

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. 17-210-GA-GCR
the Rate Schedules of :
Glenwood Energy of Oxford, :
Inc. :

In the Matter of the :
Regulation of the :
Uncollectible Expense : Case No. 17-310-GA-UEX
Rider of Glenwood Energy :
of Oxford, Inc. :

In the Matter of the :
Percentage of Income :
Payment Plan Rider of : Case No. 17-410-GA-PIP
Glenwood Energy of Oxford, :
Inc. :

- - -

PROCEEDINGS

before Ms. Greta See and Ms. Patricia Schabo,
Attorney Examiners, at the Public Utilities
Commission of Ohio, 180 East Broad Street, Room 11-C,
Columbus, Ohio, called at 10:00 a.m. on Tuesday,
August 29, 2017.

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- - -

APPEARANCES:

Vorys, Sater, Seymour & Pease, LLP
By Mr. Steven M. Howard
52 East Gay Street
P.O. Box 1008
Columbus, Ohio 43216-1008

On behalf of the Applicant.

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

On behalf of the Staff of the PUCO.

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Joint Exhibit		Identified	Admitted
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1 Stipulation and Recommendation	5		12
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Glenwood Exhibit		Identified	Admitted
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1 Proof of Publication	6		12
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Commission-Ordered Exhibit		Identified	Admitted
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1 Financial Audit of the Gas Cost Recovery Mechanisms for the Period of 1-1-2015 through 12-31-2016, Case No. 17-210-GA-GCR	6		12
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2 Audit of the Uncollectible Expense Mechanisms for the Period 1-2015 through 12-2016, Case No. 17-310-GA-UEX	6		12
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3 Audit of the Percentage of Income Payment Plan Mechanisms for the Period 1-2015 through 12-2016, Case No. 17-410-GA-PIP	6		12
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Tuesday Morning Session,
August 29, 2017.

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EXAMINER SCHABO: Let's go on the record
then.

The Public Utilities Commission of Ohio
has called for hearing at this time and place Case
No. 17-210-GA-GCR, 17-310-GA-UEX, and 17-410-GA-PIP
entitled in the Matter of the Regulation of the
Purchased Gas Adjustment Clauses Contained Within the
Rate Schedules of Glenwood Energy of Oxford, Inc.; in
the Matter of the Regulation of the Uncollectible
Expense Riders of Glenwood Energy of Oxford, Inc.;
and in the Matter of the Percentage of Income Payment
Plan Rider of Glenwood Energy of Oxford, Inc.,
respectively.

My name is Patricia Schabo and with me is
Greta See and we are the Attorney Examiners assigned
by the Commission to hear this case.

I would like to begin by taking
appearances of counsel on behalf of the parties.

MR. HOWARD: Your Honor, if it please the
Commission, would you have the record reflect the
appearance of the law firm of Vorys, Sater, Seymour
and Pease, 52 East Gay Street, Columbus, Ohio 43215

1 by Stephen M. Howard on behalf of Glenwood Energy of
2 Oxford, Inc. Thank you.

3 MR. MARGARD: Your Honor, on behalf of
4 the staff of the Public Utilities Commission of Ohio,
5 Mike DeWine, Ohio Attorney General, William L.
6 Wright, Section Chief of the Public Utilities
7 Section, by Assistant Attorney General Werner L.
8 Margard, 30 East Broad Street, 16th Floor, Columbus,
9 Ohio.

10 EXAMINER SCHABO: Thank you.

11 Are there any interested parties or
12 members of the public present who wish to identify
13 themselves for the record?

14 Please let the record reflect there are
15 no members of the public present.

16 I understand there is a stipulation?

17 MR. MARGARD: There is, your Honor. And
18 staff is prepared to present a witness in support of
19 the stipulation. Preliminary to that, however, I
20 have a number of documents that I have premarked
21 prior to the hearing consistent with that
22 stipulation.

