

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Co- )  
lumbia Gas of Ohio, Inc. for an Adjust- ) Case No. 19-1940-GA-RDR  
ment to Rider IRP and Rider DSM Rates. )

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**PREPARED DIRECT TESTIMONY OF  
MELISSA L. THOMPSON  
ON BEHALF OF COLUMBIA GAS OF OHIO, INC.**

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February 28, 2020

Attorney for  
**COLUMBIA GAS OF OHIO, INC.**

**PREPARED DIRECT TESTIMONY  
OF MELISSA L. THOMPSON**

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**I. INTRODUCTION**

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

A. Melissa L. Thompson, 290 W. Nationwide Blvd., Columbus, Ohio 43215.

**Q. By whom are you employed?**

A. I am employed by Columbia Gas of Ohio, Inc. ("Columbia").

**Q. Will you please state briefly your educational background and experience?**

A. I attended Marietta College, earned a Bachelor of Arts in Communications and Political Science, and graduated magna cum laude from Capital University Law School. I worked for two years in private practice with law firms in Columbus, and joined the NiSource Legal Department in 2012. In 2015, I transitioned to my role as the Director of Regulatory Policy with Columbia.

**Q. What are your job responsibilities as Director of Regulatory Policy?**

A. My primary responsibilities include the planning, supervision, preparation, and support of Columbia's regulatory filings before the Public Utilities Commission of Ohio ("Commission"). I also develop policy to support Columbia's energy efficiency programs and drive Columbia's regulatory initiatives to ensure execution of Columbia's business strategy. Finally, I support the team that works with Columbia's largest industrial customers.

**Q. What is the purpose of your testimony in this proceeding?**

A. The purpose of my testimony is to support the reasonableness of Columbia's request for the proposed rate adjustments to Rider IRP, as well as to support and sponsor the Application and Attachments A through C filed on February 28, 2020. My testimony also supports Columbia's compliance with the Commission's directives in the Second Entry on Rehearing in Case No. 16-1309-GA-UNC, *et al.*

1 **II. EXPLANATION OF RIDER IRP SCHEDULES**

2  
3 **Q. What schedules are you sponsoring in this proceeding?**

4 A. The following is a list of Rider IRP schedules filed on February 28, 2020, that  
5 I am sponsoring and supporting in this proceeding:  
6

Schedule	Description
Attachment A	Summary of Rates by Rate Schedule
Attachment B	Proposed Rate Schedules
Attachment C	Typical Bill Comparison

7  
8 **Q. Would you please provide a brief explanation of Attachments A through**  
9 **C?**

10 A. Attachment A computes the proposed combined monthly Rider IRP rate  
11 for each rate schedule. It also computes the volumetric Rider DSM rate,  
12 which Columbia witness Metz is also sponsoring. Attachment B details the  
13 rate schedules to which Rider IRP applies. Attachment C compares typical  
14 bills for each rate schedule between current rates and the proposed Riders  
15 IRP and DSM rates.  
16

17 **Q. How are the schedules included in Columbia's November 26, 2019 Notice**  
18 **of Intent different from the updated schedules filed in this proceeding**  
19 **on February 28, 2020?**

20 A. The schedules included in Columbia's Notice of Intent contained nine  
21 months actual and three months estimated calendar year 2019 data, while  
22 the schedules filed February 28, 2020 contain twelve months of actual data  
23 for calendar year 2019.  
24

25 **Q. How was Rider IRP authorized by the Commission?**

26 A. The Commission authorized the establishment of Rider IRP in its Opinion  
27 and Order ("Rate Case Order") dated December 3, 2008 in Case No. 08-72-  
28 GA-AIR, *et al.* Rider IRP was further extended by Opinion and Order dated  
29 November 28, 2012 in Case No. 11-5515-GA-ALT, and again by Opinion  
30 and Order dated January 31, 2017 in Case No. 16-2422-GA-ALT.  
31

32 **Q. Please describe the Rider IRP.**

33 A. Rider IRP consists of three components. The first component recovers the  
34 costs associated with Columbia's Accelerated Mains Replacement Program  
35 ("AMRP"). Under the AMRP, Columbia plans to replace approximately

