

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. 19-207-GA-GCR
Schedule of:) Case No. 19-214-GA-GCR
Eastern Natural Gas)
Company, Pike Natural)
Gas Company and)
Related Matters.)

In the Matter of the)
Uncollectible Expense)
Riders of:) Case No. 19-307-GA-UEX
Eastern Natural Gas) Case No. 19-314-GA-UEX
Company, Pike Natural)
Gas Company and)
Related Matters.)

In the Matter of the)
Percentage of Income)
Payment Plan Rider of:) Case No. 19-407-GA-PIP
Eastern Natural Gas) Case No. 19-414-GA-PIP
Company, Pike Natural)
Gas Company and)
Related Matters.)

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PROCEEDINGS

Before Patricia Schabo, Attorney Examiner, at the
Public Utilities Commission of Ohio, 180 East Broad
Street, Room 11C, Columbus, Ohio, called at 10:00
a.m. on Thursday, September 12, 2019.

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- - -

1 APPEARANCES:

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9 On behalf of the Staff of the PUCO.

10 Vorys, Sater, Seymour & Pease
11 By Michael J. Settineri, Esq.
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15 On behalf of the Eastern Natural Gas
16 Company and Pike Natural Gas Company.

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COMPANIES' EXHIBITS		IDENTIFIED	ADMITTED
1 - Notice published in the		16	18
Trumbull Free Press for			
Eastern Natural Gas			
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Thursday Morning Session,
September 12, 2019.

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EXAMINER SCHABO: The Public Utilities Commission of Ohio has assigned for hearing at this time and place Case Nos. 19-207-GA-GCR and 19-214-GA-GCR, being In the Matter of the Regulation of the Purchased Gas Adjustment Clauses Contained Within the Rate Schedules of: Eastern Natural Gas Company and Pike Natural Gas Company; Case Nos. 19-307-GA-UEX, 19-314-GA-UEX, 19-407-GA-PIP, and 19-414-GA-PIP; regarding the Uncollectible Expense Riders and Percentage of Income Payment Plan Riders of Eastern Natural Gas Company and Pike Natural Gas Company.

My name is Trish Schabo, and I'm the Attorney-Examiner assigned by the Commission to hear this case. I will first note that there are no members of the public here to participate or testify in this proceeding.

With that said, let's take appearances of counsel.

MR. SETTINERI: Good morning, your Honor. On behalf of Pike Natural Gas Company and Eastern Natural Gas Company, Mike Settineri with the

1 law firm Vorys, Sater, Seymour & Pease, 52 East Gay
2 Street, Columbus, Ohio 43215.

3 MR. MARGARD: Good morning, your Honor.
4 On behalf of the Staff of the Public Utilities
5 Commission of Ohio, Dave Yost, Ohio Attorney General,
6 John H. Jones, Section Chief, Public Utilities
7 Section, by Assistant Attorney General Werner L.
8 Margard, 30 East Broad Street, 16th floor, Columbus,
9 Ohio.

10 EXAMINER SCHABO: Thank you. I
11 understand the parties reached a Stipulation in this
12 proceeding.

13 MR. MARGARD: We have, your Honor. And
14 we are prepared to offer Mr. Roger Sarver on behalf
15 of Staff to testify as to the Stipulation.

16 EXAMINER SCHABO: Wonderful.
17 Mr. Sarver, do you swear or affirm that the testimony
18 you are about to give is true?

19 MR. SARVER: Yes.

20 EXAMINER SCHABO: Please have a seat.
21 Mr. Margard.

22 MR. MARGARD: Thank you, your Honor.
23 Would the record please reflect that I placed before
24 the witness, the Bench, and the Court Reporter a
25 number of documents?

I have placed what has been marked as Commission Ordered Exhibit No. 1, being a Financial Audit of the Gas Cost Recovery Mechanisms for Eastern Natural Gas and Pike Natural Gas Companies, Case Nos. 19-207 and 19-214, filed -- docketed with the Commission on June 14th, 2019, what has been marked as Commission Ordered Exhibit No. 2 being an Audit of the Uncollectible Expense Mechanisms for Eastern Natural Gas Company, docketed with the Commission on June 14th, 2019 in Case No. 19-307, what's been marked as Commission Ordered Exhibit 3, being the Audit of the Uncollectible Expense Mechanism for Pike Natural Gas Company, docketed on June 14th, 2019 in Case No. 19-314, and what's been marked as Commission Ordered Exhibit No. 4, being the Audit of the Percentage of Income Payment Plan for Eastern Natural Gas Company and Pike Natural Gas Company in Case Nos. 19-407 and 19-414, docketed with the Commission on June 14th, 2019.

