

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

Sandra M. Paul,
v.
Three-Lane Utilities,
Inc.
Telephonic Hearing

Docket No.: C-20077265

Pages: 1 - 34

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Scranton, PA 18503

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Thursday, March 22, 2007
Commencing at 10:06 a.m.

BEFORE:

EMBER S. JANDEBEUR, Administrative Law Judge

APPEARANCES:

KENNETH ZIELONIS, Esquire
Law Offices of Kenneth Zielonis
1786 Autumnwood Drive
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For Three-Lane Utilities

Sandra M. Paul, Pro Se

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REPORTER: GREGORY JONES

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<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
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Dennis Kalbarczyk	22			

P R O C E E D I N G S

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2 -----
3 JUDGE EMBER S. JANDEBEUR:

4 This is the time and place for the
5 telephonic hearing in the matter of Sandra M., as in
6 Mark, Paul, P-A-U-1, versus Three-Lane Utilities,
7 Incorporation. It's Docket C-20077265. It is the
8 telephonic hearing, and on this call I have Sandra
9 Paul on her own behalf. I have Ken Zielonis
10 representing the utility, and two witnesses for the
11 company, Marsha Paltenstein.
12 That's P-A-L-I-A-S-T-I-N; is that correct, Ms.
13 Paltenstein?

14 MS. PALTENSTEIN:

15 No, it's P-A-L-T-E-N-S-T-E-I-N.

16 JUDGE JANDEBEUR:

17 Do you want to do that one more time?

18 MS. PALTENSTEIN:

19 Sure, P-A-L-T-E-N-S-T-E-I-N.

20 JUDGE JANDEBERUR:

21 And pronounce it, please?

22 MS. PALTENSTEIN:

23 Paltenstein.

24 JUDGE JANDEBEUR:

25 Okay. Thank you.

1 MS. PALTENSTEIN:

2 You're welcome.

3 JUDGE JANDEBEUR:

4 And also Dennis Kolbarczyk, and that's
5 K-A-L-V-A-R-C-Z-Y-K; is that correct?

6 MR. KALBARCZYK:

7 That's correct, Your Honor.

8 JUDGE JANDEBEUR:

9 And pronounce it for me?

10 MR. KALBARCZYK:

11 Kalbarczyk. That's correct.

12 JUDGE JANDEBEUR:

13 Good. Thank you both. All right. Now,
14 Ms. Paul, have you been through one of our hearings
15 before?

16 MS. PAUL:

17 No, I have not.

18 JUDGE JANDEBEUR:

19 Would you like a brief explanation of
20 what to expect?

21 MS. PAUL:

22 That would be fine. Thank you.

23 JUDGE JANDEBEUR:

24 Okay. We're going to go off the record
25 for that.

1 OFF RECORD DISCUSSION

2 -----

3 SANDRA M. PAUL, HAVING FIRST BEEN DULY SWORN,
4 TESTIFIED AS FOLLOWS:

5 -----

6 JUDGE JANDEBEUR:

7 Thank you, ma'am. Go ahead and tell me
8 what's going on and what you would like the Commission
9 to do about it.

10 A. Okay. Well, let me explain first why I filed the
11 complaint. I had a call from my neighbor, Pat
12 Bradley, who lives --- we live in a townhouse
13 community. She lives two townhouses down. She said
14 she had spoken with someone at the PUC, and that they
15 advised her to get in touch with her neighbors to send
16 in complaints that they were having problems with the
17 company, but they wanted to have complaints from
18 individuals in the community, and I told her that I
19 would.

20 From my recollection, I could not find the
21 agreement, but about a year and a half, two years ago,
22 there was an agreement in place with Three-Lane
23 Utilities, that they would install meters, they would
24 have, I believe, it was nine months to --- after the
25 meters were installed, to come up with a base price

1 and start billing people, you know, with the meters.
2 I've spoken with several people in the community, and
3 they don't even have meters or their meters aren't
4 working. And I believe the time has passed, and that
5 we should all be on meters and we should be getting
6 billed by the meter.

