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Columbia Exhibit No. _____

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Annual Application of)
Columbia Gas of Ohio, Inc. for an Adjustment) Case No. 10-2353-GA-RDR
to Rider IRP and Rider DSM Rates)

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**PREPARED DIRECT TESTIMONY
OF ERIC T. BELLE
ON BEHALF OF COLUMBIA GAS OF OHIO, INC.**

COLUMBIA GAS OF OHIO, INC.

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February 28, 2011

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**PREPARED DIRECT TESTIMONY
OF ERIC T. BELLE**

1 **Q. Please state your name and business address.**

2 A. My name is Eric T. Belle and my business address is 200 Civic Center Drive, Columbus,
3 Ohio 43215.

4
5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Columbia Gas of Ohio, Inc. ("Columbia"). My current title is Manager,
7 Field Engineering.

8
9 **Q. What are your responsibilities as Manager, Field Engineering?**

10 A. As Manager, Field Engineering, my principal responsibilities include overseeing the
11 identification, planning, and design of virtually all capital work for Columbia's gas
12 distribution system. I am also responsible for the development and monitoring of
13 Columbia's capital budget.

14
15 **Q. What is your educational background?**

16 A. I have a Bachelor of Science degree in Chemical Engineering from Syracuse University,
17 Syracuse, New York and a Master's degree in Business Administration from Tiffin
18 University, Tiffin, Ohio.

19
20 **Q. Please briefly describe your professional experience?**

21 A. I was originally employed by Columbia as an Operations Engineering Trainee in 1995
22 where I gained a broad understanding of the natural gas distribution industry. In 1997, I

1 accepted a position as an Operations Engineer. I was responsible for planning and designing
2 natural gas distribution systems. In 2006, I was promoted to Field Engineering Leader
3 where I was responsible for providing guidance, support, and direction to Columbia's Field
4 Engineering department in northwest Ohio. In 2009, I was promoted to my current position
5 of Manager, Field Engineering for Columbia.

6
7 **Q. What is the purpose of your testimony?**

8 A. The purpose of my testimony is to explain the management, engineering, and construction
9 practices of Columbia as they relate to the various components of Rider IRP, included in
10 this filing, for the 2010 calendar year. I will also be discussing Columbia's performance
11 with respect to its accelerated main replacement program and riser program.

12
13 **Q. Please summarize Rider IRP and its components included in this filing.**

14 A. Rider IRP is an infrastructure tracker which captures cumulative plant investment over a
15 specified period of time and provides for a return on and the return of all program costs. The
16 program components that make up Columbia's IRP are: (1) the Accelerated Main
17 Replacement Program ("AMRP"); (2) the riser replacement program and the replacement of
18 hazardous service lines; and, (3) the AMRD program.

19
20 **Q. Please describe the AMRP, riser replacement and replacement of hazardous service**
21 **line programs.**

22 A. Columbia's AMRP targets certain types of main for replacement over the course of 25
23 years. The types of gas main included in the AMRP are unprotected bare steel, unprotected

1 coated steel, wrought iron, and cast iron. These types of main ("Priority Pipe" or "Priority
2 Main") typically have a greater probability to leak due to their material type, protection, age,
3 and other characteristics. Also included in the AMRP is the replacement of all metallic
4 service lines and associated appurtenances.

5 Columbia's riser replacement program was implemented to replace all of its
6 Design-A risers that are prone to failure if not properly installed. Columbia has identified
7 approximately 320,000 such risers that need to be replaced. The program was established to
8 orderly and systematically replace these risers over the period of approximately three years.
9 Along with the risers, Columbia also has responsibility of all maintenance, repair, and
10 replacement of customer-owned service lines that have been determined by Columbia to
11 present an existing or probable hazard to persons or property.

12
13 **Q. Please summarize the AMRP and riser/hazardous service line performance portions**
14 **of Rider IRP for 2010.**

15 **A.** For the 2010 AMRP, Columbia completed 365 projects associated with the retirement of
16 Priority Pipe for a total cost of approximately \$31.4 million. The total footage replaced for
17 each type of main is as follows:

18 Steel – 317,311'
19 Iron – 16,050'
20 Plastic – 39,411'

21 Also, in 2010, Columbia replaced 123,665 risers for a total cost of approximately
22 \$53.7 million. During 2010, Columbia also replaced 9,879 hazardous customer service lines
23 for a total cost of approximately \$21.9 million.

