

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 : Case No.  
Schedules of Suburban Natural : 16-0216-GA-GCR  
Gas Company and Related Matters. :

In the Matter of the Uncollectible : Case No.  
Expense Rider of Suburban Natural : 16-0316-GA-UEX  
Gas Company and Related Matters. :

In the Matter of the Percentage :  
of Income Payment Plan Riders of : Case No.  
Suburban Natural Gas Company and : 16-0416-GA-PIP  
Related Matters. :

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PROCEEDINGS

before Mr. L. Douglas Jennings, 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, September 27, 2016.

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- - -

APPEARANCES:

Suburban Natural Gas Company  
By Mr. Andrew J. Sonderman  
2626 Lewis Center Road  
Lewis Center, Ohio 43035

On behalf of the Company.

Mike DeWine, Ohio Attorney General  
William L. Wright, Section Chief  
Public Utilities Section  
Mr. Werner L. Margard III  
30 East Broad Street, 16th Floor  
Columbus, Ohio 43215-3793

On behalf of the Staff of the Public  
Utilities Commission.

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WITNESS

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EXHIBITS

JOINT EXHIBITS

IDFD ADMTD

1 - Stipulation and Recommendation

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COMMISSION-ORDERED EXHIBITS

IDFD ADMTD

1 - Financial Audit of the Gas Cost  
Recovery Mechanisms for the Cost  
Incurred for the period of September  
1, 2013 through August 31, 2015

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2 - Audit of the Uncollectible Expense  
Mechanisms for period January 2014  
through December of 2015

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3 - Audit of the Percentage of Income  
Payment Plan for the period January  
2014 through December 2015

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Tuesday Morning Session,

September 27, 2016.

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THE ATTORNEY EXAMINER: The Public Utilities Commission of Ohio has scheduled for this date and time a hearing involving the matter of Suburban Gas Adjustment Clause Contained within the Rate Schedules of Suburban Natural Gas Company and Related Matters, Case No. 16-216-GA-GCR; The Uncollectible Expense Rider of Suburban Natural Gas Company and Related Matters, Case No. 16-316-GA-UEX; and The Percentage of Income Payment Plan Riders of Suburban Natural Gas Company and Related Matters, Case No. 16-416-GA-PIP.

My name is Doug Jennings, an Attorney Examiner, assigned to preside over this hearing.

At this point in the proceeding, I would ask the parties to enter an appearance for the record beginning with the appearance on behalf of Suburban Natural Gas Company.

MR. SONDERMAN: Thank you, your Honor. My name is Andrew Sonderman, president of Suburban Natural Gas, address 2626 Lewis Center Road, Lewis Center, Ohio, (430)351-6789.

THE ATTORNEY EXAMINER: From the staff.

1 MR. MARGARD: Thank you, your Honor. On  
2 behalf of the staff of the Public Utilities  
3 Commission of Ohio, Mike DeWine, Ohio Attorney  
4 General, William Wright, section chief, Public  
5 Utilities Section, Assistant Attorney General Werner  
6 Margard, 30 East Broad Street, 16th floor, Columbus,  
7 Ohio.

8 THE ATTORNEY EXAMINER: Thank you.

9 It's my understanding that the parties  
10 have entered into a Stipulation. Is that correct?

11 MR. SONDERMAN: We have, your Honor.

12 MR. MARGARD: We have, your Honor, and we  
13 have copies of the Stipulation we have marked as  
14 Joint Exhibit No. 1.

15 And, your Honor, if you would please,  
16 attached to Joint Exhibit 1 is Suburban Exhibit 1,  
17 which is the proof of publication by bill insert.

18 THE ATTORNEY EXAMINER: Let the record  
19 reflect there is no one here to testify in the matter  
20 from the public.

21 There being a Stipulation, is there  
22 anyone to support the Stipulation?

23 MR. MARGARD: Yes, your Honor. Staff has  
24 a witness to defend the Stipulation.

25 THE ATTORNEY EXAMINER: Have you called a

1 witness?

2 MR. MARGARD: I keep drawing a blank as  
3 to the witness' name.

4 THE WITNESS: It's Tony Matthews.

5 MR. MARGARD: Thank you. Tony Matthews.

6 - - -

7 TORNAIN MATTHEWS

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

10 DIRECT EXAMINATION

11 By Mr. Margard:

12 Q. Mr. Matthews, please state your business  
13 address and let us know by whom you are employed.

14 A. My business address is 180 East Broad  
15 Street, Columbus, Ohio. 43215 is the zip code. I am  
16 employed by the Public Utilities Commission of Ohio.

17 Q. And in what capacity?

18 A. I am a utilities specialist.

19 Q. And in the course of your employment, did  
20 you have occasion to participate in the cases that  
21 are before the Commission today?

