

FILE

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The :  
East Ohio Gas Company d/b/a Dominion :  
East Ohio for Approval of Tariffs to : Case No. 11-5843-GA-RDR  
Adjust its Automated Meter Reading Cost :  
Recovery Charge and Related Matters. :

PREFILED TESTIMONY  
OF  
**PETER BAKER**  
SUBMITTED ON BEHALF OF THE STAFF OF  
THE PUBLIC UTILITIES COMMISSION OF OHIO  
SERVICE MONITORING AND ENFORCEMENT DEPARTMENT  
RELIABILITY AND SERVICE ANALYSIS DIVISION

PUCO

2012 APR 27 PM 4:31

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April 27, 2012

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

2 A. My name is Peter Baker. My address is 180 E. Broad Street, Columbus,  
3 Ohio 43215-3793.

4

5 2. Q. By who are you employed?

6 A. I am employed by the Public Utilities Commission of Ohio.

7

8 3. Q. What is your present position with the Public Utilities Commission of Ohio  
9 and what are your duties?

10 A. I am a section chief in the Reliability and Service Analysis Division of the  
11 Service Monitoring and Enforcement Department. My section analyzes  
12 reliability and service quality performance, and enforces reliability, service  
13 quality, and consumer protection rules for electric, gas, and water utilities.  
14 My section also assessed the AMR Cost Recovery Charge that DEO pro-  
15 posed in Case No. 06-1453-GA-UNC.<sup>1</sup>

16

17 4. Q. Would you briefly state your educational background and work history?

18 A. I have bachelor's degrees in Psychology (1967) and Philosophy (1971)  
19 from the University of Oklahoma, and a 1987 bachelor's degree in Business

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<sup>1</sup> Although DEO filed its AMR Rider application in Case No. 06-1453-GA-UNC on December 13, 2006, that application was not formally considered until it was combined with Case No. 07-0829-GA-AIR, which was filed on July 20, 2007.

Administration (with major in Accounting) from Franklin University.

From 1972 to 1986, I was employed by Dowell Division of Dow Chemical Company (an oil field service operation later called Dowell Schlumberger) where I functioned as clerk/dispatcher and administrative assistant. In 1987, I joined the PUCO, where I worked as an analyst and coordinator in the Performance Analysis Division of the Utilities Department. In December of 1994, I was promoted to Administrator in the Consumer Services Department (now called the Service Monitoring and Enforcement Department), and assigned to the Compliance Division (now the Facilities and Operations Field Division). In that organization, I enforced electric, gas, and telephone service quality, customer service, and consumer protection rules. In 1997, I was transferred to the Service Quality and Analysis Division (now called the Reliability and Service Analysis Division), and in 2000, I was promoted to my current position and duties.

5. Q. What is the scope of your testimony in this case?

A. The scope of my testimony is limited to the meter-reading O&M savings estimate that Dominion East Ohio (DEO) provided in response to Staff Data Request 2 in Case No. 07-0829-GA-AIR.

6. Q. Were you the author of that data request?

A. Yes, I was.

1 7. Q. Did you request DEO to provide an annual estimate or a cumulative esti-  
2 mate of savings?

3 A. I requested an estimate of DEO's annual meter-reading O&M savings.  
4

5 8. Q. Did the Company provide an annual estimate or a cumulative estimate of  
6 savings?

7 A. In its response to Subpart-12 of Data Request 2, DEO provided the follow-  
8 ing estimate of annual meter-reading O&M savings.<sup>2</sup>  
9

Year	O&M Savings
2009	\$ 900,000
2010	\$ 1,300,000
2011	\$ 2,950,000
2012	\$ 6,000,000

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11  
12 9. Q. Did the response state or in any way indicate that the data provided was  
13 cumulative and not annual?

14 A. No, it did not. Because the response provides an itemized savings amount  
15 for each listed year, it was unavoidable to conclude that these were annual  
16 amounts.

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<sup>2</sup> Subpart-12 of Data Request 2 is attached hereto as Exhibit PB 1.

1 10. Q. Were there any other indications that these estimates were annual amounts?

2 A. Yes. In my request I asked the Company to base their meter—reading  
3 O&M savings on its response to Subpart-7<sup>3</sup> (of the same request) where I  
4 had asked the Company to provide its “current schedule for AMR installa-  
5 tions and itemize the number of AMR installations *by year* including the  
6 AMRs already installed.”<sup>4</sup> (Emphasis supplied.) The Company responded  
7 to Subpart-7 as follows:  
8

Year	AMR Installations
2007	122,000
2008	200,000
2009	275,000
2010	317,000
2011	386,000

9

10

11 11. Q. What do you conclude when you examine these two responses together?

12 A. The table below combines the content of DEO’s responses to Staff DR 2,  
13 Subparts 7 and 12.

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<sup>3</sup> Subpart-7 of Data Request 2 is attached hereto as Exhibit PB 2.