7 I'm a single individual, and I'm paying as much as
8 someone who has four or five people in their
9 household. And my neighbor was the same way, and we
10 just didn't feel that it was fair. And that was the
11 reason why I filed the complaint.

12 JUDGE JANDEBEUR:

13 Okay. Now, get specifically to your
14 complaint and how Three-Lane Utilities is affecting
15 you.

16 A. Well, as I said, I believe that, you know, once
17 they do what they were told they had to do, and put
18 everybody on meters, that my rates should be less,
19 because I'm a single individual. I'm not at home, I
20 work five days a week. I'm hardly using any water.
21 And if we were on meters, I would be paying my share,
22 and people have four or five people in their home
23 would be paying their fair share.

24 And it was my recollection to the agreement that
25 was reached, at least a year and a half ago, that the

1 meters should have been in by now, we should have been
2 being billed by the meters.

3 JUDGE JANDEBEUR:

4 Okay. When your neighbor said she spoke
5 to PUC, do you know who she spoke to?

6 A. No, I don't, I'm sorry. She said she spoke with
7 someone and they advised her that they were having
8 problems with the company not doing what they were
9 supposed to do, and that they needed people to file
10 complaints, and she asked me if I would file one, and
11 I said yes. Her name is Pat Bradley. I think you
12 should have a complaint from her.

13 JUDGE JANDEBEUR:

14 Does the phrase Bureau of Consumer
15 Services ring any bells?

16 A. Just a phrase?

17 JUDGE JANDEBEUR:

18 Yes. We have a bureau at the PUC that's
19 called the Bureau of Consumer Services. They
20 typically handle informal complaints. Is that a
21 phrase that your friend mentioned or that doesn't ---?

22 A. She never mentioned that. But basically I
23 remember her saying that she spoke with someone there
24 at the PUC and they advised her to file a complaint,
25 and to ask, you know, any of the neighbors who felt

1 there should be a complaint filed, to do so. And I
2 told her that I would do it, and I did.

3 JUDGE JANDEBEUR:

4 Okay. Now, you've mentioned an agreement
5 several times. Do you know who that agreement is
6 between?

7 A. Well, the Consumer Advocate represented the
8 Milford Landing, okay, in that agreement. And the
9 agreement, as I said, I tried to find it, I couldn't
10 find my copy. But they were given a certain amount of
11 time to get the meters in. Once the meters were in, I
12 believe they were given like a nine-month period to
13 determine what the rate was going to be, and then we
14 were going to start being billed. And it's my
15 recollection is that the time for that was past. I
16 believe it was supposed to have been done by last
17 October. But I can't swear to that, because I don't
18 have the agreement.

19 JUDGE JANDEBEUR:

20 Okay. And what is it that you want me to
21 do?

22 A. Well, I just think that the company should, you
23 know, if there's an agreement in place, and there's a
24 time period that they're supposed to do this, that it
25 should be done.

1 JUDGE JANDEBEUR:

2 So if I can paraphrase that, you want me
3 to enforce this agreement?

4 A. Exactly.

5 JUDGE JANDEBEUR:

6 Okay. Now, now am I going to enforce an
7 agreement that I don't have?

8 A. Well, it was with the PUC. It should be a filed
9 there. There was because this whole thing went
10 through the PUC.

11 JUDGE JANDEBEUR:

12 It could very well be more than one
13 agreement with the same company. That's a little
14 difficult ---.

15 A. Right.

16 JUDGE JANDEBEUR:

17 Nonetheless, I ---.

18 A. Specifically concerning Milford Landing Properties
19 Association.

20 JUDGE JANDEBEUR:

21 Okay. I will attempt to look it up.
22 However, I can tell you it makes me nervous to be
23 asked for --- to be asked to enforce something that I
24 don't have in front of me, and that I ---.

