

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Regulation of the Purchased:
Gas Adjustment Clause :Case No.
Contained within the Rate :20-209-GA-GCR
Schedules of Northeast Ohio:
Natural Gas Corporation :
and Related Matters. :

In the Matter of the :
Uncollectible Expense Rider:Case No.
of Northeast Ohio Natural :20-309-GA-UEX
Gas Company and Related :
Matters. :

In the Matter of the :
Percentage of Income :Case No.
Payment Plan Rider of :20-409-GA-PIP
Northeast Ohio Natural Gas :
Corporation and Related :
Matters. :

- - -

PROCEEDINGS

Before Patricia Schabo, Attorney Examiner, held
via Webex, on Tuesday, March 9, 2021, at 10:00
A.M.

- - -

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- - -

APPEARANCES:

Benesch, Friedlander, Coplan & Aronoff
By Mr. N. Trevor Alexander
41 South High Street, Suite 2600
Columbus, Ohio 43215

On behalf of Northeast Ohio
Natural Gas Corporation.

Mr. Thomas G. Lindgren
Assistant Attorney General
30 East Broad Street, 26th Floor
Columbus, Ohio 43215

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

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Tuesday Morning,
March 9, 2021.

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ATTORNEY EXAMINER: The Public
Utilities Commission of Ohio has assigned for
hearing at this time and place the following
cases which have been consolidated for
the purpose of hearing.

Case No. 20-209-GA-GCR In the Matter
of the Regulation of the Purchased Gas
Adjustment Clause Contained Within the Rate
Schedules of Northeast Ohio Natural Gas
Corporation and Related Matters.

Case No. 20-309-GA-UEX In the Matter
of the Uncollectible Expense Rider of Northeast
Ohio Natural Gas Corporation and Related
Matters.

And Case No. 20-409-GA-PIP In the
Matter of the Percentage of Income Payment Plan
Rider of Northeast Ohio Natural Gas Corporation
and Related Matters.

My name Trish Schabo, I am the
Attorney Examiner assigned by the Commission to
hear this case. Let's begin with appearances of
counsel. First on behalf of Northeast Ohio.

1 MR. ALEXANDER: Good morning, your
2 Honor. Trevor Alexander on behalf of Northeast
3 Ohio Natural Gas Corporation of the law firm of
4 Benesch, Friedlander, Coplan & Aronoff located
5 at 41 South High Street, Suite 2600, Columbus,
6 Ohio 43215.

7 ATTORNEY EXAMINER: Thank you. Next
8 on behalf of Commission staff.

9 MR. LINDGREN: Good morning, your
10 Honor. On behalf of the Commission's staff,
11 Ohio Attorney General Dave Yost by Thomas G.
12 Lindgren, Assistant Attorney General. My
13 address is 30 East Broad Street, 26th Floor,
14 Columbus, Ohio 43215.

15 ATTORNEY EXAMINER: Okay. Thank
16 you. Before we get into the evidence I would
17 like to just take a moment to note that due to
18 the Covid 19 emergency that remains in effect
19 pursuant to Executive Order 2020-01D issued by
20 Governor DeWine in March 2020 and consistent
21 with HB 404 this hearing is being held by Webex
22 which enables parties to participate by video
23 conference and for members of the public to
24 access the hearing by telephone or video over
25 the internet.

Pursuant to the entry issued February 3rd, 2021 interested members of the public who wish to provide testimony were directed to register with the Commission by either telephone or the internet before 12:00 noon on March 8th, 2021, which was yesterday.

We did not have any members of the public register to testify for this hearing, and it does not appear that we have any members of the public attending the hearing to observe.

As we move through the hearing if counsel or Mr. Matthews, if you experience any technical difficulties please notify me immediately by phone or e-mail or through the Webex chat feature, but do be aware the chats are not recorded, are not private, and are not part of the official record of the case.

To avoid unnecessary background noise please keep you microphones on mute unless you are speaking. On the other hand, counsel should leave their cameras on. Please be mindful of our court reporter. It's a little bit harder to try to differentiate between people speaking over each other when we are not all in the same room. So just give it a little

1 time for connectivity lags, et cetera. And
2 that is about it there.

