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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Regulation of :
The Purchased Gas Adjustment Clause : Case No. 10-218-GA-GCR
Contained Within the Rate Schedules of :
Duke Energy Ohio, Inc. and Related Matters. :

DIRECT TESTIMONY OF
ROGER SARVER
ON BEHALF OF THE STAFF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO

Staff Exhibit 1

January 20, 2011

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DIRECT TESTIMONY OF ROGER SARVER

Q. Please state your name and business address.

A. Roger L. Sarver.

180 East Broad Street

Columbus, Ohio 43215.

Q. By who are you employed?

A. The Public Utilities Commission of Ohio.

Q. What is your current position with the Commission?

A. I am an Energy Specialist.

Q. What are your responsibilities in that position, generally?

A. Generally, I supervise gas cost recovery audits as well as uncollectible expense and transportation rider audits.

Q. What is your educational background?

A. I have a Bachelor degree in Accounting and a Masters degree in Business Administration.

Q. Are you familiar with Duke's GCR filings, purchase gas cost calculations and the audit performed by Deloitte & Touche filed in this docket on November 19, 2010?

A. Yes.

Q. Are you aware of and familiar with the 3-part test the Commission uses to examine settlements?

A. Yes.

23 Q. Do you believe the Stipulation & Recommendation docketed in this case is the
24 product of bargaining among capable, knowledgeable parties?

25 A. Yes. The parties have decades of experience with Duke's gas cost recovery
26 calculations, filings and purchase gas costs.

27 Q. Does the stipulation, considered as a package, benefit ratepayers and the public
28 interest?

29 A. Yes. GCR financial audits are conducted to ensure that sales customers pay only
30 fairly determined GCR rates.

31 Q. Do you believe the Stipulation violates any important regulatory principle?

32 A. No.

33 Q. Given you familiarity with this case, your education and experience, what is your
34 recommendation to the Commission regarding Joint Exhibit 1?

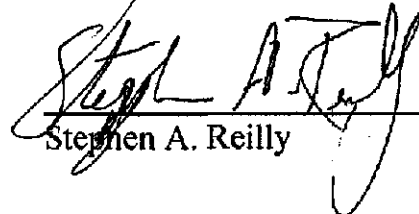
35 A. I believe the Stipulation meets the 3 part test used by the Commission and should
36 be adopted.

37 Q. Does this complete your testimony?]

38 A. Yes.

CERTIFICATE OF SERVICE

I certify a copy of the foregoing was served upon the parties of record by regular U.S. mail, postage pre-paid, or electronic mail on January 20, 2011.



Stephen A. Reilly

Elizabeth H. Watts
Assistant General Counsel
Duke Energy Ohio, Inc.
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