

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Application of Northeast :
Ohio Natural Gas Corp. : Case No. 18-1720-GA-AIR
for an Increase in :
Gas Distribution Rates. :

In the Matter of the :
Application of Northeast : Case No. 18-1721-GA-ATA
Ohio Natural Gas Corp. :
for Tariff Approval. :

In the Matter of the :
Application of Northeast :
Ohio Natural Gas Corp. : Case No. 18-1722-GA-ALT
for Approval of :
Alternative Regulation. :

- - -

PROCEEDINGS

before Mr. Gregory Price and Ms. Lauren Augustini,
Attorney Examiners, at the Public Utilities
Commission of Ohio, 180 East Broad Street, Room 11-A,
Columbus, Ohio, called at 10:01 a.m. on Wednesday,
September 11, 2019.

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APPEARANCES:

Calfee Halter & Griswold, LLP
By Mr. Steven D. Lesser
1200 Huntington Center
41 South High Street
Columbus, Ohio 43215

On behalf of Northeast Ohio Natural Gas Corp.

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

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

Bruce J. Weston, Consumers' Counsel
Office of the Ohio Consumers' Counsel
By Mr. Christopher Healey
Assistant Consumers' Counsel
65 East State Street, 7th Floor
Columbus, Ohio 43215

On behalf of the Residential Customers of Northeast Ohio Natural Gas Corp.

Ohio Partners for Affordable Energy
By Ms. Colleen L. Mooney.
P.O. Box 12451
Columbus, Ohio 43212-2451

On behalf of Ohio Partners for Affordable Energy.

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Wednesday Morning Session,
September 11, 2019.

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EXAMINER AUGOSTINI: Good morning. The Public Utilities Commission of Ohio has assigned for public hearing at this time and place, Case Nos. 18-1720-GA-AIR, 18-1721-GA-ATA, and 18-1722-GA-ALT, being in the matter of the Application of Northeast Ohio Natural Gas Corp. for approval of an increase in gas distribution rates, combined with an Application for tariff approval and approval for an alternative rate plan.

My name is Lauren Augostini, and with me is Greg Price, and we are the Attorney Examiners assigned by the Commission to hear this case.

Let's take appearances of the parties, beginning with the Company.

MR. LESSER: Thank you, Your Honor. Steven Lesser, Calfee, Halter & Griswold, 41 South High Street, Columbus, Ohio 43215, on behalf of the Applicant.

EXAMINER AUGOSTINI: Thank you.

MR. HEALEY: Good morning, Your Honor. Christopher Healey on behalf of the Ohio Consumers' Counsel, 65 East State Street, Columbus, Ohio. Thank

1 you very much.

2 EXAMINER AUGOSTINI: Thank you.

3 MR. BEELER: Thank you, Your Honor. On
4 behalf of the Staff of the Public Utilities
5 Commission of Ohio, Ohio Attorney General Dave Yost,
6 Assistant Attorney Generals Steve Beeler and Vern
7 Margard, 30 East Broad Street, 16th Floor, Columbus,
8 Ohio 43215.

9 EXAMINER AUGOSTINI: Thank you.

10 MS. MOONEY: On behalf of Ohio Partners
11 for Affordable Energy, I'm Colleen Mooney, Post
12 Office Box 12451, Columbus, Ohio.

13 EXAMINER AUGOSTINI: Thank you.

14 EXAMINER PRICE: Mr. Lesser, you have
15 some documents for us?

16 MR. LESSER: Yes, Your Honor. We would
17 like marked for identification, and all these
18 exhibits have already also been filed in the docket.
19 We have the Stipulation and Recommendation, filed
20 9/5. Do you want me to say them all together?

21 EXAMINER PRICE: Let's do them separate.
22 How would you like that marked?

23 MR. LESSER: Exhibit A. Thank you.

24 EXAMINER PRICE: So marked.

25 (EXHIBIT MARKED FOR IDENTIFICATION.)

1 MR. LESSER: Next is Schedule A-1 as B.

2 EXAMINER PRICE: So marked.

3 (EXHIBIT MARKED FOR IDENTIFICATION.)

4 MR. LESSER: The Northeast Ohio

5 Application, filed 12/28/18, as C.

6 EXAMINER PRICE: It will be so marked.

7 (EXHIBIT MARKED FOR IDENTIFICATION.)

