

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of: :  
: Case No. 10-733-GA-RDR  
The Application Of The :  
East Ohio Gas Company, dba:  
Dominion East Ohio To :  
Adjust Its Pipeline :  
Infrastructure Replacement:  
Program Cost Recovery :  
Charge And Related :  
Matters. :

- - -

PROCEEDINGS

before Ms. Katie Stenman, Attorney Examiner, at the  
Public Utilities Commission of Ohio, 180 East Broad  
Street, Room 11-C, Columbus, Ohio, called at 10:00  
a.m. on Tuesday, October 12, 2010.

- - -

ARMSTRONG & OKEY, INC.  
222 East Town Street, Second Floor  
Columbus, Ohio 43215-5201  
(614) 224-9481 - (800) 223-9481  
Fax - (614) 224-5724

- - -

APPEARANCES:

Carpenter, Lipps & Leland, LLP  
By Mr. Mark A. Whitt  
280 Plaza, Suite 1300  
280 North High Street  
Columbus, Ohio 43215

On behalf of the Company

Janine L. Migden-Ostrander  
Ohio Consumers' Counsel  
By Mr. Larry S. Sauer  
and Mr. Joseph P. Serio  
10 West Broad Street, Suite 1800  
Columbus, Ohio 43215-3485

On behalf of the Residential Consumers  
of the East Ohio Gas Company.

Richard Cordray, Ohio Attorney General  
Public Utilities Section  
By Mr. Stephen A. Reilly  
and Mr. William L. Wright  
180 East Broad Street, 9th Floor  
Columbus, Ohio 43215-3793

On behalf of the Staff of the Public  
Utilities Commission.

- - -

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

INDEX

- - -

VICKI FRISCIC	PAGE
Direct Examination by Mr. Whitt	7
COMPANY EXHIBITS	IDFD ADMTD
1 - Prefiled Testimony of Vicki H. Friscic	6 7
2 - Prefiled Testimony of Timothy C. McNutt	6 7
3 - Application	6 7
JOINT EXHIBITS	IDFD ADMTD
1 - Stipulation and Recommendation	6 7
OCC EXHIBITS	IDFD ADMTD
1 - Comments of the Office of Consumers' Counsel on the Application of the Ohio Gas Company, dba Dominion East East Ohio	6 7
STAFF EXHIBITS	IDFD ADMTD
1 - Staff Comments and Recommendations	6 7

- - -

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Tuesday Morning Session,  
October 12, 2010.

- - -

THE ATTORNEY EXAMINER: The Public  
Utilities Commission of Ohio has called for hearing  
at this time and place Case No. 10-733-GA-RDR, being  
In The Matter of The Application of The East Ohio Gas  
Company, dba Dominion East Ohio To Adjust Its  
Pipeline Infrastructure Replacement Program Cost  
Recovery Charge and Related Matters.

My name is Kathy Stenman. I am the  
attorney examiner assigned by the Commission to hear  
this case.

At this time I'd like to start by taking  
the appearance of the parties starting with the  
Company.

MR. WHITT: Your Honor, on behalf of  
Dominion East Ohio, Mark Whitt, Carpenter, Lipps &  
Leland, LLP, 280 North High Street, Columbus, Ohio  
43215.

THE ATTORNEY EXAMINER: Thank you.  
OCC.

MR. SAUER: Your Honor, on behalf the  
Residential Consumers of the Dominion East Ohio, the  
Office of Consumers' Counsel, Janine Migden

Ostrander, Consumers Counsel, Joseph P. Serio and  
Larry S. Sauer, Assistant Consumers' Counsel, 10 West  
Broad Street, Suite 1800, Columbus Ohio 43215.

Thank you.

THE ATTORNEY EXAMINER: Thank you.

MR. REILLY: On behalf the Staff of the  
Public Utilities Commission of Ohio, Richard Cordray  
Ohio Attorney General, Steve Reilly and Bill Wright,  
Assistant Attorneys General, Public Utilities  
Section, 180 East Broad Street, Columbus, Ohio 43215.