25 A. Right. I understand that.

1 JUDGE JANDEBEUR:

2 Even if I research it, I don't have a
3 guarantee that I'm looking at the same document that
4 you're asking me to enforce, so that's a problem.

5 A. Right.

6 JUDGE JANDEBEUR:

7 We'll deal with that before we finish up
8 and adjourn. But is that the balance of what you need
9 to say?

10 A. Yes.

11 JUDGE JANDEBEUR:

12 Okay. Questions, Mr. Zielonis?

13 ATTORNEY ZIELONIS:

14 Your Honor, I do just have a couple of
15 questions.

16 CROSS EXAMINATION

17 BY ATTORNEY ZIELONIS:

18 Q. Is it your testimony, ma'am, that you were
19 encouraged to file this complaint by ---?

20 A. I was asked to file it by a neighbor.

21 Q. And that was ---?

22 A. And also, she was asked to ask me and other people
23 to file, which she did. And as far as I know, other
24 people did.

25 Q. And the entity that asked you to do that was the

1 Pennsylvania Public Utility Commission ---

2 A. Right.

3 Q. --- representative of them?

4 A. Exactly. Yes.

5 Q. Okay. Now, would this --- if you had this, and
6 you may not have this information, Ms. Paul, would
7 this information satisfy your complaint --- that the
8 company has filed a request to extend the time period
9 for the installation of meters and that the consumer
10 advocate has signed off on that request, and supports
11 the company's request for an extension of time?

12 A. Yeah, I received that. I'm aware of that.

13 Q. Are you aware of that?

14 A. Yes, I am.

15 Q. And that it may have been on the PUC's public
16 meeting agenda today?

17 A. Yes.

18 Q. If the Commission approves that extension, would
19 that satisfy your complaint?

20 A. I don't know. I just feel that too much time has
21 taken place, and I know that I have spoken with people
22 who say their meter is either not in or not working.
23 And it's been a long time, and I just feel that part
24 of all this should be completed. I know people have
25 told me that they've stayed home and the person who

1 was going to come to install the meter didn't show up,
2 or that the meter was installed, it wasn't working,
3 and it seems to me like it's been awfully long time.
4 But I wasn't aware until after I filed this that the
5 Consumer Advocate had agreed with your extension of
6 time. I really don't know how I feel about that. I
7 just feel this should all be resolved by now. I think
8 it's been a long time.

9 ATTORNEY ZIELONIS:

10 Your Honor, I would only object to the
11 answers that she provided where she indicated she was
12 told something by someone. I object on the basis of
13 hearsay evidence.

14 JUDGE JANDEBEUR:

15 Well, Mr. Zielonis, you're aware that
16 this is an Administrative hearing. The rules for
17 hearsay evidence are very relaxed. Obviously, there
18 isn't going to be any corroboration of it. It doesn't
19 mean a whole lot to me. It's pure gossip. So your
20 objection is overruled. I'm going to be looking
21 as probably both of you understand, I'm going to be
22 looking specifically at documentation and all that
23 Mrs. Paul has asked for is enforcement of something so
24 far that I don't have. And you're saying, Mr.
25 Zielonis, that even if I did have it, that the PUC, in

1 all likelihood, is going to approve an extension. So
2 you're overruled. It's kind of ---.

3 A. Judge, can I interrupt, please? Are you going to
4 calling other people besides myself who filed the
5 complaint?

6 JUDGE JANDEBEUR:

7 I am not aware of other complaints. I
8 don't call people. If they file formal complaints and
9 it's assigned to me, I hear them.

10 A. Will it be assigned --- I mean, because ---.

11 JUDGE JANDEBEUR:

12 Not necessarily. They assign cases based
13 on docket load. So they don't assign cases based on
14 location. Typically, yes, I get northeast quadrant
15 cases, but if I am extremely busy, then no, it would
16 be assigned to Philly. So it's not a done deal that
17 all Milford Landing cases would be assigned to me.
18 I'm not aware of any others in front of me right now.
19 The name that you mentioned does not ring a bell.

