

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Annual Applica-)
tion of Columbia Gas of Ohio, Inc. for) Case No. 12-2923-GA-RDR
an Adjustment to Rider IRP and Rider)
DSM Rates)

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

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PREPARED DIRECT TESTIMONY OF ERIC BELLE

Q. Please state your name and business address.

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

Q. By who are you employed?

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

Q. Please summarize your educational background and experience.

A. I have a Bachelor of Science degree in Chemical Engineering from Syracuse University, Syracuse, New York and a Master's degree in Business Administration from Tiffin University, Tiffin, Ohio. In 1995, I began my career in Toledo, Ohio with Columbia as an Operations Engineering Trainee where I gained a broad understanding of the natural gas distribution industry. In 1997, I accepted a position as an Operations Engineer in Findlay, Ohio. As an Operations Engineer, I was responsible for evaluating, planning and designing natural gas distribution facilities. I also provided technical assistance and support to the construction and field operations staff involved in the construction, operation, and maintenance of gas distribution facilities. In 2006, I was promoted to Field Engineering Leader where I was responsible for providing technical and budgetary guidance, support, and direction to Columbia's Field Engineering department in northwest Ohio. Additionally, I ensured all projects in northwest Ohio were designed according to all applicable codes and regulations. In 2009, I was promoted to my current position of Manager, Field Engineering for Columbia.

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

A. As Manager, Field Engineering, my principal responsibilities include overseeing the identification, design, and estimating of generally all capital work for Columbia's gas distribution system. I am also responsible for the development, monitoring, and execution of Columbia's capital budget. I provide leadership and strategic direction to the Field Engineering staff in line with Columbia's goals. I also provide technical guidance and support to Columbia's engineering staff in support of their professional development and the accomplishment of department objectives. I facilitate and encourage the improvement of existing engineering processes, policies and procedures. I monitor and evaluate the performance of Colum-

1 bia's infrastructure replacement program and collaborate with peers to
2 ensure effective execution of the program.
3

4 **Q. Have you previously testified before this Commission?**

5 A. Yes. I previously testified in Case No. 10-2353-GA-RDR, Case No. 11-5803-
6 GA-RDR, and Case No. 11-5515-GA-ALT.
7

8 **Q. What is the purpose of your testimony?**

9 A. The purpose of my testimony is to explain the management, engineering,
10 and construction practices of Columbia as they relate to the various compo-
11 nents of Rider IRP, included in this filing, for the 2012 calendar year. I will
12 also be discussing Columbia's performance with respect to its accelerated
13 main replacement program and hazardous service line replacement pro-
14 gram.
15

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

17 A. Rider IRP is an infrastructure tracker which captures cumulative plant in-
18 vestment over a specified period of time and provides for a return on and
19 the return of all program costs. The program components that make up Co-
20 lumbia's IRP are: (1) the Accelerated Main Replacement Program
21 ("AMRP"); (2) the replacement of hazardous service lines; and (3) the
22 AMRD program.
23

24 **Q. Please describe the AMRP and replacement of hazardous service line pro-**
25 **grams.**

26 A. Columbia's AMRP targets certain types of main for replacement over the
27 course of 25 years. The types of gas main included in the AMRP are unpro-
28 tected bare steel, unprotected coated steel, wrought iron, and cast iron. The-
29 se types of main ("Priority Pipe" or "Priority Main") typically have a greater
30 probability to leak due to their material type, protection, age, and other
31 characteristics. Also included in the AMRP is the replacement of all metallic
32 service lines and associated appurtenances.
33

34 Columbia also has responsibility of all maintenance, repair, and replacement
35 of customer-owned service lines that have been determined by Columbia to
36 present an existing or probable hazard to persons or property.
37

38 **Q. Please summarize the AMRP and hazardous service line performance por-**
39 **tions of Rider IRP for 2012.**

1 A. For the 2012 AMRP filing, Columbia has included costs for 626 projects as-
2 sociated with the retirement of Priority Pipe totaling approximately \$155.0
3 million. The total footage abandoned or retired from service for each type of
4 main is as follows:

5		
6	Bare Steel:	903,228 feet
7	Iron/Other	67,442 feet
8	Pre-1955 Unprotected Coated Steel:	200,838 feet
9	Post-1955 Coated Steel:	95,760 feet
10	Plastic:	112,723 feet
11		

12 Also, in 2012, Columbia replaced 7,997 hazardous customer service lines for
13 a total cost of approximately \$22.4 million.