In addition, your Honor, we have also placed before the witness, the Bench, and Court Reporter a document marked for purposes of identification as Staff Exhibit No. 1, being the Stipulation and Recommendation filed in this matter.

EXAMINER SCHABO: Will that be Staff

1 Exhibit, or Joint Exhibit?

2 MR. MARGARD: That's a Joint Exhibit,
3 your Honor.

4 EXAMINER SCHABO: We will mark those
5 exhibits as stated.

6 (EXHIBITS MARKED FOR IDENTIFICATION.)

7 - - -

8 Roger Sarver,
9 being first duly sworn, as prescribed by law, was
10 examined and testified as follows:

11 DIRECT EXAMINATION

12 By Mr. Margard:

13 Q. Mr. Sarver, please identify yourself and
14 by whom you're employed.

15 A. Roger Sarver, employed by the Public
16 Utilities Commission, 180 East Broad Street,
17 Columbus, Ohio 43215.

18 Q. And what is your position and duties and
19 responsibilities, please?

20 A. I'm an Energy Specialist, and I'm in
21 charge of -- or responsible for all financial audits,
22 natural gas financial audits.

23 Q. And, sir, were you responsible for, or
24 did you at least supervise the audits conducted in
25 this case?

1 A. Yes, sir.

2 Q. And do you have before you what have
3 been marked as Commission Ordered Exhibits 1
4 through 4?

5 A. Yes, sir.

6 Q. And were you responsible for authoring
7 these documents?

8 A. Yes, sir.

9 Q. Have you reviewed these documents prior
10 to taking the stand today?

11 A. Yes.

12 Q. Do you have any changes, corrections,
13 modifications of any sort to any of these documents?

14 A. Not to the Commission Ordered Exhibits 1
15 through 4.

16 Q. Thank you. And to the best of your
17 knowledge, are they true and accurate and reasonable?

18 A. Yes.

19 Q. And these are documents that are
20 maintained as part of the Commission's record in this
21 case; is that correct?

22 A. Yes.

23 Q. Thank you, sir. Let me now direct your
24 attention to what's been marked as Joint Exhibit
25 No. 1. Can you identify that document please?

1 A. Yes. This is the Stipulation and
2 Recommendation signed by Staff and Company to resolve
3 the audit recommendations for the GCR and UEX for
4 Pike and Eastern.

5 Q. And were you involved in the negotiation
6 of this document?

7 A. Yes.

8 Q. And are you familiar with its terms?

9 A. Yes.

10 Q. And have you had an opportunity to
11 review this document prior to taking the stand today?

12 A. Yes, sir.

13 Q. And are you aware whether there are any
14 changes or modifications of any sort to it?

15 A. There is one change that I noted here
16 just this morning when -- before coming on the stand,
17 and it has to do with Item V, page 6, paragraph 1.

18 The sentence starts, "As a result of
19 this latter review, Eastern agrees that \$8,613.25
20 should be credited to," and it should be June 2019
21 ending balance in Account 142. So the date of
22 December 31st needs to be changed to June 30th, 2019.

23 Q. Are you aware of any other changes,
24 corrections, or errors contained in the Stipulation
25 and Recommendation?

1 A. No, sir.

2 MR. MARGARD: Your Honor, I'll represent
3 that the parties are in agreement as to this change,
4 and I will ask if the Company would please
5 acknowledge that they agreed to this change in the
6 Stipulation and Recommendation.

7 MR. SETTINERI: And the Company does
8 agree and stipulate to that change to modify the Stip
9 that was entered.

10 EXAMINER SCHABO: And I would just like
11 to make sure I'm in the right place. Page 6, item 1?

12 MR. MARGARD: Section V, paragraph 1.

13 EXAMINER SCHABO: The December 31, 2018
14 date is changed to what?

15 THE WITNESS: To June 30th, 2019. And
16 then that number, the \$8,613.25, corresponds to what
17 is shown on page 7, reflecting ending balances that
18 are going to be credited back to sales customers.

19 So if you go to page 7, about midway
20 through that paragraph, that number represents the
21 ending balance as of June for those -- the GCR, the
22 UEX, and the PIPs.

