

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Application of Ohio :
Cumberland Gas Company : Case No. 10-868-GA-AIR
for an Increase in Rates :
and Charges. :

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PROCEEDINGS

before Ms. Mandy Willey and Ms. Katie Stenman,
Attorney Examiners, at the Public Utilities
Commission of Ohio, 180 East Broad Street, Room 11-A,
Columbus, Ohio, called at 10:00 a.m. on Tuesday,
April 5, 2011.

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APPEARANCES:

Kegler, Brown, Hill & Ritter
By Mr. Andrew J. Sonderman
65 East State Street, Suite 1800
Columbus, Ohio 43215

On behalf of the Company.

Mike DeWine
Ohio Attorney General
By Mr. Werner L. Margard III
And Mr. Devin Parram
Assistant Attorneys General
Public Utilities Section
180 East Broad Street, 6th Floor
Columbus, Ohio 43215

On behalf of the Staff.

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1 Tuesday Morning Session,
2 April 5, 2011.

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4 EXAMINER WILLEY: Let's go on the record.
5 The Public Utilities Commission of Ohio has called
6 for hearing at this time and place Case No.
7 10-868-GA-AIR, being in the Matter of the Application
8 of Ohio Cumberland Gas for an Increase in Rates and
9 Charges.

10 My name is Mandy Willey and with me is
11 Katie Stenman, and we are the Attorney Examiners
12 assigned by the Commission to hear this case.

13 I'd like to begin by taking appearances
14 of the parties on behalf of Ohio Cumberland Gas
15 Company.

16 MR. SONDERMAN: Good morning. I'm Andrew
17 Sonderman with Kegler, Brown, Hill & Ritter.

18 EXAMINER WILLEY: On behalf of staff?

19 MR. MARGARD: Thank you, your Honor. On
20 behalf of the staff of the Public Utilities
21 Commission of Ohio, Michael DeWine, Ohio Attorney
22 General, William L. Wright, Section Chief, Public
23 Utilities Section, by Assistant Attorneys General
24 Werner L. Margard and Devin Parram, 180 East Broad
25 Street, 6th Floor, Columbus, Ohio.

1 EXAMINER WILLEY: I understand the
2 parties have agreed to a stipulation; is that
3 correct?

4 MR. SONDERMAN: That's correct, your
5 Honor.

6 EXAMINER WILLEY: Is there a witness
7 available to support this stipulation?

8 MR. MARGARD: Yes, your Honor. Mr. Ross
9 Willis, on behalf of the parties, will testify as to
10 the stipulation.

11 EXAMINER WILLEY: Thank you. You may
12 call your witness.

13 MR. MARGARD: Mr. Willis.

14 EXAMINER WILLEY: Would you like to mark
15 the stipulation?

16 MR. MARGARD: I will do that as part of
17 my examination.

18 (Witness sworn.)

19 MR. SONDERMAN: Can we have just a
20 moment, your Honor?

21 EXAMINER WILLEY: Sure. Let's go off the
22 record.

23 (Off the record.)

24 EXAMINER WILLEY: Let's go back on the
25 record.

1 MR. SONDERMAN: Thank you, your Honor. I
2 would like to identify and mark as an exhibit Company
3 Exhibit 1, which is the Ohio Cumberland Gas
4 application for increase in rates in this proceeding.
5 That was docketed with the Commission on June 21 of
6 2010.

7 I would like to mark as Company Exhibit 2
8 and submit for the record the company's proofs of
9 publication of the rate application, which were
10 submitted to the Commission on August 12 of 2010.

11 I would like to mark as a late-filed
12 exhibit Company Exhibit 3, and seek the permission of
13 the Commission to submit that as a late-filed
14 exhibit. These are the proofs of publication of the
15 hearing in Mount Vernon, public input hearing.

