

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Regulation :  
of the Purchased Gas Adjustment : Case No.  
Clauses Contained Within the : 16-218-GA-GCR  
Rate Schedules of Duke Energy :  
Ohio, Inc., and Related Matters. :

In the Matter of the Audit of :  
the Uncollectible Expense Rider : Case No.  
of Duke Energy Ohio, Inc., and : 16-318-GA-UEX  
Related Matters. :

In the Matter of the Application :  
of Duke Energy, Ohio, Inc., for : Case No.  
Approval of an Adjustment to : 16-418-GA-PIP  
Its Interim and Temporary PIPP :  
Plan Rider Case. :

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PROCEEDINGS

before Kerry K. Sheets, Attorney Examiner, at the  
Public Utilities Commission of Ohio, 180 East Broad  
Street, Room 11-C, Columbus, Ohio, called at 10:02  
a.m. on Tuesday, February 7, 2017.

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ARMSTRONG & OKEY, INC.  
222 East Town Street, Second Floor  
Columbus, Ohio 43215-4620  
(614) 224-9481 - (800) 223-9481

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APPEARANCES:

Duke Energy Ohio, Inc.  
By Elizabeth H. Watts, Esq.  
Associate General Counsel  
Amy B. Spiller, Esq.  
Deputy General Counsel  
139 East Fourth Street, 1303-Main  
Cincinnati, Ohio 45202

On behalf of the Company.

Michael DeWine, Ohio Attorney General  
By Thomas W. McNamee, Esq.  
Natalia V. Messenger, Esq.  
Assistant Attorneys General  
30 East Broad Street, 16th Floor  
Columbus, Ohio 43215

On behalf of the Staff of the PUCO.

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WITNESSES:

PAGE

ROGER L. SARVER

Direct Examination by Mr. McNamee

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COMMISSION ORDERED EXHIBITS

ID'D REC'D

1 - Duke Energy Ohio, Inc., Independent  
Accountants' Report on the Uniform  
Purchased Gas Adjustment for the  
12-Month Period Ended August 29, 2016,  
in Response to Case No. 16-218-GA-GCR

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2 - Independent Accountants' Report on  
Applying Agreed-Upon Procedures,  
Deloitte & Touche, 16-318-GE-UEX

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3 - Independent Accountants' Report on  
Applying Agreed-Upon Procedures,  
Deloitte & Touche, 16-418-GA-PIP

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JOINT EXHIBITS

1 - Stipulation and Recommendation

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1 Tuesday Morning Session,  
2 February 7, 2017.

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4 ATTORNEY EXAMINER SHEETS: The Public  
5 Utilities Commission of Ohio has set for hearing at  
6 this time and place three cases involving Duke Energy  
7 Ohio, 16-218, a GCR case, 16-318, the Uncollectible  
8 Expense Rider, and 16-418, the PIPP Rider.

9 My name is Kerry Sheets. I'm an  
10 Attorney Examiner for the Commission, and I've been  
11 assigned to hear these cases.

12 I'll have the appearances of the  
13 parties, please, starting with the Company.

14 MS. WATTS: Thank you, your Honor. On  
15 behalf of Duke Energy Ohio, Amy B. Spiller and  
16 Elizabeth H. Watts.

17 ATTORNEY EXAMINER SHEETS: Thank you.  
18 Now Staff.

19 MR. McNAMEE: On behalf of the Staff of  
20 the Public Utilities Commission of Ohio, Natalia  
21 Messenger, and I am Thomas McNamee. Our address is  
22 30 East Broad Street, 16th Floor, Columbus, Ohio  
23 43215.

24 ATTORNEY EXAMINER SHEETS: Thank you.  
25 Do we have any preliminary matters to

1 take care of?