23 EXAMINER SCHABO: Okay. Thank you.

24 By Mr. Margard:

25 Q. Now, Mr. Sarver, as part of your

1 negotiations that resulted in this Stipulation and
2 Recommendation, are you familiar with the parties who
3 engaged in those negotiations?

4 A. Yes, sir.

5 Q. And those parties were limited to Staff
6 and Company; is that correct?

7 A. Yes.

8 Q. And in your opinion, are these capable
9 and knowledgeable parties?

10 A. Yes, sir.

11 Q. With considerable experience in
12 negotiating such matters?

13 A. Yes, sir.

14 Q. Thank you. Do you believe that this
15 Stipulation provides any benefits for ratepayers or
16 the public interest?

17 A. Yeah, the benefit to customers is that
18 as part of these audits, Staff verifies the account
19 balances and recoveries of cost through the GCR
20 mechanism, the UEX, and the PIPP, and what we are
21 able to do is make any corrections necessary to match
22 revenue with expenses to ensure the customers are
23 paying for only what they need to pay for.

24 Q. Thank you, sir. Finally, are you aware
25 whether this -- there are any regulatory principles

1 or practices that are violated by any of the terms of
2 the Stipulation?

3 A. No.

4 Q. In your opinion, they are consistent
5 with the regulatory principles and practices,
6 correct?

7 A. Yes, sir.

8 Q. And in your opinion, sir, this
9 Stipulation and Recommendation is accurate,
10 reasonable, and should be adopted by the Commission,
11 correct?

12 A. Yes, it should be.

13 Q. Mr. Sarver, do I understand this to be
14 your last appearance on the stand as a witness for
15 the Commission?

16 A. This is the last time I stand on the
17 side of the Commission Staff.

18 Q. I at least, sir, would like to publicly
19 express for the public record my appreciation for
20 your service to the Commission and to the ratepayers
21 of the State of Ohio.

22 Is there anything that you would like to
23 say in your final appearance on behalf of the
24 Commission Staff?

25 A. I don't have any final thoughts on this

1 matter. I know you gave me that lead in, and I
2 appreciate it.

3 MR. MARGARD: Thank you. Your Honor, I
4 have nothing further. I tender the witness for
5 cross-examination.

6 EXAMINER SCHABO: Cross-examination?

7 MR. SETTINERI: Your Honor, now that I
8 know it's his final appearance I may have to take a
9 moment to come up with some questions to actually
10 have a chance to cross Mr. Sarver for once, but with
11 that being said, and having a great deal of respect
12 for Mr. Sarver, we have no questions for the witness.

13 EXAMINER SCHABO: Thank you, Mr. Sarver.
14 You may step down.

15 THE WITNESS: Do I need to leave these
16 documents up here for the next witness?

17 MR. MARGARD: Why don't you? Do you
18 need your picture taken on the stand?

19 EXAMINER SCHABO: If you don't offer,
20 how would he know it's a possibility?

21 (Witness excused.)

22 MR. MARGARD: Your Honor, I respectfully
23 move for the admission of Commission Ordered
24 Exhibits 1 through 4. I would also, subject to
25 examination of Mr. Settineri's witness, offer for

1 admission Joint Exhibit No. 1, the Stipulation and
2 Recommendation.

3 EXAMINER SCHABO: Any objections to
4 Commission Ordered Exhibits 1 through 4?

5 MR. SETTINERI: No.

6 EXAMINER SCHABO: Hearing none, they
7 will be admitted. We will take up your offering of
8 Joint Exhibit 1 after we hear from the Company
9 witness.

10 (EXHIBITS ADMITTED INTO EVIDENCE.)

11 MR. MARGARD: Thank you, your Honor. I
12 have nothing further.

13 EXAMINER SCHABO: Thank you very much.
14 Mr. Settineri.

15 MR. SETTINERI: Yes, your Honor. At
16 this time the Companies will call Mr. Ryker Locke to
17 the stand, please.

18 EXAMINER SCHABO: Good morning. Do you
19 swear or affirm that the testimony you are about to
20 give is the truth?

21 MR. LOCKE: Yes.

22 EXAMINER SCHABO: If you'd have a seat,
23 and state your name and business address for the
24 record.

25 THE WITNESS: Ryker Locke. I represent

Eastern Natural Gas and Pike Natural Gas, 4100
Holiday Street Northwest, Suite 201, Canton, Ohio
44718.

EXAMINER SCHABO: Thank you.

MR. SETTINERI: Your Honor, at this time
the Companies would like to mark as we'll call it,
Companies' Exhibits 1, 2, and 3, various tear sheets
from the legal notices that were published in this
proceeding, and copies have been provided to the
witness, the Bench, and the Court Reporter.

