

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. 16-211-GA-GCR  
the Rate Schedules of Ohio:  
Cumberland Gas Company and:  
Related Matters. :

- - -

PROCEEDINGS

before Mr. L. Douglas Jennings, Hearing Examiner, at  
the Public Utilities Commission of Ohio, 180 East  
Broad Street, Room 11-D, Columbus, Ohio, called at  
10:00 a.m. on Tuesday, May 10, 2016.

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1 APPEARANCES:

2 Mike DeWine, Ohio Attorney General  
3 By Thomas Lundgren  
4 Robert Eubanks  
5 Assistant Attorneys General  
6 30 East Broad Street, 16th Floor  
7 Columbus, Ohio 43215

8  
9 On behalf of the Staff of the Public  
10 Utilities Commission of Ohio.

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Joint Exhibit	Identified	Admitted
1 Stipulation and Recommendation	5	9
Staff Exhibit	Identified	Admitted
1 Financial Audit dated 3/11/16	7	9

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Tuesday Morning Session,  
May 10, 2016.

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THE EXAMINER: The Public Utilities  
Commission of Ohio has scheduled for this date and  
time a hearing In the Matter of the Regulation of the  
Purchase Gas Adjustment Clause Contained Within the  
Rate Schedules of Ohio Cumberland Gas Company and  
Related Matters. That is Case No. 16-211-GA-GCR.

My name is Doug Jennings. I'm an  
Attorney Examiner, and I've been assigned to preside  
over the hearing. At this point in the proceedings,  
I would request an appearance by the parties.

MR. LUNDREN: On behalf of the Commission  
Staff, Ohio Attorney General Mike DeWine by Thomas  
Lundgren and Robert Eubanks, Assistant Attorneys  
General. Our new address is 30 East Broad Street,  
16th floor, Columbus, Ohio, 43215.

THE EXAMINER: It's my understanding that  
there are no representatives from the Company. Is it  
also true that there is no one from the general  
public here to provide any comments? You may call  
your witness.

MR. LUNDGREN: Thank you, your Honor. As  
a preliminary matter, I would like to note for the

1 record that the parties have signed and filed a  
2 Stipulation and Recommendation at this time. With  
3 your permission, I'd like to offer it as Joint  
4 Exhibit 1.

5 THE EXAMINER: Thank you.

6 MR. LUNDREN: At this time, the Staff  
7 calls Tornain Matthews to the stand.

8 THE EXAMINER: Raise your right hand,  
9 please.

10 (Witness placed under oath.)

11 THE EXAMINER: Thank you.

12 - - -

13 TORNAIN MATTHEWS

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

16 DIRECT EXAMINATION

17 By Mr. Lundgren:

18 Q. Good morning, Mr. Matthews.

19 A. Good morning.

20 Q. Can you state your full name for the  
21 record, please.

22 A. Yes, it's Tornain, and that's  
23 T-O-R-N-A-I-N, and the last name is Matthews.

24 Q. Thank you. What is your business  
25 address?

1           A.    It's 180 East Broad Street, Columbus,  
2 Ohio, 43215.

3           Q.    And who's your employer?

4           A.    The Public Utilities Commission of Ohio.

5           Q.    And what is your position there?

6           A.    I'm a Utilities Specialist.

7           Q.    And what are your duties as a Utilities  
8 Specialist?

9           A.    My duties include conducting financial  
10 audits of the gas cost recovery mechanism, conducting  
11 audits of assigned sections of rate cases and other  
12 audits for regulated utility companies.

13          Q.    Thank you. Were you involved in the  
14 audit of the Ohio Cumberland Gas Company for the  
15 period that's at issue in this case?

16          A.    Yes, sir, I was.

17          Q.    Thank you. And were you involved in the  
18 preparation of a report containing the conclusions  
19 from that audit?

20          A.    Yes, sir.

21          Q.    Thank you.

22               MR. LUNDGREN: May I approach the  
23 witness?

24               THE EXAMINER: Yes.

25               MR. LUNDGREN: Let the record reflect

1 that I'm handing the witness a document I've marked  
2 as Staff Exhibit 1.

3 Q. Mr. Matthews, do you recognize this  
4 document?

5 A. Yes, I do.

6 Q. And can you explain what it is?

7 A. Yes, it's the Staff report for the  
8 Financial Audit for the Ohio Cumberland Gas Company's  
9 Gas Cost Recovery Mechanism for the audit period of  
10 August 2013 through July 2015.

11 Q. Thank you. And does this report  
12 accurately reflect the findings of your audit?

13 A. Yes, it does.

14 Q. Thank you. Mr. Matthews, are you also  
15 familiar with the Stipulation and Recommendation that  
16 has been marked as Joint Exhibit 1?

17 A. Yes, sir, I am.

18 Q. Thank you. In your opinion, is this  
19 settlement a product of serious bargaining among  
20 capable and knowledgeable parties?

21 A. Yes, sir, it is.

22 Q. Thank you. And does this settlement as a  
23 package benefit ratepayers and the public interest?

24 A. Yes, sir, it does.

25 Q. And can you explain how?

1           A.    Yes, sir.  The Stipulation recognizes  
2   adjustments to the Company's GCR filings in regard to  
3   the actual adjustment and balance adjustment.  And  
4   basically that's to ensure that the customers are  
5   paying the accurate cost of gas provided by the  
6   Company, and the Company is earning on a dollar for  
7   dollar basis the gas that is purchased on behalf of  
8   the customers from its suppliers.

9           Q.    Thank you.  Mr. Matthews, are you  
10  familiar with the regulatory principles that apply in  
11  cases such as this?

12          A.    Yes, sir.

13          Q.    And does this settlement package violate  
14  any important regulatory principle or practice?

15          A.    No, sir, not to my knowledge.

16          Q.    Thank you.  Would you recommend that the  
17  Commission adopt the Stipulation and Recommendation?

18          A.    Yes, sir, I do.

19          Q.    Thank you.

20               MR. LUNDGREN:  I have no further  
21  questions, and I would like to move for the admission  
22  of the Staff report marked as Staff Exhibit 1.

23               THE EXAMINER:  Staff Exhibit 1 will be  
24  admitted into the record as well as -- Did you move  
25  for the admission of Joint Exhibit 1?



1 MR. LUNDGREN: No, your Honor, but I  
2 would like to move for the admission of Joint Exhibit  
3 1.

4 THE EXAMINER: Joint Exhibit 1 will be  
5 admitted into the record as well.

6 (EXHIBITS ADMITTED INTO EVIDENCE.)

7 THE EXAMINER: I have no questions. The  
8 witness may be excused. Anything further?

9 MR. LUNDREN: Nothing further, your  
10 Honor.

11 THE EXAMINER: Okay. There being nothing  
12 further, this hearing is adjourned. Thank you.

13 MR. LUNDREN: Thank you.

14 (The hearing was concluded at 10:08 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 Tuesday, May 10, 2016,  
and carefully compared with my original stenographic  
notes.

\_\_\_\_\_  
Cynthia L. Cunningham

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**This foregoing document was electronically filed with the Public Utilities**

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Summary: Transcript In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained Within the Rate Schedules of Ohio Cumberland Gas Company and Related Matters, hearing held on May 10, 2016 electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Cunningham, Cindy