8 MR. LESSER: Schedules A through D as D.

9 I hope I can keep all this straight.

10 EXAMINER PRICE: The court reporter is
11 taking it down. It will be so marked.

12 (EXHIBIT MARKED FOR IDENTIFICATION.)

13 MR. LESSER: Excellent.

14 The Application Schedules E through I as
15 E.

16 EXAMINER PRICE: It will be so marked.

17 (EXHIBIT MARKED FOR IDENTIFICATION.)

18 MR. LESSER: Schedule E-2 as F.

19 EXAMINER PRICE: It will be so marked.

20 (EXHIBIT MARKED FOR IDENTIFICATION.)

21 MR. LESSER: Schedule E-2.1 as G.

22 EXAMINER PRICE: It will be so marked.

23 (EXHIBIT MARKED FOR IDENTIFICATION.)

24 MR. LESSER: Schedule E-3 as H. Schedule
25 E-4 as I.

1 EXAMINER PRICE: Hold on. You're getting
2 ahead of me now.

3 MR. LESSER: Uh-oh.

4 EXAMINER PRICE: Which one do you have
5 for Schedule H or Exhibit H?

6 MR. LESSER: Let me see. Exhibit H was
7 E-3.

8 EXAMINER PRICE: E-3. Thank you.

9 MR. LESSER: And I is E-4. And J would
10 be S-3.

11 EXAMINER PRICE: So marked.

12 (EXHIBITS MARKED FOR IDENTIFICATION.)

13 MR. LESSER: Proof of Publication would
14 be K.

15 EXAMINER PRICE: It will be so marked.

16 (EXHIBIT MARKED FOR IDENTIFICATION.)

17 MR. LESSER: The testimony supporting the
18 Stipulation of Ken Oostman would be, I believe, L.
19 How am I doing here?

20 EXAMINER PRICE: It will be so marked.

21 (EXHIBIT MARKED FOR IDENTIFICATION.)

22 MR. LESSER: My teachers would be proud
23 of me. And we also have the Staff Report which was
24 filed on 6/25.

25 EXAMINER PRICE: We will mark that as

1 Exhibit M.

2 (EXHIBIT MARKED FOR IDENTIFICATION.)

3 MR. LESSER: And, Your Honor, if there is
4 no objection, we would move for Exhibits A through M
5 to be admitted.

6 EXAMINER PRICE: Any objections?

7 MR. HEALEY: No, Your Honor.

8 MS. MOONEY: No.

9 MR. BEELER: Just one clarifier. You
10 marked the Staff Report as your Exhibit M. I have
11 copies of Staff Exhibit 1, but it's okay if it's
12 Exhibit M either way.

13 EXAMINER PRICE: We'll change it to
14 Staff 1. That's fine.

15 MR. BEELER: Staff 1?

16 EXAMINER PRICE: We'll mark it as Staff
17 Exhibit 1.

18 (EXHIBIT MARKED FOR IDENTIFICATION.)

19 EXAMINER PRICE: All those exhibits, A
20 through L, and Staff Exhibit 1, will all be admitted.

21 (EXHIBITS ADMITTED INTO EVIDENCE.)

22 EXAMINER PRICE: Anything further,
23 Mr. Lesser?

24 MR. LESSER: Your Honor, our witness is
25 here, Ken Oostman, but I believe all the parties have

1 agreed to waive his testimony in.

2 EXAMINER PRICE: Any objections?

3 MR. HEALEY: No, Your Honor.

4 MS. MOONEY: No objections.

5 MR. BEELER: No, Your Honor.

6 EXAMINER PRICE: I have no questions.

7 MR. LESSER: Thank you.

8 EXAMINER PRICE: Mr. Healey.

9 MR. HEALEY: Yes, Your Honor. The Ohio
10 Consumers' Counsel calls Dr. Daniel J. Duann. And --
11 well, I'll wait.

12 (Witness sworn.)

13 EXAMINER PRICE: Please be seated.

14 State your name and business address for
15 the record.

16 THE WITNESS: Daniel J. Duann. 65 East
17 State Street, 7th Floor, Columbus, Ohio 43215.

18 EXAMINER PRICE: Thank you very much.

19 MR. HEALEY: Your Honor, I'd like at this
20 time to mark as OCC Exhibit No. 1, the Supplemental
21 Testimony of Daniel J. Duann, Ph.D., filed in this
22 case on September 5, 2019.

