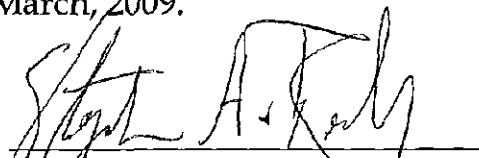
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4 13. Q. Does this conclude your testimony?

5 A. Yes.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Testimony of **Victor P. Gallina** was served via electronic mail and/or regular U.S. mail, postage prepaid upon the following parties of record this 30th day of March, 2009.


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