16 I can tell you that we published in five
17 newspapers of general circulation. We received the
18 affidavits of publication for two consecutive weeks
19 from two of those newspapers. As soon as those are
20 available we'll submit those as a late-filed
21 Exhibit 3.

22 EXAMINER WILLEY: Thank you. Those
23 exhibits will be so marked.

24 (EXHIBITS MARKED FOR IDENTIFICATION.)

25 MR. SONDERMAN: And then you'll take care

1 of the rest.

2 MR. MARGARD: I will indeed. Thank you.

3 - - -

4 WILLIAM ROSS WILLIS

5 being first duly sworn, as prescribed by law, was
6 examined and testified as follows:

7 DIRECT EXAMINATION

8 By Mr. Margard:

9 Q. Mr. Willis, would you please state your
10 name?

11 A. My name is William Ross Willis.

12 Q. And your business address?

13 A. 180 East Broad Street, Columbus, Ohio,
14 43215.

15 Q. And by whom are you employed?

16 A. I'm employed by the Public Utilities
17 Commission of Ohio.

18 Q. And in what capacity, please?

19 A. I am an administrator in the Accounting
20 and Electricity Division of the Utilities Department.

21 Q. And what are your duties and
22 responsibilities in that position?

23 A. I develop and organize and direct staff
24 that are assigned to rate case investigations and
25 other financial audits that come before this

1 Commission.

2 Q. Mr. Willis, could you very briefly
3 outline your educational background and your
4 experience for us?

5 A. Yes. I graduated from Ohio University in
6 1983 with a major in finance and a minor in
7 management. Began working for the Commission in
8 February of 1984. I've held various positions
9 throughout my career here, 27 years. I'm also a
10 retired lieutenant colonel with the Ohio Air National
11 Guard.

12 Q. Thank you, sir. Do you have before you
13 today a copy of the Staff Report of investigation
14 filed in this case.

15 A. I do.

16 MR. MARGARD: Your Honor, I have provided
17 the court reporter with a copy of that document
18 marked for purposes of identification as Commission
19 Ordered Exhibit No. 1.

20 (EXHIBIT MARKED FOR IDENTIFICATION.)

21 Q. Mr. Willis, did you have any role in the
22 preparation of this report?

23 A. I oversaw the staff's investigation and I
24 am responsible for the revenue requirements.

25 Q. After the report was issued did the staff

1 continue its investigation in this matter?

2 A. We did.

3 Q. And do you have any changes,
4 modifications, corrections to the Staff Report as
5 filed as you testify today?

6 A. We do.

7 Q. Are any of these changes or modifications
8 in any part as a result of the objections filed by
9 the company in this case?

10 A. They are. We've held various
11 negotiations with the applicant and we reviewed the
12 objections and the testimony, we accepted some of the
13 objections, we modified some, and we rejected some.

14 Q. As a result of those discussions did the
15 parties reach a stipulation in this case?

16 A. We did.

17 Q. Do you have a copy of the stipulation and
18 recommendation before you, sir?

19 A. I do.

20 MR. MARGARD: Your Honor, I have also
21 provided a copy of this to the court reporter and
22 marked it for purposes of identification as Joint
23 Exhibit No. 1.

24 EXAMINER WILLEY: Thank you.

25 (EXHIBIT MARKED FOR IDENTIFICATION.)

1 Q. Mr. Willis, you indicated that you were
2 involved in some of these discussions to reach this
3 agreement; is that correct?

4 A. I was.

5 Q. As obviously was the company.

6 Sir, you're familiar with this agreement,
7 with its contents?

8 A. I am.

9 Q. Mr. Willis, in your opinion, do you
10 believe that the stipulation filed in this case is
11 the product of serious bargaining among knowledgeable
12 parties?