23 EXAMINER PRICE: It will be so marked.

24 (EXHIBIT MARKED FOR IDENTIFICATION.)

25 MR. HEALEY: May I approach, Your Honor?

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EXAMINER PRICE: You may.

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DANIEL J. DUANN, Ph.D.

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

DIRECT EXAMINATION

By Mr. Healey:

Q. Dr. Duann, do you have in front of you what's now been marked OCC Exhibit No. 1?

A. Yes, I do.

Q. And what is OCC Exhibit No. 1?

A. That's my Supplemental Testimony filed on September 5, 2019.

Q. And did you draft this testimony yourself?

A. Yes.

Q. And do you have any corrections to this testimony today?

A. Yes, I do. The first correction is on page 3, Footnote No. 4. That footnote should be deleted, and the footnote refer to line 19 of page 3.

Q. Do you have any other edits?

A. Yes.

EXAMINER PRICE: Just delete the footnote in its entirety?

1 THE WITNESS: Yes.

2 EXAMINER PRICE: Thank you.

3 A. Also on page 4, line 15, near the end of
 4 that sentence, that \$12, that should be changed to
 5 \$12.50 per month. So the sentence -- so on line 15
 6 will read: "While OCC proposed an even lower fixed
 7 charge of \$12.50 per month...."

8 Q. Thank you, Dr. Duann.

9 With those two changes, if I were to ask
 10 you the same questions as provided in OCC Exhibit
 11 No. 1 today, would your answers be the same?

12 A. Yes.

13 MR. HEALEY: Thank you.

14 With that, Your Honor, Dr. Duann is
 15 available for cross-examination.

16 EXAMINER PRICE: Mr. Lesser?

17 MR. LESSER: Your Honor, we have no
 18 cross-examination.

19 EXAMINER PRICE: Ms. Mooney?

20 MS. MOONEY: We have no cross.

21 EXAMINER PRICE: Mr. Beeler?

22 MR. BEELEER: No questions, Your Honor.

23 Thank you.

24 EXAMINER PRICE: I just have a couple
 25 questions.

1 - - -

2 EXAMINATION

3 By Examiner Price:

4 Q. Dr. Duann, you've attached, to your
5 Supplemental Testimony, your Direct Testimony; is
6 that correct?

7 A. Yes.

8 Q. What's the purpose of attaching your
9 Direct Testimony to the Supplemental Testimony? Are
10 you offering that testimony -- I'm sorry. Let me --
11 let me ask that question more clearly.

12 Are you offering, today, your Direct
13 Testimony as well as your Supplemental Testimony?

14 A. In my Supplemental Testimony, for example
15 on Question No. 2, asks "Are you the same Daniel J.
16 Duann who filed," and I attach my Direct Testimony,
17 filed on July 25th, because in that testimony that
18 include all my educational background and my
19 experience and I think it is useful to provide a
20 complete record for my qualifications.

21 And furthermore, on page 5, at the end,
22 at the end of line 10, "As I explained in my prior
23 testimony that was filed...I believe that this profit
24 level (that is charged to customers) is higher than
25 is warranted." So, once again, I say it's for the

1 completeness of the record, I think it's better to
2 include my Direct Testimony.

3 Q. Okay. Thank you.

4 Do you have -- in your Supplemental
5 Testimony you have outlined, on page 2 and 3, the
6 Commission's three-prong test for stipulations?

7 A. Yes, that's on Question and Answer No. 4,
8 yes.

9 Q. Do you provide any testimony regarding
10 the first prong of the test?

11 A. I did not address that issue.

12 Q. Do you provide any testimony regarding
13 the third prong of the test?

14 A. I did not address that issue either.

15 Q. You do provide testimony, however,
16 regarding several benefits of the Stipulation; is
17 that correct?

18 A. I provide testimony regarding the No. 2
19 prong in which I provide some category of benefit
20 that -- benefit and the cost associated with the
21 proposed settlement.