THE ATTORNEY EXAMINER: Thank you.

Is there anyone here on behalf of the  
Utility Workers?

No, okay.

At this time I believe the parties have  
reached a Stipulation.

MR. WHITT: Yes, your Honor, I believe  
Mr. Reilly has handed you a copy of the Stipulation  
and Recommendation signed by the Company and Staff,  
and it will be marked as Joint Exhibit 1 and has been  
filed in the docket at 10:11 a.m. this morning.

THE ATTORNEY EXAMINER: Okay.

MR. WHITT: Your Honor, pursuant to the  
Stipulation, the Company and Staff have agreed to  
stipulate to the admission of certain exhibits. I

1 can read those, and it would be our suggestion that  
2 rather than refileing the documents, that the  
3 Commission will take administrative notice to the  
4 extent they have already been filed in the docket,  
5 which all of them have.

6 THE ATTORNEY EXAMINER: That's fine.

7 MR. WHITT: Just for the record, the  
8 stipulated exhibits consist of Joint Exhibit 1.0, the  
9 Stipulation and Recommendation; DEO Exhibit 1.0, the  
10 Direct Testimony of Vicki Friscic; DEO Exhibit 2.0,  
11 the Direct Testimony of Timothy McNutt; DEO 3.0 the  
12 Company's Application; Staff Exhibit 1.0, Staff  
13 Comments and Recommendations; and OCC Exhibit 1.0,  
14 OCC Comments and Recommendations.

15 As I indicated, each of the documents  
16 have been filed, and we ask that the Commission take  
17 administrative notice of them.

18 THE ATTORNEY EXAMINER: I have noticed  
19 that all of the parties have not signed the  
20 Stipulation, so I'm just going to ask if there are  
21 any objections at this time to the admission of any  
22 of those exhibits.

23 MR. SAUER: No objection, your Honor.

24 MR. REILLY: No, we have no objection,  
25 your Honor. We join in the Stipulation.

1 THE ATTORNEY EXAMINER: Right. Then as  
2 noted in the Stipulation, those exhibits will be  
3 admitted on the record for this case.

4 (EXHIBITS ADMITTED INTO EVIDENCE.)

5 MR. WHITT: Your Honor, the Company is  
6 prepared to call a witness to testify in support of  
7 the Stipulation.

8 THE ATTORNEY EXAMINER: Go ahead.

9 MR. WHITT: The Company calls Vicki  
10 Friscic.

11 - - -

12 VICKI FRISCIC

13 being first duly sworn, as prescribed by law, was  
14 examined and testified as follows:

15 DIRECT EXAMINATION

16 By Mr. Whitt:

17 Q. Ms. Friscic, state your full name and  
18 address for the record, please.

19 A. My name is Vicki H. Friscic. I'm  
20 director of regulatory and pricing for Dominion East  
21 Ohio.

22 Q. Ms. Friscic, do you have in front of you  
23 a document marked as Joint Exhibit 1.0?

24 A. Yes, I do.

25 Q. And what is that document?

1           A.     That is the Stipulation and  
2 Recommendation filed in this proceeding.

3           Q.     Are you familiar with the terms of the  
4 Stipulation?

5           A.     Yes, I am.

6           Q.     Could you provide the Commission a brief  
7 overview of the terms of the Stipulation?

8           A.     Well, the Stipulation, although it  
9 includes the Company and Staff, OCC, and Local G-555,  
10 only Staff and the Company are signatory parties to  
11 the Stipulation.

12                   The Stipulation adopts the PIR cost  
13 recovery charge recommended in staff's comments and  
14 recommendations filed in this case, and the PIR  
15 charge is calculated in accordance with the  
16 Commission order in the preceding proceeding PIR  
17 case, 09-458-GA, UNC. It also includes an adjustment  
18 to exclude approximately \$59,000 of capital additions  
19 related to certain plastic relocations.

