

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :
Regulation of the :
Purchased Gas Adjustment :
Clause Contained Within :
the Rate Schedules of : Case No. 14-216-GA-GCR
Suburban Natural Gas :
Company and Related :
Matters. :

- - -

In the Matter of the :
Uncollectible Expense :
Rider of Suburban Natural : Case No. 14-316-GA-UEX
Gas Company and Related :
Matters. :

- - -

In the Matter of the :
Percentage of Income :
Payment Plan Riders of :
Suburban Natural Gas : Case No. 14-416-GA-PIP
Company and Related :
Matters. :

- - -

PROCEEDINGS

before Mr. L. Douglas Jennings, Attorney Examiner, at
the Public Utilities Commission of Ohio, 180 East
Broad Street, Room 11-C, Columbus, Ohio, called at
10 a.m. on Tuesday, September 30, 2014.

- - -

ARMSTRONG & OKEY, INC.
222 East Town Street, Second Floor
Columbus, Ohio 43215-5201
(614) 224-9481 - (800) 223-9481
Fax - (614) 224-5724

- - -

1 APPEARANCES:

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

9 On behalf of the Staff of the PUCO.

10 - - -
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1	INDEX	
2	- - -	
3	Witness	Page
4	Roger L. Sarver	
5	Direct Examination by Mr. Margard	5
6	- - -	
7	Commission-Ordered Exhibit	Identified Admitted
8	1 Financial Audit of the Gas	
9	Cost Recovery Mechanisms for	
10	the Cost Incurred for the	
11	Period September 1, 2011,	
12	through August 31, 2013, for	
13	Suburban Natural Gas Company	
14	Filed July 31, 2004	6 10
15	2 Audit of the Uncollectible	
16	Expense Mechanisms for the	
17	Period January, 2012, through	
18	December, 2013, for Suburban	
19	Natural Gas Company Filed on	
20	July 31, 2014	6 10
21	3 The Audit of the Percentage	
22	of Income Payment Plan for the	
23	Period January, 2012, through	
24	December, 2013, the Suburban	
25	Natural Gas Company Filed	
	July 31, 2014	7 10
	- - -	
	Suburban Exhibit	Identified Admitted
	1 Proofs of Publication	10 10
	- - -	
	Joint Exhibit	Identified Admitted
	1 Joint Stipulation and	
	Recommendation	8 10
	- - -	

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Tuesday Morning Session,
September 30, 2014.

- - -

ATTORNEY EXAMINER JENNINGS: The Public Utilities Commission of Ohio has scheduled for this date and time three hearings. The first hearing is In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained Within the Rate Schedules of Suburban Natural Gas Company and Related Matters, the Case No. 14-216-GA-GCR. The second case is In the Matter of the Uncollectible Expense Rider of Suburban Natural Gas Company and Related Matters, Case No. 14-316-GA-UEX. And the final case is In the Matter of the Percentage of Income Payment Plan Riders of Suburban Natural Gas Company and Related Matters, Case No. 14-416-GA-PIP.

My name is Doug Jennings. I'm an Attorney Examiner, and I have been signed to preside over these hearings.

At this point I would request that parties that are in the room enter an appearance on the record.

MR. MARGARD: Thank you, your Honor. On behalf of the Commission's staff, Mike DeWine, Ohio Attorney General, William Wright, Section Chief,

Public Utilities Section, by Assistant Attorney General Werner L. Margard, 180 East Broad Street, 6th Floor, Columbus, Ohio.

ATTORNEY EXAMINER JENNINGS: Let the record reflect that the company is not represented at the hearing by counsel and also that there are no members of the general public in the hearing room.

It's my understanding that there is a stipulation?

MR. MARGARD: There is, your Honor, and I would like to offer it through Staff Witness Roger Sarver and would like to call him to the stand, please.

(Witness sworn.)

ATTORNEY EXAMINER JENNINGS: Thank you.

Mr. Margard, you may proceed.

MR. MARGARD: Thank you.

- - -

ROGER L. SARVER

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

DIRECT EXAMINATION

By Mr. Margard:

Q. Please state your name.

A. My name is Roger L. Sarver. My business

1 address is 180 East Broad Street, Columbus, Ohio.

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

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

6 Q. And are you familiar with the cases that
7 have come before the Commission today?

8 A. Yes.

9 MR. MARGARD: Your Honor, if I may, I
10 have premarked for identification, all be it
11 mismarked, my apologies, as Commission-Ordered
12 Exhibit No. 1 the Financial Audit of the Gas Cost
13 Recovery Mechanisms for the Cost Incurred for the
14 Period September 1, 2011, through August 31, 2013,
15 for Suburban Natural Gas Company Filed July 31, 2004.

