

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Application of The East :
Ohio Gas Company, d/b/a :
Dominion East Ohio to : Case No.
Adjust its Pipeline : 11-3238-GA-RDR
Infrastructure Replacement :
Program Cost Recovery Charge :
and Related Matters. :

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PROCEEDINGS

Before Katie Stenmen, Attorney Examiner, held at
the offices of the Public Utilities Commission
of Ohio, 180 East Broad Street, Hearing Room
11-C, Columbus, Ohio, on Wednesday, October 12,
2011, at 10:00 A.M.

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- - -

APPEARANCES:

Carpenter Lipps & Leland LLP
By Mr. Mark Whitt

and

Ms. Melissa L. Thompson
280 Plaza, Suite 1300
280 North High Street
Columbus, Ohio 43215

On behalf of the Company.

Mr. Stephen A. Reilly
Assistant Attorney General
180 East Broad Street
Columbus, Ohio 43215

On behalf of the Staff of the
Public Utilities Commission
of Ohio.

Mr. Larry S. Sauer
Assistant Consumers' Counsel
10 West Broad Street
Suite 1800
Columbus, Ohio 43215

On behalf of the Residential
Customers of Dominion East
Ohio.

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1 Wednesday Morning,
2 October 12, 2011.

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4 ATTORNEY EXAMINER: The Public
5 Utilities Commission of Ohio has called for
6 hearing at this time and place Case No.
7 11-3238-GA-RDR being in the matter of
8 the application of The East Ohio Gas Company,
9 doing business as Dominion East Ohio, to adjust
10 its pipeline infrastructure replacement program
11 cost recovery charge and related matters.

12 My name is Katie Stenmen, and I am
13 the Attorney Examiner assigned by the Commission
14 to hear this case. I would like to start with
15 the appearances of the parties starting with the
16 company.

17 MR. WHITT: Thank you, Your Honor.
18 On behalf of the company, Mark Whitt and Melissa
19 Thompson with the firm of Carpenter Lipps &
20 Leland, 280 Plaza, 280 North High Street,
21 Columbus, Ohio 43215.

22 ATTORNEY EXAMINER: Thank you.

23 MR. REILLY: Thank you, Your Honor.
24 On behalf of the Staff of the Public Utilities
25 Commission of Ohio, Mike DeWine, Ohio Attorney

General; Bill Wright, Section Chief; Stephen Reilly, Assistant Attorneys General, 180 East Broad Street, Columbus, Ohio 43215.

ATTORNEY EXAMINER: Thank you.

MR. SAUER: Thank you, Your Honor.

On behalf of the residential customers of Dominion East Ohio, the Office of the Ohio Consumers' Counsel, Janine L. Migden-Ostrander, Consumers' Counsel, Joseph P. Serio, Larry S. Sauer, Kyle L. Kern, Assistant Consumers' Counsel, 10 West Broad Street, Suite 1800, Columbus, Ohio 43215.

ATTORNEY EXAMINER: Thank you.

Before proceeding I will note that OCC has filed a motion to intervene that has not yet been granted. That motion to intervene will be granted.

It's my understanding that the parties have reached a stipulation.

MR. WHITT: We have, Your Honor, and the company would propose to call Ms. Vicki Friscic from the company to offer testimony in support of the stipulation.

ATTORNEY EXAMINER: Okay. Ms. Friscic, do you want to come on up?

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(WITNESS SWORN)

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VICKI H. FRISCIC

called as a witness on behalf of the Company,
being first duly sworn, testified as follows:

DIRECT EXAMINATION

By Mr. Whitt:

Q. Good morning. Would you please
introduce yourself?

A. Hello. I am Vicki Friscic, I am
Director of Regulatory and Pricing for Dominion
East Ohio.

Q. And, Ms. Friscic, exactly how long
did it take you to drive from Cleveland to
Columbus today?

A. More than three hours.

Q. Okay. We thank you for being here.
What was your role in this proceeding?

A. I had overall responsibility for the
PIR cost recovery charge calculation and the
preparation and filing of the application, the
supplement to the application, and supporting
testimony.

Responsibility also for responses to
discovery and participation in the settlement

1 discussions.

2 Q. And the application you referenced,
3 is that the application filed on August 31st,
4 2011 with the Commission?

5 A. Yes, it is.

6 Q. Are you familiar with the comments
7 filed in this proceeding by the Staff and OCC?

8 A. Yes, I am.

9 Q. Can you just describe generally what
10 the nature of those comments were?

11 A. Generally the Staff comments agreed
12 with the rate filed by Dominion East Ohio in the
13 supplement to the application.

14 Q. And I am very sorry for
15 interrupting, I am glad you mentioned the
16 supplement because I forgot to, why did the
17 company file supplemental information?

18 ATTORNEY EXAMINER: Let me just
19 interrupt here for a second. I know that you
20 did label the exhibits and the stipulation, but
21 let's just go ahead and mark those and move them
22 into admission for clarity of the record.

23 Ms. Friscic's testimony that was
24 submitted on August 31st will be marked as --

25 MR. WHITT: DEO Exhibit 1.

1 ATTORNEY EXAMINER: Okay. And
2 the supplemental testimony of September 15th?

3 MR. WHITT: That would be DEO
4 Exhibit 2.

5 ATTORNEY EXAMINER: Okay. Go ahead
6 and answer. I am sorry I interrupted.

7 A. Okay. After filing the initial
8 application on August 31st I became aware that
9 in addition to the bonus tax depreciation for
10 2010 and 2011, which was properly reflected in
11 the August filing, under previous tax laws there
12 existed 50 percent of bonus tax depreciation for
13 2008 and 2009 which had not been reflected.