2 MR. McNAMEE: No preliminary matters,  
3 your Honor. We do have --

4 ATTORNEY EXAMINER SHEETS: Go ahead and  
5 mark exhibits.

6 MR. McNAMEE: All right. Your Honor,  
7 I'd ask to have marked as Commission Ordered Exhibit  
8 1 a document filed on November 14, Duke Energy Ohio  
9 Independent Accountants' Report on the Uniform  
10 Purchased Gas Adjustment for the 12-Month Period  
11 Ended August 29, 2016, and as Commission Ordered  
12 Exhibit 2 another document filed on November 14 by  
13 Deloitte called -- titled, "Independent Accountants'  
14 Report on Applying Agreed-Upon Procedures," under the  
15 Case No. 16-318-GA-UEX. As Commission Ordered  
16 Exhibit No. 3 we have another document from Deloitte  
17 titled, "Independent Accountants' Report on Applying  
18 Agreed-Upon Procedures." This was filed in Case  
19 16-418-GA-PIP, and finally we have a Joint -- what I  
20 ask to have marked for identification as Joint  
21 Exhibit 1, the Stipulation and Recommendation filed  
22 in this case which resolves all issues in all of the  
23 dockets.

24 ATTORNEY EXAMINER SHEETS: Thank you.

25 (EXHIBITS MARKED FOR IDENTIFICATION.)

1                   ATTORNEY EXAMINER SHEETS: Does the  
2 Company have any exhibits?

3                   MS. WATTS: Nothing, your Honor.

4                   ATTORNEY EXAMINER SHEETS: The  
5 publication?

6                   MS. WATTS: Yes. I didn't bring a copy  
7 of it with me, but I believe it was docketed, your  
8 Honor, on February 3rd, 2017.

9                   ATTORNEY EXAMINER SHEETS: Very good.  
10 Do you have any witnesses to call?

11                   MR. McNAMEE: Yes, we do, your Honor.  
12 The Staff would call Roger Sarver.

13                   With permission to approach the witness  
14 so I can put my papers down there.

15                   ATTORNEY EXAMINER SHEETS: Yes.

16                   (Mr. Sarver was sworn.)

17                   ATTORNEY EXAMINER SHEETS: Be seated.

18                   - - -

19                   ROGER L. SARVER,  
20 being first duly sworn, as prescribed by law, was  
21 examined and testified as follows:

22                   DIRECT EXAMINATION

23 BY MR. McNAMEE:

24                   Q. Mr. Sarver, would you state and spell  
25 your name for the record, please.

1           A.    My name is Roger L. Sarver.  My last  
2   name is S-a-r-v-e-r.

3           Q.    By whom are you employed and in what  
4   capacity?

5           A.    I'm employed by the Public Utilities  
6   Commission of Ohio as an Energy Specialist.

7           Q.    What is your business address?

8           A.    180 East Broad Street, Columbus, Ohio  
9   43215.

10          Q.    Mr. Sarver, do you have before you  
11   what's been mark for identification as Commission  
12   Ordered Exhibit 1?

13          A.    Yes, sir.

14          Q.    What is it?

15          A.    It is the financial audit of Duke's Gas  
16   Cost Recovery Mechanism.

17          Q.    Okay.  And what does it tell us?

18          A.    It is the Gas Cost Recovery Audit of  
19   Duke Energy for the period -- 12-month period ending  
20   August 29th of 2016.

21          Q.    And does it contain recommendations that  
22   are included within what's been mark for  
23   identification as Joint Exhibit 1, the Stipulation  
24   and Recommendation?

25          A.    In that the joint recommendation the

1 Company agrees to accept all of the audit  
2 recommendations found in these exhibits.

3 Q. Okay. And that resolves your issues in  
4 that regard, yes?

5 A. Yes, sir.

6 Q. Good. Now let's turn our attention to  
7 Commission Ordered Exhibit 2. Do you have that?

8 A. Yes, sir.

9 Q. Good. What is it?

10 A. This is the audit performed by Deloitte  
11 & Touche of Duke's Uncollectible Expense Rider.

12 Q. Okay. And does it contain the  
13 recommendations?

14 A. It contains some findings that the  
15 Company is going to incorporate into its next filing.

16 Q. Okay. And does that resolve your issues  
17 in that case?

18 A. Yes, sir.

19 Q. Okay. Let's turn to Commission Ordered  
20 Exhibit No. 3. What's that?

21 A. This is Deloitte & Touche's financial  
22 audit of Duke's Percentage of Income Payment Plan.

23 Q. Okay. And what conclusions does that  
24 document reach?

25 A. This audit found that they were largely



1 in agreement with the calculations performed by Duke.