20 A. Okay. Well, she --- as I said, she's the one that
21 contacted me, she's the one that told me --- she did
22 tell me the name of the person she spoke to, but I
23 didn't write it down, and I don't have it here at my
24 office.

25 JUDGE JANDEBEUR:

1 Yes --- no.

2 A. But I mean, she could be contacted and she told me
3 herself that she did file.

4 JUDGE JANDEBEUR:

5 Yes, I don't do that. If somebody is
6 subpoenaed and brought into a matter, that's up to the
7 parties. I don't go out and seek witnesses.

8 A. Okay.

9 HEARING OFFICER:

10 Okay. Other questions, Mr. Zielonis?

11 ATTORNEY ZIELONIS:

12 That's all I have, Your Honor.

13 JUDGE:

14 Okay. Do you want to present your
15 witnesses?

16 ATTORNEY ZIELONIS:

17 Yes, Your Honor. The first witness is
18 Marcia Paltenstein.

19 JUDGE JANDEBEUR:

20 Okay.

21 -----

22 MARCIA PALTENSTEIN, HAVING FIRST BEEN DULY SWORN,

23 TESTIFIED AS FOLLOWS:

24 -----

25 JUDGE JANDEBEUR:

1 Thank you, ma'am. Go ahead Mr. Zielonis.

2 DIRECT EXAMINATION

3 BY ATTORNEY ZIELONIS:

4 Q. By whom are you employed, ma'am?

5 A. Three-Lane Utilities.

6 Q. And are you authorized by that company to testify
7 today?

8 A. Yes.

9 Q. Are you familiar with the billing account of
10 Sandra Paul?

11 A. Yes.

12 Q. And have you had any discussions with Ms. Paul?

13 A. Yes.

14 Q. And then what --- do you have the dates that those
15 discussions took place and the substance of those
16 discussions?

17 A. I do. I have discussions back as far as December
18 of 2005, December 20th of 2005 through December 15th
19 of 2005. We're scheduling an appointment for meter
20 installation and the --- from my notes she was
21 scheduled for December 16th. And another conversation
22 that same day she had called, though. She was still
23 waiting for someone to come to install the meter. I
24 had my calls out of order. And then November of 2006
25 there was another appointment set. It looks like

1 there was a call on December of 2006 that she didn't
2 receive her bill. We sent her out another bill, and
3 then again in February of 2007 that she didn't receive
4 a bill, and we sent another --- faxed a copy of the
5 bill.

6 Q. Is Ms. Paul's meter in at this time?

7 A. Yes.

8 Q. Okay. Now, Ms. Paul indicated that she was aware
9 of issues concerning problems with the meter
10 installation or the meters not working. Are you
11 familiar with any of that background information?

12 A. Yes.

13 Q. Can you explain the Three-Lane meter installation
14 process, in general?

15 A. Can you be more specific?

16 Q. When did the process start and how did you --- who
17 did you use for purposes of installing it. Did you
18 experience any problems with the installation process?

19 A. We contracted with a plumber in the area to do the
20 installation of the meters. And we began contacting
21 customers in October of 2005 by mail, letting them
22 know the dates that the contractor would be in the
23 area, and what they would need to do in order to allow
24 the contractor into the home to install the meters.
25 We had some difficulty with that contractor not

1 getting the work done that he said he would be able to
2 get done, and basically wound up having to replace
3 him.

4 We contacted with a second contractor, and I
5 believe that second contractor is the one that
6 installed Ms. Paul's meter in December of 2005. And
7 he, that second contractor, began installing meters.
8 We ran into problems with homeowners either not being
9 home or not being able to let someone in. we ran into
10 problems with the installer not showing up by times
11 when they should have, ran into problems with meters
12 not being installed correctly or not working
13 correctly, and that's the general information.