20                   The Stipulation applies the PIR charge  
21 resulting from this proceeding only, and the parties  
22 to the Stipulation do not waive any rights they have  
23 regarding the appeal of the 09-458 case at the  
24 Supreme Court or any positions or arguments they made  
25 in that case.



1           Q.    Ms. Friscic, in your opinion is the  
2           Stipulation a product of serious bargaining among  
3           knowledgeable and capable parties?

4           A.    Yes, it is.  The parties to this  
5           proceeding have substantial experience in proceedings  
6           before the Commission including DEO's last rate case  
7           in which the PIR cost recovery mechanism was  
8           approved.

9           Q.    What information is the Stipulation based  
10          on?

11          A.    The Stipulation is based on DEO's  
12          application as recommended by Staff in Staff Comments  
13          and has been the subject of review by Staff and OCC  
14          in this proceeding.

15          Q.    Okay.  And to your knowledge, although  
16          OCC and the Union are not signatory parties, were  
17          they nonetheless involved in the process that led up  
18          to the Stipulation?

19          A.    Yes.  The Company, Staff, and OCC held a  
20          meeting in person to discuss Staff and OCC comments  
21          filed in this case, and a draft Stipulation resulting  
22          from that discussion was circulated to all parties,  
23          including OCC and Local G-555.

24                The OCC provided comments based on a  
25          draft, some of which were incorporated into the final

1 Stipulation.

2 Q. Does the Stipulation as a package benefit  
3 ratepayers and the public interest?

4 A. Yes, it does. Staff and the Company have  
5 agreed upon a rate, and filing the Stipulation will  
6 avoid a lengthy proceeding regarding that rate.

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

9 A. No, it does not.

10 MR. WHITT: Thank you. I have no further  
11 questions.

12 THE ATTORNEY EXAMINER: Mr. Sauer, any  
13 questions?

14 MR. SAUER: No questions, your Honor.

15 THE ATTORNEY EXAMINER: Mr. Reilly.

16 MR. REILLY: No questions, your Honor.

17 THE ATTORNEY EXAMINER: Thank you,  
18 Ms. Friscic.

19 As previously noted, OCC and the Utility  
20 Workers Union are not signatory parties to the  
21 Stipulation.

22 Mr. Sauer, would you like to make a brief  
23 statement about OCC's position with respect to the  
24 Stipulation?

25 MR. SAUER: Thank you, your Honor. While

OCC has elected not to sign the Stipulation, we also are not opposing the Stipulation. We will reserve our right to file a letter pleading in the docket to state our position to the Commission.

THE ATTORNEY EXAMINER: As always, that will be treated as correspondence.

MR. SAUER: Thank you, your Honor.

THE ATTORNEY EXAMINER: Thank you.

With respect to the Utility Workers, are they expected to file a letter in this docket stating their position, or at least they will not oppose the Stipulation?

MR. WHITT: If I may your Honor, I talked to their counsel yesterday that they will file a letter in the docket that they neither support or oppose.

THE ATTORNEY EXAMINER: Excellent. Anything else to come before us at this time?

MR. REILLY: I don't believe so.

MR. SAUER: No.

THE ATTORNEY EXAMINER: Hearing nothing else, we will be adjourned.

(The hearing adjourned at 10:22 a.m.)

- - -

CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Tuesday, October 12, 2010, and carefully compared with my original stenographic notes.

---

Rosemary Foster Anderson,  
Professional Reporter and  
Notary Public in and for  
the State of Ohio.

My commission expires April 5, 2014.  
(RFA-8523)

- - -

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**10/21/2010 9:17:24 AM**

**in**

**Case No(s). 10-0733-GA-RDR**

Summary: Transcript Transcript of East Ohio Gas hearing held on 10/12/10. electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Anderson, Rosemary Foster Mrs.