3 So, I think we are all getting used
4 to our Webex hearings a little bit. The most
5 important thing is the connectivity. If you
6 have any problems flag us immediately and we can
7 take a break and we can figure it out.

8 Are there questions?

9 Seeing and hearing none, let's get
10 onto the fun at hand. I understand the parties
11 have reached a stipulation. Mr. Alexander,
12 would you like to start?

13 MR. ALEXANDER: Yes, your Honor, you
14 are correct. The parties have reached a
15 stipulation in this proceeding that was filed in
16 the public docket on February 4th. And I would
17 ask at this point -- the parties have also
18 agreed that that stipulation should be marked as
19 Joint Exhibit 1. And I would ask that it be so
20 marked.

21 ATTORNEY EXAMINER: So marked.

22 (EXHIBIT HEREBY MARKED FOR
23 IDENTIFICATION PURPOSES)

24 MR. ALEXANDER: And the parties have
25 stipulated to the admission of Joint Exhibit 1,

1 your Honor.

2 ATTORNEY EXAMINER: Is that correct,
3 Mr. Lindgren?

4 MR. LINDGREN: Yes, it is, your
5 Honor.

6 ATTORNEY EXAMINER: All right.
7 Well, then, we will actually just go ahead and
8 we will move Joint Exhibit 1, which is the
9 Stipulation and Recommendation filed 2-4-21,
10 into the record.

11 (EXHIBIT HEREBY ADMITTED INTO
12 EVIDENCE)

13 MR. ALEXANDER: Your Honor, I
14 believe Staff is going to provide testimony in
15 support of that stipulation at this time.

16 ATTORNEY EXAMINER: All right.
17 Thank you. Mr. Lindgren:

18 MR. LINDGREN: Thank you, your
19 Honor. The Staff calls Tornain Matthews to the
20 stand.

21 (WITNESS SWORN)

22 ATTORNEY EXAMINER: Thank you, Mr.
23 Matthews. Please proceed, Mr. Lindgren.

24 MR. LINDGREN: Thank you.

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TORNAIN MATTHEWS

called as a witness, being first duly sworn,
testified as follows:

DIRECT EXAMINATION

By Mr. Lindgren:

Q. Good morning Mr. Matthews.

A. Good morning.

Q. Could you please state your full
name and business address?

A. Yes. My first name is Tornain, and
that's spelled T-O-R-N-A-I-N. And the last name
is Matthews, with two Ts. My business address
is 180 East Broad Street, Columbus, Ohio 43215.

Q. And where are you employed, sir?

A. The Public Utilities Commission of
Ohio.

Q. And what is you position there?

A. I am a Utility Specialist.

Q. Thank you. And what are your duties
in that role?

A. My duties include conducting
financial audits of the gas cost recovery
mechanism, the uncollectible expense rider and
the percentage of income payment rider, as well
as other financial audits as assigned of

1 regulated utility companies.

2 Q. Thank you. And what was your role
3 with respect to the cases that we are here on
4 today?

5 A. I was part of the team that
6 conducted the financial audit of the Gas Cost
7 Recovery Mechanism, and also I was part of the
8 team that had reviewed the UEX as well as the
9 Percentage of Income Payment Plan audits.

10 Q. Thank you. And are you familiar
11 with the Staff Reports that were filed in each
12 of these dockets?

13 A. Yes, sir.

14 Q. And were there reports filed in each
15 docket?

16 A. Yes. There was a report filed for
17 case 20-209-GA-GCR. That was for the GCR audit.

18 The Staff Report for 20-309-GA-UEX
19 was for the UEX audit.

20 And the Staff Report for Case
21 20-409-GA-PIP, which is for the Percentage of
22 Income Payment Plan audit.

23 MR. LINDGREN: Thank you, Mr.
24 Matthews. And, your Honor, I would ask to have
25 those reports marked as Staff Exhibits 1, 2 and

1 3, please.

