

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Application of Ohio Gas : Case No. 17-1139-GA-AIR
Company for an Increase :
in Gas Distribution Rates :

In the Matter of the :
Application of Ohio Gas : Case No. 17-1140-GA-ATA
Company for Tariff :
Approval :

In the Matter of the :
Application of Ohio Gas : Case No. 17-1141-GA-AAM
Company for Approval of :
Certain Accounting :
Authority :

- - -

PROCEEDINGS

before Sarah Parrot and Patricia Schabo, Attorney
Examiners, at the offices of the Public Utilities
Commission of Ohio, 180 East Broad Street,
Room 11-C, Columbus, Ohio, on Thursday, February 1,
2018, at 10:00 a.m.

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ARMSTRONG & OKEY, INC.
222 East Town Street, Second Floor
Columbus, Ohio 43215-4620
(614) 224-9481 - (800) 223-9481

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APPEARANCES:

Michael DeWine, Ohio Attorney General
By Jodi J. Bair, Esq.
and Robert Eubanks, Esq.
Assistant Attorneys General
30 East Broad Street, 16th Floor
Columbus, Ohio 43215

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

McNees Wallace & Nurick LLC
By Frank P. Darr, Esq.
and Matthew R. Pritchard, Esq.
21 East State Street, 17th Floor
Columbus, Ohio 43215

On behalf of Ohio Gas Company.

Bruce Weston, Ohio Consumers' Counsel
By Kevin F. Moore, Esq.
Assistant Consumers' Counsel
65 East State Street, 7th Floor
Columbus, Ohio 43215

On behalf of the Office of the Ohio
Consumers' Counsel.

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1 Thursday morning,
 2 February 1, 2018.

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4 ATTORNEY EXAMINER PARROT: This is the
 5 continuation of the hearing in Case
 6 No. 17-1139-GA-AIR, 17-1140-GA-ATA, and
 7 17-1141-GA-AAM being in the matter of the
 8 application of Ohio Gas Company for an increase in
 9 gas distribution rates, for tariff approval, and for
 10 approval of certain accounting authority.

11 Good morning, everyone. My name is Sarah
 12 Parrot. With me on the bench today is Trish Schabo.
 13 We are the attorney examiners assigned by the
 14 Commission to hear these cases this morning.

15 Let's start with appearances, beginning
 16 with the Company.

17 MR. DARR: On behalf of the Company,
 18 Your Honor, I'm Frank Darr with the law firm of
 19 McNeese Wallace & Nurick, and with me is Matt
 20 Pritchard.

21 ATTORNEY EXAMINER PARROT: Thank you.
 22 On behalf of OCC.

23 MR. MOORE: Thank you, Your Honors. On
 24 behalf of the residential energy consumers of the
 25 Ohio Gas Company, Office of the Ohio Consumers'

1 Counsel, Bruce Weston, Ohio Consumers' Counsel, by
2 Kevin Moore, 65 East State Street, 7th Floor,
3 Columbus, Ohio 43215.

4 ATTORNEY EXAMINER PARROT: Thank you,
5 Mr. Moore.

6 On behalf of Staff.

7 MR. EUBANKS: Your Honor, on behalf of
8 Staff, Robert Eubanks and Jodi Bair, Assistant
9 Attorneys General.

10 ATTORNEY EXAMINER PARROT: Address,
11 please.

12 MR. EUBANKS: Oh, sorry. 30 East Broad
13 Street, 16th Floor, Columbus, Ohio 43215.

14 ATTORNEY EXAMINER PARROT: Thank you.

15 All right. Are there any members of the
16 general public present that wish to give testimony
17 this morning?

18 All right. Seeing no one, with that,
19 Mr. Darr, I will turn things over to you.

20 MR. DARR: Thank you, Your Honor. I'm
21 pleased to report that the parties have agreed to a
22 resolution in this matter and filed a stipulation on
23 January 26 in support of that agreement.

24 For today's hearing, I'm going to recommend
25 that we move through this in basically two steps as

1 far as the Company is concerned. First of all,
2 there are a number of exhibits the parties, as part
3 of the stipulation, have agreed to admit into the
4 record. What I would propose to do is have all of
5 the exhibits that Ohio Gas is aware will be admitted
6 into the record either by Ohio Gas or by joint
7 agreement.