1 **Q. Why did Columbia retire plastic main in conjunction with this replacement program?**

2 A. In the past, as Priority Pipe has failed or leaked, Columbia replaced small sections with
3 plastic to eliminate the hazard. These typically short sections of plastic main are scattered
4 throughout systems consisting primarily of Priority Pipe. As Columbia designs an
5 infrastructure replacement project and reviews the plastic sections of pipe located within the
6 project boundaries, Columbia evaluates whether it makes financial sense to either tie into
7 the existing plastic main or bypass and install all new main. Sometimes Columbia has no
8 choice in abandoning the plastic main due to the new main being relocated to a different
9 location.

10
11 **Q. Has Columbia included the costs to replace the pieces of plastic main in this filing?**

12 A. Yes. Columbia has included the costs of retiring these portions of plastic main in
13 conjunction with its infrastructure replacement projects in this tracker.

14
15 **Q. How did Columbia determine which mains were to be replaced as part of its AMRP in
16 2010?**

17 A. In 2010, Columbia utilized Optimain DSTM to help evaluate and rank pipe segments system-
18 wide against a range of environmental conditions (e.g. population density, building class,
19 surface cover type, etc.), risk factors (pipe segment leak history, pipe condition, pitting
20 depth, depth of cover, etc.) and economic factors. In general, we identified, ranked and
21 selected projects based on the level of relative risk score that would be removed from the
22 system per every \$100,000 dollars of capital spent. This evaluation and risk ranking of pipe
23 segments was then reviewed by the engineering and operations departments to assess

whether that data was consistent with what has been observed in the field. In addition, Columbia worked collaboratively with local and state governments in areas where public improvement work was to occur. Columbia reviewed plans and identified areas of Priority Pipe within the scope of pending public improvement work. Columbia used both sets of information listed above to help determine which sections of main were the best candidates to select for replacement.

Q. What are Columbia's construction plans for 2011?

A. Columbia expects to spend approximately \$158 million on the various components of Rider IRP in 2011. Columbia currently estimates it will spend approximately \$41 million on risers/hazardous service lines, \$20 million on AMRD, and \$97 million on replacing infrastructure. A current listing of Columbia's largest planned infrastructure projects are shown below.

Location (Street and City)	Expected Released Date to Construction	Expected in Service Date	Estimated Total Cost (Includes Cost of Associated Service Lines)
Westway & Royalton, Toledo	2/1/11	TBD	\$6,100,000
Ontario St., Columbus	3/1/11	TBD	\$4,825,000
South & Westwood(Detroit & Myers Phase I), Toledo	5/15/11	TBD	\$2,833,500
Chesterfield/Marlborough, Parma	8/1/2011	TBD	\$2,555,000
Dryden Phase II, Zanesville	2/28/11	TBD	\$2,297,000
North St., Logan	1/15/11	TBD	\$2,143,000
Denver Ave., Bexley	1/15/11	TBD	\$1,937,000
OSU Neighborhood, Columbus	3/1/11	TBD	\$1,932,000
Walnut & Crane, Toledo	4/22/11	TBD	\$1,903,687
E. Lorain Phase I AMRP, Lorain	4/1/11	TBD	\$1,879,000
Dartworth, Parma	12/31/10	TBD	\$1,847,000
Eldon Ave AMRP, Columbus	5/15/2011	TBD	\$1,831,000
N. Ogden Ave AMRP, Columbus	5/15/2011	TBD	\$1,825,000
Lincoln/Grant/Dresden/Green/Avondale, East Liverpool	6/1/2011	TBD	\$1,693,325
Chippewa Lake, Chippewa	4/1/11	TBD	\$1,691,000
Hamilton , Toledo	5/15/11	TBD	\$1,657,860
McCreight Ave, Springfield	4/15/2011	TBD	\$1,562,860

