

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Regulation :
of the Purchased Gas Adjustment :Case No.
Clause Contained Within the Rate:22-209-GA-GCR
Schedules of Northeast Ohio :
Natural Gas Corp. :

In the Matter of the :
Uncollectible Expense Rider of :Case No.
Northeast Ohio Natural Gas Corp.:22-309-GA-UEX

In the Matter of The
Percentage of Income Payment :
Plan Rider of Northeast Ohio :Case No.
Natural Gas Corp. :22-409-GA-PIP

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PROCEEDINGS

Before Patricia Schabo, Attorney Examiner, held
at the offices of the Public Utilities
Commission of Ohio, 180 East Broad Street,
Hearing Room 11-C, Columbus, Ohio, on Thursday,
March 30th, 2023, at 10:00 A.M.

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- - -

1 APPEARANCES:

2 Mr. Shaun Lyons
3 Assistant Attorney General
4 30 East Broad Street, 26th Floor
5 Columbus, Ohio 43215

6 On behalf of the Staff of the
7 Public Utilities Commission
8 of Ohio.

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Tornain Matthews	7/13	

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Thursday Morning Session,
March 30, 2023.

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ATTORNEY EXAMINER SCHABO: The
Public Utilities Commission of Ohio as assigned
for hearing at this time and place Case Nos.
22-209-GA-GCR, In the Matter of the Regulation
of the Purchased Gas Adjustment Clause Contained
Within the Rate Schedules of Northeast Ohio
Natural Gas Corporation; Case No. 22-309-GA-UEX,
In the Matter of the Uncollectible Expense Rider
of Northeast Ohio Natural Gas Corporation; and
22-409-GA-PIP, In the Matter of the Percentage
of Income Payment Plan Rider of the Northeast
Ohio Natural Gas Corporation.

My name is Trish Schabo and I am the
Attorney Examiner assigned by the Commission to
hear this case.

I will begin by taking appearances
of counsel.

MR. LYONS: Good morning, your
Honor. My name is Shaun Lyons, on behalf of the
Ohio Attorney General's office, representing
Staff of the PUCO. Our address is 30 East Broad
Street, 16th Floor, Columbus, Ohio 43215.

1 ATTORNEY EXAMINER SCHABO: Thank
2 you. Before we get into the evidence I will
3 just note that there are no members of the
4 public present in the hearing with us today.

5 And I will also note that from
6 the docket it looks like the parties have
7 reached a stipulation in this proceeding. Mr.
8 Lyons.

9 MR. LYONS: That's correct, your
10 Honor. We would like to just put on a witness
11 from Staff in support of the Stipulation and to
12 get the Staff Report into the record in case you
13 have any questions on that front. And I think
14 we will support the three part test as well, and
15 then conclude our case in chief.

16 ATTORNEY EXAMINER SCHABO:
17 Wonderful. I will allow you to begin at your
18 leisure.

19 MR. LYONS: Thank you. Your Honor,
20 we would like to call to the stand Mr. Tony
21 Matthews.

22 (WITNESS SWORN)

23 - - -

24 TORNAIN MATTHEWS
25 called as a witness, being first duly sworn,

1 testified as follows:

2 ATTORNEY EXAMINER SCHABO: And if
3 you would start by stating your name and
4 position with the Commission.

5 THE WITNESS: My name is Tornain
6 Matthews, legal name. I will spell that.
7 T-O-R-N-A-I-N, last mane is Matthews,
8 M-A-T-T-H-E-W-S.

9 And my position here at the Public
10 Utilities Commission is Utility Specialist.

11 ATTORNEY EXAMINER SCHABO: Thank
12 you. Mr. Lyons.

13 MR. LYONS: Thank you.

14 DIRECT EXAMINATION

15 By Mr. Lyons:

16 Q. Mr. Matthews, can you please give a
17 brief overview of your background?

18 A. Yes. I have an Associate Degree in
19 computer science which included course work in
20 accounting and finance. I have also attended
21 some Commission sponsored regulatory classes.

22 I have been with the PUCO for 18
23 years. My duties currently are conducting
24 financial audits of the Gas Cost Recovery
25 Mechanism, the Uncollectible Expense Rider, as

1 well as the PIP Rider.

2 And also various assigned sections
3 of rate case proceedings.

4 Q. Okay. Thank you. How long have you
5 been a Utility Specialist for the PUCO?

6 A. Ten years. Yes.

7 Q. Thank you. And you were the Staff
8 lead on the case in front of the Commission
9 today; is that correct?

10 A. Yes.

11 Q. Can you give us a brief outline of
12 your work in this case?

13 A. I was part of the team, the team
14 that conducted the -- I performed the Gas Cost
15 Recovery audit on this case, and I was part of
16 the team that also did the Uncollectible Expense
17 audit and the Percentage of Income Payment Plan
18 audit.

19 MR. LYONS: Thank you. May I
20 approach, your Honor?

21 ATTORNEY EXAMINER SCHABO: You may.

22 MR. LYONS: Your Honor, I have with
23 me what I would like to mark as Staff Exhibit 1.
24 It's the Staff Report in this case.