14 Q. Did you have any problems where individuals had
15 scheduled an appointment but did not, or no-show for
16 that appointment when the meter installation
17 person ---?

18 A. We had that problem a lot, yes.

19 Q. Okay. Did you have any storm-related problems
20 that occurred during the meter installation process?

21 A. Yes. In 2006, we had an area of the development
22 that was flooded and there are meters not working due
23 to the flooding.

24 Q. Did that also delay the installation of meters?

25 A. It did. When the flooding occurred, that was a

1 time when we were due to go up there and do some work.
2 So the installation for the time period were delayed,
3 and it initially added additional costs to the rest of
4 the list of customers that had to be visited, because
5 they had prior meters that had been working, the
6 flooding happened, those meters now needed to be
7 fixed.

8 Q. Did the company also send out any written notices
9 to people, informing them of the meter installation
10 process and to contact the company to establish a
11 date?

12 A. There were letters sent out up there, at points in
13 time to notify people whose meters either were not
14 installed or not working; updates that we would be in
15 the area and to contact us to set up appointments.

16 Q. Did the company --- did the customers always
17 answer and contact the company to establish a date?

18 A. Did they always answer, did you say?

19 Q. Yeah.

20 A. No.

21 Q. Okay. Are all the meters now installed in the
22 company's service territory?

23 A. Not all of them.

24 Q. Did you have appointments scheduled for those
25 customers, or most of those customers?

1 A. Do I have appointments scheduled currently, are
2 you asking?

3 Q. Yeah.

4 A. Not currently.

5 Q. Are you still experiencing problems contacting
6 those individuals for purpose of installing meters?

7 A. There are customers who have been sent letters who
8 have never responded, so that extent, yes.

9 ATTORNEY ZIELONIS:

10 Your Honor, that's all the questions I
11 have for this witness.

12 JUDGE JANDEBEUR:

13 Ms. Paltenstein, how many customers does
14 the company have?

15 A. 149.

16 JUDGE JANDEBEUR:

17 When was the original date for
18 installation to be completed?

19 ATTORNEY ZIELONIS:

20 Your Honor, I can answer that question.

21 JUDGE JANDEBEUR:

22 Go ahead.

23 ATTORNEY ZIELONIS:

24 If you would like to --- on the basis of
25 the agreement that was signed by the company in

1 negotiating, Your Honor, it was 21 months from the
2 date of the Commission approval of the company's
3 original application for service --- for service, Your
4 Honor.

5 JUDGE JANDEBEUR:

6 So what does that date become?

7 ATTORNEY ZELONIS:

8 That date would become March of this
9 year.

10 JUDGE JANDEBEUR:

11 So any specific date in March or just
12 March 2007?

13 ATTORNEY ZIELONIS:

14 I believe March 25th or 6th, Your Honor.

15 JUDGE JANDEBEUR:

16 Okay. And again, I guess, Mr. Zielonis,
17 this is a question for you, unless Ms. Paltenstein can
18 answer it. What is the extension asking for that you
19 think might be approved today through the Public
20 Meeting?

21 ATTORNEY ZIELONIS:

22 Your Honor, with the extension asked
23 until July 1st, 2007.

24 JUDGE JANDEBEUR:

25 So basically, 90 more days from today?

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ATTORNEY ZIELONIS:

Yes.

JUDGE JANDEBEUR:

Okay. Ms. Paul, do you have questions for Ms. Paltenstein?

MS. PAUL:

No, I don't.

JUDGE JANDEBEUR:

Okay. Mr. Zielonis, do you have another witness?

ATTORNEY ZIELONIS:

Yes, Your Honor. We would call Mr. Dennis Kalbarczyk.

