

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :  
Regulation of the :  
Purchased Gas Adjustment :  
Clauses Contained within : Case No. 13-218-GA-GCR  
the Rate Schedules of :  
Duke Energy Ohio, Inc. :  
And Related Matters. :

In the Matter of the :  
Audit of the Uncollectible: :  
Expense Rider of Duke : Case No. 13-318-GA-UEX  
Energy Ohio, Inc., 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 Monday, January 13, 2014.

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- - -

APPEARANCES:

Duke Energy Ohio, Inc.  
By Ms. Amy B. Spiller  
Ms. Elizabeth H. Watts  
139 East Fourth Street  
Cincinnati, Ohio 45202

On behalf of Duke Energy Ohio.

Mike DeWine, Ohio Attorney General  
By Mr. Thomas G. Lindgren  
Assistant Attorney General  
Public Utilities Section  
180 East Broad Street  
Columbus, Ohio 43215

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

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DUKE ENERGY OHIO EXHIBIT	ID'D	ADMTD
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Monday Morning Session,  
January 13, 2014.

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EXAMINER SHEETS: The Public Utilities Commission of Ohio has set for hearing at this time and place two cases, 13-218-GA-GCR and 13-318-GA-UEX, Duke Energy Ohio's GCR case and its uncollectible expense rider case.

My name is Kerry Sheets, I'm an attorney examiner for the Commission, and I've been assigned to hear these cases.

May I now have the appearances of the parties, please.

MS. WATTS: Thank you, your Honor. On behalf of Duke Energy Ohio, Amy B. Spiller and Elizabeth H. Watts, 139 East Fourth Street, Cincinnati, Ohio.

EXAMINER SHEETS: Very good.  
Staff.

MR. LINDGREN: On behalf of the Commission staff, Ohio Attorney General Mike DeWine, by Thomas G. Lindgren, Assistant Attorney General, 180 East Broad Street, 6th floor, Columbus, Ohio 43215.

EXAMINER SHEETS: Let the record show

1 that no other parties are present in the hearing room  
2 at this time.

3 Do we have any preliminary matters to  
4 take care of?

5 MR. LINDGREN: Well, we just wanted to  
6 inform the Bench that we have reached and filed a  
7 stipulation in this case that resolves all issues.

8 EXAMINER SHEETS: So do we want to mark  
9 any exhibits at this time?

10 MS. WATTS: Your Honor.

11 MR. LINDGREN: Yes.

12 MS. WATTS: Go ahead, Tom. I'm sorry.

13 MR. LINDGREN: We'd like to offer as a  
14 joint exhibit the stipulation and recommendation  
15 filed in this case, and then I would offer into  
16 evidence the two audit reports, Commission-ordered  
17 audit reports, the one filed in the GCR case, 13-218,  
18 and the other filed in the uncollectible expense  
19 rider case, 13-318. I would ask that they be marked  
20 as Commission-ordered Exhibits 1 and 2.

21 EXAMINER SHEETS: Very good.

22 (EXHIBITS MARKED FOR IDENTIFICATION.)

23 EXAMINER SHEETS: Proof of publication,  
24 do we want to mark it?

25 MS. WATTS: Your Honor, yes. We would

1 ask that that be marked as Duke Energy Ohio Exhibit  
2 1.

3 EXAMINER SHEETS: Very good.

4 (EXHIBIT MARKED FOR IDENTIFICATION.)

5 EXAMINER SHEETS: Are there any witnesses  
6 to call?

7 MR. LINDGREN: Yes, your Honor. The  
8 staff calls Roger Sarver to the stand.

9 (Witness sworn.)