22 A. Yes, I did.

23 MR. MARGARD: Your Honor, I have marked  
24 for purposes of identification three different  
25 exhibits. These are reports in the cases at issue.

I have marked as Commission-ordered Exhibit No. 1 the Financial Audit of the Gas Cost Recovery Mechanisms for the Cost Incurred for the period of September 1, 2013 through August 31, 2015 for Suburban Natural Gas Company filed on July 29, 2016.

I have marked as Commission-ordered Exhibit No. 2 the Audit of the Uncollectible Expense Mechanisms for period January 2014 through December of 2015 filed in Case No. 16-316-GA-UEX on July 29, 2016.

And Commission-ordered Exhibit No. 3, that is the Audit of the Percentage of Income Payment Plan for the period January 2014 through December 2015 filed in Case No. 16-416-GA-PIP on July 29, 2016.

And these, your Honor, correspond to the exhibits that are identified in Joint Exhibit No. 1, the Stipulation and Recommendation in this case.

THE ATTORNEY EXAMINER: Okay, thank you.

MR. MARGARD: Your Honor, may I approach?

THE ATTORNEY EXAMINER: Yes.

Q. (By Mr. Margard) Mr. Matthews, you are involved in the audits that resulted in the reports identified as Commission Exhibits 1, 2 and 3?

1 A. Yes, sir.

2 Q. And to the best of your knowledge, those  
3 are accurate and there are no changes that need to be  
4 made to those records?

5 A. Yes, sir, that's correct.

6 Q. I've placed before you Joint Exhibit  
7 No. 1, the Joint Stipulation and Recommendation. Are  
8 you familiar with this document?

9 A. Yes, sir, I am.

10 Q. And were you involved in discussions --  
11 were you aware of the discussions between staff and  
12 the company that resulted in the Stipulation?

13 A. Yes, sir.

14 Q. Were you aware of any other parties to  
15 this case or any other parties that were involved in  
16 those discussions?

17 A. Outside of staff, no, sir.

18 Q. So in your opinion did the parties engage  
19 in serious negotiations to reach the agreement?

20 A. Yes, sir.

21 Q. And do you believe this agreement  
22 benefits consumers and the public?

23 A. Yes, sir, I do.

24 Q. In what manner do you believe it does so?

25 A. Yes, sir. Basically the findings of the



1 financial audits were that the company has accurately  
2 calculated their rates and accurately applied those  
3 rates to the customers' bills. That's one of the  
4 things we are looking for when they do the audits.

5 Another benefit is that there was a very  
6 small adjustment that would be in the favor of the  
7 GCR customers, and basically that was just related to  
8 some timing differences that was discovered in the  
9 procurement of gas for the customers.

10 Q. In your opinion does this agreement  
11 violate any regulatory principles?

12 A. No, it doesn't.

13 Q. And are you recommending that the  
14 Commission adopt the Stipulation and Recommendation?

15 A. Yes, sir.

16 MR. MARGARD: Your Honor, those are all  
17 the questions for Mr. Matthews. Thank you.

18 THE ATTORNEY EXAMINER: Okay.

19 Any questions from the company?

20 MR. SONDERMAN: No questions, your Honor.

21 THE ATTORNEY EXAMINER: Thank you.

22 You are excused.

23 THE WITNESS: Thank you.

24 THE ATTORNEY EXAMINER: The documents  
25 will be marked accordingly.

1 MR. MARGARD: And, your Honor, I have  
2 nothing further and would respectfully move for the  
3 admission of the Commission-ordered Exhibits 1, 2,  
4 and 3, Joint Exhibit 1, and attached Suburban Exhibit  
5 No. 1.

6 THE ATTORNEY EXAMINER: The exhibits as  
7 identified and marked shall be admitted into the  
8 record.

9 (EXHIBITS ADMITTED INTO EVIDENCE.)

10 THE ATTORNEY EXAMINER: Are there any  
11 other matters to come before the Bench?

12 MR. SONDERMAN: No, your Honor.

13 THE ATTORNEY EXAMINER: If not, thank  
14 you. This hearing is adjourned.

15 MR. MARGARD: Thank you.

16 (The hearing adjourned at 10:10 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, September 27, 2016, 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-82035)

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**This foregoing document was electronically filed with the Public Utilities**

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**in**

**Case No(s). 16-0216-GA-GCR, 16-0316-GA-UEX, 16-0416-GA-PIP**

Summary: Transcript In the matter of the Regulation of the Purchased Gas Adjustment Clause Contained within the Rate Schedules of Suburban Natural Gas Company and Related Matters; In the matter of the Uncollectible Expense Rider of Suburban Natural Gas Company and Related Matters and In the matter of the Percentage of Income Payment Plan Riders of Suburban Natural Gas Company and Related Matters, hearing held on September 27, 2016. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Anderson, Rosemary Foster Mrs.