

1 APPEARANCES:

2 Ms. Rhiannon Howard
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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Tuesday Morning,
August 15, 2023.

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ATTORNEY EXAMINER PRICE: Good morning. The Public Utilities Commission has set for hearing at this time and this place Case No. 23-207-GA-GCR, et al, being In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained in the Rate Schedules of Eastern Natural Gas Company, et al.

My name is Gregory Price, I am the Attorney Examiner assigned to preside at today's hearing. Let's begin by taking appearances of the parties, starting with the Staff.

MS. HOWARD: Thank you, your Honor. Rhiannon Howard and Amy Botschner O'Brien, Assistant Attorneys General, appearing on behalf of the Staff of the Public Utilities Commission of Ohio, 30 East Broad Street, Columbus, Ohio 43215, 26th Floor.

ATTORNEY EXAMINER PRICE: Today's hearing was set by public notice, pursuant to public notice by which any interested persons were invited to testify at today's proceeding.

1 Do we have any interested members of the public
2 who care to testify today? Seeing none.

3 Let's go to our next piece of
4 business.

5 MS. HOWARD: Your Honor, if we can
6 begin I would like to premark some exhibits.

7 ATTORNEY EXAMINER PRICE: Yes.

8 MS. HOWARD: First I would like to
9 have premarked the Stipulation as Joint Exhibit
10 1.

11 The Staff Report for Case No.
12 23-207-GA-GCR will be Staff 1. And it also
13 includes Case No. 23-214-GA-GCR as Staff Exhibit
14 1.

15 ATTORNEY EXAMINER PRICE: So marked.

16 (EXHIBIT MARKED FOR THE PURPOSE OF
17 IDENTIFICATION)

18 MS. HOWARD: Staff Exhibit 2, Case
19 No. 23-307-GA-UEX.

20 ATTORNEY EXAMINER PRICE: So
21 marked.

22 (EXHIBIT MARKED FOR THE PURPOSE OF
23 IDENTIFICATION)

24 MS. HOWARD: Staff Exhibit 3 for
25 Case Nos. 23-314-GA-UEX.

1 ATTORNEY EXAMINER PRICE: So marked.

2 (EXHIBIT HEREBY MARKED FOR

3 IDENTIFICATION PURPOSES)

4 MS. HOWARD: Staff Exhibit 4, Case

5 Nos. 23-407-GA-PIP and 23-414-GA-PIP.

6 ATTORNEY EXAMINER PRICE: So marked.

7 (EXHIBIT MARKED FOR THE PURPOSE OF

8 IDENTIFICATION)

9 MS. HOWARD: With that I would like

10 to call to the stand staff witness Torrmain

11 Matthews, please

12 (WITNESS SWORN)

13 ATTORNEY EXAMINER PRICE: Please

14 have a seat and state your name and business

15 address for the record.

16 THE WITNESS: Yes, sir. My name is

17 Torrmain Matthews, spelled T-O-R-R-N-A-I-N, last

18 name is M-A-T-T-H-E-W-S. My business address is

19 180 East Broad Street, Columbus, Ohio 43215.

20 And I am employed by the Public Utilities

21 Commission of Ohio.

22 ATTORNEY EXAMINER PRICE: Please

23 proceed.

24 TORRNAIN MATTHEWS

25 called as a witness, being first duly sworn,

1 testified as follows:

2 DIRECT EXAMINATION

3 By Ms. Howard:

4 Q. In what capacity are you employed
5 with the Public Utilities Commission of Ohio?

6 A. I am Utility Specialist 2.

7 Q. Could you describe your education
8 training and professional experience?

9 A. Yes. I have an Associate of Science
10 degree and Computer Information technology which
11 includes some course work in accounting and
12 finance. I have been with the Public Utilities
13 Commission since 2004 in various roles
14 throughout the Commission.

15 In 2013 I was promoted to a Utility
16 Specialist 1, and 2015 I began doing the audits
17 for the gas cost recovery mechanism under the
18 Uncollectible Expense Rider and the Percentage
19 of Income Payment Plan Rider.

20 And I was promoted to my current
21 position in 2017 as a Utility Specialist 2.

22 Q. Have you previously testified before
23 the Public Utilities Commission of Ohio?

24 A. Yes, I have.

25 Q. And what is the purpose of your

1 direct testimony in this proceeding?