10 EXAMINER SHEETS: Please be seated.

11 - - -

12 ROGER L. SARVER

13 being first duly sworn, as prescribed by law, was  
14 examined and testified as follows:

15 DIRECT EXAMINATION

16 By Mr. Lindgren:

17 Q. Good morning, Mr. Sarver. Would you  
18 state your name and your business address for the  
19 record.

20 A. Name is Roger L. Sarver. My business  
21 address is 180 East Broad Street, Columbus, Ohio,  
22 43215.

23 Q. And where are you employed?

24 A. I'm employed by the Public Utility  
25 Commission of Ohio.

1           Q.    What is your position with the Public  
2 Utilities Commission?

3           A.    My position with the Public Utility  
4 Commission is energy specialist.

5           Q.    And what are your duties as an energy  
6 specialist?

7           A.    My primary responsibility is the  
8 financial audits that are performed by the Commission  
9 staff for the GCR, the UEX, which is the  
10 uncollectible expense rider, along with the PIPP,  
11 which is percentage of income payment plan.

12          Q.    Thank you.  
13                How long have you been in that position?

14          A.    Energy specialist now since '98, so 16  
15 years.

16          Q.    Thank you.  
17                Are you familiar with the facts of this  
18 case?

19          A.    Yes, sir.

20          Q.    Thank you.

21                And were you involved in the negotiations  
22 that led up to the stipulation in this case?

23          A.    Yes, sir.

24          Q.    And, in your opinion, is this settlement  
25 a product of serious bargaining among capable and

1 knowledgeable parties?

2 A. Yes, sir.

3 Q. Thank you.

4 In your opinion, does this settlement  
5 viewed as a package benefit ratepayers and the public  
6 interest?

7 A. Yes, sir.

8 Q. And how does it benefit that?

9 A. Well, the purpose of these audits is to  
10 ensure that the company is not only calculating its  
11 rates correctly but also making sure those rates are  
12 properly included in customers' bills. The outcome  
13 of those audits have verified that the costs have  
14 been accurately recorded and incorporated into  
15 customers' bills. There are no recommended  
16 adjustments in these audits, so it appears the  
17 company is doing its job properly.

18 Q. Thank you.

19 Are you familiar with the regulatory  
20 principles and practices that apply in cases such as  
21 this?

22 A. Yes, sir.

23 Q. And does this settlement violate any  
24 important regulatory principles or practices?

25 A. No, sir.



1 Q. Thank you.

2 MR. LINDGREN: I have no further  
3 questions.

4 EXAMINER SHEETS: Do you have any  
5 questions?

6 MS. WATTS: Just a quick one.

7 - - -

8 CROSS-EXAMINATION

9 By Ms. Watts:

10 Q. Mr. Sarver, do you have before you what's  
11 been marked as Joint Exhibit 1?

12 A. I do not. I have the Commission  
13 exhibits.

14 MS. WATTS: May I approach, your Honor?

15 A. Thank you.

16 Q. Would you take a moment to look at that,  
17 please.

18 A. Yes, ma'am.

19 Q. Mr. Sarver, Mr. Lindgren asked you some  
20 questions about the settlement that was reached in  
21 this case. Does that document record the settlement  
22 that you're familiar with?

23 A. Yes, it does, ma'am.

24 Q. And is that the stipulation that you are  
25 testifying about in response to the questions that

1 were put to you?

2 A. Yes.

3 MS. WATTS: I have nothing further.

4 EXAMINER SHEETS: Very good. Any other  
5 questions?

6 MR. LINDGREN: None, your Honor.

7 EXAMINER SHEETS: You're excused.

8 THE WITNESS: Thank you.

9 (Witness excused.)

10 EXAMINER SHEETS: I will admit all  
11 exhibits into evidence at this time.

12 (EXHIBITS ADMITTED INTO EVIDENCE.)

13 EXAMINER SHEETS: Is there anything else  
14 to add?

15 MR. LINDGREN: No, thank you.

16 MS. WATTS: Nothing further, your Honor,  
17 thank you.

18 EXAMINER SHEETS: Very good. I accept  
19 the case as submitted on the record and thank you all  
20 for coming.

21 MS. WATTS: Thank you.

22 MR. LINDGREN: Thank you.

23 (The hearing concluded at 10:06 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 Monday, January 13, 2014, 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, 2016.  
(74355-MDJ)

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**Case No(s). 13-0218-GA-GCR, 13-0318-GA-UEX**

Summary: Transcript in the matter of Duke Energy Ohio, Inc. hearing held on 01/13/14 electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Jones, Maria DiPaolo Mrs.