23 First of all, I will note that I have
24 provided the stipulation which I have marked as Joint
25 Exhibit No. 1. I have also marked as

Commission-Ordered Exhibit No. 1, a report by the staff of the Public Utilities Commission, the final -- Finance Audit of the Gas Cost Recovery Mechanisms for Glenwood Energy of Oxford, Inc., for the period of January 1, 2015, through December 31, 2016, docketed in this case on June 30 of 2017; as Commission-Ordered Exhibit No. 2, a report by the staff of the Public Utilities Commission of Ohio constituting the Audit of the Uncollectible Expense Mechanisms of Glenwood Energy of Oxford, Inc., for the period of January 2015 through December 2016 docketed in -- on June 30 of 2017; and as Commission-Ordered Exhibit No. 3, report by the staff of the Public Utilities Commission of Ohio being the Audit of the Percentage of Income Payment Plan Mechanisms for Glenwood Energy of Oxford, Inc., for the period January 2015 through December 2016 also docketed on June 30 of 2017.

MR. HOWARD: Your Honor, at this time I would like the Bench to mark as Glenwood Exhibit 1 a two-page document being the proof of publication of the GCR hearing in this matter. Please note that the legal notice was published in a newspaper of general circulation in Butler County on July 9.

On August 24, I filed a motion for

1 partial waiver to request that the Commission waive
2 that portion of the rule that limited publication to
3 take place no earlier than 30 days prior to the
4 hearing. We filed that on August 24 and served that
5 on the staff. We would ask you, the Bench, today or
6 through the body of the opinion and order that would
7 be issued ultimately in this case to grant that
8 motion for partial waiver. Thank you.

9 Oh, and let me also add that the
10 newspaper notice was made for all customers on
11 July 9. To the extent the stipulation reflects that
12 the notice was done by bill message, we would ask
13 that the stipulation be modified accordingly. Thank
14 you.

15 MR. MARGARD: Your Honor, staff has no
16 objection to the motion. Furthermore, staff has no
17 objection to the modification in the stipulation.

18 EXAMINER SCHABO: Thank you, Mr. Margard.
19 We will go ahead and let the Commission rule on both
20 the motion and the request to modify the stipulation
21 in the body of the upcoming order.

22 MR. HOWARD: Thank you, your Honor.

23 EXAMINER SCHABO: And assuming there are
24 no objections to each other's request for marking --
25 I'm sorry. The exhibits will be marked as requested.

1 (EXHIBITS MARKED FOR IDENTIFICATION.)

2 EXAMINER SCHABO: Mr. Margard, would you
3 like to proceed with your witness.

4 MR. MARGARD: Thank you, your Honor.
5 Staff would like to call Roger Sarver to the stand.

6 EXAMINER SCHABO: Good morning,
7 Mr. Sarver. Raise your right hand.

8 (Witness sworn.)

9 EXAMINER SCHABO: Wonderful. Thank you
10 very much. Have a seat. If you could state your
11 name and business address for the record, please.

12 THE WITNESS: Roger Sarver, my business
13 address is 180 East Broad Street, Columbus, Ohio
14 43215.

15 EXAMINER SCHABO: Mr. Margard.

16 MR. MARGARD: Thank you, your Honor.

17 - - -

18 ROGER SARVER

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

21 DIRECT EXAMINATION

22 By Mr. Margard:

23 Q. Mr. Sarver, do you have before you what
24 has been marked as Commission-Ordered Exhibits 1, 2,
25 and 3?

1 A. Yes, I do.

2 Q. And are you familiar with those
3 documents?

4 A. Yes, sir.

5 Q. And did you have any involvement in
6 conducting the audits or preparing the reports that
7 are marked as Commission-Ordered Exhibits 1, 2, and
8 3?

9 A. Yes, I was responsible for all these
10 audits.

11 Q. Do you have any changes, corrections,
12 modifications of any kind to any of those exhibits
13 today as you testify?

14 A. No, sir.

15 Q. Thank you. And are they true and
16 accurate to the best of your knowledge and belief?

17 A. Yes.

18 Q. Thank you. Do you also have before you a
19 copy of Joint Exhibit 1, the stipulation filed in
20 this case?

21 A. Yes, sir.

22 Q. And are you familiar with that document
23 as well?

24 A. Yes.

25 Q. And have you had occasion to have

1 discussions with representatives of the company with
2 respect to its contents?