2 A. The purpose of my testimony is to
3 support the Stipulation filed in the audits of
4 Eastern and Pike Gas Cost Recovery Mechanism,
5 Uncollectible Expense Rider and Percentage of
6 Payment Plan audits.

7 Q. Are you familiar with this
8 Stipulation?

9 A. I was involved in the negotiations
10 that resulted in the Stipulation.

11 Q. If you saw the Stipulation would you
12 be able to recognize it?

13 A. Yes, I would.

14 Q. I put some documents on the Bench
15 already and up on the witness stand. Do you
16 have before you what has been premarked as Joint
17 Exhibit 1?

18 A. I do, yes.

19 Q. What is it?

20 A. It is the Stipulation between Staff
21 and Eastern and Pike for Case Nos.
22 23-207-GA-GCR, 23-214-GA-GCR, as well as
23 23-307-GA-UEX, 23-314-GA-UEX and 23-407-GA-PIP
24 and 23-414-GA-PIP.

25 Q. Could you look through and make sure

1 it's a true and accurate copy of what has been
2 docketed with the Commission?

3 A. Yes. It is, yes.

4 Q. Thank you. Could you provide an
5 overview of the terms of the settlement
6 agreement as detailed in the Stipulation?

7 A. Basically the Stipulation, Staff and
8 Pike and Eastern came to an agreement regarding
9 the adjustments that Staff had recommended in
10 the GCR which resulted in for Eastern an actual
11 adjustment of \$576.

12 As well as Staff recommended that
13 Eastern also would put into rates some
14 adjustments from the prior GCR audit.

15 As far as the GCR for Pike,
16 Hillsboro, it details the adjustment that Staff
17 recommended of \$64,605 for an actual adjustment,
18 and \$462 for balance adjustment.

19 And also for Pike Waverly Division
20 Staff recommended an adjustment of \$76,525 for
21 an actual adjustment. And a BA adjustment of
22 \$320,470.

23 We also made some recommendations
24 regarding the Uncollectible Expense Rider.
25 Basically for Eastern we recommended that the

1 company changes its ending balance for December
2 2022 to undercollected amount of \$44,463.

3 And also had some other
4 recommendations for Pike. We agreed, made
5 adjustment and the Company agreed to remove bad
6 debt entries of \$1,886. And \$346 for the period
7 February 2021 and December 2022.

8 Also a smaller adjustment of \$49 for
9 December 2022.

10 Additionally for the Percentage of
11 Income Payment Plan for Eastern, Staff made an
12 adjustment, or recommended an adjustment, and
13 that was that the ending balance for December
14 2022 for Eastern should be a negative \$6,021.81
15 for overcollection. This was in an account
16 186-100.

17 And for Pike we recommended an
18 ending balance of, for an overcollection of a
19 negative \$88,549.46.

20 Q. Thank you. Does this Stipulation
21 represent the result of serious bargaining among
22 capable and knowledgeable parties?

23 A. Yes, it does.

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

1 or practices?

2 A. No, it does not.

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

6 A. Yes, I can. So the purpose of these
7 audits are to verify the costs that the Company
8 incurs to provide natural gas service to its
9 customers, and to verify those costs are
10 accurately reflected in rates.

11 And during the audits, as
12 highlighted here, Staff found some differences
13 between its calculation and those that were
14 filed with the Commission by the companies.
15 Staff made its adjustments and recommendations
16 based on those differences to correct the
17 differences.

18 The purpose of doing this and the
19 benefit to customers is it ensures that the
20 customer is only paying the cost that they
21 should pay for these rates, and nothing more.

22 The stipulation details those
23 adjustments and recommendations that Staff made
24 and was agreed to between Staff and the company.

25 Q. Could you identify who the signatory

1 parties in the Stipulation are?

2 A. Yes. The signatory parties was
3 Staff, and United Pipeline Limited's President
4 Andy Duckworth, who was signing on behalf of
5 Pike and Eastern.

6 Q. So Mr. Duckworth signed with
7 permission of Eastern and Pike?

8 A. That's correct.

9 Q. Back to the benefit to customers
10 that you were describing. Did the Staff have
11 any Staff Reports in order to outline
12 the adjustments that needed to be made?