<sup>4</sup> *In re DEO*, Case No. 07-829-GA-AIR (Staff Data Request No .2, Subpart 7) (October 17, 2007). The words “including AMRs already installed” refers to the small number of AMRs that Staff was aware DEO had already installed in 2006.

1

Year	Installations	Savings
2007	122,000	
2008	200,000	
2009	275,000	\$ 900,000
2010	317,000	\$ 1,300,000
2011	386,000	\$ 2,950,000
2012		\$ 6,000,000

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Examining the table above, it is clear that the data request response concerning installations referred to the years during which the AMRDs would be installed, and the response concerning meter-reading O&M savings referred to the years when DEO would request cost recovery. The reason the Company's O&M savings estimates began in 2009 (rather than 2007 or 2008) is that 2009 was the year in which the Company first expected to seek recovery. Accordingly, the \$900,000 O&M savings for 2009 was for installations in years 2008 and 2007. Similarly, the \$2,950,000 O&M savings for 2011 and the \$1,300,000 savings for 2010 referred to savings from installations in 2010 and 2009, respectively. Likewise, the \$6,000,000 estimate of O&M savings for 2012 was to be realized through DEO's 2012 application for recovery of 2011 costs. This point is confirmed by the fact that DEO actually began realizing meter-

1 reading O&M savings for the years 2007 and 2008 as reflected in its 2009  
2 application.

3  
4 12. Q. Were you responsible for Staff's assessment of DEO's proposed AMR  
5 Rider?

6 A. Yes, I was.  
7

8 13. Q. What was the result of your assessment?

9 A. On pages 42 and 43 of the Staff Report of Investigation in Case No. 07-  
10 0829-GA-AIR, Staff recommended the Commission approve DEO's pro-  
11 posed AMR Cost Recovery Charge (subject to Staff-proposed modifica-  
12 tions).  
13

14 14. Q. In making that recommendation, did Staff rely on DEO's meter-reading  
15 O&M savings estimate and an understanding that the savings was annual  
16 and not cumulative?

17 A. Yes, the Staff did rely on DEO's estimate and understood it to be an esti-  
18 mate of annual meter-reading O&M savings.  
19

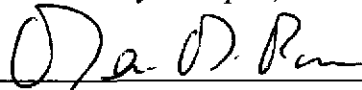
20 15. Q. Does this conclude your Prepared Direct Testimony?

1           A.     Yes, it does. However, I reserve the right to submit supplemental testi-  
2                   mony as described herein, as new information subsequently becomes avail-  
3                   able or in response to positions taken by other parties.  
4



## CERTIFICATE OF SERVICE

I certify a true copy of the foregoing **Prefiled Testimony of Peter Baker**, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served upon the following parties via electronic mail this 27<sup>th</sup> day of April, 2012.



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Assistant Attorney General

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**The East Ohio Gas Company d/b/a Dominion East Ohio  
Case No. 07-0829-GA-AIR**

**Response to Data Requests**

**Requesting Party:**

PUCO

**Data Request Set:**

Peter Baker

**Question Number:**

02

**Subpart:**

12

**Request Date:**

10/17/2007

**Due Date:**

11/02/2007

**Topic:**

AMR

**Question:**

Using 2006 meter-reading O&M expense as a baseline and assuming the schedule provided in response to Item 7 above, please estimate the Company's annual meter-reading O&M savings.

**Answer:**

The Company does not expect to realize material savings until a sufficient quantity of complete routes are automated for mobile reading. The Company has calculated the following savings based on potential meter reading headcount reductions in the future. It should be noted that the Company expects many of those positions to be redeployed to other areas of the Company.

2009 - \$ 900,000

2010 - \$ 1,300,000

2011 - \$ 2,950,000

2012 - \$ 6,000,000

**Preparer of Response:**

William Armstrong

**Date Prepared:**

11/01/2007

**Attachments:**☐ Yes ☒ No

Attach here--&gt;

**Dominion**

**The East Ohio Gas Company d/b/a Dominion East Ohio  
Case No. 07-0829-GA-AIR**

**Response to Data Requests**

**Requesting Party:**

PUCO

**Data Request Set:**

Peter Baker

**Question Number:**

02

**Subpart:**

7

**Request Date:**

10/17/2007

**Due Date:**

11/02/2007

**Topic:**

AMR

**Question:**

Please provide the Company's current schedule for AMR installations and itemize the number of planned AMR installations by year including the AMRs already installed.

**Answer:**

2007	122,000
2008	200,000
2009	275,000
2010	317,000
2011	386,000

**Preparer of Response:**

William Armstrong

**Date Prepared:**

11/01/2007

**Attachments:**
☐ Yes ☒ No

**Attach here-->**