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PUCO

1 PUBLIC UTILITIES COMMISSION

2 STATE OF OHIO

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4 In the Matter of the )  
 5 Application of the Cincinnati )  
 6 Gas & Electric Company for an ) Case No. 01-1228-GA-AIR  
 7 Increase in its Gas Rates in )  
 8 its Service Territory. )

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10 In the Matter of the )  
 11 Application of the Cincinnati )  
 12 Gas & Electric Company for ) Case No. 01-1478-GA-ALT  
 13 Approval of an Alternative )  
 14 Rate Plan for its Gas )  
 15 Distribution Service. )

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17 In the Matter of the )  
 18 Application of The Cincinnati )  
 19 Gas & Electric Company for ) Case No. 01-1539-GA-AAM  
 20 Approval to Change Accounting )  
 21 Methods. )

22 - - -

23 Deposition of Rebecca Adkins, a witness herein, called  
 24 by the Cincinnati Gas & Electric Company for Cross-examination  
 25 under the statute, taken before me, Valerie J. Grubaugh,  
 Registered Merit Reporter, Certified Realtime Reporter and  
 Notary Public in and for the State of Ohio, pursuant to notice  
 and stipulations of counsel hereinafter set forth, at the  
 offices of Ohio Consumers' Counsel, 10 West Broad Street,  
 Columbus, Ohio, on Wednesday, March 20, 2002, beginning at 10:15  
 o'clock a.m. and concluding on the same day.

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1 APPEARANCES:

2 ON BEHALF OF THE CINCINNATI GAS & ELECTRIC COMPANY:

3 John J. Finnigan, Jr., Esq.  
4 Senior Counsel  
5 139 East Fourth Street  
6 Room 25 ATII  
7 Cincinnati, Ohio 45202  
8 (513) 287-3601

9 THE RESIDENTIAL RATEPAYERS OF THE CINCINNATI  
10 GAS & ELECTRIC COMPANY:

11 Robert S. Tongren, Esq.  
12 Ohio Consumers' Counsel

13 By: Colleen L. Mooney, Esq.  
14 Associate Ohio Consumers' Counsel  
15 Office of The Ohio Consumers' Counsel  
16 10 West Broad Street, Suite 1800  
17 Columbus, Ohio 43215-3485  
18 (614) 466-8574  
19 Fax (614) 466-9475

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S T I P U L A T I O N S

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It is stipulated by and between counsel for the  
respective parties herein that the deposition of Rebecca Adkins,  
a witness herein, called by the Cincinnati Gas & Electric  
Company for Cross-examination under the statute, may be taken at  
this time and reduced to writing in stenotype by the Notary,  
whose notes may thereafter be transcribed out of the presence of  
the witness; that proof of the official character and  
qualification of the Notary is waived; that the witness may sign  
the transcript of her deposition before a Notary other than the  
Notary taking her deposition; said deposition to have the same  
force and effect as though the witness had signed the transcript  
of her deposition before the Notary taking it.

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1	I N D E X	
2	- - -	
3	WITNESS	PAGE
4	Rebecca Adkins	
5	Cross-examination by Mr. Finnigan	5
6	- - -	
7	EXHIBITS	MARKED
8	None.	
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1 REBECCA ADKINS  
2 of lawful age, being by me first duly placed under oath, as  
3 prescribed by law, was examined and testified as follows:

4 CROSS-EXAMINATION

5 BY MR. FINNIGAN:

6 Q. Morning, Rebecca. My name is John Finnigan. I'm an  
7 attorney for CG&E. We're here to take your deposition in  
8 connection with a hearing that's coming up on April 2nd. I just  
9 have a couple of questions for you.

10 Your testimony was directed towards the security  
11 deposit that CG&E requests of some customers; is that correct?

12 A. That's correct.

13 Q. And I wasn't clear from your testimony whether you had  
14 reached a conclusion that CG&E was or was not in violation of  
15 the Ohio Administrative Code regulation that spells out the five  
16 factors under which a security deposit may be required, or  
17 through which customers can establish credit with a utility  
18 company.