13 A. Yes. Staff had Staff Reports for
14 all three.

15 Q. Do you have before you what have
16 been premarked as Staff Exhibit 1, which should
17 be titled Staff Report for Case Nos. 23-207 and
18 23-214?

19 A. Yes, I do.

20 Q. What is it?

21 A. It is the Staff Report by the Staff
22 of the Public Utilities Commission for Eastern
23 Natural Gas Company, case 23-207-GA-GCR, and
24 Pike Natural Gas Company, 23-214-GA-GCR. And
25 it's the financial audit of the Gas Cost

1 Recovery Mechanism for the period of January 1,
2 2021 through December 31, 2022.

3 Q. Could you look through the document
4 and make sure it's a true and accurate copy,
5 please?

6 A. Yes, it is.

7 Q. Thank you. Do you have before you
8 what's been premarked as Staff Exhibit 2 which
9 would be the Staff Report for Case No. 23-307?

10 A. Yes, I do. This is the Staff Report
11 for Eastern Natural Gas Company for
12 the Uncollectible -- audit of the Uncollectible
13 Expense Mechanism for the period of January 2021
14 through December 2022. And case 23-307-GA-UEX.

15 Q. And can you flip through that
16 document and make sure it's a true and accurate
17 copy?

18 A. Yes, it is.

19 Q. Thank you. Do you have before you
20 what's been premarked Staff Exhibit 3 which
21 would be the Staff Report for Case No. 23-314?

22 A. I do.

23 Q. What is that?

24 A. It is the report by Staff for Pike
25 Natural Gas Company for the audit of

1 the Uncollectible Expense Mechanism for
2 the period of January 2021 through December 2022
3 in Case No. 23-314-GA-UEX.

4 Q. And lastly, do you have before you
5 what's been premarked as Staff Exhibit 4 which
6 is for Case Nos. 23-407 and 23-414?

7 A. I do. Yes. It is the Staff
8 Report for Eastern Natural Gas Company, Case
9 23-407-GA-PIP and Pike Natural Gas Company
10 23-414-GA-PIP. And it's the financial audit of
11 the Percentage of Income Payment Plan Mechanism
12 for effective period January 1, 2021 through
13 December 31, 2022.

14 Q. And if you could flip through that
15 document and make sure it's a true and accurate
16 copy?

17 A. It is, yes.

18 Q. Thank you. Were these Staff Reports
19 used to help reach the Stipulation in this case?

20 A. They were, yes.

21 Q. Do you believe that this Stipulation
22 is a just and reasonable resolution of
23 the issues in this proceeding?

24 A. Yes, I do.

25 MS. HOWARD: With that, your Honor,

I would like to have what's been premarked as
Joint Exhibit 1, Staff Exhibit 1, 2, 3 and 4
moved into the record.

ATTORNEY EXAMINER PRICE: Any
objection to admissions of Joint Exhibit 1,
Staff Exhibit 1, Staff Exhibit 2, Staff Exhibit
3, and Staff Exhibit 4?

Hearing none, they will be admitted.

(EXHIBITS ADMITTED INTO EVIDENCE)

MS. HOWARD: Thank you.

ATTORNEY EXAMINER PRICE: You are
excused.

THE WITNESS: Thank you.

ATTORNEY EXAMINER PRICE: Any
further business?

MS. HOWARD: No, your Honor.

ATTORNEY EXAMINER PRICE: Okay. At
this time the case will be submitted on the
record for the Commission. And we are
adjourned. Go off the record.

MS. HOWARD: Thank you.

(At 10:16 A.M. the hearing was concluded)

CERTIFICATE

I do hereby certify that the foregoing
is a true and correct transcript of the
proceedings taken by me in this matter on August
15, 2023, and carefully compared with my
original stenographic notes.

Michael O. Spencer

Michael O. Spencer,
Registered Professional Reporter

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**Case No(s). 23-0207-GA-GCR, 23-0214-GA-GCR, 23-0307-GA-UEX, 23-0314-
GA-UEX, 23-0407-GA-PIP, 23-0414-GA-PIP**

Summary: Transcript from Eastern Natural Gas Company hearing held on 08/15/23
electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and
Spencer, Michael O. Mr..