

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 the Rate : Case No. 19-217-GA-GCR  
Schedules of the Waterville :  
Gas & Oil Company and :  
Related Matters. :

In the Matter of the :  
Uncollectible Expense Rider : Case No. 19-317-GA-UEX  
of Waterville Gas & Oil :  
Company and Related Matters.:

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PROCEEDINGS

before Ms. Greta See, Attorney Examiner, at the  
Public Utilities Commission of Ohio, 180 East Broad  
Street, Room 11-C, Columbus, Ohio, called at  
10:00 a.m. on Tuesday, May 28, 2019.

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ARMSTRONG & OKEY, INC.  
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APPEARANCES:

Dave Yost, Ohio Attorney General  
 John H. Jones, Section Chief  
 By Mr. Werner L. Margard,  
 Assistant Attorney General  
 Public Utilities Section  
 30 East Broad Street, 16th Floor  
 Columbus, Ohio 43215

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

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WITNESS

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Roger L. Sarver

Direct Examination by Mr. Margard

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STAFF EXHIBITS

IDENTIFIED ADMITTED

1 - Financial Audit of the Gas  
Cost Recovery Mechanisms for  
the Costs Incurred and  
Included for Recovery for  
the Months August 1, 2016  
through July 31, 2018

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2 - Audit of the Uncollectible  
Expense Mechanisms for the  
Periods January 2017 through  
December 2018 for the  
Waterville Gas & Oil Company

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JOINT EXHIBIT

IDENTIFIED ADMITTED

1 - Stipulation and Recommendation

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WATERVILLE EXHIBIT

IDENTIFIED ADMITTED

1 - Certificate of Publication

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1 Tuesday Morning Session,  
2 May 28, 2019.

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4 EXAMINER SEE: Scheduled for hearing  
5 today at this time, before the Public Utilities  
6 Commission of Ohio, are Case Nos. 19-217-GA-GCR and  
7 Case No. 19-317-GA-UEX, being entitled In the Matter  
8 of the Regulation of the Purchased Gas Adjustment  
9 Clauses Contained Within the Rate Schedules of the  
10 Waterville Gas & Oil Company and Related Matters; and  
11 In the Matter of the Uncollectible Expense Rider of  
12 Waterville Gas & Oil Company and Related Matters,  
13 respectively.

14 My name is Greta See. I am the Attorney  
15 Examiner assigned by the Commission to these  
16 proceedings.

17 At this time, I'd like to take  
18 appearances of the parties. On behalf of the Staff.

19 MR. MARGARD: Thank you, Your Honor. On  
20 behalf of the Staff of the Public Utilities  
21 Commission of Ohio, Dave Yost, Ohio Attorney General,  
22 John H. Jones, Section Chief, Public Utilities  
23 Section, by Assistant Attorney General Werner L.  
24 Margard, 30 East Broad Street, 16th Floor, Columbus,  
25 Ohio.

1 EXAMINER SEE: Okay. And, Mr. Margard, I  
2 believe you are entering an appearance on behalf of  
3 the Company?

4 MR. MARGARD: I will, Your Honor. I have  
5 spoken with Mr. Black and he will not be appearing  
6 today in light of the Stipulation resolving the  
7 issues in this case, and he has authorized me to  
8 offer an exhibit on his behalf.

9 EXAMINER SEE: Okay. Then go ahead and  
10 proceed, Mr. Margard.

11 MR. MARGARD: Thank you, Your Honor.

12 As a preliminary matter, I have marked  
13 for purposes of identification and provided the Bench  
14 and the court reporter with four documents.

15 I have marked as Staff Exhibit No. 1, the  
16 Financial Audit of the Gas Cost Recovery Mechanisms  
17 for the Costs Incurred and Included for Recovery for  
18 the Months August 1, 2016 through July 31, 2018,  
19 docketed in Case No. 19-217-GA-GCR, on March 29th,  
20 2019.

21 I have marked as Staff Exhibit No. 2, the  
22 Audit of the Uncollectible Expense Mechanisms for the  
23 Periods January 2017 through December 2018 for the  
24 Waterville Gas & Oil Company, docketed on March 29th,  
25 2019, in Case No. 19-317-GA-UEX.

1 I have marked as Joint Exhibit No. 1, the  
2 Stipulation and Recommendation filed in this case.

3 And I have marked as Waterville  
4 Exhibit No. 1, the Certificate of Publication that I  
5 have been authorized to offer on behalf of Mr. Black  
6 and the Waterville Gas & Oil Company.

7 EXAMINER SEE: Okay. All right.

8 MR. MARGARD: And, Your Honor, I would  
9 call Mr. Roger Sarver to the stand, please.

10 EXAMINER SEE: Okay. The exhibits are so  
11 marked.

12 (EXHIBITS MARKED FOR IDENTIFICATION.)

13 (Witness sworn.)

