

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Regulation of the :
Purchased Gas Adjustment :
Clause Contained within :
the Rate Schedules of :Case No. 08-216-GA-GCR
Suburban Natural Gas :
Company and Related :
Matters. :

— — —

PROCEEDINGS

before Mr. Kerry K. Sheets, Attorney Examiner, at the Public Utilities Commission of Ohio, 180 East Broad Street, Room 11-F, Columbus, Ohio, called at 10 a.m. on Tuesday, December 16, 2008.

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1 APPEARANCES:

2 Chester, Willcox & Saxbe LLP
3 By Mr. John W. Bentine,
4 Mr. Mark S. Yurik,
5 and Mr. Matthew White
6 65 East State Street, Suite 1000
7 Columbus, Ohio 43215

8 On behalf of the Applicant.

9 Ohio Attorney General's Office
10 By Mr. Duane W. Luckey,
11 Senior Deputy Attorney General
12 Public Utilities Section
13 By Ms. Anne L. Hammerstein
14 And Ms. Sarah J. Parrot
15 180 East Broad Street, 9th Floor
16 Columbus, Ohio 43215

17 On behalf of the Staff of the PUCO.

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Witness

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Roger Sarver

Direct Examination by Ms. Hammerstein

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- - -

Suburban Exhibit

Identified Admitted

1 Proofs of publication

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Commission Ordered Exhibit

Identified Admitted

1 Staff Report

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- - -

Joint Exhibit

Identified Admitted

1 Stipulation and Recommendation

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1 Tuesday Morning Session,
2 December 16, 2008.

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4 THE EXAMINER: Okay. I will go ahead and
5 call the hearing. The Public Utilities Commission of
6 Ohio has set for hearing at this time and place Case
7 No. 08-216-GA-GCR, in the Matter of Suburban Natural
8 Gas Company's GCR hearing.

9 If I could have the appearances, please.

10 MR. BENTINE: Thank you, your Honor. May
11 it please the Commission, my name is John W. Bentine
12 of the law firm of Chester, Willcox & Saxbe LLP, 65
13 East State Street, Columbus, Ohio 43215. I am here
14 appearing on behalf of Suburban Natural Gas Company.
15 And also the record should reflect the appearance of
16 Mark S. Yurik of the same firm and Matthew White of
17 the same firm.

18 THE EXAMINER: Thank you.

19 MS. HAMMERSTEIN: Thank you, your Honor.
20 On behalf of the staff of the Public Utilities
21 Commission, Attorney General Nancy H. Rogers, by
22 Duane W. Luckey, Section Chief, Public Utilities
23 Section, by Anne L. Hammerstein, Sarah J. Parrot, 180
24 East Broad Street, Columbus, Ohio 43215.

25 THE EXAMINER: Very good. Are there any

1 preliminary matters to take care of this morning?

2 MS. HAMMERSTEIN: Your Honor, the staff
3 and the company have reached a settlement in this
4 case, as you know, we docketed on December 5 in the
5 docket of this proceeding, and staff would call it's
6 witness Roger Sarver in support of that stipulation.

7 THE EXAMINER: Very good.

8 MR. BENTINE: Your Honor, while
9 Mr. Sarver is approaching the stand, if I might, I
10 have copies of the proofs of publication that I would
11 ask to be marked as Suburban Exhibit No. 1.

12 THE EXAMINER: That's fine.

13 (EXHIBIT MARKED FOR IDENTIFICATION.)

14 MR. BENTINE: If I may approach, your
15 Honor.

16 THE EXAMINER: You may.

17 MR. BENTINE: And would your Honor like
18 the original or give that to the reporter?

19 THE EXAMINER: That should probably go to
20 docketing and give me a copy.

21 MR. BENTINE: One for you and one for
22 docketing. A couple of copies for you, your Honor.
23 That publication is consistent with the Commission
24 entry in that regard and, your Honor, I would move
25 the admission of Suburban Exhibit 1 into the record

1 in this proceeding.

2 THE EXAMINER: Very good. I will admit
3 that into evidence.

4 (EXHIBIT ADMITTED INTO EVIDENCE.)

5 - - -

6 ROGER SARVER

7 being first duly sworn, as prescribed by law, was
8 examined and testified as follows:

9 DIRECT EXAMINATION

10 By Ms. Hammerstein:

11 Q. Good morning. Would you please state
12 your name and business address for the record.

13 A. My name is Roger L. Sarver. My business
14 address is 180 East Broad Street, Columbus, Ohio
15 43215.

16 Q. And what is your present employment?

17 A. My present employment is I am an energy
18 specialist 3 for the Rates & Tariffs/Energy & Water
19 Division of the Utilities Department of the Public
20 Utilities Commission of Ohio.

21 Q. And how long have you been with the
22 Public Utilities Commission, Mr. Sarver?

23 A. A little over 20 years.

24 Q. Okay. And what is the purpose of your
25 testimony today?

1 A. I am here supporting the staff filed
2 audit report of September 24, 2008, and the
3 Stipulation and Recommendation filed in this
4 proceeding on December 5, 2008.

5 MS. HAMMERSTEIN: Okay. And, your Honor,
6 at this time I would like to have marked as
7 Commission Ordered Exhibit 1 a report by the staff of
8 the Public Utilities Commission of Ohio docketed in
9 this proceeding on September 24 of 2008 as Commission
10 Ordered Exhibit 1.

