

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of	:	
Suburban Natural Gas Company	:	Case No. 18-1205-GA-AIR
For An Increase Gas Distribution	:	
Rates.	:	
	:	
In The Matter Of The Application Of	:	
Suburban Natural Gas Company	:	Case No. 18-1206-GA-ATA
For Tariff Approval.	:	
	:	
In the Matter of the Application Of	:	
Suburban Natural Gas Company For	:	Case No. 18-1207-GA-AAM
Approval of Certain Accounting	:	
Authority.	:	

PREFILED TESTIMONY  
IN RESPONSE TO OBJECTIONS TO THE STAFF REPORT  
OF  
**JONATHAN J. BORER**  
RESEARCH & POLICY DIVISION

RATES & ANALYSIS DEPARTMENT  
PUBLIC UTILITIES COMMISSION OF OHIO

**Staff Exhibit \_\_\_\_\_**

**June 7, 2019**

1 1. Q. Please state your name and business address.

2 A. My name is Jonathan J. Borer. My business address is 180 East Broad  
3 Street, Columbus, Ohio 43215-3793.

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

6 A. I am employed by the Public Utilities Commission of Ohio (PUCO or  
7 Commission) as a Utility Specialist I in the Research and Policy Division of  
8 the Rates and Analysis Department. My duties include conducting  
9 investigations of assigned phases of rate case applications and other  
10 financial audits of public utility companies subject to the jurisdiction of the  
11 PUCO.

12  
13 3. Q. Would you briefly state your educational background?

14 A. I earned a Bachelor of Science in Accounting and a Bachelor of Science in  
15 Management from Purdue University in 2014. In 2017, I attended the  
16 Annual Regulatory Studies Program offered by the Institute of Public  
17 Utilities as well as the National Association of Regulatory Utility  
18 Commissioners (NARUC) Utility Rate School.

19  
20 4. Q. Please briefly outline your work experience.

21 A. I have been with the PUCO since November 2016 with my entire time  
22 spent in the Rates and Analysis Department. Prior to working at the PUCO,

1 I was employed with Morgan Stanley within the Global Wealth  
2 Management Group.

3  
4 5. Q. Have you previously provided testimony before the PUCO?

5 A. Yes. I have provided testimony in multiple cases before the Commission.

6  
7 6. Q. What is the purpose of your testimony in this proceeding?

8 A. The purpose of my testimony is to respond to Objections 7 through 10 of  
9 the Ohio Consumers' Counsel (OCC), which relate to Staff's  
10 recommendations regarding the impacts of the Tax Cuts and Jobs Act of  
11 2017 (TCJA).

12  
13 7. Q. Please describe OCC Objections 7 through 10.

14 A. The objections relate to the treatment of various TCJA-related issues as  
15 recommended in the Staff Report. In Objection 7, OCC objects to the fact  
16 that the Staff Report did not specifically recommend that Suburban Natural  
17 Gas Company (Suburban or Company) be required to file an application  
18 not for an increase in rates in order to provide to customers the benefits of  
19 the TCJA. OCC Objection 8 objects to the Staff Report's failure to  
20 recommend that all tax savings from January 1, 2018 until new base rates  
21 are approved (Stub Period) be refunded to customers over a period of one  
22 year. OCC Objection 9 relates to the Staff Report's recommendation

1 regarding the amortization of Non-Normalized<sup>1</sup> Excess Accumulated  
2 Deferred Income Taxes (EDIT), more specifically OCC believes the Staff  
3 Report should have recommended that Non-Normalized EDIT be refunded  
4 over a period of ten years. Finally, OCC Objection 10 relates to the Staff  
5 Report's failure to recommend that EDIT be returned to customers using an  
6 allocation based on the percentage of base distribution revenues, and the  
7 credit should be reflected as a percentage of the customer's base  
8 distribution charges.

9  
10 8. Q. How do you respond to OCC Objection 7?

11 A. As part of the Stipulation and Recommendation filed in this case  
12 (Stipulation), the Company will file an ATA case as an application not for  
13 an increase in rates in order to establish a Tax Credit Rider (TCR). This  
14 means that OCC Objection 7 is directly addressed by the Stipulation.

15  
16 9. Q. How do you respond to OCC Objection 8?

17 A. While Staff does not necessarily oppose OCC's suggestion that the Stub  
18 Period be returned to customers over a 12 month period, Staff believes the  
19 timeframe to return the Stub Period balance should be addressed in the  
20 TCR case itself.

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<sup>1</sup> OCC's objection refers to this as "Unprotected EDIT." For purposes of this testimony "Non-Normalized EDIT" and "Unprotected EDIT" are intended to have the same meaning

1 10. Q. How do you respond to OCC Objection 9?

2 A. In its objection, OCC proposed amortizing the Non-Normalized EDIT over  
3 a period of 10 years. The Stipulation requires the Company to amortize the  
4 Non-Normalized EDIT over a period of 10 years, so OCC's objection has  
5 been addressed.

6

7 11. Q. How do you respond to OCC Objection 10?

8 A. OCC suggests that the refund of the EDIT to customers be allocated based  
9 on the percentage of base distribution revenue, and that the credit should be  
10 reflected as a percentage of customers' base distribution charges. The  
11 Stipulation directly addresses OCC's objection since the Stipulation  
12 requires the Company to propose that the TCR be allocated to each rate  
13 class based upon the percentage of base distribution revenues, and the  
14 credit shall be reflected as a percentage of the customer's base distribution  
15 charges.

16

17 12. Q. Does this conclude your testimony?

18 A. Yes it does. However, I reserve the right to submit supplemental testimony  
19 as described herein, as new information subsequently becomes available or  
20 in response to positions taken by other parties.

## CERTIFICATE OF SERVICE

This is to certify that the foregoing **Testimony of Jonathan J. Borer** has been served upon all of the parties of record in Case No. 18-1205-GA-AIR by electronic and/or U.S. mail, postage pre-paid mail this 7th day of June, 2019.

/s/Robert A. Eubanks

**Robert A. Eubanks**  
Assistant Attorney General

### **PARTIES OF RECORD:**

dressel@carpenterlipps.com  
cmooney@ohiopartners.org  
jamie.williams@occ.ohio.gov  
jonathan.borer@puco.ohio.gov  
bojko@carpenterlipps.com  
angela.obrien@occ.ohio.gov  
mary.fischer@puco.ohio.gov  
heather.chilcote@puco.ohio.gov  
christopher.healey@occ.ohio.gov

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Summary: Testimony of Jonathan J. Borer electronically filed by Ms. Tonnetta Scott on behalf of PUC