Alderwood, Springwood, Parma Hts.	7/1/2011	TBD	\$1,508,000
New London's, New London	3/15/11	TBD	\$1,445,000
Vance, Toledo	4/1/11	TBD	\$1,405,655
Jameson/Ridgefield/Arden/Wooster, Parma	8/1/2011	TBD	\$1,390,000
Renwood/W. 54th, Parma	6/1/2011	TBD	\$1,330,000
Beaumont, Toledo	4/1/11	TBD	\$1,319,000
Turnpike, Perrysburg	5/26/11	TBD	\$1,300,600
6th St AMRP, Portsmouth	5/15/2011	TBD	\$1,295,000
Lincoln Street AMRP, Bay Village	3/1/11	TBD	\$1,274,000
Noble, 44th, Jefferson, Bellaire	4/1/11	TBD	\$1,263,000
Egmont St., Springfield	12/1/10	TBD	\$1,251,480
E State St AMRP, Athens	5/15/2011	TBD	\$1,235,000
Walnut St., Urbana	12/1/10	TBD	\$1,233,300
Whitehead Rd, Columbus	5/15/2011	TBD	\$1,225,000
Town of Mc Guffey, Mc Guffey	3/15/11	TBD	\$1,218,500
Valleyview AMRP, Valleyview	5/1/2011	TBD	\$1,200,000
Murray Ave., Minerva	2/28/11	TBD	\$1,182,000
Neffs St., Neffs	1/31/11	TBD	\$980,000
S. Drexel Ave., Bexley	1/15/11	TBD	\$975,000
E. Mound St., Circleville	12/1/10	TBD	\$909,000
Detroit & Myers Phase II, Toledo	5/15/11	TBD	\$885,015
Sara St(Incremental), Urbana	1/17/2011	TBD	\$869,400
Dublin Rd/Grandview Ave., Columbus	3/1/11	TBD	\$846,500
E. Liberty, Ashland	1/3/11	TBD	\$837,000
Talbot Phase 2 (Expansion), Toledo	4/29/2011	TBD	\$835,500
Lakeside/Garfield/Main, New Concord	6/1/2011	TBD	\$812,500
Talbot, Toledo	4/1/11	TBD	\$779,500
Y & O Rd., East Liverpool	2/28/11	TBD	\$764,500
Jermain Ave., Columbus	1/15/11	TBD	\$759,000
9th & Lincoln, Portsmouth	12/1/10	TBD	\$759,000
SR 545, Mansfield	5/9/2011	TBD	\$757,250
Murphy's Service (SR-62), Salem	2/28/11	TBD	\$756,000
Fernwood & Overlook, Alliance	1/31/10	TBD	\$750,000
Enfield Place, Columbus	1/15/11	TBD	\$750,000
2nd St SE, Carrollton	4/29/2011	TBD	\$749,130
Elyria Ave., Elyria/Sheffield Twp	1/31/11	TBD	\$739,000
Parkway Blvd., Alliance	1/31/11	TBD	\$685,000
S. Arch & E. High St, Alliance	5/13/2011	TBD	\$651,500
South of Smiley, Shelby	3/7/11	TBD	\$640,000
South Lincoln Phase 2, Salem	2/28/11	TBD	\$590,000
Wellsville, Wellsville	2/28/11	TBD	\$589,000
14th St., Coshocton	12/31/10	TBD	\$588,000
St. Clair Ave., Columbus	1/15/11	TBD	\$575,000
Rockhill Ave., Alliance	2/28/11	TBD	\$556,000
Canfield Reg#1 Elimination, Canfield	5/27/2011	TBD	\$549,800
Pearl Rd., Parma Hts.	12/31/10	TBD	\$543,000
Walhalla, Columbus	1/15/11	TBD	\$515,500
Huntmere Rd, Bay Village	5/15/2011	TBD	\$511,000

Sara St., Urbana	1/10/10	TBD	\$492,000
Cline Ave., Mansfield	6/1/2011	TBD	\$485,200
Fairway Phase 2, Zanesville	1/31/11	TBD	\$484,240
Cleveland Rd Bare 10" Replacement, Sandusky	3/15/11	TBD	\$484,000
Glendwell Road, Steubenville, Steubenville	2/15/11	TBD	\$474,000
Opal Blvd. & Wilma Ave., Steubenville	2/15/11	TBD	\$463,000
Marlow/Talbot Phase 3 (Expansion), Toledo	5/27/2011	TBD	\$438,700
Manhattan & Elm, Toledo	4/1/11	TBD	\$437,000
South Lincoln Phase 1, Salem	12/31/10	TBD	\$421,000
Bryant Dr., Coal Grove	6/1/11	TBD	\$420,000
W. Fourth St., Fostoria	3/15/11	TBD	\$410,000
Zanesville HP, Zanesville	4/1/11	TBD	\$397,000
Walnut & Crane (Expansion), Toledo	3/14/2011	TBD	\$396,340
Madison, Mansfield	1/3/11	TBD	\$395,000
North Ridge Road East AMRP, Sheffield Twp	12/31/10	TBD	\$392,000
Mrytle - Wilmer, Zanesville	12/31/10	TBD	\$383,000
Burg and Thornwood, Granville	6/1/2011	TBD	\$380,000
W. Ohio St., Rittman	12/31/11	TBD	\$378,000
Park Avenue West, Mansfield	3/31/2011	TBD	\$374,000
Toledo Ave AMRP, Sheffield Twp	12/31/10	TBD	\$367,000
Beaumont Expansion, Toledo	4/22/2011	TBD	\$342,125
SR 243, Chesapeake	3/1/11	TBD	\$326,000
Dunham & Fearing (Detroit & Myers Phase III), Toledo	6/1/2011	TBD	\$326,000
Roosevelt & Shane (Waynesburg), Waynesburg	12/31/10	TBD	\$315,500
Goshen Ln., Gahanna	12/1/10	TBD	\$304,000
Cleveland Ave. & Rockdale St., Steubenville	1/31/11	TBD	\$285,000
Mermill Rd, Rudolph	6/1/2011	TBD	\$222,000
Lakeville, Lakeville	6/15/2011	TBD	\$222,000
Mound St., Whitehall	12/1/10	TBD	\$221,000
McNaughten Rd., Columbus	1/20/11	TBD	\$217,500
Berdan @ RR, Toledo	6/1/11	TBD	\$213,000
Knickerbocker Rd, Bay Village	2/8/2011	TBD	\$212,326
Beltline South AMRP, Elyria	2/28/11	TBD	\$210,000
Main/Newark, New Straitsville	2/15/11	TBD	\$206,400
Plum St., Jeromesville	5/2/11	TBD	\$200,500

