2010 MAR 17 PM 1: 15 THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Annual Application of Columbia Gas of Ohio, Inc. for an Adjustment to Rider IRP and Rider DSM Rates

Case No. 09-1036-GA-RDR

CORRECTION TO THE PREPARED DIRECT TESTIMONY OF DAVID A. ROY ON BEHALF OFCOLUMBIA GAS OF OHIO, INC.

BEFORE

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On February 26, 2010, Columbia Gas of Ohio, Inc. ("Columbia") filed the Prepared Direct Testimony of David A. Roy in this docket. In responding to data requests in this case Columbia has recently discovered that three of the numbers contained in Mr. Roy's Prepared Direct Testimony are incorrect. The three numbers are all on page 8 of the testimony. Attached hereto is a clean copy of page 8 of Mr. Roy's testimony with the three numbers corrected. Also attached is a marked up copy of page 8 of Mr. Roy's testimony which shows the changes made in order to reflect the corrections. The attached clean copy of page 8 should replace page 8 of the testimony filed on February 26, 2010.

> Respectfully submitted, COLUMBIA GAS OF OHIO. INC. Bv:

Stephen B. Seiple (Trial Attorney)

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Attorneys for COLUMBIA GAS OF OHIO, INC.

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business Date Processed . Technician 1

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Correction to the Prepared Direct Testimony of David A. Roy was served upon all parties of record by email and regular U. S. mail this 17th day of March 2010.

B. Sensle

Stephen B. Seiple Attorney for COLUMBIA GAS OF OHIO, INC.

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1 number of employees, capacity to perform the required volume of work, prior experience, 2 etc. Eleven pipeline contractors and nine plumbing contractors were invited to participate in 3 the bidding process. Ultimately four contractors were awarded bids for work in various 4 areas of the state.

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Q. Do contractors typically replace Columbia's hazardous customer service lines?

7 8

Α. Contractors do replace some hazardous service lines in a few locations, but the majority of hazardous service lines are replaced by local Columbia employees.

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10 Were there any O&M savings in 2009 associated with the replacement of priority Q. 11 pipe?

12 Α. No, there was not any net O&M savings in 2009. In 2009, Columbia placed a great deal of 13 focus and resources on its prone to fail risers and hazardous service lines, accounting for a 14 combined spend of approximately \$66 million. Columbia also addressed many high-risk 15 and poor performing sections of Priority Pipe. However, the amount of leaks Columbia 16 repaired and the total number of open leaks yet to be repaired continue to climb. In fact, 17 Columbia repaired 4,084 main leaks in 2009 compared to 3,583 and 3,357 in 2008 and 18 2007, respectively. Also, as of the end of 2009, Columbia had 9,717 open leaks yet to be 19 repaired or replaced compared to 7,029 at the end of 2008 and 6,145 at the end of 2007. 20 These numbers show that we continue to have increasing leakage on our priority pipe. This 21 is expected to continue until we attain a replacement rate capable of eliminating enough 22 Priority Pipe to get out ahead of our overall corrosion rate. Columbia will increase its 23 AMRP budget as the Riser Replacement program and AMR programs are completed. Due

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1		number of employees, capacity to perform the required volume of work, prior experience,
2		etc. Eleven pipeline contractors and nine plumbing contractors were invited to participate in
3		the bidding process. Ultimately four contractors were awarded bids for work in various
4		areas of the state.
5		
б	Q.	Do contractors typically replace Columbia's hazardous customer service lines?
7	А.	Contractors do replace some hazardous service lines in a few locations, but the majority of
8		hazardous service lines are replaced by local Columbia employees.
9		
10	Q.	Were there any O&M savings in 2009 associated with the replacement of priority
11		pipe?
12	A.	No, there was not any net O&M savings in 2009. In 2009, Columbia placed a great deal of
13		focus and resources on its prone to fail risers and hazardous service lines, accounting for a
14		combined spend of approximately \$66 million. Columbia also addressed many high-risk
15		and poor performing sections of Priority Pipe. However, the amount of leaks Columbia
1 6		repaired and the total number of open leaks yet to be repaired continue to climb. In fact,
17		Columbia repaired 4,13084 main leaks in 2009 compared to 3,583724 and 3,357419 in
18		2008 and 2007, respectively. Also, as of the end of 2009, Columbia had 9,717 open leaks
1 9		yet to be repaired or replaced compared to 7,029 at the end of 2008 and 6,145 at the end of
20		2007. These numbers show that we continue to have increasing leakage on our priority pipe.
21		This is expected to continue until we attain a replacement rate capable of eliminating
22		enough Priority Pipe to get out ahead of our overall corrosion rate. Columbia will increase
23		its AMRP budget as the Riser Replacement program and AMR programs are completed.

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