8 And then once we complete that process, we
9 would go forward with the testimony of Mr. Bowser on
10 behalf of the Company.

11 ATTORNEY EXAMINER PARROT: Okay.

12 MR. DARR: If you would go to the
13 notebooks that were distributed earlier this
14 morning, this notebook is broken down into 13 tabs.
15 I will just go through those and ask that the
16 exhibits be marked as follows.

17 First of all, under Tab 1 is what I would
18 like to have marked as Joint Exhibit No. 1, the
19 stipulation and recommendation that was filed on
20 January 26, 2018.

21 (Joint Exhibit 1 was marked for
22 identification.)

23 MR. DARR: Under Tab 2 is Company
24 Exhibit 1, which is the Company's application and
25 supporting schedules, which was filed with the

1 Commission on May 31, 2017.

2 (Company Exhibit 1 was marked for
3 identification.)

4 MR. DARR: Under Tab 3 is what we would
5 like to have marked as Company Exhibit 2, the
6 testimony of Mr. Bowser in support of the
7 application. Again, this was filed with the
8 Commission on May 31, 2017.

9 (Company Exhibit 2 was marked for
10 identification.)

11 MR. DARR: Under Tab 4, you will find
12 Company Exhibit No. 3, which is the testimony of Kim
13 Watkins in support of the application, filed on
14 May 31, 2017.

15 (Company Exhibit 3 was marked for
16 identification.)

17 MR. DARR: Under Tab 5 is Company
18 Exhibit No. 4, the testimony of David Berg in
19 support of the application, filed on May 31, 2017.

20 (Company Exhibit 4 was marked for
21 identification.)

22 MR. DARR: Under Tab 6, we would like
23 to have marked as Company Exhibit No. 5 the
24 Company's 3 & 9 compliance filing, which was filed
25 on July 17, 2017.

1 (Company Exhibit 5 was marked for
2 identification.)

3 MR. DARR: Under Tab 7, you'll find
4 Company Exhibit No. 6, which is the Company's proof
5 of publication of the application, which was filed
6 with the Commission on August 29, 2017.

7 (Company Exhibit 6 was marked for
8 identification.)

9 MR. DARR: Under Tab 8, we would like
10 to have marked as Company Exhibit No. 7 the
11 Company's proof of publication of the local public
12 hearing. That was filed with the Commission on
13 January 9, 2018.

14 (Company Exhibit 7 was marked for
15 identification.)

16 MR. DARR: Moving on to Tab 9, we would
17 like to have marked as Company Exhibit No. 8 the
18 testimony of Mr. Bowser in support of the joint
19 stipulation and recommendation, which was filed with
20 the Commission on January 29, 2018.

21 (Company Exhibit 8 was marked for
22 identification.)

23 MR. DARR: We would like to have marked
24 as Company Exhibit No. 10, which you'll find under
25 Tab 11, a revised uncollectible expense -- excuse

1 me -- Percentage of Income Payment rider.

2 I'd like to have marked under -- let's make
3 sure I've got this right.

4 Okay. Under Tab 10, we would like to have
5 marked as Company Exhibit 9 the revised PIPP rider.

6 (Company Exhibit 9 was marked for
7 identification.)

8 MR. DARR: Under Tab 11 is Company
9 Exhibit 10, which is the revised uncollectible
10 expense rider.

11 (Company Exhibit 10 was marked for
12 identification.)

13 MR. DARR: Under Tab 12 is OCC
14 Exhibit 1, which is the objections to the Staff
15 report filed by OCC on December 22, 2017.

16 (OCC Exhibit 1 was marked for
17 identification.)

18 MR. DARR: And under Tab 13, Staff
19 Exhibit 1, which is a copy of the Staff report,
20 which you'll find under Tab 13 and which was filed
21 with the Commission on November 11, 2017.

22 (Staff Exhibit 1 was marked for
23 identification.)

24 ATTORNEY EXAMINER PARROT: The exhibits
25 shall be so marked.

1 MR. DARR: Thank you, Your Honor. And
2 with that, I would move the admission of Joint
3 Exhibit 1 and Company Exhibits 1 through 7, and
4 that's pursuant to the stipulation.