3 A. Yes, sir. The stipulation was discussed
4 with members of Glenwood and consensus was reached
5 that the findings in the staff report would be
6 acceptable by the company, and so the stipulation
7 adopted the findings in the staff reports.

8 Q. In their entirety; is that correct?

9 A. Yes, sir.

10 Q. Thank you. In your opinion, Mr. Sarver,
11 is this settlement a product of serious bargaining
12 among capable and knowledgeable parties?

13 A. Yes, sir.

14 Q. Have you experience negotiating such
15 agreements in the past?

16 A. Yes.

17 Q. And to the best of your knowledge, have
18 representatives of Glenwood had similar experience?

19 A. Yes. Staff has worked with these staff
20 members of Glenwood for approximately the last 10
21 years.

22 Q. Thank you. In your opinion, Mr. Sarver,
23 does this settlement as a package benefit ratepayers
24 and public interest?

25 A. Yeah. The purpose of these audits is to

1 verify the costs that the company incurs to provide
2 the services of the gas cost recovery mechanism, the
3 uncollectible, and the PIPP. Staff in its audits
4 found some minor errors that were adjusted, and the
5 company has accepted those adjustments.

6 Q. Thank you. Mr. Sarver, in your opinion,
7 does this settlement violate any important regulatory
8 principles or practices?

9 A. No, sir.

10 Q. Thank you. And as a final matter, you
11 are aware that the company completed notice of this
12 hearing by publication rather than by insert?

13 A. That I became aware of today, yes.

14 Q. In your opinion has the public received
15 adequate notice of this hearing?

16 A. Yes. A lot of the utilities will
17 function by publishing their notices in newspapers.
18 Some smaller utilities will do it by bill inserts if
19 they have got a very diverse or dispersed service
20 area. But for Glenwood since they are primarily the
21 city of Oxford, all of those customers are in the
22 immediate vicinity, and publication in this form
23 would notice all customers.

24 Q. Satisfactory in staff's opinion?

25 A. Yes.

1 MR. MARGARD: Thank you.

2 I have no further questions of this
3 witness, your Honor.

4 EXAMINER SCHABO: Mr. Howard?

5 MR. HOWARD: No questions. Thank you,
6 your Honor.

7 EXAMINER SCHABO: Thank you, Mr. Sarver.
8 You may step down.

9 MR. MARGARD: Your Honor, I have no
10 further witnesses and would respectfully move the
11 admission of Commission-Ordered Exhibits 1, 2, and 3
12 and would further move for the admission of Joint
13 Exhibit No. 1.

14 EXAMINER SCHABO: Okay. Mr. Howard?

15 MR. HOWARD: Yes, your Honor, and
16 Glenwood would respectfully move the admission into
17 evidence of Glenwood Exhibit 1. I understand that
18 the Bench may prefer to rule upon that motion at the
19 time the opinion and order is issued. Thank you.

20 EXAMINER SCHABO: The exhibits will all
21 be admitted as offered.

22 (EXHIBITS ADMITTED INTO EVIDENCE.)

23 EXAMINER SCHABO: Again, we will let the
24 Commission rule on the actual motion for waiver, but
25 we will admit the Glenwood Exhibit 1 into evidence.

1 As in the stipulation, we will as -- specifically as
2 to Joint Exhibit 1, the stipulation, it will be
3 admitted subject to the requests that it be modified
4 to reflect the newspaper modification -- the
5 newspaper publication.

6 MR. MARGARD: Thank you.

7 MR. HOWARD: Thank you, your Honor.

8 EXAMINER SCHABO: And just to be clear,
9 the Commission-Ordered Exhibits 1, 2, and 3 are also
10 admitted into the record.

11 With that unless there's anything else,
12 all right, we are adjourned. Thank you very much.

13 (Thereupon, at 10:16 a.m., the hearing
14 was concluded.)

15 - - -

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, August 29,
2017, and carefully compared with my original
stenographic notes.

Karen Sue Gibson, Registered
Merit Reporter.

(KSG-6417)

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This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 17-0210-GA-GCR, 17-0310-GA-UEX, 17-0410-GA-PIP

Summary: Transcript in the matter of the Glenwood Energy of Oxford, Inc. hearing held on 08/29/17 electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Gibson, Karen Sue Mrs.