

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :
 Regulation of the :
 Purchased Gas Adjustment :
 Clauses Contained Within : Case No. 15-210-GA-GCR
 The Rate Schedules of :
 Glenwood Energy of :
 Oxford, Inc. :

-----:
 In the Matter of the :
 Regulation of the :
 Uncollectible Expense : Case No. 15-310-GA-UEX
 Rider of Glenwood Energy :
 of Oxford, Inc. :

-----:
 In the Matter of the :
 Percentage of Income :
 Payment Plan Riders of : Case No. 15-410-GA-PIP
 Glenwood Energy of :
 Oxford, Inc. :

- - -

PROCEEDINGS

before Greta See, Hearing 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, September 1, 2015.

- - -

ARMSTRONG & OKEY, INC.
 222 East Town Street, Second Floor
 Columbus, Ohio 43215-5201
 (614) 224-9481 - (800) 223-9481
 Fax - (614) 224-5724

- - -

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPEARANCES:

Vorys, Sater, Seymour & Pease, LLP
By Mr. Stephen Howard
52 East Gay Street
Columbus, Ohio 43216-1008

On behalf of Glenwood Energy of
Oxford, Inc.

Mike DeWine, Ohio Attorney General
William Wright, Section Chief
By Werner L. Margard, III
Assistant Attorney General
Public Utilities Section
180 East Broad Street, 6th Floor
Columbus, Ohio 43215

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

- - -

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

INDEX

- - -

Witness	Page
Roger Sarver	
Direct Examination by Mr. Margard	7
Cross-Examination by Mr. Howard	10

- - -

Commission Exhibit	Identified	Admitted
1 Financial Audit of the Gas Cost Recovery Mechanisms for the Costs Incurred and Included for Recovery For the Months of January 2013 Through December 2014 for Glenwood Energy of Oxford, Inc. (Docket Filed)	6	11
2 Audit of the Uncollectible Expense Mechanisms for the Period of January 2013 through December 2014 (Docket Filed)	6	11
3 Audit of the Percentage of Income Payment Plan Mechanisms for the period January 2013 through December 2014 (Docket Filed)	6	11
Joint Exhibit		
1 Stipulation and Recommendation	8	11
Glenwood Exhibit		
1 Notice of Publication (Late Filed)	12	--

- - -

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Tuesday Morning Session,
September 1, 2015.

- - -

THE EXAMINER: Let's go on the record. Scheduled for hearing today at this time are three cases, the first being entitled In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained Within the Rate Schedules of Glenwood Energy of Oxford, Incorporated. That is Case No. 15-210-GA-GCR.

The second matter is Case No. 15-310-GA-UEx entitled In the Matter of the Uncollectible Expense Rider of Glenwood Energy of Oxford, Incorporated.

And the third case, Case No. 15-410-GA-PIP entitled In the Matter of the Percentage of Income Payment Plan Rider of Glenwood Energy of Oxford, Incorporated.

My name is Greta See. I am the Attorney-Examiner assigned to these cases by the Commission. At this time, I'd like to take appearances of the parties. On behalf of Glenwood Energy of Oxford.

MR. HOWARD: Thank you, your Honor. If the Commission please, would you please have the

1 record reflect the appearance on behalf of Glenwood
2 Energy of Oxford, Inc. of the law firm of Vorys,
3 Sater, Seymour and Pease, 52 East Gay Street,
4 Columbus, Ohio, 43215 by Stephen M. Howard. Thank
5 you.

6 THE EXAMINER: And on behalf of the Staff
7 of the Public Utilities Commission.

8 MR. MARGARD: Thank you, your Honor. On
9 behalf of the Staff of the Commission, Mike DeWine,
10 Ohio Attorney General, William Wright, Section Chief,
11 Public Utilities Section by Assistant Attorney
12 General Werner Margard, 180 East Broad Street, 6th
13 floor, Columbus, Ohio.

14 THE EXAMINER: Are there members of the
15 public present that would like to make a statement?

16 (No response.)

17 THE EXAMINER: Let the record reflect
18 that there are no members of the public present that
19 wish to make a statement today. And moving on,
20 Mr. Margard.

