

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 Schedule of: : Case Nos. 21-207-GA-GCR
Eastern Natural Gas : 21-214-GA-GCR
Company, Pike Natural Gas :
Company and Related :
Matters. :
:

In the Matter of the :
Uncollectible Expense :
Riders of: Eastern : Case Nos. 21-307-GA-UEX
Natural Gas Company, Pike : 21-314-GA-UEX
Natural Gas Company and :
Related Matters. :
:

In the Matter of the :
Percentage of Income :
Payment Plan Rider of: :
Eastern Natural Gas : Case Nos. 21-407-GA-PIP
Company, Pike Natural Gas : 21-414-GA-PIP
Company and Related :
Matters. :
:

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PROCEEDINGS

before Ms. Patricia Schabo, Attorney Examiner, at the
Public Utilities Commission of Ohio, 180 East Broad
Street, Room 11-A, Columbus, Ohio, called at 10:00
a.m. on Tuesday, August 10, 2021.

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1 APPEARANCES:

2 Dave Yost, Ohio Attorney General
3 By Mr. Robert Eubanks,
4 Assistant Attorney General
5 Public Utilities Section
6 30 East Broad Street, 26th Floor
7 Columbus, Ohio 43215

8 On behalf of the Staff of the PUCO.

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Tuesday Morning Session,

August 10, 2021.

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EXAMINER SCHABO: The Public Utilities Commission of Ohio has assigned for hearing at this time and place Case Nos. 21-207-GA-GCR and 21-214-GA-GCR, being in the Matter of the Regulation of the Purchased Gas Adjustment Clauses Contained within the Rate Schedules of: Eastern Natural Gas Company and Pike Natural Gas Company and Related Matters; and Case Nos. 21-307-GA-UEX and 21-314-GA-UEX being in the Matter of the Uncollectible Expense Riders of: Eastern Natural Gas Company and Pike Natural Gas Company and Related Matters; and Case Nos. 21-407-GA-PIP and 21-414-GA-PIP, being in the Matter of the Percentage of Income Plan -- Percentage of Income Payment Plan Rider of: Eastern Natural Gas Company and Pike Natural Gas Company and Related Matters.

My name is Trish Schabo. I'm the Attorney Examiner assigned by the Commission to hear this case. I will first note that there are no members of the public here to participate or testify in this proceeding.

With that said, I would take appearances

1 of counsel.

2 MR. EUBANKS: Yes, your Honor. Robert
3 Eubanks, Assistant Attorney General, appearing here
4 on behalf of Staff, 30 East Broad Street, Columbus,
5 Ohio 43215, 26th Floor.

6 EXAMINER SCHABO: Thank you. I
7 understand the parties reached a Stipulation in this
8 proceeding?

9 MR. EUBANKS: Yes, your Honor.

10 EXAMINER SCHABO: All right. Why don't
11 we go ahead and proceed, Mr. Eubanks.

12 MR. EUBANKS: Your Honor, I would first
13 like to have premarked the Stipulation as Joint
14 Exhibit 1; the Staff Report for Cases 207, 214 as
15 Staff's Exhibit 1; the Staff Report for Case Nos.
16 307, 314 as Staff's Exhibit 2; and the Staff Report
17 for Case Nos. 407 and 3 -- and 414 as Staff's Exhibit
18 3. And I apologize. The case numbers for all those
19 begin with 21.

20 EXAMINER SCHABO: Thank you. So marked.

21 (EXHIBITS MARKED FOR IDENTIFICATION.)

22 MR. EUBANKS: With that I would like to
23 call to the stand Tony Matthews.

24 EXAMINER SCHABO: Good morning,
25 Mr. Matthews.

1 MR. MATTHEWS: Good morning.

2 (Witness sworn.)

3 EXAMINER SCHABO: Thank you. Have a
4 seat.

5 THE WITNESS: Thank you.

6 - - -

7 TONY MATTHEWS

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

10 DIRECT EXAMINATION

11 By Mr. Eubanks:

12 Q. Good morning.

13 A. Good morning.

14 Q. Could you please state your name and your
15 business address.

16 A. Yes. My name is Tony Matthews. My
17 business address is 180 East Broad Street, Columbus,
18 Ohio 43215.

19 Q. And by whom are you employed and in what
20 capacity?

21 A. The Public Utilities Commission of Ohio
22 and I am a Utilities Specialist 2.

23 Q. Could you please describe your education,
24 training, and professional experience.

25 A. Yes. I have an Associate Science Degree

1 from Columbus State which included course work in
2 accounting. I've taken various regulatory courses,
3 and I have been with the Commission for 16 years, 10
4 years of that doing the type of work that I have done
5 as far as doing financial audits of the GCR, UEX, and
6 PIP.

