

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Regulation of the :
Purchased Gas Adjustment :
Clause Contained Within : Case No. 10-213-GA-GCR
the Rate Schedules of :
Piedmont Natural Gas :
Company, and Related :
Matters. :

- - -

PROCEEDINGS

before Mr. Kerry K. Sheets, Hearing Examiner, at the
Public Utilities Commission of Ohio, 180 East Broad
Street, Room 11-C, Columbus, Ohio, called at 10:00
a.m. on Wednesday, November 24, 2010.

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ARMSTRONG & OKEY, INC.
222 East Town Street, 2nd Floor
Columbus, Ohio 43215
(614) 224-9481 - (800) 223-9481
Fax - (614) 224-5724

- - -

1 APPEARANCE:

2 Richard Cordray, Ohio Attorney General
 3 William Wright, Section Chief
 4 Public Utilities Section
 5 By Mr. Werner L. Margard III
 6 Assistant Attorney General
 7 180 East Broad Street, 6th Floor
 8 Columbus, Ohio 43215-3793

9 On behalf of the staff of the Public
 10 Utilities Commission of Ohio.

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WITNESS

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Direct examination by Mr. Margard

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JOINT EXHIBIT

ID'D ADMT'D

1 - Joint Stipulation and
Recommendation

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COMMISSION-ORDERED EXHIBIT

ID'D ADMT'D

1 - Staff Report

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PIEDMONT EXHIBIT

ID'D ADMT'D

1 - Bill insert
(Late-Filed Exhibit)

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1 EXAMINER SHEETS: Very good. Let the
2 record show there are no other parties in the hearing
3 room today.

4 Do you have any preliminary matters,
5 Mr. Margard?

6 MR. MARGARD: Your Honor, I have briefly
7 just one preliminary matter and that is for purposes
8 of marking a couple exhibits I would ask that the
9 audit report in this case be marked for purposes of
10 identification as Commission-ordered Exhibit 1 and
11 that a stipulation and recommendation entered into
12 between the parties be marked for purposes of
13 identification as Joint Exhibit 1.

14 EXAMINER SHEETS: Very good.

15 (EXHIBITS MARKED FOR IDENTIFICATION.)

16 MR. MARGARD: Your Honor, I would further
17 request that Mr. Roger Sarver be permitted to testify
18 on behalf of the parties.

19 EXAMINER SHEETS: Very good.

20 (Witness sworn.)

21 EXAMINER SHEETS: Be seated.

22 - - -

23 ROGER L. SARVER

24 being first duly sworn, as prescribed by law, was
25 examined and testified as follows:

DIRECT EXAMINATION

By Mr. Margard:

Q. Would you state your name and business address, please.

A. My name is Roger L. Sarver. Business address is 180 East Broad Street, Columbus, Ohio, 43215.

Q. And by whom are you employed and in what capacity, please?

A. I'm employed by the Public Utility Commission of Ohio as an energy specialist.

Q. Do you have before you what has been marked for purposes of identification as Commission-ordered Exhibit 1, the audit report in this case?

A. Yes, sir.

Q. Did you have any responsibility for the writing of this report or for any aspect of the audit?

A. Yeah, I'm responsible for the initiation of these audits, the directing of the audit itself along with the review of the audit report, and then taking the audit report to the next step which would be working with the company to reach a stipulation.

Q. So you are familiar with the staff's

1 recommendations in the audit report?

2 A. Yes.

3 Q. You are then also familiar with what I
4 have given to you and labeled as Joint Exhibit No. 1,
5 the stipulation and recommendation in this case?

6 A. Yes.

7 Q. And you have had discussions with the
8 company that resulted in this stipulation and
9 recommendation?

10 A. Yes. Staff has contacted the company and
11 the president of the company, Rick Mako. Rick agreed
12 with the staff findings from the audit report and
13 informed staff to go forward with the drafting of the
14 stipulation that adopted the audit report findings,
15 conclusions, and recommendations.

16 Q. The company accepted all of the findings,
17 conclusions, and recommendations contained in the
18 audit report; is that correct?

19 A. Yes.

20 Q. With respect to Joint Exhibit No. 1, in
21 your opinion, was this agreement reached between
22 capable, knowledgeable parties?

23 A. Yes.

24 Q. In your opinion, does this stipulation
25 and recommendation provide benefits to the public and

1 customers of Piedmont Gas Company?

2 A. Yes. The outcome of the audit was
3 adjustments that staff found in the calculation of
4 the purchased gas cost and the associated adjustments
5 that resulted in adjustments in the customers' favor
6 in the magnitude of about \$185,000. So there was a
7 benefit to the customers as a result of staff's
8 audit.

9 Q. Do you believe the stipulation violates
10 any important regulatory principles?

11 A. No. The audit and the stipulation, well
12 the audit was done under the terms of the Ohio
13 Administrative Code and the findings were the result
14 of following those procedures. The stipulation is
15 the adoption of the staff report.

16 Q. And, in your opinion, is the stipulation
17 reasonable and should it be approved by the
18 Commission in this case?

19 A. Yes, the stipulation is reasonable.

20 MR. MARGARD: Your Honor, I have no
21 further questions for Mr. Sarver, and I would move
22 for the admission of Commission-ordered Exhibit 1 and
23 for the admission of Joint Exhibit 1.

24 EXAMINER SHEETS: Very good. You're
25 excused.

1 THE WITNESS: Okay.

2 (Witness excused.)

3 EXAMINER SHEETS: And I will admit those
4 exhibits into evidence at this time.

5 (EXHIBITS ADMITTED INTO EVIDENCE.)

6 EXAMINER SHEETS: Is there anything
7 further?

8 MR. MARGARD: Your Honor, I would only
9 note that in the stipulation there is an indication
10 that Piedmont Gas served notice on its customers by
11 means of a bill insert and that a copy of that bill
12 insert would be admitted as Piedmont Exhibit 1. We
13 do not at the moment have that exhibit in hand. With
14 your leave, that will be submitted in this docket as
15 a late-filed exhibit.

16 EXAMINER SHEETS: We can consider that to
17 be a late-filed exhibit then.

18 MR. MARGARD: And I have nothing further,
19 your Honor.

20 EXAMINER SHEETS: Thank you. I'll
21 consider this case submitted on the record.

22 (The hearing concluded at 10:19 a.m.)

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CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Wednesday, November 24, 2010, and carefully compared with my original stenographic notes.

Maria DiPaolo Jones, Registered
Diplomate Reporter and CRR and
Notary Public in and for the
State of Ohio.

My commission expires June 19, 2011.

(MDJ-3655)

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Case No(s). 10-0213-GA-GCR

Summary: Transcript Transcript of Piedmont Natural Gas Company hearing held on 11/24/10. electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Jones, Maria DiPaolo Mrs.