2 ATTORNEY EXAMINER: So marked.

3 (EXHIBITS HEREBY MARKED FOR
4 IDENTIFICATION of PURPOSES)

5 MR. LINDGREN: Thank you.

6 Q. And, Mr. Matthews, do these reports
7 accurately reflect the results of Staff's
8 investigation?

9 A. Yes, sir.

10 Q. Thank you. Mr. Matthews, are you
11 also familiar with the terms of the Joint
12 Stipulation and Recommendation that has been
13 filed in this case?

14 A. Yes, sir, I am.

15 Q. Thank you. And were you involved in
16 the negotiation of those terms?

17 A. Yes, sir.

18 Q. Thank you. Would you say that the
19 settlement is the product of serious bargaining
20 among capable and knowledgeable parties?

21 A. Yes, sir, I would.

22 Q. Thank you. And would you say that
23 the settlement as a package benefits both
24 ratepayers and the public interest?

25 A. Yes, sir, I believe it does.

1 Q. Thank you. And could you explain
2 how it benefits ratepayers and public interest?

3 A. Yes, sir. Well, Staff conducts
4 these types of financial audits to verify the
5 costs the utility incurs to provide natural gas
6 service to its customers, as well as to verify
7 that those costs are accurately included in the
8 rates that it bills its customers.

9 During the course of the audit Staff
10 did find some differences between its
11 calculations and those of the company's, and,
12 therefore, made recommendations to account for
13 those differences.

14 The stipulation highlights those
15 recommendations as well as adjustments that
16 Staff found and made, and it was agreed to by
17 both Staff and the company.

18 Q. Thank you. Are you familiar with
19 the regulatory principles and practices that
20 apply to these cases?

21 A. Yes, sir, I am.

22 Q. Thank you. Does the settlement
23 package violate any important regulatory
24 principle or practice?

25 A. No, sir, none that I am aware of.

1 Q. Thank you, sir. Would you recommend
2 that the Commission adopt this Stipulation and
3 Recommendation?

4 A. Yes, sir, I would.

5 MR. LINDGREN: Thank you. I have no
6 further questions for this witness and he is
7 available for cross-examination.

8 MR. ALEXANDER: I have no
9 cross-examination, your Honor.

10 ATTORNEY EXAMINER: Thank you, Mr.
11 Alexander. Mr. Matthews, I just have one
12 question for you.

13 THE WITNESS: Yes.

14 ATTORNEY EXAMINER: Have you been
15 involved in quite a few GCR, UEX and PIP audits
16 in your time at the Commission?

17 THE WITNESS: Yes, ma'am, I have.

18 ATTORNEY EXAMINER: Thank you very
19 much. That is the only question I have for you.
20 Thank you for being with us today.

21 THE WITNESS: Thank you, Your
22 Honor.

23 MR. LINDGREN: Your Honor, I would
24 move the admission of Staff Exhibits 1, 2 and 3.

25 ATTORNEY EXAMINER: Any objections?

1 MR. ALEXANDER: No objection, your
2 Honor.

3 ATTORNEY EXAMINER: All right.
4 Staff Exhibits 1, 2 and 3 will be admitted.

5 (EXHIBITS HEREBY ADMITTED INTO
6 EVIDENCE)

7 MR. LINDGREN: Thank you.

8 ATTORNEY EXAMINER: I believe that
9 is all we have for today. All right. There are
10 no exhibits that were not previously filed to
11 the docket, so we do not need to be e-mailing
12 anything to our court reporter.

13 Unless there are any other matters
14 that need to be raised.

15 MR. LINDGREN: Nothing, your Honor.

16 ATTORNEY EXAMINER: All right.
17 Thank you very much. We are adjourned.

18 MR. LINDGREN: Thank you.

19 MR. ALEXANDER: Thank you.

20 ATTORNEY EXAMINER: Have a good day,
21 everyone.

22 (At 10:10 A.M. the hearing was
23 concluded)

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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 March
9, 2021, and carefully compared with my original
stenographic notes.

Michael O. Spencer,
Registered Professional
Reporter.

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in

Case No(s). 20-0209-GA-GCR, 20-0309-GA-UEX, 20-0409-GA-PIP

Summary: Transcript IMO: Northeast Ohio Natural Gas Corporation and Related Matters hearing held on March 9th, 2021 electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Spencer, Michael O. Mr.