5 ATTORNEY EXAMINER PARROT: And assuming
6 that there are no objections to the admission of
7 those exhibits -- going once, going twice --

8 MR. EUBANKS: No, Your Honor.

9 ATTORNEY EXAMINER PARROT: They are
10 admitted into the record.

11 (Exhibits admitted into evidence.)

12 ATTORNEY EXAMINER PARROT: Thank you,
13 Mr. Darr.

14 MR. DARR: I don't know if OCC and
15 Staff want to move the admission of the other two
16 exhibits at this time or if they want to hold off on
17 that.

18 MR. EUBANKS: On behalf of Staff, I
19 would like to move into -- move into evidence
20 Staff's report of investigation here already
21 identified as Staff's Exhibit 1. I'd like to move
22 that into evidence.

23 ATTORNEY EXAMINER PARROT: Any
24 objection to the admission of Staff Exhibit 1?

25 Hearing none, it is admitted.

1 (Exhibit admitted into evidence.)

2 MR. MOORE: At this time, OCC would
3 like to move for OCC Exhibit 1, OCC's objections to
4 the Staff report of investigation.

5 ATTORNEY EXAMINER PARROT: All right.
6 Any objections?

7 Hearing none, OCC Exhibit 1 is admitted.

8 (Exhibit admitted into evidence.)

9 MR. DARR: At this point, then, Your
10 Honor, we'd like to call Joe Bowser.

11 (Witness sworn.)

12 ATTORNEY EXAMINER PARROT: Please have
13 a seat.

14 - - -

15 JOSEPH G. BOWSER,
16 called as a witness, being first duly sworn,
17 testified as follows:

18 DIRECT EXAMINATION

19 BY MR. DARR:

20 Q. Please state your name and business
21 address.

22 A. My name is Joseph Bowser, and my
23 business address is 21 East State Street, 17th
24 Floor, Columbus, Ohio.

25 Q. Do you have in front of you what's been

1 marked as Company Exhibit No. 8?

2 A. Yes, I do.

3 Q. Could you identify for us what Company
4 Exhibit No. 8 is, please.

5 A. Yes. It is my testimony in support of
6 the joint stipulation and recommendation.

7 Q. Do you have in front of you what's been
8 marked as Company Exhibit No. 9?

9 A. Yes, I do.

10 Q. Could you identify that for us, please?

11 A. Yes. Company Exhibit No. 9 is the
12 Percentage of Income Payment Plan rider, which has
13 been revised to be the current version of that
14 rider.

15 Q. Do you have in front of you what's been
16 marked as Company Exhibit No. 10?

17 A. Yes, I do. Company Exhibit 10 is the
18 uncollectible expense rider, which also has been
19 revised to reflect the current rate for that rider.

20 Q. Do you have any additions or
21 corrections to Company Exhibit 8?

22 A. Yes, I do. On page 5, line 22, after
23 the word "challenge" should be inserted the two
24 words "or support."

25 And then, as we just discussed, regarding

1 Exhibits 9 and 10 on page -- Exhibit JGB-S1,
2 Original Sheet 12, the Percentage of Income Plan
3 rider -- that rate should be revised, as we just
4 discussed for Exhibit 9, and the correct rate should
5 be a credit rate of 0.0018 per Mcf.

6 Q. And is that a credit or a charge?

7 A. That is a credit.

8 Q. Okay. So it should be in parens?

9 A. Correct.

10 And then moving along, JGB-S1 Original
11 Sheet 13, the uncollectible expense rider that we
12 just discussed as Exhibit 10. The rate there should
13 be a credit of 0.0152 per Mcf. Again, that should
14 be in parentheses since it's a credit rate.

15 Q. Am I correct that the changes that
16 you've identified on Sheet 12 and 13 are part of
17 Appendix B to the stipulation? Is that correct?

18 A. Yes, they are.

19 Q. Could you identify why you're making
20 changes or proposing to make changes to Sheets 12
21 and 13?

22 A. Yeah. We inadvertently included the
23 prior version of those sheets when we submitted the
24 stipulation exhibit.

25 Q. And do the rates indicated on those

1 sheets reflect the current rates that are approved
 2 by the Commission at this time?

