

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Regulation of the :
Purchased Gas Adjustment :
Clauses Contained within : Case No. 14-213-GA-GCR
the Rate Schedules of :
Piedmont Gas Company and :
Related Matters. :

- - -

In the Matter of the :
Uncollectible Expense :
Rider of Piedmont Gas : Case No. 14-313-GA-UEX
Company and Related :
Matters. :

- - -

PROCEEDINGS

before James Lynn, attorney Examiner, at the Public
Utilities Commission of Ohio, 180 East Broad Street,
Room 11-C, Columbus, Ohio, called at 10:00 a.m. on
Tuesday, June 17, 2014.

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1 APPEARANCES:

2 Mike DeWine, Ohio Attorney General
3 William L. Wright, Section Chief
4 Public Utilities Section
5 By Mr. Thomas G. Lindgren
6 Assistant Attorney General
7 180 East Broad Street, Sixth Floor
8 Columbus, Ohio 43215-3793

9 On behalf of the Staff of the Public
10 Utilities Commission.

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1 Tuesday Morning Session,
2 June 17, 2014.

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4 THE ATTORNEY EXAMINER: The Public
5 Utilities Commission of Ohio has scheduled at this
6 time and place a hearing in Case No. 14-213-GA-GCR,
7 being In the Matter of the Regulation of the
8 Purchased Gas Adjustment Clauses Contained within the
9 Rate Schedules of Piedmont Gas Company and Related
10 Matters.

11 This hearing is also being held
12 concerning Case No. 14-313-GA-UEx, In the Matter of
13 Uncollectible Expense Rider of Piedmont Gas Company
14 and Related Matters.

15 I am Jim Lynn, the attorney-examiner
16 assigned to preside over this hearing. At this time
17 I request the parties enter an appearance on the
18 record.

19 MR. LINDGREN: Good morning, your Honor.
20 On behalf of the staff of the Public Utilities
21 Commission of Ohio, Attorney General Mike DeWine, by
22 Thomas G. Lindgren, assistant attorney general, 180
23 East Broad Street, Sixth Floor, Columbus, Ohio 43215.

24 THE ATTORNEY EXAMINER: All right. Thank
25 you. I see no one else here who is making an

1 appearance in the proceeding. At this point we will
2 go forward, Mr. Lindgren.

3 MR. LINDGREN: Thank you. First, your
4 Honor, I wanted to report for the record that the
5 parties have reached a Stipulation and Recommendation
6 that we have marked as Joint Exhibit 1, and I would
7 like to offer that at this time.

8 THE ATTORNEY EXAMINER: All right. Thank
9 you.

10 (EXHIBIT MARKED FOR IDENTIFICATION.)

11 MR. LINDGREN: Next the staff would like
12 to call Roger Sarver to the stand.

13 THE ATTORNEY EXAMINER: Mr. Sarver, if
14 you would come up here to the witness stand.

15 - - -

16 ROGER SARVER
17 being first duly sworn, as prescribed by law, was
18 examined and testified as follows:

19 DIRECT EXAMINATION

20 By Mr. Lindgren:

21 Q. Good morning, Mr. Sarver.

22 A. Good morning.

23 Q. Mr. Sarver, where are you employed?

24 A. The Public Utilities Commission of Ohio.

25 Q. What is your business address?

1 A. 180 East Broad Street, Columbus, Ohio
2 43215.

3 Q. What are your duties with the Public
4 Utilities Commission?

5 A. I oversee the gas financial audits of the
6 gas cost recovery mechanism, the uncollectible
7 riders, along with the PIPP rider, Percentage of
8 Income Payment Plan.

9 Q. And are you familiar with the facts of
10 the proceeding that we are here on this morning?

11 A. Yes, sir.

12 Q. Thank you. And were you involved in the
13 audit of the Purchased Gas Adjustment Clause of the
14 Piedmont Gas Company?

15 A. Yes, sir.

16 Q. Thank you.

17 (EXHIBIT MARKED FOR IDENTIFICATION.)

18 Q. I would like you to look at what I have
19 marked as Commission-ordered Exhibit 1. Do you
20 recognize this document.

21 A. Yes, sir, I do.

22 Q. And can you explain what it is?

23 A. This is the Gas Cost Recovery Audit of
24 Piedmont Gas Company. The report was filed April 18,
25 2014, and it covers the period of December 1, 2011

1 through November 30, 2013.

2 Q. Does the document accurately reflect the
3 results of the audit performed by the staff?

4 A. Yes, sir.

5 (EXHIBIT MARKED FOR IDENTIFICATION.)

6 Q. Thank you. I would also ask you to
7 examine the document that I have marked as
8 Commission-Ordered Exhibit 2. Mr. Sarver, do you
9 recognize this document?