14 So, we did include that additional
15 bonus tax depreciation in the filing
16 calculation.

17 Q. Okay. So we have talked about
18 the application, the supplement to the
19 application. Now, with respect to the comments,
20 what were the nature of Staff's comments?

21 A. Staff agreed with the calculation of
22 the rates in the supplement to the application,
23 specifically the residential rate of \$2.22 per
24 applicable customer per month.

25 The Staff agreed with the O&M

1 expense savings of approximately 2.1 million
2 which had reduced the revenue requirement in the
3 filing.

4 Staff also agreed with Dominion East
5 Ohio's proposal that the impact of the O&M
6 expense savings should be recorded by the
7 company as the rates in affect and should not be
8 credited to the regulatory asset.

9 Q. And did OCC also file comments?

10 A. OCC did file comments in the case.

11 Q. What were the nature of their
12 comments, just in general?

13 A. In general OCC had a concern about
14 the calculation of the bonus tax depreciation
15 component of the rate base.

16 Q. Was that concern eventually
17 resolved?

18 A. It was. We had a discussion with
19 OCC and explained the calculation.

20 MR. WHITT: Okay. And may I
21 approach, Your Honor?

22 ATTORNEY EXAMINER: You may.

23 Q. Let me hand you an unexecuted
24 version of Joint Exhibit 1.0, which I will
25 represent to the Commission is identical to the

1 signed version in the record, or that we will
2 move for admission into the record.

3 Can you identify that document?

4 A. This is the stipulation and
5 recommendation that the parties have agreed to.

6 Q. And when you say the parties, would
7 that be all parties in this case?

8 A. Yes. The parties in this case are
9 Dominion East Ohio, the Staff of the Commission,
10 and the Ohio Consumers' Counsel.

11 Q. Okay. And in the course of your
12 career have you had occasion to work with OCC
13 and its lawyers in the past?

14 A. I have.

15 Q. Would you consider them to be
16 capable and knowledgeable parties?

17 A. I do.

18 Q. Could the same be said for the
19 Commission's Staff and the AG's office?

20 A. Yes.

21 Q. Can you please generally describe
22 what the parties have stipulated to and what
23 they recommend?

24 A. Okay. The parties have stipulated
25 that the Staff comments, pardon me, that the

1 rate should be as agreed upon in the Staff
2 comments. And that the revenue requirement is
3 \$37,463.070.11.

4 Staff recommendation as to the O&M
5 expense savings is included in the stipulation
6 as well.

7 The stipulation also states that the
8 other half of the 100 percent bonus tax
9 depreciation on assets placed in service from
10 January through June, 2011 will be reflected in
11 the next PIR cost recovery charge filing.

12 Q. And do you have a recommendation for
13 the Commission?

14 A. Yes. I recommend that the
15 stipulation be approved.

16 MR. WHITT: Thank you very much.

17 ATTORNEY EXAMINER: Any questions?

18 MR. SAUER: No questions, Your
19 Honor.

20 MR. REILLY: No questions.

21 ATTORNEY EXAMINER: Thank you.

22 Going back to the exhibits, I see that the
23 parties have recommended that we mark
24 the application filed on August 31st, 2011 as
25 DEO Exhibit 3.

1 With respect to the supplemental
2 applications Exhibits A and B, which supplement
3 is going to be A and which is going to B?

4 MR. WHITT: Supplement application
5 Exhibit A is DEO Exhibit 4.

6 ATTORNEY EXAMINER: And that was
7 filed on September --

8 MR. WHITT: September 15th.

9 ATTORNEY EXAMINER: Okay.

10 MR. WHITT: And likewise Exhibit B
11 is DEO Exhibit 5.

12 ATTORNEY EXAMINER: That was the
13 September 20th filing.

14 MR. WHITT: Correct.

15 ATTORNEY EXAMINER: Are there any
16 other exhibits that we need to mark? Comments?
17 I know the parties have come to a stipulation,
18 but I still prefer to do it on the record.

19 MR. SAUER: Your Honor, I would ask
20 that the comments that OCC filed on September
21 26th be marked as OCC Exhibit No. 1.

22 ATTORNEY EXAMINER: It will be so
23 marked.

24 MR. REILLY: Your Honor, we would
25 ask the comments that Staff filed, I believe

1 they were filed on the same date as OCC, but I
2 am absolutely not sure, they are reflected in
3 the record around that time, we would ask that
4 they be marked as Staff Exhibit No. 1.

5 And I would move that both OCC's and
6 Staff's comments be admitted per
7 the stipulation.

8 ATTORNEY EXAMINER: Okay. And I
9 assume the same thing is true of Dominion's
10 exhibits as well?

11 MR. WHITT: Yes, Your Honor.

12 ATTORNEY EXAMINER: Any objections
13 to the admission of Joint 1, Dominion Exhibits 1
14 5, and Staff 1 and OCC 1?

15 MR. SAUER: No objections.

16 ATTORNEY EXAMINER: They will all be
17 admitted onto the record.

18 (EXHIBITS ADMITTED INTO
19 EVIDENCE)

20 ATTORNEY EXAMINER: Is there
21 anything else to come before us today? All
22 right. If there is nothing else we are
23 adjourned.

24 (At 10:15 A.M. the hearing was
25 concluded)

CERTIFICATE

I do hereby certify that the foregoing
is a true and correct transcript of the
proceedings taken by me in this matter on
October 12, 2011, and carefully compared with my
original stenographic notes.

Michael O. Spencer,
Registered Professional
Reporter.

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in

Case No(s). 11-3238-GA-RDR

Summary: Transcript Transcript of The East Ohio Gas Company hearing held on 10/12/11 electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Spencer, Michael O. Mr.