

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :
Commission's Review of :
the Standard Filing : Case No. 19-2103-AU-ORD
Requirements for Rate :
Increases in Ohio :
Adm. Code 4901-7-01. :

- - -

STANDARD FILING REQUIREMENTS FOR
RATE INCREASES RULES WORKSHOP

before Examiner Jeffrey Jones and Examiner Lauren
Augostini, Attorney Examiners, at the Public
Utilities Commission of Ohio, 180 East Broad Street,
Columbus, Ohio, on Thursday, December 19, 2019.

- - -

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

- - -

PRESENT:

Ohio Public Utilities Commission Staff

Jonathan Borer

David Lipthratt

Doris McCarter

Matthew Snider

Marianne Townsend

AEP Ohio

Michael Childs

Dona Seger-Lawson

Tanner S. Wolffram

Aqua Ohio

Ed Kolodziej

Elaine Martin

Duke

Jeanne Kingery

Lisa Steinkuhl

Office of Consumers' Counsel

Ambrosia Logsdon

Ross Willis

Madeline Fleisher, Dickinson Wright, PLLC

Becky Glover, Vectren Energy

Christopher Kennedy, Whitt Sturtevant, LLP

Shaun Lyons, Carpenter Lipps & Leland LLP

Joe Pemberton, Suburban Natural Gas Co.

Melissa Thompson, Columbia Gas

- - -

1 Thursday Afternoon Session,
2 December 19, 2019.

3 - - -

4 EXAMINER AUGOSTINI: Good afternoon. We
5 are here for the workshop scheduled for today in
6 Case No. 19-2103-AU-ORD, being captioned In the
7 Matter of the Commission's Review of the Standard
8 Filing Requirements for Rate Increases in Ohio
9 Administrative Code 4901-7-01.

10 My name is Lauren Augostini, and with me
11 is Jeff Jones. We are the Attorney Examiners
12 assigned by the Commission to hear this case.

13 Also with us are several members from the
14 Commission's Rate and Analysis Department. We have
15 Marianne Townsend, David Lipthratt, Matt Snider, and
16 Jonathan Borer, and, I think, Doris McCarter in the
17 crowd.

18 We will be monitoring, providing any
19 necessary technical support for the workshop.
20 Additionally, we will take note of any comments that
21 are offered today for the Commission's consideration
22 with respect to the rules, and a court reporter will
23 soon be here. We are recording right now.

24 Before we get started, I would like to
25 provide a brief overview of why we are here and what

we hope to accomplish. This workshop is being held consistent with the State's Common Sense Initiative. Section 121.82 of the Revised Code requires the Commission to evaluate its rules against a business impact analysis and provide that analysis to the Common Sense Initiative office.

In incorporating the Common Sense Initiative requirements into our rule review process, the Commission has determined that it is appropriate for its staff to hold a workshop with interested stakeholders. The purpose of this workshop is to get your input regarding the standard filing requirements rules for rate increases in Ohio Adm.Code 4901-7-01.

I emphasize this is just your first initial opportunity to provide feedback with the current state of rules, and nothing said today in the workshop will be considered binding on any interested stakeholders.

The Commission will subsequently issue a proposed set of rules at some point following this workshop and will utilize the same comment and reply comment that I'm sure you're all familiar with. At that point you will have the opportunity to formally offer any recommendations in your filed comments and reply comments.

1 During today's workshop we seek your
2 initial thoughts, any recommendations on how the
3 rules could be improved or appreciated.

4 Although you may notice there is one
5 rule, there is a very large appendix that I'm sure
6 comments will be offered for. I am going to call
7 comments chapter by chapter, section by section just
8 to make it easier. Some of you may come up to the
9 podium several times to offer comments, but I think
10 that's the best way to go about it. If you have a
11 comment or concern, we ask that you please come up to
12 the podium.

13 Before we get started, are there any
14 procedural questions?

15 All right. At this time I'm going to
16 open up the floor for comments or recommendations
17 starting with Chapter I, General Instructions. Also
18 provided are several copies of the appendix, so feel
19 free to grab one if you need one.

20 Melissa.

21 MS. THOMPSON: Good afternoon. My name
22 is Melissa Thompson. I am the director of regulatory
23 for Columbia Gas of Ohio. Columbia Gas of Ohio
24 appreciates the opportunity to present comments and
25 suggest changes to Appendix A of Administrative Code

1 4901-7-01.