14
15 **Q. Why did Columbia retire plastic main in conjunction with this replace-**
16 **ment program?**

17 A. Prior to Columbia's implementation of its AMRP, as Priority Pipe has failed
18 or leaked, Columbia had replaced small sections with plastic to eliminate the
19 hazard. These typically short sections of plastic main are scattered through-
20 out systems consisting primarily of Priority Pipe. As Columbia designs an
21 infrastructure replacement project and reviews the plastic sections of pipe
22 located within the project boundaries, Columbia evaluates whether it makes
23 financial sense to either tie into the existing plastic main or bypass and in-
24 stall all new main. Sometimes Columbia has no choice in abandoning the
25 plastic main due to the new main being relocated to a different location.

26
27 **Q. Has Columbia included the costs to replace segments of plastic main in**
28 **this filing?**

29 A. Columbia has included the costs of retiring these portions of non priority
30 pipe main in conjunction with its infrastructure replacement projects in this
31 tracker. As part of the Joint Stipulation and Recommendation in Case No.
32 11-5515-GA-ALT approved by the Commission in its Opinion and Order
33 dated November 26, 2012, Columbia clarified the scope of the AMRP to in-
34 clude interspersed non-priority main, first generation plastic main, and inef-
35 fectively coated steel main.

36
37 Columbia's AMRP was clarified to expressly include interspersed sections of
38 non-priority pipe contained within the boundary of priority pipe replace-
39 ment projects where it is more economical to replace such pipe based on the
40 pipe diameter and length of main to be replaced. Columbia's AMRP was al-

so clarified to include first generation plastic pipe or Aldyl-A plastic pipe when such pipe is associated with priority pipe in replacement projects. For 2012, Columbia's retirement of Aldyl-A plastic pipe installed prior to 1982 associated with an AMRP totaled no more than 4.2% of the total retirement footage. Columbia's AMRP was also clarified to expressly include ineffectively coated steel pipe installed before 1955, which totaled 200,838 feet of pipe in 2012.

Q. How did Columbia determine which mains were to be replaced as part of its AMRP in 2012?

A. In 2012, Columbia utilized Optimain DS™ to help evaluate and rank pipe segments system-wide against a range of environmental conditions (e.g. population density, building class, surface cover type, etc.), risk factors (pipe segment leak history, pipe condition, pitting depth, depth of cover, etc.) and economic factors. In general, we identified, ranked and selected projects based on the level of relative risk score that would be removed from the system per every thousand feet of pipe that would be abandoned with the project. We also considered the level of relative risk score that would be removed from the system per every \$100,000 dollars of capital spent. This evaluation and risk ranking of pipe 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 2013?

A. Columbia expects to spend approximately \$149.0 million on the various components of Rider IRP in 2013. Columbia currently estimates it will spend approximately \$21 million on hazardous service lines, \$3.0 million on AMRD, and \$125.0 million on replacing infrastructure. A current listing of Columbia's largest planned infrastructure projects are shown below.

PROJECT NAME	CITY	ESTIMATED COST
Elm Street	Toledo	\$5,781,780
West Jefferson AMRP	West Jefferson	\$3,917,500
Secor and Pelham	Toledo	\$3,856,500

Market Street	Steubenville	\$3,853,000
Wood & Kenmore	Parma	\$3,735,000
Pelham Drive	Parma	\$3,696,000
Glenmoor	East Liverpool	\$3,655,000
Tuxedo / Russell	Parma	\$3,413,500
Lawson Avenue	Steubenville	\$3,214,500
Balkan	Toledo	\$3,181,500
Osborn Road	Bay Village	\$2,927,320
Orange Street	Coshocton	\$2,880,200
Oakwood/Champion 20"	Columbus	\$2,640,000
Gladstone	Columbus	\$2,575,000
State & Union	Alliance	\$2,517,620
Gallia Street	Portsmouth	\$2,500,000
Virginia Avenue	Parma	\$2,441,361
Georgia & 15th	Sebring	\$2,426,950
Beechbank	Whitehall	\$2,420,000
Lucas	Lucas	\$2,185,650
Kenton "A"	Springfield	\$2,037,500
Euclid Avenue	Columbus	\$1,982,500
Northwest Blvd	Upper Arlington	\$1,952,500
E. Fulton 1	Columbus	\$1,952,150
Deming	Columbus	\$1,936,000
Richardson	Columbus	\$1,887,200
Cline	Columbus	\$1,830,000
Market Street	Tiffin	\$1,755,500
Tracey Road	Toledo	\$1,749,000
Upton & Dorr	Toledo	\$1,722,840
Boyce	Springfield	\$1,615,100
Kenton "B"	Springfield	\$1,577,500
Mt Carmel	Columbus	\$1,571,000
7th Street	Findlay	\$1,508,000
Martin	Columbus	\$1,435,400
Linden Street	Steubenville	\$1,428,843
McConnelsville LP	McConnelsville	\$1,382,000
Watt Street	Circleville	\$1,375,000
Richardson	Negley	\$1,360,418
1st St	Mansfield	\$1,359,500
Hamilton	Columbus	\$1,334,963
Airline	Toledo	\$1,309,410
Jefferson Avenue	Cambridge	\$1,308,000
Holmes	Toledo	\$1,248,400
Carrollton 2nd Street NE -	Carrollton	\$1,247,930
N. 5th Street	Columbus	\$1,175,000
7th & 8th Street MP	Chillicothe	\$1,155,000
Union	Ashland	\$1,141,250
Bullitt Park	Bexley	\$948,500