19 A. Yeah, there are five methods set out by the Ohio  
20 Administrative Code, and it's clear by the company policy  
21 established in October of 2000 that the company is performing a  
22 credit check on every new residential customer that's  
23 establishing service.

24 And, basically, if the credit check is performed and  
25 the person's overall credit status is reviewed and the company

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1 deems that the customer is an unsatisfactory credit risk, then a  
2 security deposit will be required, without that customer having  
3 the opportunity to establish financial responsibility through  
4 any of the other four methods.

5 Q. Do you know if the financial screening or the  
6 financial check that the company does takes those four methods  
7 into account?

8 A. The company is using an Equifax software, and the only  
9 thing that the company said that the software can look at is  
10 overall credit status, which would include things like medical  
11 bills, any kind of credit card accounts, things like that, so  
12 nonutility related services.

13 The company did not go into -- Well, the Equifax  
14 information that was provided by the company did not determine  
15 that the company was using any of the other four methods as  
16 prescribed by the Ohio Administrative Code.

17 Q. Now, I have a summary of your testimony here. Let me  
18 review the five different factors with you. One is by the  
19 customer demonstrating that he or she is a financially  
20 responsible free holder of a premises to be served?

21 A. That's correct.

22 Q. Do you know if the company does or does not do that?

23 A. The company did not -- the company is using a policy  
24 where they are putting the -- or assessing customers a security  
25 deposit by looking at the Equifax software, by putting the

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1 customer's Social Security number or formal name -- former name  
2 and address into the software to determine overall credit status  
3 and credit risk.

4 The company did not specify that they are using any of  
5 the other four methods, including being a financial free holder  
6 of a premise to be served.

7 Q. Financially responsible free holder, right?

8 A. That's correct.

9 Q. If the security -- Strike that.

10 If the credit check that the company uses is geared to  
11 determine whether the person is financially responsible,  
12 wouldn't that conform with the regulation?

13 A. No, the Ohio Administrative Code has five methods by  
14 which customers can establish financial responsibility, and any  
15 of those five methods should be used or the customer should be  
16 allowed to use to establish that financial responsibility, and  
17 if the company is only assessing the one or allowing customers  
18 to use the one, that's not complying with the rule.

19 Q. Okay. But let's just -- Let's talk about all five,  
20 and let's just stick with the first one for a moment, which  
21 discusses whether the person is a financially responsible free  
22 holder.

23 If the credit check is geared to determine whether the  
24 applicant is financially responsible, and also gauges whether  
25 that person owns property, wouldn't that conform with that one

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1 of the five options?

2 A. I'm not certain if the Equifax can determine whether  
3 or not a person -- an applicant is a financially responsible  
4 free holder of an estate. I can't answer that.

5 Q. Okay. Now, with regard to the second option under the  
6 regulation, that is allowing the person to demonstrate that he  
7 or she is a satisfactory credit risk, do you know if the Equifax  
8 credit screen complies with that one?

9 A. By the notes in the Ohio Administrative Code for that  
10 section, the things that could be asked are employment  
11 information, how long has the person been employed at a certain  
12 position, letters of reference from utility companies,  
13 substantive credit cards can be asked for.

14 So I don't believe that that one is talking  
15 specifically about performing a credit check on Equifax.

16 Q. Okay. When you say the notes that are provided under  
17 the regulation, I'm not clear on what you're referring to.

18 A. Just in the Ohio Administrative Code, itself, there's  
19 like a footnote, and that's where it talks about the different  
20 things that can be asked under No. 2.

21 Q. And is that an exhaustive list of all the questions  
22 that a utility is allowed to ask under Item No. 2 of the  
23 regulation?

24 A. I think it says "including these items".

25 Q. So it's not exhaustive, that's just an example --



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1 A. That's correct.