2 While much of the information included in
3 the standard filing requirements is necessary for all
4 parties, including Commission staff, to review a
5 utility's capital expense, rate of return, and
6 company's policies, Columbia is putting forth two
7 suggestions specifically on the supplemental
8 requirements that are within Chapter I.

9 First, Columbia recommends that the
10 Commission delete or significantly curb the
11 requirements for schedule 4.1 and schedule 4.2.
12 Those are two supplemental schedules.

13 Schedule 4.1 requires an executive
14 summary of the utility's corporate process utilized
15 by the board of directors and corporate officers and
16 a discussion of the pertinent elements of an
17 applicant utility's management process encompassing
18 such areas as policy, goal setting, strategic and
19 long-range planning, organization structure,
20 decision-making, ring-fencing (plans and methods for
21 protecting the regulated distribution utility that
22 limit the exposure of the operating company from the
23 action of its parent and/subsidiary), controlling
24 process, internal and external communications.

25 Schedule 4.2 requires an executive

summary of an applicant utility's management policies, practices, and organization employed to meet the corporate goals determined by the board of directors and corporate officers and a discussion of all pertinent elements of the applicant utility's management process described in Chapter II of the appendix.

The detailed portion of the filing is determined within ten business days after a utility files its notice of intent, which provides the company approximately seven to ten business days to prepare this particular portion of the filing.

Schedule 4.2 must show pertinent elements of the functional area selected including the organization chart, diagrams and flow charts, performance indicators, standards of performance, and prepared testimony of the applicant utility personnel and other expert witnesses.

The Commission staff and many of the parties who have worked with the utilities for years are familiar with the company and its practices. These schedules require an inordinate amount of work and time to complete and sometimes not enough time depending on between the notice of intent being filed and the three sections identified by Commission

1 staff.

2 For example, in Columbia Gas Ohio's 2008
3 rate case, Columbia's Schedule 4.1 was 413 pages and
4 Columbia's Section 4.2 was 481 pages.

5 In the event the information contained in
6 those two schedules is needed, the information should
7 be requested in discovery or during the audit. This
8 will allow the information to be narrowly tailored to
9 the investigation at that time and would permit the
10 utilities to work with the parties and the auditors
11 and the timing of the information as well, because
12 there's so much time included to actually prepare all
13 that information.

14 The second change requested by Columbia
15 is also regarding some supplemental filings that are
16 required at the time of filing. This is specifically
17 the supplemental information that is required that's
18 listed at, I think, Items 1 through 13 or 16.

19 The request that Columbia recommends is
20 that the utilities be permitted to provide a link to
21 any publicly available information rather than to
22 include the actual information, the filing.

23 For example, each utility is required to
24 provide the most recent 10-K, 10-Q, and 8-K of the
25 company. Rather than have the utilities continue to

1 send this information as each of these filings are
2 filed with the Securities & Exchange Commission, the
3 utility could provide a link to the company's
4 Securities & Exchange information EDGAR page to allow
5 the parties to see the company's most current
6 filings, and it lessens the paper in the docket.

7 Columbia appreciates the opportunity to
8 provide these comments and looks forward to the
9 initial comments in this docket.

10 EXAMINER AUGOSTINI: Thank you.

11 MS. THOMPSON: Thank you.

12 EXAMINER AUGOSTINI: Are there comments
13 from staff or questions?

14 MR. SNIDER: I have one quick question.

15 EXAMINER JONES: Identify yourself so it
16 is clear when the court reporter transcribes this.

17 MR. SNIDER: Matt Snider, Rates and
18 Analysis.

19 I just had a question with regards to
20 4.1 and 4.2. You talked about if we wanted the
21 information, it could be provided through a DR
22 response. Being that DR responses are particularly,
23 you know, ten business days or so, could this
24 document be prepared in that amount of time?

25 MS. THOMPSON: So the idea behind the

1 discovery and the audit request -- and that's a great
2 point, and we actually talked about it internally at
3 Columbia -- was that rather than asking for this
4 entire piece, you'd ask for the pieces that you
5 actually are interested in.