7 Q. Okay. Have you previously testified
8 before the Public Utilities Commission of Ohio?

9 A. Yes, I have.

10 Q. And what is the purpose of your direct
11 testimony in this proceeding?

12 A. The purpose of my testimony is to support
13 the Stipulation between Staff and Eastern and Pike.

14 Q. Were -- how are you familiar with the
15 Stipulation?

16 A. I was -- I was part of the team that
17 conducted the financial audits for the GCR and UEX
18 and PIP, and I was involved in the negotiations
19 between Staff and the companies during the entire
20 process.

21 Q. So if you were to see the Stipulation,
22 would you be able to recognize it?

23 A. Yes, sir.

24 Q. Do you have before you what has been
25 premarked as Joint Exhibit 1?

1 A. Yes, sir.

2 Q. And could you identify it.

3 A. Yes. This is the Stipulation and
4 Recommendation between Staff and Eastern Natural Gas
5 Company and Pike Natural Gas Company.

6 Q. Could you leaf through it and make sure
7 that it's a true and accurate copy of what was
8 docketed with the Commission.

9 A. Yes, sir. Yes, sir, it is.

10 Q. And could you provide an overview of the
11 terms of the Settlement Agreement as detailed in the
12 Stipulation.

13 A. Just -- oh, so basically the Stipulation
14 kind of details the -- the agreement between Staff
15 and Pike and Eastern in regards to the GCR, the
16 adjustments made as far as Eastern and Pike's actual
17 adjustment. It also details adjustments made -- that
18 Staff made and was agreed to by Pike for the UEX as
19 well as the Percentage of Income Payment Plan.

20 Q. Okay. Does the Stipulation represent the
21 product of serious bargaining among capable and
22 knowledgeable parties?

23 A. Yes, sir.

24 Q. Does the Stipulation as far as you know
25 violate any important regulatory principles or

1 practices?

2 A. No, sir.

3 Q. Could you describe the benefits to
4 consumers and public interest, if there are any, that
5 the Stipulation provides for.

6 A. Yes, sir. I believe the benefit to the
7 ratepayers in regards to the audits is during the
8 audits for the GCR mechanism, the Uncollectible
9 Expense Rider, and the Percentage of Income Payment
10 Plan Rider, Staff verifies the costs that the Company
11 incurs to provide natural gas service to its
12 customers. Staff also during that audit verifies
13 that those costs are properly included in rates
14 billed to its customers for recovery purposes.

15 Where difference -- differences were
16 found during the audits, Staff made adjustments, and
17 those adjustments were made to correct any of those
18 differences. So the benefit to customers is with
19 those adjustments we ensure that customers are only
20 paying for what they should be paying for, and the
21 Stipulation that was filed for Staff and the
22 Companies details those adjustments that were made
23 and agreed to.

24 Q. By the way could you identify who the
25 signatory parties were in this Stipulation?

1 A. Yes. The signatory parties were Staff,
2 Pike Natural Gas Company, and Eastern Natural Gas
3 Company who are subsidiaries of Utility Pipeline
4 Limited.

5 Q. Okay. And Utilities Pipeline Limited
6 signed the Stipulation?

7 A. Yes, sir.

8 Q. With the permission of Eastern and Pike?

9 A. Yes, sir.

10 Q. Back to the benefits to customers that
11 you were describing, does Staff -- did the Staff have
12 any Staff Reports in order to outline the adjustments
13 that needed to be made?

14 A. Yes, sir. Staff filed Staff Reports for
15 the GCR in Case 21-207-GA-GCR, 21-214-GA-GCR. We
16 also filed Staff Reports for Eastern and Pike in the
17 UEX, let's see, 21-307-GA-UEX and 21-214-GA-UEX, as
18 well as we filed a PIPP Staff Report for Eastern and
19 Pike in 21-407-GA-PIP and 21-414-GA-PIP.

20 Q. Okay. Do you have before you what has
21 been premarked as Staff's Exhibit 1 which would be at
22 least titled as the Staff Report for 207, 214; 21-207
23 and 21-214?

24 A. Yes, sir. That is for the GCR?

25 Q. Yes.

1 A. Yes, sir.

2 EXAMINER SCHABO: Hold on just a second.
3 Could we go off the record real quickly?

4 (Discussion off the record.)

5 EXAMINER SCHABO: Let's go back on the
6 record.

7 MR. EUBANKS: Your Honor, I believe there
8 will need to be an adjustment to the Staff exhibit
9 numbers because the 21-314 and 21-307 Staff Report
10 was filed separately for each one of the cases.

11 EXAMINER SCHABO: Okay. So Staff Exhibit
12 2 is now --

13 MR. EUBANKS: We will make Staff Exhibit
14 2 the Staff Report for 21-307 and Staff --

15 EXAMINER SCHABO: That's okay. I can
16 hear you.

17 MR. EUBANKS: And Staff's Exhibit 4 the
18 Staff Report for the 21-314.

19 EXAMINER SCHABO: All right. So marked.
20 (EXHIBIT MARKED FOR IDENTIFICATION.)

21 MR. EUBANKS: And if I may approach the
22 witness?

23 EXAMINER SCHABO: Absolutely. You may.

24 Sorry if I threw you off your rhythm. Go
25 ahead and find your place and proceed when you are

1 ready.

