

**FILE**

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Columbia Gas :  
of Ohio, Inc. for Authority to Amend Filed Tariffs : Case No. 08-72-GA-AIR  
to Increase the Rates and Charges for Gas :  
Distribution Service. :

In the Matter of the Application of Columbia Gas :  
of Ohio, Inc. for Approval of an Alternative Form : Case No. 08-73-GA-ALT  
of Regulation and for a Change in its Rates and :  
Charges. :

In the Matter of the Application of Columbia Gas :  
of Ohio, Inc. for Approval to Change Accounting : Case No. 08-74-GA-AAM  
Methods. :

In the Matter of the Application of Columbia Gas :  
of Ohio, Inc. for Authority to Revise its : Case No. 08-75-GA-AAM  
Depreciation Accrual Rates. :

**PREFILED TESTIMONY  
OF  
FRANCIS C. RACK  
CAPITAL RECOVERY & FINANCIAL ANALYSIS DIVISION  
PUBLIC UTILITIES COMMISSION OF OHIO**

Staff Exhibit \_\_\_\_\_

October 9, 2008

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1 1. Q. Please state your name, position, employer, and business address.

2 A. My name is Francis C. Rack. I am employed as a Public Utilities  
3 Administrator in the Capital Recovery & Financial Analysis Division of the  
4 Public Utilities Commission of Ohio, 180 East Broad Street, Columbus,  
5 Ohio, 43215.  
6

7 2. Q. What is your educational background and employment history with the  
8 Commission?

9 A. I received a Bachelor of Arts Degree in Humanities (History) from The  
10 Ohio State University in 1981. In 1986, I received a Master's Degree in  
11 Public Administration (MPA) with a specialization in Decision Support  
12 Systems from The Ohio State University. Additional utility/regulatory  
13 training includes post-graduate work in Public Utility Regulation at The  
14 Ohio State University; NARUC sponsored "Annual Regulatory Studies  
15 Program" and "Advanced Training for Utility Management Analysts"; and  
16 EPRI sponsored "DSM Program Evaluation" and "Decision Analysis Con-  
17 cepts & Techniques".  
18

19 My audit experience includes field investigations performed with Cresap  
20 (A Towers Perrin Company), Scott, Madden & Associates, and Hagler  
21 Bailly Consulting, Inc. I have been employed by the Public Utilities Com-  
22 mission of Ohio since July 1985. I have performed management perform-

1           ance evaluations in the electric, natural gas, and telephone industries and  
2           have presented testimony to the Public Utilities Commission of Ohio in  
3           various cases from 1992 to the present.  
4

5    3.    Q.    What is the purpose of your testimony in this case?

6           A.    I will be responding to the Ohio Partners for Affordable Energy (OPAE)  
7           objections XIII and XIV which involve Columbia Gas of Ohio's  
8           WarmChoice and Demand-Side Management Programs.  
9

10   4.   Q.    OPAE objection XIII criticizes the Staff for failing to require adequate  
11           funding for the WarmChoice Program. Do you agree with this objection?

12          A.    No. Staff believes that Columbia Gas of Ohio's funding level of \$7.1 mil-  
13           lion for WarmChoice, as recommended in the Staff Report, is a reasonable  
14           and appropriate amount of funding for this program. This \$7.1 million  
15           level of funding is a 29% increase from the former \$5.1 million funding  
16           level.  
17

18   5.   Q.    OPAE objection XIV criticizes the Staff for failing to recommend that the  
19           Columbia Collaborative be authorized to oversee programs in Case No. 08-  
20           833-GA-UNC, transfer money among programs based on effectiveness, and  
21           request additional funding from the Commission to provide additional cost-

1 effective energy efficiency services to Columbia customers. Do you agree  
2 with this objection?

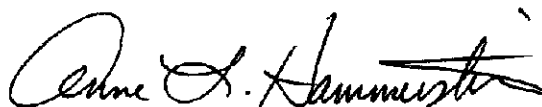
3 A. No. Staff believes that Columbia Gas of Ohio should have the ultimate  
4 authority to oversee the Company's DSM Program as the Company is  
5 potentially at financial risk for DSM Program misappropriations or malin-  
6 vestments. Nevertheless, Staff believes the Company should continue to  
7 work proactively with its Collaborative group and empower the group to  
8 make market decisions whenever possible. In addition, the Collaborative  
9 group could be very useful in assisting the Company to obtain future fund-  
10 ing for continuing the DSM Program beyond the currently planned 3-year  
11 investment horizon.

12  
13 6. Q. Does this conclude your testimony?

14 A. Yes, it does.  
15

## PROOF OF SERVICE

I hereby certify that a true copy of the foregoing Prefiled Testimony of Francis C. Rack, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by regular U.S. mail, postage prepaid, hand-delivered, and/or delivered via electronic mail, upon the following parties of record, this 9<sup>th</sup> day of October, 2008.



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