3 A. Correct.

4 Q. Were the Consumers' Counsel and the
 5 Staff advised of the need to make these changes?

6 A. Yes, they were.

7 Q. Are you aware of any objections to
 8 those changes?

9 A. I am not aware of any objections.

10 Q. With regard to Exhibit 9, does this
 11 sheet reflect the currently authorized rate?

12 A. Yes, it does.

13 Q. And with regard to Company Exhibit 10,
 14 does this sheet reflect the currently authorized
 15 rate?

16 A. Yes, it does.

17 Q. Turning your attention back to
 18 Exhibit 8, your testimony, if I were to ask you the
 19 questions contained in Company Exhibit 8, would your
 20 answers be the same?

21 A. Yes, they would.

22 MR. DARR: With that, Your Honor, I'd
 23 move the admission of Company Exhibits 8 through 10.

24 ATTORNEY EXAMINER PARROT: Any
 25 questions, Mr. Moore?

1 MR. MOORE: No, Your Honor.

2 ATTORNEY EXAMINER PARROT: Mr. Eubanks?

3 MR. EUBANKS: No, Your Honor.

4 ATTORNEY EXAMINER PARROT: All right.

5 Any objections to the admission of those exhibits?

6 MR. MOORE: No, Your Honor.

7 MR. EUBANKS: None.

8 ATTORNEY EXAMINER PARROT: All right.

9 With that, they are admitted.

10 (Exhibits admitted into evidence.)

11 ATTORNEY EXAMINER PARROT: Thank you,
12 Mr. Bowser.

13 MR. MOORE: Your Honor, at this time,
14 Ohio Consumers' Counsel would like to call Ross
15 Willis.

16 (Witness sworn.)

17 ATTORNEY EXAMINER PARROT: Please have
18 a seat.

19 MR. MOORE: And, Your Honors, at this
20 time, I'd like to have marked as OCC Exhibit 2 the
21 direct testimony of Ross Willis, filed in this
22 matter on January 29, 2018.

23 ATTORNEY EXAMINER PARROT: So marked.

24 (OCC Exhibit 2 was marked for
25 identification.)

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WM. ROSS WILLIS,
called as a witness, being first duly sworn,
testified as follows:

DIRECT EXAMINATION

BY MR. MOORE:

Q. Mr. Willis, could you please state your name and business address.

A. My name is William Ross Willis. Business address is 65 East State Street, Columbus, Ohio 43215.

Q. By whom are you employed, and what is your position?

A. I'm a senior regulatory analyst with the Office of the Ohio Consumers' Counsel.

Q. Do you have before you what has previously been marked as OCC Exhibit 2?

A. Yes.

Q. Can you identify that document?

A. That is my direct testimony.

Q. Was that testimony prepared by you or at your direction?

A. It was.

Q. Do you have any corrections to make to OCC Exhibit 2 at this time?

1 A. I do not.

2 Q. So were I to ask you the same questions
3 as are in OCC Exhibit 2 today, would your answers be
4 the same?

5 A. They would.

6 MR. MOORE: Your Honors, I move for the
7 admission of OCC Exhibit 2, pending any
8 cross-examination.

9 ATTORNEY EXAMINER PARROT: Any
10 questions, Mr. Darr?

11 MR. DARR: No questions, Your Honor.

12 ATTORNEY EXAMINER PARROT: Mr. Eubanks?

13 MR. EUBANKS: No questions.

14 ATTORNEY EXAMINER PARROT: All right.
15 Any objections to the admission of OCC Exhibit 2?

16 Hearing none, it is admitted.

17 (Exhibit admitted into evidence.)

18 ATTORNEY EXAMINER PARROT: Thank you,
19 Mr. Willis.

20 MR. DARR: That's everything on behalf
21 of the Company, Your Honor.

22 ATTORNEY EXAMINER PARROT: Anything
23 else from the other parties?

24 MR. MOORE: No, Your Honor.

25 MR. EUBANKS: No, Your Honor.

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ATTORNEY EXAMINER PARROT: With that,
thank you everyone. We are adjourned.

(Thereupon, the hearing was concluded at
10:18 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, February 1, 2018, and carefully compared with my original stenographic notes.

Heather A. Piper

Heather A. Piper, Registered Professional Reporter and Notary Public in and for the State of Ohio.

My commission expires October 29, 2020.