1 4,100 miles of priority pipe over a period of approximately 25 years. Sched-  
2 ules filed in support of this component are identified through the use of the  
3 acronym "AMRP."  
4

5 The second component recovers the costs associated with the replacement  
6 of natural gas risers that are prone to fail, along with the costs associated  
7 with the installation, maintenance, repair and replacement of customer ser-  
8 vice lines that have been determined to present an existing or probable haz-  
9 ard to persons and property or requires a scheduled repair or replacement  
10 based on severity or location. Schedules filed in support of this component  
11 are identified through the use of the letter "R."  
12

13 The third component recovers costs associated with Columbia's installation  
14 of Automated Meter Reading Devices ("AMRD") on all residential and  
15 commercial meters served by Columbia over approximately five years, be-  
16 ginning in 2009. This program concluded in 2013. Schedules filed in support  
17 of this component are identified through the use of the acronym "AMRD."  
18

19 **Q. Are there any other matters addressed in Case No. 11-5515-GA-ALT that**  
20 **impact the information set forth in this filing?**

21 A. Yes. The scope of the AMRP component of Columbia's IRP was clarified to  
22 expressly include interspersed sections of non-priority pipe contained  
23 within the bounds of priority pipe replacement projects, where it is more  
24 economical to replace such pipe, as opposed to attempting to tie into exist-  
25 ing sections of pipe. Columbia has included in this filing investment in in-  
26 terspersed sections of non-priority pipe.  
27

28 The scope of Columbia's AMRP component was also clarified to expressly  
29 include investment in first generation plastic pipe when such pipe is asso-  
30 ciated with priority pipe in IRP replacement projects. The scope of Colum-  
31 bia's AMRP component was further clarified to include investment in inef-  
32 fectively coated steel, subject to specific criteria. Steel pipe installed and  
33 field coated before 1955 is considered to be ineffectively coated without the  
34 need for further testing, and thus within the scope of the IRP. Field coated  
35 steel pipe installed in 1955 or later is tested to determine whether it was  
36 ineffectively coated. The costs associated with the testing, inspection and  
37 replacement of pipe found to be ineffectively coated are included in Rider  
38 IRP.

1 **Q. Are there any other matters addressed in Case No. 16-2422-GA-ALT that**  
2 **impact the information set forth in this filing?**

3 A. Yes. The settlement in that case continued the IRP as approved in the Rate  
4 Case Order and Case No. 11-5515-GA-ALT. The Commission's Opinion  
5 and Order in Case No. 16-2422-GA-ALT also established Rider IRP rate lim-  
6 itations, as well as minimum O&M savings.  
7

8 **Q. Did Columbia include each of these components in the schedules filed**  
9 **February 28, 2020, in support of the application filed in this proceeding?**

10 A. Yes. The three independent revenue calculations are detailed on Schedules  
11 AMRP-1, R-1, and AMRD-1. These schedules were prepared and sponsored  
12 by Columbia Witness Freiman. AMRP construction plans for calendar year  
13 2019 are detailed in the direct testimony of Columbia witness Slowbe.  
14 Mr. Slowbe also addresses the factors used to determine the pipe replace-  
15 ment priority.  
16

17 **III. REGULATORY COMPLIANCE WITH 16-1309-GA-UNC, *et al.***  
18

19 **Q. Did Columbia meet the Commission's requirements from Case No. 16-**  
20 **1309-GA-UNC, *et al.*?**

21 A. Yes. In Case No. 16-1309-GA-UNC, *et al.*, the Commission's Second Entry  
22 on Rehearing dated April 10, 2019, included several directives for Columbia  
23 to satisfy with regards to its Demand Side Management ("DSM") program.  
24

25 **Q. What was the first requirement from the Commission's Second Entry on**  
26 **Rehearing?**

27 A. In paragraph 23, the Commission required Columbia to hold biannual DSM  
28 Stakeholder Meetings. Columbia held two DSM Stakeholder Meetings in  
29 2019 on June 28, 2019, and on November 1, 2019. Columbia also, pursuant  
30 to paragraph 23, discussed its programs, which were not underperforming  
31 because all of its programs met the 75% customer participation require-  
32 ment.  
33

