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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**
2010 APR 19 PM 3:30

In the Matter of the Application of Eastern Natural Gas Company for Approval of an Alternative Rate Plan Proposing a Revenue Decoupling Mechanism.	:	Case No. 08-941-GA-ALT
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In the Matter of the Application of Pike Natural Gas Company, for Approval of an Alternative Rate Plan Proposing a Revenue Decoupling Mechanism	:	Case No. 08-941-GA-ALT
	:	

**PRE-FILED TESTIMONY
OF
STEPHEN E. PUICAN
UTILITIES DEPARTMENT
CAPITAL RECOVERY & FINANCIAL ANALYSIS DIVISION
PUBLIC UTILITIES COMMISSION OF OHIO**

Staff Exhibit _____

April 19, 2010

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Technician Sum Date Processed APR 19 2010

1 1. Q. Would you please state your name and business address?

2 A. My name is Stephen E. Puican. My business address is 180 East Broad Street,
3 Columbus, Ohio.

4
5 2. Q. What is your present employment?

6 A. I am currently employed as Co-Chief of the Rates & Tariffs / Energy & Water
7 Division in the Utilities Department of the Public Utilities Commission of Ohio
8 ("PUCO"). In that position I am responsible for oversight of the Utilities
9 Department's positions related to natural gas utility regulation, including all Gas Cost
10 Recovery procedures, tariff and contract applications and customer choice program
11 oversight.

12
13 3. Q. Would you outline your academic and professional qualifications?

14 A. I received a B.A. degree in Economics from Kent State University in 1980 and an
15 M.A. degree in Economics from Ohio State University in 1983. I was employed by
16 the Ohio Department of Development, Division of Energy, from May 1983 until
17 October 1985 at which time the functions of the Division were incorporated into the
18 Public Utilities Commission of Ohio. I have been employed in several positions at
19 the PUCO since that time and have been Co-Chief of the Rates & Tariffs / Energy &
20 Water Division since May 2005. Prior to that, I had been Chief of the Gas and Water
21 Division since 1999. In both my current and previous positions I have been
22 responsible for oversight of the Utilities Department's natural gas staff which
23 includes responsibility for all GCR cases, as well as other areas relating to natural gas

1 such as contracts, certain tariff provisions, and certain rate case issues. I have also
2 been involved in the development and evolution of Ohio's customer choice programs
3 and participated in writing the rules that implemented House Bill 9, which formalized
4 the structure of Ohio's customer choice programs

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

6 A. I am supporting the Stipulation and Recommendation (Stipulation) between the
7 Commission Staff, The Pike and Eastern Natural Gas Companies (Companies) and
8 Ohio Partners for Affordable Energy (OPAЕ) filed in this proceeding on March 19,
9 2010.

10
11 5. Q. Was the Staff present at the discussions that produced the Stipulation?

12 A. Yes, the Staff fully participated in the settlement discussions. Participants included
13 Staff, the Companies, OPAЕ and the Office of the Ohio Consumers' Counsel (OCC).
14 Although the OCC ultimately decided not to sign the stipulation, they are neither
15 supporting nor opposing it.

16
17 6. Q. Do you believe the Stipulation filed in this case is the product of serious bargaining
18 among knowledgeable parties?

19 A. Yes, it is. Representatives of all parties that participated in the bargaining have
20 extensive experience in natural gas regulatory matters. I personally have testified in
21 four previous cases on issues identical to those at issue in this case. This settlement
22 resulted from serious discussions between the parties.

23
24

1 7. Q. In your opinion, does the Settlement benefit ratepayers and promote the public
2 interest?

3 A. Yes, it does. It implements a modified straight fixed variable (SFV) distribution
4 rate that, I believe, more closely reflects the way distribution costs are actually
5 incurred. It also establishes a Demand Side Management (DSM) program that
6 will pay to weatherize a number of PIPP customer's homes. The homes to be
7 selected to participate in the program will be prioritized according to usage
8 with the highest usage PIPP customers receiving priority. All customers will
9 benefit from this program by the reduction in the participating customers' PIPP
10 arrearages that are ultimately paid by all other customers. In addition the SFV
11 rate design removes much of the disincentive the Companies would otherwise
12 have to promote the DSM program. Finally, each of the Companies has agreed
13 to annually provide \$10,000 per company in shareholder dollars to help fund
14 the DSM programs. In my opinion the settlement is reasonable and in the
15 public interest.

16

17 8. Q. Does the Stipulation violate any important regulatory principle?

18 A. No it does not. It provides the basis for a reasonable settlement of a complicated set
19 of issues without the need for a hearing and does so without violating any regulatory
20 principles.

21

22 9. Q. Are you recommending its adoption by the Commission?

1 A. Yes. I believe the Stipulation represents a fair and reasonable result for the
2 Companies and their customers.

3

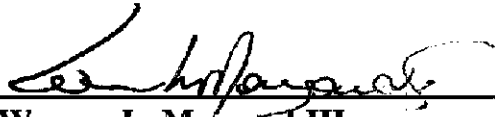
4 10. Q. Does this conclude your testimony?

5 A. Yes, it does.

6

1 **CERTIFICATE OF SERVICE**

2
3 I hereby certify that a true copy of the foregoing Pre-filed Testimony of Steven
4 Puican was served by regular U.S. mail, postage pre-paid, or hand-delivered and sent by
5 facsimile, to the following parties of record, this 19th day of April, 2010.

6
7 
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