22 Q. Thank you.

23 Do you recommend the Commission approve
24 the Stipulation?

25 A. No.

1 Q. Do you recommend the Commission deny the
2 Stipulation?

3 A. No.

4 Q. Do you recommend the Commission modify
5 the Stipulation?

6 A. That's not in my testimony.

7 EXAMINER PRICE: That's all I have.

8 Examiner Augustini?

9 EXAMINER AUGOSTINI: I don't have any
10 questions.

11 EXAMINER PRICE: Thank you. You're
12 excused.

13 MR. HEALEY: Your Honor, at this time,
14 OCC moves for the admission of OCC Exhibit No. 1.

15 EXAMINER PRICE: Do you seek admission of
16 the attached Direct Testimony as well as the
17 Supplemental Testimony?

18 MR. HEALEY: Yes, Your Honor.

19 EXAMINER PRICE: And is that for the
20 limited purpose of establishing his qualifications or
21 is it the entire testimony?

22 MR. HEALEY: It's both. I mean that is a
23 big part of it, but he makes reference in his
24 Supplemental Testimony, so I think it helps provide
25 color for why he's taken the positions he's taken in

1 his Supplemental Testimony.

2 EXAMINER PRICE: The Commission has three
3 choices in this case. We can -- the Commission; not
4 me. The Commissioners can approve the Stipulation,
5 they can deny the Stipulation, or they can modify the
6 Stipulation; is that correct?

7 MR. HEALEY: Are you asking me?

8 EXAMINER PRICE: Yeah.

9 MR. HEALEY: Yes, that would be correct.

10 EXAMINER PRICE: And Dr. Duann has no
11 recommendations on any of those three issues, so
12 what's the relevance of his testimony?

13 MR. HEALEY: Your Honor, the relevance of
14 his testimony is that, as he mentioned, it goes to
15 prong 2. He's identifying some of the benefits in
16 the Stipulation. It goes to facts that are in the
17 Stipulation.

18 EXAMINER PRICE: But he's not
19 recommending approval and he's not recommending
20 denial and he's not recommending we make any changes.
21 Those are the only three choices we have in front of
22 us today.

23 MR. HEALEY: Sure. OCC is a party in
24 this case. Part of OCC's role is working with
25 parties to negotiate the terms of the settlement.

1 OCC agreed to not oppose the Stipulation, which is
2 common practice for many parties in these cases, and
3 he's providing an explanation for --

4 EXAMINER PRICE: I agree it's common
5 practice for parties to not oppose and I certainly
6 have no problem with that. I cannot recall another
7 situation where a non-opposing party presented
8 testimony and that's the part I'm tripping over here.

9 MR. HEALEY: I agree with that, Your
10 Honor. I'm not aware of any other situations. We
11 often either make a statement on the record or file a
12 letter. In this instance, we had a witness who was
13 qualified to provide the context for OCC's position.

14 I certainly think it's relevant for the
15 Commission. If there's a relevance objection, I
16 think it would overcome that, certainly, as he's
17 talking to specific provisions in the Stipulation.

18 I would note, as well, that there are
19 many --

20 EXAMINER PRICE: It's not -- he doesn't
21 offer testimony on any issue before us. That's where
22 I'm struggling with the relevance. But, having said
23 that, you know, we'll admit the testimony and the
24 Commissioners will give it the weight that it merits.

25 MR. HEALEY: Thank you, Your Honor.

1 EXAMINER PRICE: I don't want to hold up
2 progress too much.

3 At this time, OCC's Supplemental
4 Testimony, OCC 1, will be admitted.

5 (EXHIBIT ADMITTED INTO EVIDENCE.)

6 EXAMINER PRICE: The parties agree to
7 dispense with briefs?

8 MR. LESSER: Yes. Thank you, Your Honor.

9 MR. BEELER: Yes.

10 EXAMINER PRICE: Mr. Healey?

11 MR. HEALEY: Yes.

12 EXAMINER PRICE: Okay. Thank you.

13 At this time, the case will be submitted
14 to the Commission on the record.

15 We are adjourned. Thank you.

16 (Thereupon, the proceedings concluded at
17 10:16 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 Wednesday, September 11, 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.



This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

9/25/2019 12:46:07 PM

in

Case No(s). 18-1720-GA-AIR, 18-1721-GA-ATA, 18-1722-GA-ALT

Summary: Transcript In the Matter of the Application of Northeast Ohio Natural Gas Corp. for an Increase in Gas Distribution Rates; In the Matter of the Application of Northeast Ohio Natural Gas Corp. for Tariff Approval and In the Matter of the Application of Northeast Ohio Natural Gas Corp. for Approval of Alternative Regulation, hearing held on September 11th, 2019. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Burke, Carolyn