34 **Q. What was the second requirement from the Commission's Second Entry**  
35 **on Rehearing?**

36 A. In paragraph 24, the Commission required Columbia to work with Ohio  
37 Power Company, the FirstEnergy Corporation, competitive retail electric  
38 suppliers ("CRES"), and competitive retail natural gas suppliers  
39 ("CRNGS") to "implement a single consolidated rebate application pro-  
40 cess." Columbia held numerous meetings (July 31, 2019; September 18,

2019; October 23, 2019; and December 10, 2019) and invited Ohio Power Company, FirstEnergy Corporation, the Commission Staff, the Office of the Ohio Consumers' Counsel, all parties from Case No. 16-1309-GA-UNC, CRES, and CRNGS to work through and finalize a consolidated smart thermostat rebate process. To date, Ohio Power Company and the FirstEnergy Corporation have declined to participate in a consolidated smart thermostat rebate process. Likewise, to date, Columbia has not received notice from any CRES or CRNGS that is interested in currently pursuing a consolidated smart thermostat rebate process. Columbia continues to work with the Commission Staff regarding the next steps to comply with the Commission's directive in paragraph 24.

**Q. What was the third requirement from the Commission's Second Entry on Rehearing?**

A. In paragraph 36, the Commission directed Columbia to explore "other funding options to cover non-energy efficiency health and safety repair costs" at its biannual DSM Stakeholder Group meeting. At both its meetings on June 28, 2019, and November 1, 2019, Columbia raised this issue to its DSM Stakeholder Group. At both meetings, no other sources of funding to cover non-energy efficiency health and safety repair costs was identified.

**IV. REASONABLENESS OF REQUESTED ADJUSTMENT**

**Q. Did Columbia agree to a Rider IRP rate cap for the Small General Service ("SGS") class of customers?**

A. Yes. In Case No. 16-2422-GA-ALT, Columbia agreed to limit the Rider IRP rate effective May 2020 to \$12.50 per SGS customer, per month.

**Q. Are Columbia's proposed rates within the permitted caps?**

A. Yes. Columbia's proposed SGS class rate is \$10.91 per SGS customer, per month beginning May 2020.

**Q. Does the combined revenue requirement detailed on Schedules R-1, AMRP-1, and AMRD-1 exceed what was presented in Columbia's Notice of Intent filed in this docket on November 26, 2019?**

A. No. Columbia is proposing a combined annualized revenue requirement of \$244,726,557 in the updated schedules supported by my testimony. This does not exceed the combined annualized revenue requirement of \$246,111,630 estimated on November 26, 2019. Columbia estimates that the

1 rate changes proposed herein, if granted in full and factoring in the appli-  
2 cable rate caps approved by the Commission, would increase gross reve-  
3 nues by an additional \$36,224,232 which represents a \$1.53 per month in-  
4 crease to the SGS Rider IRP rate.  
5

6 **Q. Do you have an opinion regarding whether Columbia's request to adjust**  
7 **the Rider IRP is reasonable?**

8 A. Yes. I believe Columbia's request to adjust its Rider IRP is fair and reason-  
9 able. I believe that the costs of service are properly allocated to the appro-  
10 priate customer classes and the rate design was properly computed in ac-  
11 cordance with the terms and conditions of prior Commission orders. Fur-  
12 thermore, the proposed Rider IRP rates are within the rate cap established  
13 in the Order.  
14

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

16 A. Yes, it does.

## CERTIFICATE OF SERVICE

The Public Utilities Commission of Ohio's e-filing system will electronically serve notice of the filing of this document on the parties referenced on the service list of the docket card who have electronically subscribed to the case. In addition, the undersigned hereby certifies that a copy of the foregoing document is also being served via electronic mail on the 28th day of February, 2020, upon the persons listed below.

/s/ Joseph M. Clark

Joseph M. Clark

Attorney for

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Summary: Testimony of Melissa L. Thompson electronically filed by Cheryl A MacDonald on behalf of Columbia Gas of Ohio, Inc.