21 MR. MARGARD: Thank you, your Honor.
22 Staff would call Mr. Roger Sarver.

23 THE EXAMINER: Mr. Sarver, please raise
24 your right hand.

25 (Witness placed under oath.)

1 THE EXAMINER: Thank you. Have a seat.

2 MR. MARGARD: Thank you, your Honor. For
3 purposes of the record, as your Honor is aware, audit
4 reports prepared by the Commission Staff in these
5 matters are deemed admitted into the record. But for
6 purposes of identification, I would like to have
7 marked as Commission Ordered Exhibit No. 1 the
8 Financial Audit of the Gas Cost Recovery Mechanisms
9 for the Costs Incurred and Included for Recovery for
10 the Months of January 2013 through December 2014 for
11 Glenwood Energy of Oxford, Inc. filed in Case No.
12 15-210-GA-GCR on July 2nd, 2015.

13 I would like to have marked as
14 Commission Ordered Exhibit No. 2, the Audit of the
15 Uncollectible Expense Mechanisms for the Period of
16 January 2013 through December 2014 in Case No.
17 15-310-GA-UEx for Glenwood Energy of Oxford, Inc.
18 filed on July 2nd of 2015.

19 And as Commission Ordered Exhibit No. 3,
20 the Audit of the Percentage of Income Payment Plan
21 Mechanisms for the period January 2013 through
22 December 2014 in Case No. 15-410-GA-PIP on behalf of
23 Glenwood Energy of Oxford, Inc. filed on July 2nd,
24 2015.

25 (COMMISSION EXHIBITS 1 THROUGH 3 MARKED

1 FOR IDENTIFICATION.)

2 - - -

3 ROGER SARVER

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

6 DIRECT EXAMINATION

7 By Mr. Margard:

8 Q. Mr. Sarver, please state your name.

9 A. My name is Roger Sarver.

10 Q. By whom are you employed and in what
11 capacity, please?

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

14 Q. And did you have any involvement in the
15 audits marked as Commission Ordered Exhibits 1, 2 and
16 3.

17 A. Yes, sir, I oversaw these audits.

18 Q. Do you have any changes, modifications or
19 additions to those audits as they've been admitted to
20 this record?

21 A. No, sir.

22 Q. Were you a participant in negotiations
23 that resulted in the Stipulation in this matter?

24 A. Yes, sir.

25 MR. MARGARD: Your Honor, may I approach?

1 THE EXAMINER: Yes.

2 MR. MARGARD: Because I don't think I
 3 gave you a copy. Your Honor, I've marked for
 4 purposes of identification as Joint Exhibit No. 1 a
 5 Stipulation and Recommendation filed in this matter.

6 THE EXAMINER: Okay.

7 (JOINT EXHIBIT 1 MARKED FOR
 8 IDENTIFICATION.)

9 Q. (By Mr. Margard) Mr. Sarver, is this the
 10 Stipulation to which you referred a minute ago?

11 A. Yes, sir.

12 Q. Are you familiar with the content of the
 13 Stipulation?

14 A. Yes, sir.

15 Q. Do you believe this Stipulation is in the
 16 public interest?

17 A. Yes, sir, it is.

18 Q. And why do you believe so, sir?

19 A. Well, the point of these audits as
 20 ordered by the Commission are to ensure that the
 21 costs incurred and the revenue collected match the
 22 cost the utilities have incurred in providing the gas
 23 cost recovery, the uncollectible and the income
 24 payment plan riders to their customers along with the
 25 associated revenue. And the point of these audits is

1 to make any adjustments necessary to bring those into
2 alignment.

3 Q. And these discussions, this settlement
4 was reached with representatives of the Company; is
5 that correct?

6 A. Yes, sir.

7 Q. And these representatives have
8 participated in these discussions and in these
9 proceedings in the past; is that correct?

10 A. Yes, sir.

11 Q. And, in essence, the agreement adopts the
12 recommendations contained in the Staff audit reports?

13 A. Yes.

14 Q. Does this Stipulation violate any
15 regulatory principle of which you're aware?

16 A. No, sir.

17 Q. And is it your recommendation and your
18 opinion that the Stipulation and Recommendation be
19 adopted by the Commission?