6 So, for example, if you're asking about
7 policies and procedures of the company, specifically
8 want to know about the company's capitalization
9 policy, the DR would come out that says, Please
10 provide Columbia's capitalization policy. Rather
11 than having us prepare this overly broad, general
12 document, we are helping to narrowly tailor what
13 you're really interested in. That's the idea of
14 trying to get this information out in discovery or
15 the audit.

16 Any other questions?

17 Sorry, I didn't mean to shout.

18 MS. McCARTER: Doris McCarter, staff.

19 So when we were looking at this
20 internally already, we had X'd -- or I had
21 recommended we X out all three pages of the topical
22 areas, and we are thinking of something more along
23 the lines of still keeping kind of the advance
24 notice, because I think, kind of to Matt's point, if
25 we gave a DR, you still have to do it in ten days

1 anyway, but that staff would file a letter of any
2 functional area that they wanted you to present those
3 types of issues on.

4 Is that still a problem? Because it
5 basically just provides ten days.

6 MS. THOMPSON: Well, so yes and no. So
7 the idea of having staff provide us the information
8 ahead of time is a good thing. So if we knew we were
9 going to file a rate case on a certain date, it would
10 be great if we knew three months before if these are
11 the specific, particular areas interested in by staff
12 because we could start preparing that information.

13 MS. McCARTER: Some companies do exactly
14 that.

15 MS. THOMPSON: I don't think Columbia
16 would be outside that realm of coming to see you all
17 and asking for that information. But as the rules
18 are set up technically, the areas could change. We
19 could file a notice of intent, and within ten days
20 staff goes, Actually, we really want to look at these
21 three topic areas, and now we're trying to scramble
22 to get that together for the application, which will
23 give us essentially seven to ten business days,
24 because it's ten business days, not actual days in
25 the rule.

1 And so for us, if it were provided in a
2 DR, so whether the DR was due within ten days or the
3 DR was due within 20, what we try to do is work with
4 Commission staff and say, Here's what we can provide
5 within that time frame and try to get you the
6 information, but then it's more narrowly tailored to
7 what is of interest in the case.

8 So that's why we were thinking during
9 discovery, during the audit would be more pertinent
10 to what is actually shaping up to be an area that you
11 really want to deep dive in on, which you may not see
12 at the beginning of the case when we're talking about
13 a notice of intent. So that's what our thoughts
14 were. That may be more pertinent to what is of
15 interest to the staff and, frankly, to the auditor at
16 that time.

17 MS. McCARTER: I can't see that I
18 (inaudible) cut it all out, but I suppose the list
19 could be looked at again to see if all that is really
20 necessary.

21 MS. THOMPSON: I think that's fair.
22 That's all we ask. So when you look at the
23 supplemental schedules, essentially S4.1 and 4.2,
24 they are extensive, and we hope at this point you
25 know who the utilities and you know what our

1 management practices are. We understand that in a
2 rate case we are under audit. We would just hope
3 they would be a little more narrowly tailored so we
4 could focus on these schedules, new programs, and
5 whatnot.

6 EXAMINER AUGOSTINI: Any other questions?
7 Thank you very much.

8 MS. THOMPSON: Thank you.

9 EXAMINER AUGOSTINI: Are there any other
10 comments relating to Chapter I, General Instructions?

11 We will move to Chapter II, Standard
12 Filing Requirements (Large Utilities). We will again
13 begin with General Instructions.

14 Are there any comments relating to
15 Section A of Chapter II for Revenue Requirements?

16 MS. LOGSDON: Good afternoon. On behalf
17 of the Ohio residential utility consumers, my name is
18 Ambrosia Logsdon.

19 The Office of the Ohio Consumers' Counsel
20 appreciates this opportunity to participate in the
21 rule-making proceeding to review the standard filing
22 requirements for rate increases under Ohio
23 Administrative Code 4901-7-01.

24 As to Chapter II, the OCC has a few
25 recommendations for the Commission to consider.

1 First, under Section (A) (7), the OCC recommends the
2 second paragraph under Schedule Format should be
3 revised to read: All schedules submitted must also
4 be provided to the staff and the Office of the Ohio
5 Consumers' Counsel in an electronic format.

6 Second, for Section (A) (8), the OCC
7 recommends that under Working Papers, the third line
8 should be revised to read: Delivered to the
9 Commission staff and the Office of Ohio Consumers'
10 Counsel as specified in paragraph (C) (7) of Chapter
11 II in this appendix.