DENNIS KALBARCZYK, HAVING FIRST BEEN DULY SWORN,
TESTIFIED AS FOLLOWS:

JUDGE JANDEBEUR:

Thank you, sir. Go ahead, Mr. Zielonis.

DIRECT EXAMINATION

BY ATTORNEY ZIELONIS:

Q. Mr. Kalbarczyk, by whom are you employed?

A. I am the principal in the firm of Utility Rate Resources.

Q. And what does that company do?

1 A. Utility Rate Resources specializes in the area of
2 utility rate making. And I have over 30-plus years
3 experience in utility rates and economic field.

4 Q. And have you been retained by Three-lane Utilities
5 to assist them in certain matters?

6 A. Yes, I have.

7 Q. And what is the basis of your retention?

8 A. I was the primary rate consultant for Three-Lane
9 Utilities in preparing its application, as well as
10 performing work for that in general utility rate and
11 regulatory matters to also include the development of
12 an appropriate volumetric weight when the company
13 switches from a flat rate to a volumetric rate.

14 Q. Did you also assist the company in the creation of
15 the settlement of its application case?

16 A. Yes, I was one of the individuals who helped craft
17 the original settlement.

18 Q. And are you familiar with the requirements for
19 meter installation?

20 A. Yes, I am.

21 Q. And are you familiar with their requirement that
22 there was a certain time period that were inserted
23 into the settlement and that it allowed for certain
24 extensions based on timing of meter installation?

25 A. Yes, that is correct.

1 Q. Are you also familiar --- I'm sorry, let me ---
2 strike that, Your Honor.

3 What is the company's current tariff rate?

4 A. What is the current tariff rate? I do not have a
5 tariff in front of me, it's a flat rate. It's either
6 \$50 or \$55. I really don't remember the exact amount.

7 Q. And that rate has been approved by the PUC?

8 A. Yes, it was approved around June of 2005 when the
9 company was granted a certificate for public
10 convenience.

11 Q. And did you create the effective tariff rate?

12 A. Yes, I did.

13 Q. And does the company currently have pending an
14 application for service territory expansion?

15 A. Yes, it does.

16 Q. Have you been a part of that process?

17 A. Yes, I assisted in preparing the financial
18 documents that were necessary to support the expansion
19 of the current existing territory.

20 Q. And did you answer Interrogatories in that
21 proceeding?

22 A. Yes, I did. And that was on behalf of --- that
23 was again on behalf of Three-Lane Utilities.

24 Q. And are you familiar with an Interrogatory or did
25 you create an Interrogatory concerning the explanation

1 concerning problems with meter installation?

2 A. Yes, I did.

3 Q. And do you --- what was the basis of that?

4 A. The basis of the Interrogatory question and
5 response was to provide updates with regard to the
6 settlement that was related to the approval of the
7 certificate of application granted in June of 2005.
8 As part of that, were the movement of the flat rates
9 of the volumetric rate. I did advise the Bureau of
10 Fixed Utility Services, a division of the Public
11 Utility Commission who propounded that question about
12 the timing and difficulties that the company was
13 experiencing with regard to the installation of the
14 meters, and the difficulties in --- in the necessary
15 volumetric date to prepare a volumetric rate filing.

16 Q. Did you file that --- or was that answer filed in
17 2006?

18 A. Yes, it was.

19 Q. Do you recall, generally, the time period?

20 A. My recollection --- it might have been October,
21 but I do not have the document in front of me.

22 Q. Okay. Would August jog your memory --- August of
23 '06?

24 A. Yes. Yes, it would.

25 Q. Okay. So sometime in that area --- in that

1 parameter?

2 A. That's right.

3 Q. And are you also --- did you also assist the
4 company in the preparation of the aforementioned
5 extension for the time period for meter installation?

6 A. Yes, I did. I assisted in drafting that proposal
7 and signed an affirmation to the material information
8 that was contained in that request.