11 THE EXAMINER: So marked.

12 (EXHIBIT MARKED FOR IDENTIFICATION.)

13 MS. HAMMERSTEIN: Thank you. And then,
14 your Honor, also I would like marked as Joint Exhibit
15 1 the Stipulation and Recommendation that was filed
16 in this proceeding on December 5 of 2008.

17 THE EXAMINER: Very good.

18 (EXHIBIT MARKED FOR IDENTIFICATION.)

19 MS. HAMMERSTEIN: May I approach?

20 THE EXAMINER: You may.

21 Q. Mr. Sarver, do you have a copy of
22 Commission Ordered Exhibit 1?

23 A. The audit report?

24 Q. Yes.

25 A. Yes, I do.

1 Q. And do you have a copy of what I have had
2 marked as Joint Exhibit 1?

3 A. Which is the stipulation? No, I do not
4 have a copy of that.

5 Thank you.

6 Q. Okay. Can you tell me how you gained
7 familiarity with the staff's audit report?

8 A. I participated in the audit of Suburban
9 Natural Gas.

10 Q. Okay. And is that Commission Ordered
11 Exhibit 1 the report prepared by you or under your
12 supervision?

13 A. Yes.

14 Q. Do you have any additions or corrections
15 to make to Commission Ordered Exhibit 1 at this time?

16 A. No.

17 Q. And is Commission Ordered Exhibit 1 true
18 and correct to the best of your knowledge?

19 A. Yes.

20 Q. Mr. Sarver, are you familiar with the
21 document marked as Joint Exhibit 1?

22 A. Yes.

23 Q. And are you familiar with the three-part
24 test the Commission uses to evaluate the
25 reasonableness of a stipulation?

1 A. Yes.

2 Q. Okay. And based on your experience,
3 familiarity with the Commission Ordered Exhibit 1,
4 the audit conducted by the staff, and your
5 participation in settlement discussions in this
6 proceeding, do you believe Commission Ordered Exhibit
7 1 in your -- is reasonable?

8 A. Yes.

9 Q. And do you believe that the stipulation
10 Joint Exhibit 1 is reasonable?

11 A. Yes.

12 Q. Can you explain how based on your
13 experience and familiarity with both of these
14 documents the stipulation meets each of the prongs of
15 the test the Commission uses?

16 A. The settlement is a product of serious
17 bargaining by capable, knowledgeable parties. The
18 stipulation is the product of an open process in
19 which all parties were represented by able counsel
20 and technical experts and represents a comprehensive
21 compromise of issues --

22 Q. Excuse me, Mr. Sarver. Could you keep
23 your voice up, please.

24 A. Compromise of issues raised by parties
25 with diverse interests. Suburban and staff have

1 signed the stipulation and adopted it as a reasonable
2 resolution of all issues. Staff and the company
3 believe that the stipulation they are recommending
4 for Commission adoption represents a fair and
5 reasonable result, the settlement as a package that
6 benefits the ratepayers and is in the public
7 interest.

8 The stipulation adopts all the audit
9 recommendations made by staff and in our report staff
10 found Suburban in all terms of the GCR rates in
11 compliance with the procedural aspects of the uniform
12 purchased gas adjustment as set forth in 4901:1-14 of
13 the Ohio Administrative Code and had properly applied
14 the GCR rates to customer bills except as noted in
15 the audit report.

16 The settlement does not violate any
17 important regulatory principle or practice. The
18 settlement simply adopts the recommendations of the
19 Commission ordered financial audit of Suburban
20 Natural Gas.

21 Q. And is the document I previously
22 requested be marked Joint Exhibit 1 the Stipulation
23 and Recommendation of the staff and the company
24 negotiated in this case?

25 A. Yes.

1 MS. HAMMERSTEIN: I have nothing further,
2 your Honor, and would move the admission of
3 Commission Ordered Exhibit 1 and Joint Exhibit No. 1.

4 THE EXAMINER: I will admit those
5 exhibits into evidence at this time.

6 (EXHIBITS ADMITTED INTO EVIDENCE.)

7 THE EXAMINER: You are excused.
8 You didn't have any questions?

9 MR. BENTINE: I had no questions, your
10 Honor.

11 THE EXAMINER: I kind of thought so.

12 MS. HAMMERSTEIN: Staff has nothing
13 further at this time, your Honor.

14 THE EXAMINER: Very good. If there is
15 nothing else, just let the record show there are no
16 other parties in the hearing room at this time. And
17 I will consider this matter submitted on the record.

18 MR. BENTINE: Thank you, your Honor.

19 THE EXAMINER: Thank you all for coming.

20 (Thereupon, the hearing was concluded at
21 10:08 a.m.)

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CERTIFICATE

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I do hereby certify that the foregoing is
a true and correct transcript of the proceedings
taken by me in this matter on Tuesday, December 16,
2008, and carefully compared with my original
stenographic notes.

Karen Sue Gibson, Registered
Merit Reporter.

(KSG-5028)

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This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 08-0216-GA-GCR

Summary: Transcript Suburban Natural Gas Co. 12/16/08 electronically filed by Mrs. Jennifer D. Duffer on behalf of Armstrong & Okey, Inc.