

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. 14-218-GA-GCR
the Rate Schedules of Duke:
Energy Ohio, Inc., and :
Related Matters. :
:

In The Matter of the Audit:
of the Uncollectible :
Expense Rider of Duke : Case No. 14-318-GA-UEX
Energy Ohio, Inc., and :
Related Matters. :
:

In the Matter of the Audit:
of the Percentage of :
Income Payment Plan Rider : Case No. 14-418-GA-PIP
of Duke Energy Ohio, Inc.,:
and Related Matters. :

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PROCEEDINGS

before Mr. Kerry K. Sheets, Attorney Examiner, at the
Public Utilities Commission of Ohio, 180 East Broad
Street, Room 11-C, Columbus, Ohio, called at 10 a.m.
on Tuesday, January 13, 2015.

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APPEARANCES:

Duke Energy Ohio, Inc.
By Ms. Amy Spiller,
Ms. Elizabeth Watts,
and Ms. Jeanne Kingery
139 East Fourth Street
Cincinnati, Ohio 45201-0906

On behalf of the Applicant.

Mike DeWine, Ohio Attorney General
By Mr. William L. Wright,
Section Chief
Public Utilities Section
Mr. Thomas G. Lindgren,
Assistant Attorney General
180 East Broad Street, 6th Floor
Columbus, Ohio 43215

On behalf of the Staff of the PUCO.

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Joint Exhibit	Identified	Admitted
1 Stipulation and Recommendation	6	9

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Duke Exhibit	Identified	Admitted
1 Proof of Publication	5	9

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Commission-Ordered Exhibit	Identified	Admitted
1 Independent Accountants' Report on the Uniform Purchased Gas Adjustment for the 12-Month Period Ended August 28, 2014, in Response to Case No. 14-218-GA-GCR	5	9
2 Independent Accountants' Report on Applying Agreed-Upon Procedures, Case No. 14-318-GA-UEX	5	9
3 Independent Accountants' Procedure on Applying Agreed-Upon Procedures Case No. 14-418-GA-PIP	6	9

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Tuesday Morning Session,
January 13, 2015.

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EXAMINER SHEETS: The Public Utilities Commission of Ohio has set for hearing at this time and place three cases, 14-218, that's Duke Energy's GCR case; 14-318, that's its uncollectible expense rider case; and 14-418, that's the income payment plan rider. My name is Kerry Sheets. I am an Attorney Examiner for the Commission, and I have been assigned to hear these cases.

May I now have the appearances of the parties, please.

MS. KINGERY: Thank you, your Honor. On behalf of Duke Energy Ohio, Amy Spiller, Elizabeth Watts, and Jeanne Kingery, 139 East Fourth Street, Cincinnati, Ohio.

EXAMINER SHEETS: Thank you.

MR. LINDGREN: On behalf of the Commission staff, Ohio Attorney General Mike DeWine by Thomas Lindgren, Assistant Attorney General, 180 East Broad Street, 6th Floor, Columbus, Ohio 43215.

EXAMINER SHEETS: Thank you. Let the record show there are no other parties present in the hearing room at this time.

1 Do we have any preliminary matters to
2 take care of?

3 MS. KINGERY: No, your Honor.

4 MR. LINDGREN: No, your Honor.

5 EXAMINER SHEETS: Do we want to mark
6 exhibits?

7 MS. KINGERY: Yes, please, your Honor. I
8 would ask that the proof of publication docketed by
9 Duke Energy Ohio on January 9, 2015, be marked as
10 Duke Energy Ohio Exhibit 1. And I would ask that it
11 be admitted into the record.

12 (EXHIBIT MARKED FOR IDENTIFICATION.)

13 EXAMINER SHEETS: Very good.

14 Mr. Lindgren, do we have anything?

15 MR. LINDGREN: Yes, your Honor. I would
16 ask to have marked as Commission-Ordered Exhibit 1
17 the Independent Accountants' Report on the Uniform
18 Purchased Gas Adjustment for the 12-Month Period
19 Ended August 28, 2014, Filed on November 14, 2014, in
20 Case No. 14-218-GA-GCR.

21 Then I would ask to have marked as
22 Commission-Ordered Exhibit 2 the Independent
23 Accountants' Report on Applying Agreed-Upon
24 Procedures which was filed on November 14, 2014, in
25 Case No. 14-318-GA-UEX.