16 ATTORNEY EXAMINER JENNINGS: '14?

17 MR. MARGARD: I'm sorry, you're correct,
18 2014. I have mismarked and would ask the court
19 reporter to please correct what is marked as
20 Commission-Ordered Exhibit 3 to read
21 Commission-Ordered Exhibit 2 which is the Audit of
22 the Uncollectible Expense Mechanisms for the Period
23 January, 2012, through December, 2013, for Suburban
24 Natural Gas Company filed on July 31, 2014, in Case
25 No. 14-316-GA-UEX.

1 And if the court reporter would then also
2 remark what is previously marked as Commission-
3 Ordered Exhibit No. 2 as Commission-Ordered Exhibit
4 No. 3. And I do this, your Honor, to correspond with
5 the language in the stipulation. My apologies for
6 mismarking them this morning.

7 ATTORNEY EXAMINER JENNINGS: Okay.

8 MR. MARGARD: The Audit of the Percentage
9 of Income Payment Plan for the Period January, 2012,
10 through December, 2013, the Suburban Natural Gas
11 Company Filed July 31, 2014, in Case No.
12 14-416-GA-PIP.

13 Q. Mr. Sarver, are you familiar with these
14 documents?

15 A. Yes, sir.

16 Q. And do these documents represent the
17 audits that were performed in these respective cases?

18 A. Yes.

19 Q. And what was your involvement with each
20 of these audits?

21 A. I was in charge of all of these audit
22 reports.

23 Q. And do you have any changes,
24 modifications, corrections, or amendments to these
25 reports as they were filed at the Commission?

1 A. No, sir.

2 Q. And to the best of your knowledge, are
3 they true, accurate, and reflect your findings and
4 conclusions?

5 A. Yes, sir.

6 MR. MARGARD: Your Honor, I have
7 previously marked for purposes of identification as
8 Joint Exhibit No. 1 a Joint Stipulation and
9 Recommendation entered into between the staff and
10 Suburban Natural Gas Company executed on
11 September 29, 2014, and filed with the docketing
12 division yesterday.

13 Q. Mr. Sarver, I place before you what's
14 been marked as Joint Exhibit No. 1. Are you familiar
15 with this document?

16 A. Yes, sir.

17 Q. Did you have any involvement in the
18 negotiation of this agreement?

19 A. Yes, sir.

20 Q. And you and a representative of the
21 company; is that correct?

22 A. Yes, sir. We worked with Suburban to
23 reach a stipulation.

24 Q. And in your opinion are you and the
25 representatives from Suburban knowledgeable and

1 capable parties?

2 A. Yes, sir.

3 Q. And you have considerable experience, do
4 you not, in negotiating such agreements?

5 A. Going on 26, 27 years, yes, sir.

6 Q. Mr. Sarver, are you aware of any
7 regulatory principle or practice that this document
8 violates?

9 A. No, sir.

10 Q. And are you aware of any -- any benefits
11 that derive from reaching this agreement?

12 A. Yeah. The benefits for not only the
13 utility along with the customers is the fact that
14 corrections have been made not only to the UEX and
15 new balance but also to GCR customers in the form of
16 refunds of \$20,000 to correct for what I'll call
17 errors that were found in the actual adjustment
18 calculation. So, yes, there were benefits to not
19 only the utility but also to ratepayers.

20 Q. And you believe this agreement is fair
21 and reasonable and in your opinion should be adopted
22 by the Commission; is that correct?

23 A. Yes, sir.

24 MR. MARGARD: Your Honor, I have no
25 further questions for Mr. Sarver and would move for

1 the admission of Commission-Ordered Exhibits 1, 2,
2 and 3, and for Joint Exhibit No. 1. In addition, I
3 am authorized to offer on behalf of the Company
4 Suburban Exhibit No. 1, which is also attached to the
5 stipulation that was filed yesterday, the proofs of
6 publication of this hearing which are satisfactory to
7 staff and would also move for their admission at this
8 time.

9 ATTORNEY EXAMINER JENNINGS: Okay. All
10 exhibits will be admitted into the record.

11 (EXHIBITS ADMITTED INTO EVIDENCE.)

12 ATTORNEY EXAMINER JENNINGS: Is there
13 anything further?

14 MR. MARGARD: I have nothing further.
15 Thank you, your Honor.

16 ATTORNEY EXAMINER JENNINGS: Thank you.
17 That completes this morning's hearing.
18 We're adjourned.

19 (Thereupon, at 10:09 a.m., the hearing
20 was adjourned.)

21 - - -
22
23
24
25

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, September 30,
2014, and carefully compared with my original
stenographic notes.

Karen Sue Gibson, Registered
Merit Reporter.

(KSG-5937)

- - -

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

10/14/2014 1:38:39 PM

in

Case No(s). 14-0316-GA-UEx, 14-0416-GA-PIP, 14-0216-GA-GCR

Summary: Transcript In the matter of Suburban Natural Gas Company hearing held on September 30, 2014. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Gibson, Karen Sue Mrs.