10 A. Yes, sir, I do.

11 Q. And can you explain what it is?

12 A. This is the audit of the Uncollectible
13 Expense Rider for Piedmont Gas Company for the period
14 of January 2012 through December 2013. This report
15 was filed on April 18, 2014.

16 Q. Thank you. And does the report
17 accurately reflect the results of the audit performed
18 by the staff?

19 A. Yes, sir.

20 Q. Thank you. Mr. Sarver, I would like to
21 direct your attention to the document that has been
22 marked as Joint Exhibit 1. Do you recognize the
23 document?

24 A. Yes, sir, I do.

25 Q. And what is it?

1 A. Joint Exhibit 1 is the Stipulation and
2 Recommendation entered into by staff and Piedmont to
3 resolve the recommendations and issues found in the
4 gas cost recovery audit in Case No. 14-213-GA-GCR,
5 along with the recommendations and issues identified
6 in the staff audit of Piedmont's Uncollectible
7 Expense Rider in Case No. 14-313-GA-UEX.

8 Q. Thank you. And are you familiar with the
9 terms of this Stipulation and Recommendation?

10 A. Yes, sir.

11 Q. Thank you. And were you also involved in
12 the negotiation of these terms?

13 A. Yes, sir.

14 Q. Thank you. Mr. Sarver, in your opinion
15 is this settlement the product of serious bargaining
16 among capable and knowledgeable parties?

17 A. Yes, sir.

18 Q. And does this settlement, as a package,
19 benefit both ratepayers and the public interest?

20 A. Yes, sir, it does. The audits were
21 conducted to ensure that the company accurately
22 calculated its gas cost recovery mechanism, along
23 with its uncollectible expense rider, and to ensure
24 that it was properly applied to customers' bills.

25 The findings of the audits, other than

1 the recommendations, shows that the company
2 accurately calculated its rates and applied it to
3 customers' bills.

4 Q. Thank you. Mr. Sarver, are you familiar
5 with the regulatory principles and practices that
6 apply in this type of proceeding?

7 A. Yes, sir.

8 Q. And does this settlement package violate
9 any important regulatory principle or practice?

10 A. Not to my knowledge.

11 Q. Thank you. Would you recommend that the
12 Commission adopt the Stipulation and Recommendation?

13 A. Yes, I would.

14 MR. LINDGREN: Thank you. I have no
15 further questions for this witness.

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17 EXAMINATION

18 By The Attorney Examiner:

19 Q. Mr. Sarver, were you among the parties
20 who worked with Rick Mako, M-A-K-O?

21 A. Yes, sir.

22 Q. And are you familiar with him from having
23 worked on other cases in the past?

24 A. Since about 1988.

25 Q. So you are quite familiar with these

1 matters?

2 A. Yes. Rick and his wife, Joan, formed
3 Piedmont back in the late '80s. When we first
4 started doing these gas cost recovery audits, we used
5 to do them in their dining room, so, yes, we worked
6 with the company for over 20 years on the audits.

7 THE ATTORNEY EXAMINER: All right. Thank
8 you. I have no further questions.

9 Could we go off the record for a minute,
10 please.

11 (Discussion off record.)

12 THE ATTORNEY EXAMINER: I also note that
13 there is no one else here to testify, so
14 Mr. Lindgren, anything else from your perspective?

15 MR. LINDGREN: Well, I just want to note
16 for the record the proof of publication has been
17 filed in the docket for this case, and that is noted
18 in the Stipulation and Recommendation.

19 THE ATTORNEY EXAMINER: Thank you.
20 Having said that, I'll note that for the record we
21 will mark the exhibits as you indicated.

22 The Stipulation and Recommendation is
23 Joint Exhibit 1.

24 The audit for the Gas Cost Recovery is
25 Commission-ordered Exhibit 1.

1 And the audit for the Uncollectible
2 Expense Rider is Commission-ordered Exhibit 2.

3 MR. LINDGREN: I would move for the
4 admission of all those exhibits, please.

5 THE ATTORNEY EXAMINER: Your motion is
6 granted. We will admit all those exhibits into
7 evidence.

8 (EXHIBITS ADMITTED INTO EVIDENCE.)

9 THE ATTORNEY EXAMINER: I believe there
10 is nothing else to take care of today. Thank you all
11 for being here and participating. Have a good day.

12 MR. LINDGREN: Thank you.

13 THE ATTORNEY EXAMINER: Thank you,
14 gentlemen.

15 (The hearing adjourned at 10:11 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 Tuesday, June 17, 2014, and carefully compared with my original stenographic notes.

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

My commission expires April 5, 2019.

(RFA-75896)

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This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 14-0213-GA-GCR, 14-0313-GA-UEX

Summary: Transcript in the matter of Piedmont Gas Company hearing held on 06/17/14 electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Anderson, Rosemary Foster Mrs.