

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 Augostini,  
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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18  
19  
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21  
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23  
24  
25

INDEX

- - -

WITNESS

PAGE

Daniel J. Duann, Ph.D.  
Direct Examination by Mr. Healey  
Examination by Examiner Price

11  
13

- - -

COMPANY EXHIBITS

IDENTIFIED ADMITTED

A - Stipulation and Recommendation  
B - Schedule A-1  
C - Application  
D - Schedules A, B, C, D  
E - Schedules E, F, G, H, I  
F - Schedule E-2  
G - Schedule E-2.1  
H - Schedule E-3  
I - Schedule E-4  
J - Schedule S-3  
K - Proof of Publication  
L - Direct Testimony of  
Ken Oostman

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7 9  
7 9  
7 9  
7 9  
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8 9  
8 9  
8 9  
8 9  
8 9

- - -

STAFF EXHIBIT

IDENTIFIED ADMITTED

1 - Staff Report

9 9

- - -

INDEX (Continued)

- - -

OCC EXHIBIT

IDENTIFIED ADMITTED

1 - Supplemental Testimony of  
Daniel J. Duann, Ph.D.

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18

- - -

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. BEELEER:   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?

1 EXAMINER PRICE: You may.

2 - - -

3 DANIEL J. DUANN, Ph.D.

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

6 DIRECT EXAMINATION

7 By Mr. Healey:

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

10 A. Yes, I do.

11 Q. And what is OCC Exhibit No. 1?

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

14 Q. And did you draft this testimony  
15 yourself?

16 A. Yes.

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

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

22 Q. Do you have any other edits?

23 A. Yes.

24 EXAMINER PRICE: Just delete the footnote  
25 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.

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EXAMINATION

By Examiner Price:

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

A. Yes.

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

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

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

And furthermore, on page 5, at the end, at the end of line 10, "As I explained in my prior testimony that was filed...I believe that this profit level (that is charged to customers) is higher than 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.

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

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

(EXHIBIT ADMITTED INTO EVIDENCE.)

EXAMINER PRICE: The parties agree to dispense with briefs?

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

MR. BEELEER: Yes.

EXAMINER PRICE: Mr. Healey?

MR. HEALEY: Yes.

EXAMINER PRICE: Okay. Thank you.

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

We are adjourned. Thank you.

(Thereupon, the proceedings concluded at 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.

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

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**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