20 A. Yes.

21 MR. MARGARD: Your Honor, I have no
22 further questions for Mr. Sarver.

23 THE EXAMINER: Mr. Howard.

24 MR. HOWARD: Your Honor, I'm just going
25 to ask one or two questions to clarify something in

1 the Stipulation, if I may.

2 - - -

3 CROSS-EXAMINATION

4 By Mr. Howard:

5 Q. Mr. Sarver, could you turn to Page 4 of
6 the Stipulation which I think was marked as Joint
7 Exhibit 1.

8 A. Yes.

9 Q. In subsection E, there's a reference to
10 Glenwood causing notice to be published in bill
11 inserts. If, in fact, Glenwood published notice in
12 the local newspaper, would that change any of your
13 answers that you provided in Direct Examination?

14 A. No, sir.

15 MR. HOWARD: Thank you, your Honor. I
16 have no more questions.

17 THE EXAMINER: Okay. Mr. Sarver, how
18 long have you been an employee of the Commission in
19 your current capacity?

20 THE WITNESS: In my current capacity?

21 THE EXAMINER: Uh-huh.

22 THE WITNESS: 25 years.

23 THE EXAMINER: And the personnel you were
24 working with at Glenwood, any idea how long they have
25 been working for Glenwood?

1 THE WITNESS: The individual that I
2 worked predominantly with has been an employee of
3 Glenwood I want to say seven or eight years, but he
4 also has -- he works for Glenwood in a consultant
5 capacity, so he has several years of experience
6 working for Cincinnati Gas and Electric which is now
7 Duke and also Lawrenceburg Utility, so he's probably
8 got more experience than I do as it relates to
9 natural gas.

10 THE EXAMINER: This particular individual
11 would be?

12 THE WITNESS: John Stenger.

13 THE EXAMINER: All right. Thank you. I
14 have no further questions for this witness.
15 Mr. Margard.

16 MR. MARGARD: Your Honor, I would
17 respectfully move for the admission of Joint Exhibit
18 No. 1.

19 THE EXAMINER: Are there any objections
20 to the admission of Joint Exhibit 1?

21 MR. HOWARD: No, your Honor.

22 THE EXAMINER: Hearing none, Joint
23 Exhibit 1 is admitted into the record, as well as
24 Commission Ordered Exhibits 1, 2 and 3. Thank you.

25 (JOINT EXHIBIT 1 AND COMMISSION EXHIBITS

1 1 THROUGH 3 ADMITTED INTO EVIDENCE.)

2 THE EXAMINER: Mr. Howard.

3 MR. HOWARD: Yes, your Honor. I will ask
4 permission for leave to file as a late filed Exhibit
5 Glenwood Exhibit 1 which will be the Affidavit of
6 Publication indicating that notice of this proceeding
7 was, in fact, published in the local newspaper during
8 the month of August. Thank you.

9 THE EXAMINER: Okay. When do you expect
10 to file the late filed exhibit, Glenwood Exhibit 1?

11 MR. HOWARD: I would hope, your Honor,
12 within a week. I was hoping to have it today, but
13 I'm expecting -- I believe it's in the mail.

14 THE EXAMINER: Okay. Let's go off the
15 record for a minute.

16 (GLENWOOD EXHIBIT 1 MARKED FOR
17 IDENTIFICATION.)

18 (Off the record.)

19 THE EXAMINER: Is there anything further?

20 MR. MARGARD: Nothing further.

21 MR. HOWARD: No, your Honor, thank you.

22 THE EXAMINER: With that, the hearing is
23 adjourned. Thank you very much.

24 (The hearing was adjourned at 10:14 a.m.)

25 - - -

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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, September 1, 2015, and carefully compared with my original stenographic notes.

Cynthia L. Cunningham

- - -

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

9/10/2015 9:20:30 AM

in

Case No(s). 15-0210-GA-GCR, 15-0310-GA-UEX, 15-0410-GA-PIP

Summary: Transcript in the matter of Glenwood Energy of Oxford, Inc. hearing held on 09/01/15 electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Cunningham, Cindy