1 And, finally, I would ask to have marked
2 as Commission-Ordered Exhibit 3 the Independent
3 Accountants' Procedure on Applying Agreed-Upon
4 Procedures which was filed on November 14, 2014, in
5 Case -- in Case No. 14-418-GA-PIP.

6 (EXHIBITS MARKED FOR IDENTIFICATION.)

7 EXAMINER SHEETS: Thank you. Are there
8 any witnesses to call?

9 MR. LINDGREN: Yes, your Honor. By --
10 first, I believe Ms. Kingery was going to offer a
11 joint exhibit.

12 MS. KINGERY: Yes, your Honor. I would
13 like to offer the stipulation and recommendation
14 signed by both Duke Energy Ohio and staff of the
15 Commission and docketed on December 22, 2014, as
16 Joint Exhibit 1.

17 (EXHIBIT MARKED FOR IDENTIFICATION.)

18 EXAMINER SHEETS: Very good.

19 MS. KINGERY: I would ask that it be
20 admitted into the record.

21 EXAMINER SHEETS: Thank you. Proceed
22 with your witness then.

23 MR. LINDGREN: Thank you. The staff
24 calls Roger Sarver.

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ROGER SARVER

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

DIRECT EXAMINATION

By Mr. Lindgren:

Q. Good morning, Mr. Sarver.

A. Good morning.

Q. Could you please state your full name for
the record.

A. My name is Roger L. Sarver.

Q. And what is your business address?

A. My business address is 180 East Broad
Street, Columbus, Ohio 43215.

Q. Mr. Sarver, where are you employed?

A. I'm employed by the Public Utilities
Commission of Ohio as an energy specialist.

Q. And what are your duties as an energy
specialist?

A. My duties as the energy specialist are to
oversee all of the gas cost recovery audits along
with the UEX and PIP audits for gas.

Q. Thank you. And how long have you been in
that position?

A. I have been doing this job for 26 years.

Q. Thank you. Are you familiar with the

1 stipulation and recommendation that was filed in this
2 case and was introduced as Joint Exhibit 1?

3 A. Yes, sir.

4 Q. Would you say that this settlement is a
5 product of serious bargaining among capable and
6 knowledgeable parties?

7 A. Yes, sir.

8 Q. And does this settlement as a package
9 benefit ratepayers and the public interest?

10 A. Yes, it does.

11 Q. Can you explain some of those benefits?

12 A. Well, the benefits to the ratepayers
13 along with the utilities is the fact that the rates
14 that the company are charging are supported by the
15 cost incurred, the rates that the utilities are
16 billing are accurately reflected in the customers'
17 bills, and the auditors' jobs are to go in and verify
18 what the company has filed for recovery is what is
19 actually being billed and recovered, so it's to the
20 benefit not only to the utility but also to
21 ratepayers.

22 Q. Thank you. Are you familiar with the
23 regulatory principles and practices that apply in
24 these proceedings?

25 A. Yes, sir.

1 Q. And does this settlement package violate
2 any important regulatory principle or practice?

3 A. Not that I am aware of, no.

4 MR. LINDGREN: Thank you. I have no
5 further questions for this witness.

6 EXAMINER SHEETS: Any questions?

7 MS. KINGERY: No, your Honor.

8 EXAMINER SHEETS: Very good. You're
9 excused.

10 Is there anything further?

11 MR. LINDGREN: Your Honor, I would move
12 for the admission of Commission-Ordered Exhibits 1,
13 2, and 3.

14 EXAMINER SHEETS: I will admit all
15 evidence into evidence at this time.

16 (EXHIBITS ADMITTED INTO EVIDENCE.)

17 EXAMINER SHEETS: And with that I will
18 submit the case on the record. I thank you all for
19 coming.

20 (Thereupon, the hearing was concluded at
21 10:04 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, January 13,
2015, and carefully compared with my original
stenographic notes.

Karen Sue Gibson, Registered
Merit Reporter.

(KSG-5986)

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This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 14-0218-GA-GCR, 14-0318-GA-UEX, 14-0418-GA-PIP

Summary: Transcript in the matter of Duke Energy Ohio, Inc. hearing held on 01/13/15 electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Gibson, Karen Sue Mrs.