25 ATTORNEY EXAMINER SCHABO: So

1 marked.

2 (EXHIBIT HEREBY MARKED FOR
3 IDENTIFICATION PURPOSES)

4 ATTORNEY EXAMINER SCHABO: To be
5 clear, which Staff Report is this one?

6 MR. LYONS: This is the one filed
7 April, or, excuse me. One moment, your Honor.

8 ATTORNEY EXAMINER SCHABO: Sure.
9 And I can make my question more clear. Which
10 of the three case numbers was this Staff Report
11 filed in?

12 MR. LYONS: I believe it was filed
13 in all three. GCR it looks like.

14 ATTORNEY EXAMINER SCHABO: So the
15 GCR Staff Report is Staff Exhibit No. 1.

16 MR. LYONS: That's correct.

17 Q. Mr. Matthews, do you recognize this
18 document?

19 A. Yes.

20 Q. Could you identify it for me,
21 please?

22 A. Yes. It's the Staff Report of
23 the Financial Audit of the Gas Cost Recovery
24 Mechanism for the period of July 1, 2020 through
25 June 30th of 2022.

1 Q. Thank you. And this is a correct
2 and accurate copy of what was filed in the
3 docket previously in this case; is that correct?

4 A. Yes, sir.

5 Q. Thank you. Now, this outlines
6 certain conditions that need to be followed by
7 the company; is that right?

8 A. Yes. Yes, sir.

9 Q. And some of those conditions were
10 modified by the Stipulation?

11 A. Yes, sir.

12 Q. Okay. Could you give us a brief
13 outline of what was modified by the Stipulation?

14 A. Yes. So, when we did the audit
15 there were a couple of adjustments that we, or
16 invoices, that we didn't get included in our
17 Purchased Gas Cost Adjustment, that we missed.

18 Also our calculation for
19 the Purchased Gas costs didn't include storage
20 costs for three months of the audit period.

21 That was our mistake, and we
22 realized it, so that was what was corrected as a
23 part of the Stipulation.

24 Nothing else in the Staff Report was
25 changed or corrected.

1 MR. LYONS: Thank you, Mr. Matthews.
2 Your Honor, I would like to approach with Staff
3 Exhibit 2, please.

4 ATTORNEY EXAMINER SCHABO: Yes.

5 Q. Mr. Matthews, do you recognize this
6 document?

7 A. Yes.

8 Q. Could you identify it for me,
9 please?

10 A. Yes, sir. It's the Stipulation and
11 Recommendation filed between Staff and Northeast
12 Ohio Gas Company.

13 Q. Okay. Thank you. So this was
14 signed by the two parties in this case; is that
15 correct?

16 A. Yes, sir. Yes.

17 Q. And it was signed by, correct me if
18 I am wrong, on the 23rd; is that right? 24th.
19 Excuse me.

20 A. Yes, sir. That's correct.

21 Q. Thank you. Now, could you tell me,
22 is this stipulation the result of serious
23 bargaining among capable and knowledgeable
24 parties in this case?

25 A. Yes, sir, it is.

1 Q. Does this Stipulation and its terms
2 benefit the public interest and the interests of
3 consumers?

4 A. Yes, sir.

5 Q. Thank you. To your knowledge does
6 this Stipulation violate any important
7 regulatory principle or policy?

8 A. No, sir, none that I am aware of.

9 Q. Thank you. So, Staff supports the
10 terms of this Stipulation and to the extent that
11 the Staff Report has other binding terms it
12 supports those as well; is that correct?

13 A. Yes, sir.

14 MR. LYONS: Thank you. I have no
15 further questions, your Honor. If you have
16 questions, please, go right ahead.

17 ATTORNEY EXAMINER SCHABO: Can we go
18 off the record for just a second?

19 (DISCUSSION OFF THE RECORD)

20 EXAMINATION

21 By the Attorney Examiner:

22 Q. Mr. Matthews, I do have just a
23 couple of questions for you. In your many years
24 with the Commission you have been involved in
25 numerous GCR and UEX and PIP audit cases?

1 A. Yes, your Honor.

2 Q. And for each of the smaller LDCs
3 like Northeast Ohio Natural Gas, these occur
4 every year or two?

5 A. Every two years, your Honor.

6 Q. Every two years?

7 A. Yes.

8 Q. So many of these cases. Is it
9 common for this type of case to be resolved
10 through stipulation?

11 A. Yes, your Honor, it is.

12 Q. Okay. Do you believe that that is
13 beneficial to the parties and to the public?

14 A. Yes, your Honor, I do believe that.

15 ATTORNEY EXAMINER SCHABO: I think
16 that is all I have. Thank you very much.

17 THE WITNESS: You are welcome.

18 ATTORNEY EXAMINER SCHABO: Mr.
19 Lyons, did you have anything else?

20 MR. LYONS: Yes, your Honor. I have
21 a couple questions. Yes.

22 FURTHER DIRECT EXAMINATION

23 By Mr. Lyons:

24 Q. Mr. Matthews, there was a Staff
25 Report filed in the GCR case, the UEX case and

1 the PIP case; is that correct?