Additional Priority Pipe projects will be constructed throughout the year. Many of these projects have either not yet been identified or involve third party coordination for which the schedules cannot be relied upon at this time. These projects will address existing hazards and/or eliminate risky pipe in conjunction with public works projects.

1 **Q. Please describe Columbia's process for determining the resources to be used in**
2 **conjunction with the AMRP projects.**

3 A. The majority of all Columbia's capital work is performed by contractors. However, local
4 Columbia employees perform work on some smaller projects when they are available.
5 Columbia evaluates each project on a variety of criteria to determine who will perform the
6 work. Generally, any project with a total estimated contractor cost greater than \$500,000 is
7 likely to be placed up for bid. The majority of all work with expected contractor cost less
8 than \$500,000 is given to our local "blanket" contractor to be worked. "Blanket"
9 construction contracts are bid as well. The duration of blanket contracts are for three years.

11 **Q. What percentage of contractors working on AMRP projects in 2010 consisted of Ohio**
12 **labor?**

13 A. As part of the Stipulation in Case No. 08-72-GA-AIR, et al., approved by the Commission
14 on December 3, 2008, Columbia agreed to encourage its AMRP contractors to use their best
15 efforts to retain Ohio labor to perform AMRP related services. In the Joint Stipulation and
16 Recommendation in Case No. 09-0006-GA-UNC, filed on June 2, 2009, and approved by
17 the Commission on June 24, 2009, Columbia agreed to continue to encourage its AMRP
18 contractors to use Ohio labor, and to report on Ohio labor participation in the AMRP
19 program. Columbia has added language to its bid packages stating a preference that Ohio
20 labor be used whenever possible as long as the price and quality of work is not negatively
21 impacted. For 2010, 75% of contractor labor workforce on AMRP projects was from Ohio.

1 **Q. Please describe Columbia's process for determining the resources to be used for the**
2 **replacement of risers.**

3 A. Columbia primarily contracts out the riser replacement work. This work was originally
4 placed out for bid to over 2,150 contractors and plumbers via electronic notices and direct
5 mail. Columbia received approximately 300 responses and evaluated them based upon
6 number of employees, capacity to perform the required volume of work, prior experience,
7 etc. Eleven pipeline contractors and nine plumbing contractors were invited to participate in
8 the bidding process. Ultimately four contractors were awarded bids for work in various
9 areas of the state.

10
11 **Q. Do contractors typically replace Columbia's hazardous customer service lines?**

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

14
15 **Q. Were there any O&M savings in 2010 associated with the replacement of priority**
16 **pipe?**

17 A. Using the methodology agreed to in the Stipulation and Order in Case No. 09-1036-GA-
18 RDR, there was an O&M savings of approximately \$400,000 in 2010 associated with the
19 replacement of priority pipe. The supporting calculation is further explained in the
20 testimony of Columbia witness Noel.

21
22 **Q. Did the various components included in this filing produce any other significant**
23 **benefits for customers in 2010?**

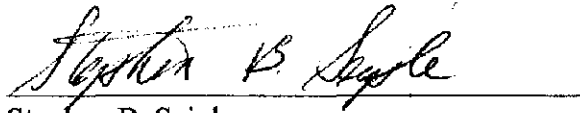
1 A. Customer safety has been improved significantly due to the replacement of 123,665 prone
2 to fail risers and more than 9,879 hazardous service lines. With the completion of 365
3 projects and the retirement of over 330,000 feet of Priority Pipe, Columbia was able to
4 eliminate the chance of water entering the lines and freezing meters off in the winter. In
5 addition, Columbia was able to retire distribution mains where it has habitually had to go in
6 and dig up to repair the mains.

7
8 **Q. Does this complete your Prepared Direct Testimony?**

9 A. Yes, it does.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Prepared Direct Testimony of Eric T. Belle was served upon all parties of record by regular U.S. Mail this 28th day of February, 2011.



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