2 Q. (By Mr. Eubanks) Okay. So we are back.
3 Hello again. So you would be familiar with the Staff
4 Reports that were filed in the various cases?

5 A. Yes.

6 Q. So I would like you to take a look at
7 what has been premarked as Staff Exhibit 1 which
8 would be the Staff Report for Case Nos. 207 and 214.

9 A. Uh-huh, yes.

10 Q. If you could leaf through that and, first
11 of all, if you could identify it.

12 A. Yes. This is the Staff Report for the
13 Eastern Natural Gas and Pike Natural Gas GCR
14 Financial Audit of the Gas Cost Recovery Mechanism
15 for the Effective GCR Periods January 1, 2019,
16 through December 31, 2020.

17 Q. If you could leaf through the document
18 and make sure it is a true and accurate copy.

19 A. Yes, it is.

20 Q. And do you have before you what has been
21 premarked as Staff's Exhibit 2 which would be the
22 Staff Report for 21-307?

23 A. I think I might have two -- two for 407.
24 I don't have 307.

25 Q. Okay.

1 EXAMINER SCHABO: I have an extra.

2 THE WITNESS: Okay. Yeah. Thank you.

3 A. Okay. Yes, I'm ready.

4 Q. Could you identify the document.

5 A. Yes. This is the Staff Report for the
6 Uncollectible Expense Mechanism for the Period of
7 January 2019 through December 2020 in Case
8 21-307-GA-UEX filed on June 11, 2021.

9 Q. If you could leaf through that document
10 as well and make sure it is a true and accurate copy.

11 A. Yes, it is.

12 Q. And if you could tell me if you have
13 before you what has been premarked as Staff's
14 Exhibit 3 which will be the joint Staff Report for
15 Case Nos. 21-407 and 414?

16 A. Yes, I do.

17 Q. Could you identify that document.

18 A. Yes. This is the Staff Report of the
19 Financial Audit of the Percentage of Income Payment
20 Plan Mechanism for the Effective Period of January 1,
21 2019, through December 31, 2020, filed June 11, 2021.

22 Q. If you could leaf through that document
23 and make sure it is a true and accurate copy.

24 A. Yes, it is.

25 Q. And do you have before you what has been

1 premarked Staff's Exhibit 4?

2 A. Yes.

3 Q. Could you identify that document.

4 A. Yes. This is the Staff Report for the
5 Pike Natural Gas Audit of the Uncollectible Expense
6 Mechanism for the period of January 2019 through
7 December 2020 in Case No. 21-314-GA-UEX filed
8 June 11, 2021.

9 Q. If you could leaf through that document
10 and make sure it is a true and accurate copy.

11 A. Yes.

12 Q. As you said, those Staff Reports were
13 used in helping to reach a Stipulation in this case?

14 A. Yes, sir.

15 Q. And do you believe that the Stipulation
16 is a just and reasonable resolution of the issues in
17 the proceeding?

18 A. Yes, I do.

19 MR. EUBANKS: With that, your Honor, I
20 would like to have what has been premarked as Joint
21 Exhibit 1, Staff's Exhibit 1, Staff's Exhibit 2,
22 Staff's Exhibit 3, and Staff's Exhibit 4 moved into
23 evidence.

24 EXAMINER SCHABO: Yes. They are
25 admitted.

1 (EXHIBITS ADMITTED INTO EVIDENCE.)

2 MR. EUBANKS: And I have no more
3 questions for the witness.

4 EXAMINER SCHABO: Mr. Matthews, you may
5 step down.

6 THE WITNESS: Thank you very much.

7 EXAMINER SCHABO: Thank you for your time
8 today.

9 Anything further, Mr. Eubanks?

10 MR. EUBANKS: No, your Honor.

11 EXAMINER SCHABO: All right. The cases
12 will be submitted to the record -- submitted on the
13 record to the Commission, and we are adjourned.
14 Thank you.

15 (Thereupon, at 10:22 a.m., the hearing
16 was adjourned.)

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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, August 10,
2021, and carefully compared with my original
stenographic notes.

Karen Sue Gibson, Registered
Merit Reporter.

(KSG-7130)

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Case No(s). 21-0207-GA-GCR, 21-0214-GA-GCR, 21-0307-GA-UEX, 21-0314-GA-UEX, 21-0407-GA-PI

Summary: Transcript August 10th 2021

In the Matter of the Regulation of the Purchased Gas Adjustment Clauses Contained Within the Rate Schedule of: Eastern Natural Gas Company, Pike Natural Gas Company and Related Matters.

In the Matter of the Uncollectible Expense Riders of: Eastern Natural Gas Company, Pike Natural Gas Company and Related Matters.

In the Matter of the Percentage of Income Payment Plan Rider of: Eastern Natural Gas Company, Pike Natural Gas Company and Related Matters. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Gibson, Karen Sue Mrs.