2 Q. -- of some of the items a utility could ask to allow a  
3 person to establish that they are a satisfactory credit risk, is  
4 that correct?

5 A. That's correct.

6 Q. And since that's not an exhaustive list, do you have  
7 an opinion as to whether the Equifax credit check conforms with  
8 this option under the regulation, that is the one that allows  
9 the person to establish that they are a satisfactory credit  
10 risk?

11 A. I think it could comply with that being a quick and  
12 inexpensive way to establish financial responsibility.

13 Q. All right. Now, do you know whether CG&E follows the  
14 third option, that is where the customer can obtain credit by  
15 demonstrating that he or she is a credit worthy customer for  
16 similar utility service within the past 24 months?

17 A. Yes, I see that provision.

18 Q. Okay. Do you know whether CG&E follows that  
19 provision?

20 A. The company, again, has a policy where every new  
21 customer that is trying to become -- or is applying for new  
22 service will be sent through the Equifax software regardless of  
23 whether that provision will be established by the customer. The  
24 company is not allowing customers to use that option.

25 Q. Okay. If the company indicated that it would allow

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1 customers to establish credit by demonstrating that they have  
2 received similar utility service within the past 24 months and  
3 that they have done it in a credit worthy manner, would you be  
4 satisfied that the company is complying with that part of the  
5 regulation?

6 A. That would be one acceptable method, right.

7 Q. And with regard to Item No. 4, that allows a customer  
8 to establish credit by demonstrating -- or, by furnishing a  
9 guarantor for 60 days' worth of service.

10 A. That's correct.

11 Q. Do you know whether the company does that or not?

12 A. Again, I think the company is just using the credit  
13 check per the Equifax software for each customer that is  
14 establishing service, and before a customer is asked any of the  
15 other four methods, the credit check is done before any of that  
16 occurs.

17 Q. But do you know if the company follows a policy of  
18 allowing customers to establish credit by furnishing a guarantor  
19 for 60 days of service?

20 A. I have no information from the company's testimony  
21 that that is something they are offering.

22 Q. Okay. And with regard to the last item, to establish  
23 credit, that's making a cash deposit. Do you know if the  
24 company allows customers to establish credit by making a cash  
25 deposit?

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1 A. I think that's part of the Equifax credit check that  
2 the company is performing anyway. It's when the person is  
3 deemed an unsatisfactory credit risk, then they would assess the  
4 deposit.

5 Q. So the company does allow customers to do that, in  
6 your understanding?

7 A. Yes, that's correct.

8 Q. Okay.

9 MR. FINNIGAN: That's all the questions I have. Thank  
10 you.

11 (Signature not waived.)

12

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13 (Thereupon, the deposition was concluded at 10:22  
14 o'clock a.m. on Wednesday, March 20, 2002.)

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STATE OF \_\_\_\_\_, )  
COUNTY OF \_\_\_\_\_, ) SS:

Rebecca Adkins, having been duly placed under oath,  
deposes and says that:

I have read the transcript of my deposition taken on  
Wednesday, March 20, 2002 and made all necessary changes and/or  
corrections as noted on the attached correction sheet, if any.

\_\_\_\_\_  
Rebecca Adkins

Placed under oath before me and subscribed in my  
presence this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_.

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State of Ohio, )  
County of Fairfield, ) SS:

I, Valerie J. Grubaugh, Registered Merit Reporter and Notary Public in and for the State of Ohio, hereby certify that the foregoing is a true and accurate transcript of the deposition testimony, taken under oath on the date hereinbefore set forth, of

REBECCA ADKINS

I further certify that I am neither attorney or counsel for, nor related to or employed by any of the parties to the action in which the deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed in this case, nor am I financially interested in the action.

Valerie J. Grubaugh,  
Registered Merit Reporter  
and Notary Public in and for  
the State of Ohio.

My Commission Expires:  
August 08, 2006.

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