9 Q. And can you generally describe the basis for the
10 extension?

11 A. The basis for the extension was again, to
12 reiterate the information regarding the difficulties
13 in getting the meters installed, as far as time wise.
14 Some of the major storm events that have happened with
15 the flooding had delayed getting some of the meters
16 installed. And then again with that, a statement to
17 the Commission that due to these particular delays, it
18 was important to get a substantial amount of reliable
19 data for around the 9 to 12-month period to have
20 reliable volumetric data to then craft and develop a
21 volumetric rate.

22 Q. And do you currently have that information
23 available to you?

24 A. I do not currently have all of that information
25 available for the time period that is necessary, and

1 that was the purpose of requesting for the extension
2 to do the filing in or around --- on or before July 1
3 of 2006.

4 Q. And what is the impact of ---?

5 A. 2007, excuse me. July 1 of 2007.

6 Q. And then what is the impact of not having that
7 information?

8 A. Well, the impact of developing a volumetric rate
9 when you're switching from a flat to a volumetric rate
10 is that you have a reasonable database to rely on; the
11 volume is reflective of that within the customers out
12 of the service territory. For example, Three-Lane
13 Utilities is a relatively small utility with only
14 about 149 customers. And if you don't have the
15 substantial amount of those customers, and some of
16 those customers, as I understand, are somewhat
17 seasonal in and out, are during winter and some come
18 during the summer, you really need to have a full 9 to
19 12-month picture so you can factor in these potential
20 seasonalities.

21 And the short answer to the question here is, if
22 you get a volumetric allowable readings and you base
23 something on that is too low, what that do is have a
24 rate that is too high to charge the customers.
25 Conversely, if your volumes are too high, but only for

1 a six to nine-month period and don't reflect the
2 seasonalities, then you have a rate that would be too
3 low for the company.

4 So the purpose of developing a volumetric rate
5 based upon reliable data for a good period, should
6 somewhere in the middle, you know, do not meet those
7 needs of the public, but the customer and the company
8 and develop a reasonable rate.

9 Q. What would be your level of confidence in a rate
10 you would establish based on the current data now
11 available to you?

12 A. If I would have used the current data that was
13 available as of the end of March, I probably only
14 would have had about 73 percent of all the meters are
15 installed with only about six months worth of data.
16 That would have been a full usage. And what happens
17 is, is as customers are added, it increases somewhat
18 incrementally. As an example of customer who had this
19 meter installed in December, I may only have four
20 months worth of volumetric data. A customer's meter
21 who gets installed in January would only be three
22 months of relative data. So that is the particular
23 problem with the time of when the customer's actually
24 had the meters installed and how much of the customer
25 base reflects a good 9 to 12-month period of usage

1 data.

2 Q. And was the company's request for an extension of
3 the time period for installation, was that filed with
4 the Public Utility Commission in January of 2007?

5 A. It was --- yes. It was filed with the Commission
6 along with copies that were provided to the Office of
7 Consumer Advocate and the other relative offices
8 within the PUC. And the importance of them advising
9 the OCA is that they are part of the signatory to the
10 settlement and they had wanted, at least, an
11 additional month to review the data once we have
12 everything before we even actually submit it to the
13 Commission for review.

14 Q. And do you know what their position is in that
15 matter?

16 A. The OCA has, based on the information that we
17 provided them, supported our request for an extension
18 of time in that matter.

19 ATTORNEY ZIELONIS:

20 Your Honor, I have one last question for
21 Mr. Kalbarczyk, because I haven't been able to access
22 the Commission's public meeting agenda for today.

23 BY ATTORNEY ZIELONIS:

24 Q. Mr. Kalbarczyk, was the company's request for an
25 extension on the Commission's public meeting agenda

1 today?

2 A. I do not believe that it was on today, because I
3 had entered an additional question from the Bureau of
4 Fixed Utility Services for a little bit more
5 additional information, and they had indicated to me
6 that it would be on the next meeting date.

