

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 the Rate : Case No. 19-217-GA-GCR
Schedules of the Waterville :
Gas & Oil Company and :
Related Matters. :

In the Matter of the :
Uncollectible Expense Rider : Case No. 19-317-GA-UEX
of Waterville Gas & Oil :
Company and Related Matters.:

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PROCEEDINGS

before Ms. Greta See, 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, May 28, 2019.

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APPEARANCES:

Dave Yost, Ohio Attorney General
John H. Jones, Section Chief
By Mr. Werner L. Margard,
Assistant Attorney General
Public Utilities Section
30 East Broad Street, 16th Floor
Columbus, Ohio 43215

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

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WITNESS

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Roger L. Sarver
Direct Examination by Mr. Margard

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STAFF EXHIBITS

IDENTIFIED ADMITTED

1 - Financial Audit of the Gas
Cost Recovery Mechanisms for
the Costs Incurred and
Included for Recovery for
the Months August 1, 2016
through July 31, 2018

6 10

2 - Audit of the Uncollectible
Expense Mechanisms for the
Periods January 2017 through
December 2018 for the
Waterville Gas & Oil Company

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JOINT EXHIBIT

IDENTIFIED ADMITTED

1 - Stipulation and Recommendation

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WATERVILLE EXHIBIT

IDENTIFIED ADMITTED

1 - Certificate of Publication

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Tuesday Morning Session,
May 28, 2019.

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EXAMINER SEE: Scheduled for hearing today at this time, before the Public Utilities Commission of Ohio, are Case Nos. 19-217-GA-GCR and Case No. 19-317-GA-UEx, being entitled In the Matter of the Regulation of the Purchased Gas Adjustment Clauses Contained Within the Rate Schedules of the Waterville Gas & Oil Company and Related Matters; and In the Matter of the Uncollectible Expense Rider of Waterville Gas & Oil Company and Related Matters, respectively.

My name is Greta See. I am the Attorney Examiner assigned by the Commission to these proceedings.

At this time, I'd like to take appearances of the parties. On behalf of the Staff.

MR. MARGARD: Thank you, Your Honor. On behalf of the Staff of the Public Utilities Commission of Ohio, Dave Yost, Ohio Attorney General, John H. Jones, Section Chief, Public Utilities Section, by Assistant Attorney General Werner L. Margard, 30 East Broad Street, 16th Floor, Columbus, Ohio.

1 EXAMINER SEE: Okay. And, Mr. Margard, I
2 believe you are entering an appearance on behalf of
3 the Company?

4 MR. MARGARD: I will, Your Honor. I have
5 spoken with Mr. Black and he will not be appearing
6 today in light of the Stipulation resolving the
7 issues in this case, and he has authorized me to
8 offer an exhibit on his behalf.

9 EXAMINER SEE: Okay. Then go ahead and
10 proceed, Mr. Margard.

11 MR. MARGARD: Thank you, Your Honor.

12 As a preliminary matter, I have marked
13 for purposes of identification and provided the Bench
14 and the court reporter with four documents.

15 I have marked as Staff Exhibit No. 1, the
16 Financial Audit of the Gas Cost Recovery Mechanisms
17 for the Costs Incurred and Included for Recovery for
18 the Months August 1, 2016 through July 31, 2018,
19 docketed in Case No. 19-217-GA-GCR, on March 29th,
20 2019.

21 I have marked as Staff Exhibit No. 2, the
22 Audit of the Uncollectible Expense Mechanisms for the
23 Periods January 2017 through December 2018 for the
24 Waterville Gas & Oil Company, docketed on March 29th,
25 2019, in Case No. 19-317-GA-UEx.

1 I have marked as Joint Exhibit No. 1, the
2 Stipulation and Recommendation filed in this case.

3 And I have marked as Waterville
4 Exhibit No. 1, the Certificate of Publication that I
5 have been authorized to offer on behalf of Mr. Black
6 and the Waterville Gas & Oil Company.

7 EXAMINER SEE: Okay. All right.

8 MR. MARGARD: And, Your Honor, I would
9 call Mr. Roger Sarver to the stand, please.

10 EXAMINER SEE: Okay. The exhibits are so
11 marked.

12 (EXHIBITS MARKED FOR IDENTIFICATION.)

13 (Witness sworn.)