2 Q. Does that resolve any issues you might  
3 have in this case?

4 A. Yes, sir.

5 Q. Okay. Let's turn our attention to Joint  
6 Exhibit No. 1.

7 A. Yes, sir.

8 Q. What is that?

9 A. This is the Joint Stipulation between  
10 Staff and Company that adopts the findings contained  
11 within the three audits.

12 Q. Okay. Does that resolve all the issues  
13 that you have in all three of those cases?

14 A. Yes, sir.

15 Q. Great. Now, was this Stipulation and  
16 Recommendation negotiated between knowledgeable and  
17 informed parties?

18 A. Yes, sir.

19 Q. Okay. You were involved in those  
20 negotiations, weren't you?

21 A. Yes, sir.

22 Q. Okay. Does this Stipulation and  
23 Recommendation further the public interest?

24 A. Yes, it does. It works to address any  
25 inaccuracies contained within these three riders that

1 Duke provides to its customers, so any of the errors  
2 that may have occurred in the calculation of these  
3 riders have been addressed.

4 Q. Good. And all the problems have been  
5 resolved?

6 A. They have been resolved or will be  
7 resolved going forward.

8 Q. Okay. Does this Stipulation and  
9 Recommendation violate any important policy or  
10 procedure or statute, to your knowledge?

11 A. No, sir.

12 MR. McNAMEE: Okay. With that, your  
13 Honor, I have no further questions.

14 ATTORNEY EXAMINER SHEETS: Thank you.  
15 Does the Company have any questions?

16 MS. WATTS: No questions, your Honor.

17 ATTORNEY EXAMINER SHEETS: You're  
18 excused.

19 (Witness excused.)

20 MR. McNAMEE: At this time the Staff  
21 would move for the admission of what's been marked  
22 for identification as Commission Ordered Exhibit 1,  
23 Commission Ordered Exhibit 2, Commission Ordered  
24 Exhibit 3, and Joint Exhibit 1.

25 ATTORNEY EXAMINER SHEETS: Very good. I

1 will admit all exhibits into evidence at this time.

2 (EXHIBITS ADMITTED INTO EVIDENCE.)

3 MR. McNAMEE: And with that, your Honor,  
4 I believe the case is complete. All issues have been  
5 resolved by agreement between the parties of the  
6 case, and there's nothing further to be presented.

7 ATTORNEY EXAMINER SHEETS: Does the  
8 Company agree?

9 MS. WATTS: The Company agrees.

10 ATTORNEY EXAMINER SHEETS: Very good. I  
11 will consider this matter submitted on the record. I  
12 thank you for coming.

13 MR. McNAMEE: Thank you.

14 MS. WATTS: Thank you, your Honor.

15 (Thereupon, the hearing was concluded at  
16 10:12 a.m.)

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, February 7,  
2017, and carefully compared with my original  
stenographic notes.

\_\_\_\_\_  
Valerie J. Sloas, Registered  
Professional Reporter and  
Notary Public in and for  
the State of Ohio.

My commission expires June 10, 2021.  
(VJS-83064)

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

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**in**

**Case No(s). 16-0218-GA-GCR, 16-0318-GA-UEX, 16-0418-GA-PIP**

Summary: Transcript In the Matter of the Regulation of the Purchased Gas Adjustment Clauses Contained Within the Rate Schedules of Duke Energy Ohio, Inc., and Related Matters; In the Matter of the Audit of the Uncollectible Expense Rider of Duke Energy Ohio, Inc., and Related Matters and In the Matter of the Application of Duke Energy, Ohio, Inc., for Approval of an Adjustment to Its Interim and Temporary PIPP Plan Rider Case, hearing held on February 7, 2017. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Sloas, Valerie J. Mrs.