7 ATTORNEY ZIELONIS:

8 Your Honor, that's all ---.

9 A. May I respond?

10 BY ATTORNEY ZIELONIS:

11 Q. I'm sorry, go ahead.

12 A. And I responded to the Bureau of Fixed Utility
13 Services providing that additional information that
14 they had requested.

15 ATTORNEY ZIELONIS:

16 Your Honor, I have no further questions
17 for the witness.

18 JUDGE JANDEBEUR:

19 Okay. Ms. Kalbarczyk, when did
20 Three-Lane begin to collect volume data?

21 A. I believe that the first volumetric readings would
22 have been taken in April of the initial month, and
23 then which would be the first initial rate. But then
24 the very next month would be getting --- would have in
25 May of '06. And that would then give you the first

1 month's usage. Now, again, the number of customers
2 that actually had meters at that point in time with
3 reliable data, you know, may have only been 25 to 30
4 percent of the other customer base.

5 JUDGE JANDEBEUR:

6 Okay. So you have been collecting the
7 volumetric data for all of the customers that have
8 meters installed since April of last year?

9 A. Yes, progressively as we installed those, you have
10 a substantial amount of that customer base with a
11 longevity period that has somewhere in total of about
12 9 to 12 months worth of actual usage data.

13 JUDGE JANDEBEUR:

14 Okay. Mrs. Paul, any questions?

15 MS. PAUL:

16 No, I don't have any questions.

17 JUDGE JANDEBEUR:

18 Do either of you wish to make a brief
19 closing statement? Mrs. Paul, if you would like to
20 make a brief closing statement, you go first.

21 MS. PAUL:

22 Well, I don't know if I have much more to
23 say than what I already said. There are some facts
24 that come out and during this proceeding that I wasn't
25 aware of. And you know, I understand the company's

1 position, and I guess at this point there really isn't
2 much that can be done about it, if the meters aren't
3 installed. But I just think the company needs to try
4 harder to get the meters installed and get this
5 process rolling.

6 As I said in the past, I discussed this
7 with different people in the community, and they've
8 had dates set up and the plumber or whoever their
9 designated person was, never showed up. And this has
10 happened several times. So I just think the company
11 needs some prodding to get this process completed, and
12 get, you know, get going further. That's the only
13 thing I have to say, Your Honor.

14 JUDGE JANDEBEUR:

15 Okay. Mr. Zielonis?

16 ATTORNEY ZIELONIS:

17 Your Honor, my only comment would be the
18 Consumer Advocate was the --- should be customer's
19 representative in the company's original application
20 for service territory, Your Honor. As well as the
21 development of a rate to provide to those customers
22 the date where the only signatory to a settlement of
23 that case, which called for the installation of meters
24 and certain other steps to be taken, they have come
25 out in support --- written support of the company's

1 request for an extension, and we are now waiting ---
2 awaiting the Commission's response and resolution of
3 that request. The Commission's office of trial staff
4 was also participant in that application case ---
5 original application case, Your Honor. They did not
6 file any response to the company's request for the
7 extension, they have remained silent. But they also
8 did not sign that settlement document. Only the
9 Consumer Advocate did and the Office of Consumer
10 Advocate has come out and supported the company's
11 request.

12 JUDGE JANDEBEUR:

13 Okay. Thank you both for participating.
14 That concludes today's hearing, and we are adjourned.

15 MS. PAUL:

16 Thank you, Your Honor.

17 ATTORNEY ZIELONIS:

18 Thank you, Your Honor.

19 * * * * *

20 HEARING CONCLUDED AT 10:43 A.M.

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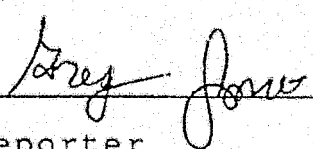
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C E R T I F I C A T E

I hereby certify, as the
stenographic reporter, that the foregoing
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