14 EXAMINER SEE: Thank you. Have a seat.
15 Mr. Margard, you can proceed.

16 MR. MARGARD: Thank you, Your Honor.

17 - - -

18 ROGER L. 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. Sir, can you please state your name and
24 by whom you're employed.

25 A. Roger L. Sarver. I'm employed by the

1 Public Utilities Commission of Ohio.

2 Q. Mr. Sarver, did you have any
3 responsibility for the documents that have been
4 marked as Staff Exhibits 1 and 2 in this case?

5 A. Yes. I directly prepared Exhibit 1 and
6 then reviewed Exhibit 2.

7 Q. Have you reviewed those documents prior
8 to testifying today?

9 A. Yes.

10 Q. Are there any changes, corrections,
11 amendments, modifications of any kind to the Staff
12 Audit Reports?

13 A. No, sir.

14 Q. Are they true and accurate and reasonable
15 to the best of your belief and knowledge?

16 A. Yes.

17 Q. You have before you what has been marked
18 as Joint Exhibit No. 1.

19 A. Yes.

20 Q. Can you identify that document for me,
21 please?

22 A. This is the Stipulation and
23 Recommendation entered into between Staff and
24 Waterville.

25 Q. Were you involved in the negotiation of

1 this Stipulation and Recommendation?

2 A. Yes.

3 Q. Mr. Sarver, have you had experience
4 working with Waterville Gas & Oil Company in the
5 past?

6 A. Yes. This is probably my 15th,
7 16th audit of Waterville.

8 Q. And are you acquainted with Mr. Black?

9 A. Yes, sir.

10 Q. And do you consider him to be a
11 knowledgeable and capable individual in negotiating
12 such agreements?

13 A. Yes, sir.

14 Q. Mr. Sarver, do you believe that there are
15 any benefits, any public benefits to ratepayers as a
16 result of this Stipulation?

17 A. Yes. The point of these audits is to
18 verify the costs the companies have incurred, either
19 through the Gas Cost Recovery Mechanism or the
20 Uncollectible Expense Mechanism and then the
21 associated recovery of those costs from ratepayers;
22 and what Staff has done is examined the costs that
23 were incurred, the revenue collected, and then
24 recognized any difference/errors that we found in the
25 course of our audits.

1 Q. And the Stipulation and Recommendation
2 accepts the Staff's findings, conclusions, and
3 recommendations as contained in Staff Exhibits No. 1
4 and 2; is that correct?

5 A. That is correct.

6 Q. Mr. Sarver, are you aware of any
7 regulatory principle or practice that is violated by
8 this Stipulation?

9 A. No, sir.

10 Q. This would be consistent, in your
11 opinion, with past Stipulations entered into with
12 Waterville Gas & Oil?

13 A. Yes, it is.

14 MR. MARGARD: Thank you, Your Honor. I
15 have no further questions for Mr. Sarver.

16 I would respectfully move for the
17 admission of Staff Exhibits 1 and 2, and Joint
18 Exhibit 1; and on behalf of Waterville Gas & Oil, I
19 respectfully move for the admission of Waterville
20 Exhibit 1.

21 EXAMINER SEE: And as I have -- are there
22 any objections to the admission of Staff Exhibits 1
23 and 2, Joint Exhibit 1, or Waterville Exhibit 1?

24 Hearing none, the exhibits are admitted
25 into the record.

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(EXHIBITS ADMITTED INTO EVIDENCE.)

EXAMINER SEE: Thank you, Mr. Sarver.

You may step down.

Is there anything further, Mr. Margard?

MR. MARGARD: I have nothing further,
Your Honor. Thank you.

EXAMINER SEE: Thank you very much.
Thank you, all. Hearing is adjourned.

(Thereupon, the proceedings concluded at
10:06 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, May 28, 2019, and carefully compared with my original stenographic notes.

Carolyn M. Burke
Carolyn M. Burke, Registered Professional Reporter, and Notary Public in and for the State of Ohio.

My commission expires July 17, 2023.

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This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

6/11/2019 1:07:09 PM

in

Case No(s). 19-0217-GA-GCR, 19-0317-GA-UEX

Summary: Transcript In the Matter of the Regulation of the Purchased Gas Adjustment Clauses Contained Within the Rate Schedules of the Waterville Gas & Oil Company and Related Matters and In the Matter of the Uncollectible Expense Rider of Waterville Gas & Oil Company and Related Matters, hearing held on May 28th, 2019. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Burke, Carolyn