EXAMINER SCHABO: So marked.

(EXHIBITS MARKED FOR IDENTIFICATION.)

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

DIRECT EXAMINATION

By Mr. Settineri:

Q. Good morning, Mr. Locke.

A. Good morning.

Q. Do you have before you what's been
marked as Companies' Exhibits 1, 2, and 3?

A. Yes.

Q. And starting with Companies' Exhibit 1,
could you please identify that for the record?

1 A. It is a notice that I had published in
2 the Trumbull Free Press for Eastern Natural Gas.

3 Q. And I notice that with that exhibit
4 there is no Proof of Publication from the newspaper.
5 Why is that?

6 A. They do not provide Proof of
7 Publications.

8 Q. But this tear sheet was received?

9 A. Yes.

10 Q. Turning to Company Exhibit 2, could you
11 please identify that for the record, please?

12 A. This is a Proof of Publication that I
13 had in the Review Newspaper for Eastern Natural Gas.

14 Q. Okay. And turning to Company Exhibit 3,
15 could you please identify that for the record,
16 please?

17 A. This is a notice that I had in the Times
18 Gazette for Pike Natural Gas.

19 Q. Okay. And just for the record, on whose
20 behalf are you testifying today?

21 A. Eastern Natural Gas and Pike Natural
22 Gas.

23 Q. Okay. Thank you.

24 MR. SETTINERI: No further questions for
25 the witness, your Honor.

1 EXAMINER SCHABO: Mr. Margard?

2 MR. MARGARD: No thank you, your Honor.

3 EXAMINER SCHABO: All right. You are
4 excused.

5 (Witness excused.)

6 MR. SETTINERI: Your Honor, at this time
7 the Companies would move for the admission of
8 Companies' Exhibit 1, Companies' Exhibit 2, and
9 Companies' Exhibit 3 into the record. I would also
10 note that these exhibits are not on the -- on the
11 docket, if you would, for the Court Reporter.

12 EXAMINER SCHABO: Any objection?

13 MR. MARGARD: There is no objection.
14 And renew my motion for admission of Staff -- Joint
15 Exhibit 1.

16 EXAMINER SCHABO: Any objection? I
17 assuming that's a Joint Exhibit.

18 MR. SETTINERI: No.

19 EXAMINER SCHABO: No objections have
20 been made. Joint Exhibit 1 and Companies'
21 Exhibits 1, 2, and 3 will be admitted to the record.

22 (EXHIBITS ADMITTED INTO EVIDENCE.)

23 EXAMINER SCHABO: Anything further,
24 gentlemen?

25 MR. MARGARD: Nothing further. Thank

1 you, your Honor.

2 EXAMINER SCHABO: All right. Then we
3 will submit the case to the Commission on the record
4 with the transcript when it's filed, and we are
5 adjourned. Thank you.

6 (Thereupon, the hearing was
7 adjourned at 10:00 a.m.)

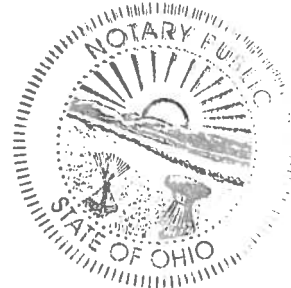
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CERTIFICATE

I do hereby certify that the foregoing
is a true and correct transcript of the proceedings
taken by me in this matter on Thursday, September 12,
2019, and carefully compared with my original
stenographic notes.

Valerie J. Grubaugh
Valerie J. Grubaugh,
Court Reporter and Notary
Public in and for the State
of Ohio.

My Commission expires August 11, 2021.



This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

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in

Case No(s). 19-0207-GA-GCR, 19-0214-GA-GCR, 19-0307-GA-UEX, 19-0314-GA-UEX, 19-0407-GA-PI

Summary: Transcript In the Matter of the Regulation of the Purchased Gas Adjustment
Clauses Contained Within the Rate Schedule of: Eastern Natural Gas Company, Pike Natural
Gas Company and Related Matters; In the Matter of the Uncollectible Expense Riders of:
Eastern Natural Gas Company, Pike Natural Gas Company and Related Matters and In the
Matter of the Percentage of Income Payment Plan Rider of: Eastern Natural Gas Company,
Pike Natural Gas Company and Related Matters, hearing held on September 12th, 2019.
electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Grubaugh,
Valerie