12 Filings, under Section C, the first
13 sentence should be revised as follows: The applicant
14 utility must deliver four copies of the following
15 information as applicable to the rates and analysis
16 department, office of the rate case manager, and one
17 copy to the Ohio Consumers' Counsel at the time of
18 filing the application.

19 And the reason we're asking for that is
20 OCC used to get a copy, and that's not been the case
21 for some time, so we wanted to make sure that OCC has
22 the information they need to work with.

23 Again, thank you for this opportunity to
24 provide recommendations in this proceeding on behalf
25 of consumers.

1 EXAMINER AUGOSTINI: Does staff have any
2 questions?

3 Thank you.

4 Are there any other comments relating to
5 Section A, Chapter II?

6 We will move on to Section B of Chapter
7 II, Rate Base (Large Utilities).

8 Hearing none, we will move to Section C,
9 starting with Operating Income.

10 Section D of Chapter II, Rate of Return.

11 Section E of Chapter II, Rate and
12 Tariffs.

13 MS. MARTIN: My name is Elaine Martin,
14 and I am here with Aqua Ohio, and we appreciate the
15 opportunity to come before you today. We also
16 appreciate the guidance given through the appendix.

17 But in looking through Section E, we
18 discovered what appears to be a possible error on a
19 few pages. On page 121, it references that there are
20 two pages of Schedule E-5, one for gas and electric
21 and one for water and wastewater. However, when you
22 turn back to page 129 through 131, there's three
23 pages, so it appears as though page 130 is an error.
24 It's listing waterworks and sewer, but it's also
25 talking about fuel cost additions, so page 131 is

1 what is applicable to the waterworks. So we would
2 appreciate, you know, taking a look at that to see if
3 that is in error and have that page removed.

4 Thank you.

5 EXAMINER AUGOSTINI: Does staff have any
6 questions?

7 Thank you.

8 That brings us to Chapter III, Standard
9 Filing Requirements.

10 MS. SEGER-LAWSON: Dona Seger-Lawson with
11 AEP Ohio.

12 It is our suggestion that -- I think
13 Section E-1 is clean proposed tariffs. E-2 is clean
14 current tariffs, and E-2.1 is scored and redlined
15 tariffs, and that's three sets of tariffs.

16 And usually our tariffs are pretty
17 voluminous, so we thought maybe you could just
18 streamline it and have us provide clean proposed and
19 then redlined proposed, so the redlined proposed
20 would give you what the current is. So now we've all
21 got Word, and we can do that pretty easily. So
22 that's another suggestion.

23 EXAMINER AUGOSTINI: Questions from the
24 staff?

25 Thank you.

1 MS. SEGER-LAWSON: Thank you.

2 EXAMINER AUGOSTINI: Are there any other
3 comments for Section E before we move on to Chapter
4 III?

5 Okay. Chapter III, Standard Filing
6 Requirements (Small Utilities).

7 Are there any comments for the small
8 utilities for any of this section, Chapter III?

9 That brings us to Chapter IV, Standard
10 Filing Requirements (Abbreviated Filing). Are there
11 any comments?

12 Okay. And before we end, are there any
13 other comments just in general?

14 Anything from staff?

15 Okay. Well, I would like to take this
16 opportunity to thank everybody for coming. I would
17 also like to remind you if you haven't done so,
18 please sign in on the sign-in sheet over at the door,
19 and a Commission entry will be forthcoming.

20 Thank you.

21 (The workshop was concluded.)

22 - - -

23

24

25

CERTIFICATE

I do hereby certify that the foregoing is
a true and correct transcript of the recorded
proceedings and the audio transcribed by me in this
matter.

Rosemary Foster Anderson
Rosemary Foster Anderson,
Professional Reporter and
Notary Public in and for
the State of Ohio.

My commission expires April 5, 2024.

(RFA-19-2103-AU-ORD)

- - -



This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

1/2/2020 12:12:17 PM

in

Case No(s). 19-2103-AU-ORD

Summary: Transcript In the Matter of the Commission's Review of Standard Filing Requirements for Rate Increases in Ohio Adm. Code 4901-7-01, hearing held on December 19th, 2019. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Anderson, Rosemary Foster Mrs.