

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :  
Regulation of the Purchased :Case No.  
Gas Adjustment Clauses :16-213-GA-GCR  
Contained within the Rate :  
Schedules of Piedmont Gas :  
Company and Related Matters.:

In the Matter of the :  
Uncollectible Expense Rider :Case No.  
of Piedmont Gas Company and :16-313-GA-UEX  
Related Matters. :

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PROCEEDINGS

Before Jim Lynn, Attorney Examiner, held at the  
Public Utilities Commission of Ohio, 180 East  
Broad Street, Hearing Room 11-C, Columbus, Ohio,  
on Tuesday, June 14, 2016, at 10:00 A.M.

- - -

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- - -

1 APPEARANCES:

2 Mr. Thomas G. Lindgren  
3 Assistant Attorney General  
4 30 East Broad Street  
5 16th Floor  
6 Columbus, Ohio 43215

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

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Tuesday Morning,  
June 14, 2016.

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ATTORNEY EXAMINER: The Public  
Utilities Commission of Ohio has assigned for  
hearing at this time and place Case No. 16-213  
and 16-313-GA -- well, 16-213-GA-GCR in the  
Matter of the Regulation of the Purchased Gas  
Adjustment Clauses Contained Within the Rate  
Schedules of Piedmont Gas Company.

And 16-313-GA-UEX being in the  
Matter of the Uncollectible Expense Rider of  
Piedmont Gas Company and Related Matters.

I am Jim Lynn, I am the Attorney  
Examiner assigned to hear this case. And at  
time we will have the appearances of  
the parties.

MR. LINDGREN: On behalf of the  
Commission's Staff, Ohio Attorney General, Mike  
DeWine, by Thomas G. Lindgren, Assistant  
Attorney General. The address is 30 East Broad  
Street, 16th Floor, Columbus, Ohio 43215.

ATTORNEY EXAMINER: Thank you, Mr.  
Lindgren. I will note there is no one here from  
Piedmont Gas, so we will continue.

1                   Mr. Lindgren, do you have any  
2 witnesses or exhibits you want to get underway  
3 with?

4                   MR. LINDGREN: To begin, your Honor,  
5 I would like to note for the record that the  
6 parties have entered into a stipulation and  
7 recommendation. This has been previously filed  
8 in the Commission docket, so at this time I  
9 would like to offer this as Joint Exhibit 1.

10                  ATTORNEY EXAMINER: Thank you.

11                  (EXHIBIT HEREBY MARKED FOR  
12 IDENTIFICATION PURPOSES)

13                  MR. LINDGREN: Your Honor, the Staff  
14 would like to call Tornain Matthews to the  
15 stand.

16                  (WITNESS SWORN)

17                                 - - -

18                  TORNAIN MATTHEWS  
19 called as a witness, being first duly sworn,  
20 testified as follows:

21                  DIRECT EXAMINATION

22 By Mr. Lindgren:

23                  Q. Good morning, Mr. Matthews.

24                  A. Good morning.

25                  Q. Would you state your full name for

1 the record?

2 A. Yes. It's Tornain Matthews.

3 Q. Thank you. And where are you  
4 employed?

5 A. With the Public Utilities Commission  
6 of Ohio.

7 Q. What is your business address?

8 A. It's 180 East Broad Street,  
9 Columbus, Ohio 43215.

10 Q. What is your position with  
11 the Public Utilities Commission?

12 A. I am a Utility Specialist.

13 Q. And what are your duties as a  
14 Utility Specialist?

15 A. My duties include conducting  
16 financial audits in the Gas Cost Recovery  
17 Mechanism, the Uncollectible Expense Riders, and  
18 assign sections of rate case applications as  
19 well as other financial audits of regulated  
20 utility companies.

21 Q. Thank you. Were you involved in the  
22 audits that we are here on today, the audits of  
23 Peidmont Gas with respect to their uncollectible  
24 expenses in the gas cost recovery?

25 A. Yes, sir, I was.

1           Q.    Thank you.  Are you aware of audit  
2 reports being filed in these two cases?

3           A.    Yes, sir.

4           MR. LINDGREN:  Thank you.  May I  
5 approach the witness?

6           ATTORNEY EXAMINER:  Yes, you may.

7           MR. LINDGREN:  Let the record  
8 reflect that I am handing the witness what has  
9 been marked for identification as Commission  
10 Ordered Exhibit 1.

11                   (EXHIBIT HEREBY MARKED FOR  
12 IDENTIFICATION PURPOSES)

13          Q.    Mr. Matthews, do you recognize this  
14 document?

15          A.    Yes, I do.

16          Q.    Can you complain what it is?

17          A.    Yes.  It's the Staff Report of  
18 Financial Audit that was conducted for Peidmont  
19 Gas Company's GCR, or Gas Cost Recovery  
20 mechanism.  And it covered the audit period of  
21 December 1st, 2013 through November 30th, 2015.