2 A. That's correct.

3 Q. Okay. And each of those was
4 prepared by you?

5 A. I did not prepare those, but I was a
6 part of the team that conducted the audit. Also
7 part of the team that reviewed those, and also
8 part of the negotiating team for all three
9 audits that resulted in the Stipulation.

10 MR. LYONS: Okay. Thank you. Your
11 Honor, we don't have a copy of the UEX and PIP
12 Staff Reports. They are in the docket which I
13 believe means that they are part of the record.
14 It's up to you, but I would like to ask Mr.
15 Matthews a couple questions about those, and
16 maybe not mark those as exhibits. Is that okay?

17 ATTORNEY EXAMINER SCHABO: I would
18 prefer that they be marked as exhibits.

19 MR. LYONS: Okay.

20 ATTORNEY EXAMINER SCHABO: I have
21 copies if you would like to take those.

22 MR. LYONS: Sure.

23 ATTORNEY EXAMINER SCHABO: They do
24 not need to be refiled because they are already
25 in the docket, but I would prefer that they be

1 marked.

2 MR. LYONS: Okay. Your Honor, I
3 would like to mark the Staff Report for
4 22-309-GA-UEX as Staff Exhibit 3, please.

5 ATTORNEY EXAMINER SCHABO: So
6 marked.

7 (EXHIBIT HEREBY MARKED FOR
8 IDENTIFICATION PURPOSES)

9 Q. Mr. Matthews, do you recognize this
10 document?

11 A. I am sorry.

12 Q. UEX.

13 A. Yes, I have it.

14 Q. Can you briefly describe the Staff
15 Report?

16 A. Yes. This is the Staff Report for
17 the Uncollectible Expense Rider for the audit
18 period January 2020 to December 2021 that was
19 filed on January 17th, 2023.

20 Q. Thank you. And are the terms of
21 this Staff Report modified by the Stipulation
22 that we discussed earlier in any way?

23 A. No, sir.

24 MR. LYONS: Thank you. Your Honor,
25 next I would like to mark the Staff Report in

1 the 22-409-GA-PIP as Staff Exhibit 4, please.

2 ATTORNEY EXAMINER SCHABO: So

3 marked.

4 (EXHIBIT MARKED FOR IDENTIFICATION)

5 Q. Mr. Matthews, to you recognize this
6 document?

7 A. Yes, sir, I do.

8 Q. Can you identify it for me, please?

9 A. Yes. This is the Staff Report for
10 the Percentage of Income Payment Plan Rider
11 audit that covered the period of January 2020
12 through December of 2021 that was filed on
13 January 17th, 2023.

14 Q. Thank you, Mr. Matthews. And can
15 you briefly describe the contents of the Staff
16 Report?

17 A. Yes. The Staff Report just kind of
18 details the audit that was conducted for that
19 audit period by Staff, and any recommendations
20 that Staff had that came out of that audit
21 period, or that audit.

22 Q. Thank you. And are any of the
23 conditions or recommendations in this Staff
24 Report changed or modified by the Stipulation
25 that we discussed earlier?

1 A. No, sir.

2 MR. LYONS: I think that's it with
3 regards to the Staff Reports. Thank you, your
4 Honor.

5 ATTORNEY EXAMINER SCHABO: You are
6 welcome. Are we done with Mr. Matthews?

7 MR. LYONS: Unless you have any
8 further questions, that concludes our case in
9 chief.

10 ATTORNEY EXAMINER SCHABO: I do not,
11 Mr. Matthews. Thank you so much. You may be
12 seated.

13 THE WITNESS: Thank you.

14 MR. LYONS: We would like to move
15 for admission of Staff Exhibits 1 through 4 into
16 the record.

17 ATTORNEY EXAMINER SCHABO: They will
18 be so admitted.

19 (EXHIBITS HEREBY ADMITTED INTO
20 EVIDENCE)

21 ATTORNEY EXAMINER SCHABO: With
22 your case in chief presented I believe we are
23 done, the cases will be submitted to the record
24 for the Commission's consideration.

25 We are adjourned. Thank you.

MR. LYONS: Thanks.

(At 10:30 A.M. the hearing was
concluded)

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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 March
30, 2023, and carefully compared with my
original stenographic notes.

Michael O. Spencer,
Registered Professional
Reporter.

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**This foregoing document was electronically filed with the Public Utilities
Commission of Ohio Docketing Information System on**

4/14/2023 11:05:36 AM

in

Case No(s). 22-0209-GA-GCR, 22-0309-GA-UEX, 22-0409-GA-PIP

Summary: Transcript March 30th 2023 In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained Within the Rate Schedules of Northeast Ohio Natural Gas Corp. In the Matter of the Uncollectible Expense Rider of Northeast Ohio Natural Gas Corp. In the Matter of The Percentage of Income Payment Plan Rider of Northeast Ohio Natural Gas Corp. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Spencer, Michael O. Mr..