Prospect	Marion	\$888,200
Albany	Albany	\$887,219
Pine	Zanesville	\$612,489
Reg. Station	Salineville	\$585,399
Rudolph Phase 2	Rudolph	\$580,500
Inchcliff	Upper Arlington	\$561,500
Linden Street	Port Clinton	\$552,500
W Second Street	Salem	\$543,602
Lexington	Springfield	\$521,400
Ohio Ave 10"	Columbus	\$514,800
S. Mahoning Avenue HP	Alliance	\$507,000
Northwood	Columbus	\$503,916
Hoppes	Springfield	\$484,000
Parkwood	Toledo	\$443,990
Oakwood Ave 16"	Columbus	\$347,100
Dogwood Ridge	Wheelersburg	\$334,114
N. Main Street	Spencer	\$287,500
Berdan	Toledo	\$212,400

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 the schedules for which cannot be relied upon at this time. These projects will address existing hazards and/or eliminate risky pipe in conjunction with public works projects.

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

A. The majority of all Columbia's capital work is performed by contractors under "blanket" contracts. Columbia extended and expanded the scope of our previously bid "blanket" construction contracts through December 31, 2015. This approach allows Columbia to maintain highly skilled contract resources and encourages these contractors to expand their businesses in Ohio. Local Columbia employees may perform work on some smaller projects when they are available. Columbia evaluates each project on a variety of criteria to determine who will perform the work.

Q. What percentage of contractors working on AMRP projects in 2012 consisted of Ohio labor?

A. As part of the Stipulation in Case No. 08-72-GA-AIR, et al., approved by the Commission on December 3, 2008, Columbia agreed to encourage its AMRP contractors to use their best efforts to retain Ohio labor to perform AMRP re-

1 lated services. In the Joint Stipulation and Recommendation in Case No. 09-
2 0006-GA-UNC, filed on June 2, 2009, and approved by the Commission on
3 June 24, 2009, Columbia agreed to continue to encourage its AMRP contrac-
4 tors to use Ohio labor, and to report on Ohio labor participation in the
5 AMRP program. Columbia has added language to its bid packages stating a
6 preference that Ohio labor be used whenever possible as long as the price
7 and quality of work is not negatively impacted. For 2012, 80% of contractor
8 labor workforce on AMRP projects was from Ohio.
9

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

12 A. Contractors do replace some hazardous service lines in a few locations, but
13 the majority of hazardous service lines are replaced by local Columbia em-
14 ployees.
15

16 **Q. Were there any O&M savings in 2012 associated with the replacement of**
17 **priority pipe?**

18 A. Using the methodology agreed to in the Stipulation and Order in Case No.
19 09-1036-GA-RDR, there was an O&M savings of approximately \$384,866 in
20 2012 associated with the replacement of priority pipe. The O&M savings in-
21 cluded in the application are further explained in the testimony of Columbia
22 witness Anderson.
23

24 **Q. Did the various components included in this filing produce any other sig-**
25 **nificant benefits for customers in 2012?**

26 A. Yes. Customer safety has been improved significantly due to the replace-
27 ment of more than 7,997 hazardous service lines. With the completion of 626
28 projects and the retirement of 970,670 feet of Priority Pipe, Columbia was
29 able to eliminate the chance of water entering the lines and freezing meters
30 off in the winter. In addition, Columbia was able to retire distribution mains
31 where it has habitually had to go in and dig up to repair the mains.
32

33 **Q. Does this complete your Prepared Direct Testimony?**

34 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 electronic mail this 28th day of February 2013.

/s/ Stephen B. Seiple

Stephen B. Seiple

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Summary: Testimony of Eric T. Belle electronically filed by Cheryl A MacDonald on behalf of Columbia Gas of Ohio, Inc.