14 EXAMINER SEE: Thank you. Have a seat.

15 Mr. Margard, you can proceed.

16 MR. MARGARD: Thank you, Your Honor.

17 - - -

18 ROGER L. SARVER

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

21 DIRECT EXAMINATION

22 By Mr. Margard:

23 Q. Sir, can you please state your name and  
24 by whom you're employed.

25 A. Roger L. Sarver. I'm employed by the

1 Public Utilities Commission of Ohio.

2 Q. Mr. Sarver, did you have any  
3 responsibility for the documents that have been  
4 marked as Staff Exhibits 1 and 2 in this case?

5 A. Yes. I directly prepared Exhibit 1 and  
6 then reviewed Exhibit 2.

7 Q. Have you reviewed those documents prior  
8 to testifying today?

9 A. Yes.

10 Q. Are there any changes, corrections,  
11 amendments, modifications of any kind to the Staff  
12 Audit Reports?

13 A. No, sir.

14 Q. Are they true and accurate and reasonable  
15 to the best of your belief and knowledge?

16 A. Yes.

17 Q. You have before you what has been marked  
18 as Joint Exhibit No. 1.

19 A. Yes.

20 Q. Can you identify that document for me,  
21 please?

22 A. This is the Stipulation and  
23 Recommendation entered into between Staff and  
24 Waterville.

25 Q. Were you involved in the negotiation of

1 this Stipulation and Recommendation?

2 A. Yes.

3 Q. Mr. Sarver, have you had experience  
4 working with Waterville Gas & Oil Company in the  
5 past?

6 A. Yes. This is probably my 15th,  
7 16th audit of Waterville.

8 Q. And are you acquainted with Mr. Black?

9 A. Yes, sir.

10 Q. And do you consider him to be a  
11 knowledgeable and capable individual in negotiating  
12 such agreements?

13 A. Yes, sir.

14 Q. Mr. Sarver, do you believe that there are  
15 any benefits, any public benefits to ratepayers as a  
16 result of this Stipulation?

17 A. Yes. The point of these audits is to  
18 verify the costs the companies have incurred, either  
19 through the Gas Cost Recovery Mechanism or the  
20 Uncollectible Expense Mechanism and then the  
21 associated recovery of those costs from ratepayers;  
22 and what Staff has done is examined the costs that  
23 were incurred, the revenue collected, and then  
24 recognized any difference/errors that we found in the  
25 course of our audits.



1           Q.    And the Stipulation and Recommendation  
2 accepts the Staff's findings, conclusions, and  
3 recommendations as contained in Staff Exhibits No. 1  
4 and 2; is that correct?

5           A.    That is correct.

6           Q.    Mr. Sarver, are you aware of any  
7 regulatory principle or practice that is violated by  
8 this Stipulation?

9           A.    No, sir.

10          Q.    This would be consistent, in your  
11 opinion, with past Stipulations entered into with  
12 Waterville Gas & Oil?

13          A.    Yes, it is.

14               MR. MARGARD:  Thank you, Your Honor.  I  
15 have no further questions for Mr. Sarver.

16               I would respectfully move for the  
17 admission of Staff Exhibits 1 and 2, and Joint  
18 Exhibit 1; and on behalf of Waterville Gas & Oil, I  
19 respectfully move for the admission of Waterville  
20 Exhibit 1.

21               EXAMINER SEE:  And as I have -- are there  
22 any objections to the admission of Staff Exhibits 1  
23 and 2, Joint Exhibit 1, or Waterville Exhibit 1?

24               Hearing none, the exhibits are admitted  
25 into the record.

1 (EXHIBITS ADMITTED INTO EVIDENCE.)

2 EXAMINER SEE: Thank you, Mr. Sarver.

3 You may step down.

4 Is there anything further, Mr. Margard?

5 MR. MARGARD: I have nothing further,

6 Your Honor. Thank you.

7 EXAMINER SEE: Thank you very much.

8 Thank you, all. Hearing is adjourned.

9 (Thereupon, the proceedings concluded at  
10 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 Tuesday, May 28, 2019, and carefully compared with my original stenographic notes.

Carolyn M. Burke  
Carolyn M. Burke, Registered  
Professional Reporter, and  
Notary Public in and for the  
State of Ohio.

My commission expires July 17, 2023.

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

**Commission of Ohio Docketing Information System on**

**6/11/2019 1:07:09 PM**

**in**

**Case No(s). 19-0217-GA-GCR, 19-0317-GA-UEX**

Summary: Transcript In the Matter of the Regulation of the Purchased Gas Adjustment  
Clauses Contained Within the Rate Schedules of the Waterville Gas & Oil Company and  
Related Matters and In the Matter of the Uncollectible Expense Rider of Waterville Gas & Oil  
Company and Related Matters, hearing held on May 28th, 2019. electronically filed by Mr.  
Ken Spencer on behalf of Armstrong & Okey, Inc. and Burke, Carolyn