22          Q.    And does this report accurately  
23 reflect the results of Staff's investigation?

24          A.    Yes, it does.

25          Q.    Thank you.



1           A.     You are welcome.

2                     MR. LINDGREN:   May I approach  
3 the witness again?

4                     ATTORNEY EXAMINER:   Yes, you may.

5                     MR. LINDGREN:   Let the record  
6 reflect that I am handing the witness what I  
7 have marked for identification As Commission  
8 Ordered Exhibit 2.

9                             (EXHIBIT HEREBY MARKED FOR  
10 IDENTIFICATION PURPOSES)

11           Q.     Mr. Matthews, do you recognize this  
12 document?

13           A.     Yes, I do.

14           Q.     And can you explain what it is?

15           A.     Yes.   It's the Staff Report for  
16 Piedmont Gas' financial audit of their  
17 uncollectible expense rider.   And this covers  
18 the audit period of January, 2014 through  
19 December, 2015.

20           Q.     Does this report accurately reflect  
21 the results of Staff's investigation?

22           A.     Yes, it does.

23           Q.     Thank you.   Mr. Matthews, are you  
24 familiar with the terms of the Stipulation and  
25 Recommendation that has been marked as Joint

1 Exhibit 1?

2 A. Yes, I am.

3 Q. Would you say that the stipulation  
4 is a product of serious bargaining among capable  
5 and knowledgeable parties?

6 A. Yes, sir.

7 Q. Thank you. And does the settlement  
8 looked at as a package benefit ratepayers and  
9 the public interest?

10 A. Yes, it does.

11 Q. Thank you. And how does it benefit  
12 ratepayers and public interest?

13 A. These audits are conducted basically  
14 to ensure that the company is accurately  
15 calculating the gas cost recovery mechanism, and  
16 also their uncollectible expense rider. And  
17 in addition to ensure that they are applying  
18 those accurately to customers' bills.

19 With the findings of the audit, except for  
20 the recommendations contained in the  
21 stipulation, the findings are that the company  
22 has accurately calculated both rates and applied  
23 them to the customers' bills.

24 Q. Thank you. Are you familiar with  
25 the regulatory principles and practices that

1 apply in cases such as these?

2 A. Yes, sir.

3 Q. And does the settlement package  
4 violate any important regulatory principle or  
5 practice?

6 A. No, sir. Not that I am aware of.

7 Q. Thank you. Is it your  
8 recommendation that the Commission approve both  
9 of these stipulations?

10 A. Yes, sir.

11 MR. LINDGREN: Thank you. I have no  
12 further questions for this witness.

13 ATTORNEY EXAMINER: I have no  
14 questions either. Thank you for your testimony.

15 Do you have any additional  
16 witnesses, Mr. Lindgren?

17 MR. LINDGREN: No, thank you, your  
18 Honor. But at this point I move for the  
19 admission of Joint Exhibit 1 as well as  
20 Commission ordered Exhibits 1 and 2.

21 ATTORNEY EXAMINER: We will admit  
22 Joint Exhibit 1 and Commissioned Ordered  
23 Exhibits 1 and 2 into evidence.

24 (EXHIBITS HEREBY ADMITTED INTO  
25 EVIDENCE)

1           ATTORNEY EXAMINER: Are there any  
2 other matters that need to be brought up today?

3           MR. LINDGREN: No, thank you, Your  
4 Honor.

5           ATTORNEY EXAMINER: Thank you for  
6 your time, and thank you everyone, for  
7 attending.

8           MR. LINDGREN: Thank you.

9           (At 10:05 A.M. the hearing was  
10 concluded)

11                           - - -

CERTIFICATE

I do hereby certify that the foregoing  
is a true and correct transcript of the  
proceedings taken by me in this matter on June  
14, 2016, and carefully compared with my  
original stenographic notes.

\_\_\_\_\_  
Michael O. Spencer,  
Registered Professional  
Reporter.

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

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**in**

**Case No(s). 16-0213-GA-GCR, 16-0313-GA-UEX**

Summary: Transcript In the matter of the Regulation of the Purchased Gas Adjustment  
Clauses Contained within the Rate Schedules of Piedmont Gas Company and Related  
Matters and in the Matter of the Uncollectible Expense Rider of Piedmont Gas Company and  
Related Matters, hearing held on June 14, 2016. electronically filed by Mr. Ken Spencer on  
behalf of Armstrong & Okey, Inc. and Spencer, Michael O. Mr.