13 A. It is.

14 Q. Other than the staff and the company, did
15 anyone else participate in these discussions?

16 A. No. No one else objected.

17 Q. Very good. And then in your opinion
18 these were serious and reasonable discussions and
19 negotiations?

20 A. They were.

21 Q. And in your opinion does the settlement
22 benefit ratepayers and promote public interest?

23 A. It does.

24 Q. In any specific ways?

25 A. Again, the results of our negotiations

1 and bargaining results in reasonable and just revenue
2 requirements. Again, we reviewed and analyzed and
3 studied the objections that were filed by the
4 applicant. We accepted some, we rejected some, and
5 we modified some.

6 And the fact that this is not a fully
7 litigated case also saves in rate case expense, so
8 from that respect it is a benefit to the ratepayer
9 and is in the public interest.

10 Q. Mr. Willis, are all of the changes,
11 modifications, amendments, so forth, that you have
12 described, completely identified in the stipulation?

13 A. Yes.

14 Q. And reflected in the schedules attached
15 to the stipulation; is that correct?

16 A. Yes.

17 Q. Are there any other changes or
18 modifications that you would recommend today?

19 A. No.

20 Q. Mr. Willis, in your opinion, does the
21 settlement violate any important regulatory
22 principles?

23 A. It does not. It follows traditional
24 ratemaking guidelines that staff has used for a
25 number of years, and it comports to the procedures

1 and guidelines that we've used for many, many years.

2 Q. And in your opinion, is the settlement
3 reasonable, and are you recommending it's adoption by
4 the Commission?

5 A. Yes, I am.

6 MR. MARGARD: Thank you, your Honor, I
7 have no further questions of Mr. Willis.

8 EXAMINER WILLEY: Thank you.

9 Mr. Sonderman, do you have any questions?

10 MR. SONDERMAN: Your Honor, I have no
11 questions, thanks.

12 MR. MARGARD: Whereupon, your Honors, I
13 would respectfully move the admission of Commission
14 Ordered Exhibit No. 1 and Joint Exhibit 1?

15 EXAMINER WILLEY: Are there any
16 objections to these exhibits?

17 MR. SONDERMAN: No objection.

18 EXAMINER WILLEY: Hearing none, they will
19 be admitted.

20 (EXHIBITS ADMITTED INTO EVIDENCE.)

21 EXAMINER WILLEY: Thank you, you may be
22 seated.

23 THE WITNESS: Thank you.

24 EXAMINER WILLEY: Mr. Sonderman, would
25 you like to mark for admission of the notice of

1 typographical error that was filed on August 30th?

2 MR. SONDERMAN: Yes. We should make that
3 I presume Company Exhibit 3 -- I mean, Company
4 Exhibit 4.

5 EXAMINER WILLEY: 4?

6 MR. SONDERMAN: Yes.

7 MR. REILLY: That will be marked.

8 (EXHIBIT MARKED FOR IDENTIFICATION.)

9 EXAMINER WILLEY: At this time would the
10 parties like to move for admission of any additional
11 exhibits?

12 MR. SONDERMAN: Just the ones that are on
13 the table.

14 MR. MARGARD: And we have no objection.

15 EXAMINER WILLEY: The exhibits will be
16 admitted. That is Staff Report Exhibit 1, Company
17 Exhibit 1, Company Exhibit 2, Company Exhibit 3,
18 Joint Exhibit 1, and Company Exhibit 4 will all be
19 admitted.

20 (EXHIBITS ADMITTED INTO EVIDENCE.)

21 EXAMINER WILLEY: Is there anything else
22 to come before us today?

23 Hearing none, we are adjourned. Thank
24 you.

25 (Hearing adjourned at 10:15 a.m.)

CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Tuesday, April 5, 2011, and carefully compared with my original stenographic notes.

Julieanna Hennebert, Registered Professional Reporter and RMR and Notary Public in and for the State of Ohio.

My commission expires February 19, 2013.

(JUL-1705)

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Case No(s). 10-0868-GA-AIR

Summary: Transcript Transcript of Ohio Cumberland Gas Company hearing held on 04/05/11. electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Hennebert, Julieanna Mrs.