

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Annual Application)
of Columbia Gas of Ohio, Inc. for an Ad-) Case No. 19-1940-GA-RDR
justment to Rider IRP and Rider DSM)
Rates.)

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

COLUMBIA GAS OF OHIO, INC.

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PREPARED DIRECT TESTIMONY OF ERIC SLOWBE

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

2 A. My name is Eric Slowbe and my business address is 290 W. Nationwide
3 Blvd., Columbus, Ohio 43215.

4
5 **Q. By whom are you employed?**

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

8
9 **Q. Please summarize your educational background and experience.**

10 A. I have a Bachelor of Science degree in Industrial Engineering from the Uni-
11 versity of Toledo, in Toledo, Ohio, a Professional Engineering Certification
12 from the State of Ohio, and a Masters of Business Administration from
13 Southern New Hampshire University. In 2008, I began my career with Co-
14 lumbia as a Field Engineer. As a Field Engineer, I was responsible for tasks
15 including design and management of gas pipe construction projects, winter
16 operations planning, and emergency response support in addition to
17 providing technical assistance for various company activities. In 2014, I ac-
18 cepted a position as a Principal Engineer with responsibilities for Ohio and
19 Kentucky.

20
21 **Q. What are your responsibilities as Principal Engineer?**

22 A. As Principal Engineer my responsibilities include assisting in collection and
23 analysis of data for regulatory filings, managing engineering training ma-
24 terials and learning requirements, internal process evaluation standardiza-
25 tion and improvement, and providing a variety of technical support for var-
26 ious teams and initiatives within NiSource/Columbia. I facilitate updates
27 and changes to company policies and procedures, and assist with quality
28 and accuracy evaluations related to engineering activities.

29
30 **Q. Have you previously testified before this Commission?**

31 A. Yes, I have testified in Case Nos. 16-2236-GA-RDR, 17-2374-GA-RDR, and
32 18-1701-GA-RDR.

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

2 A. The purpose of my testimony is to explain the management, engineering, and
3 construction practices of Columbia as they relate to the various components
4 of Rider IRP, included in this filing, for the 2019 calendar year. I will also dis-
5 cuss Columbia's performance with respect to its accelerated main replace-
6 ment program and hazardous service line replacement program.
7

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

9 A. Rider IRP is an infrastructure tracker that captures cumulative plant invest-
10 ment over a specified period of time and provides for a return on and the
11 return of all program costs. The program components that make up Colum-
12 bia's IRP are: (1) the Accelerated Main Replacement Program ("AMRP"); and
13 (2) the replacement of hazardous service lines; and (3) the Automated Meter
14 Reading Device ("AMRD") program.
15

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

18 A. Columbia's AMRP targets certain types of main for replacement over the
19 course of approximately 25 years. The types of gas main included in the
20 AMRP are unprotected bare steel, unprotected coated steel, wrought iron,
21 and cast iron. These types of main ("Priority Pipe" or "Priority Main") typi-
22 cally have a greater probability to leak due to their material type, protection,
23 age, and other characteristics. Also included in the AMRP is the replacement
24 of all metallic service lines and associated appurtenances.
25

26 Columbia also has responsibility of all maintenance, repair, and replacement
27 of customer-owned service lines that have been determined by Columbia to
28 present an existing or probable hazard to persons or property or require a
29 scheduled repair or replacement based on severity or location.
30

31 **Q. Please summarize the AMRP and hazardous service line performance por-**
32 **tions of Rider IRP for 2019.**

33 A. For the 2019 AMRP filing, Columbia has included costs for projects associated
34 with the retirement of Priority Pipe totaling approximately \$208.8 million. The
35 total footage abandoned or retired from service for each type of main is as
36 follows:

1	Bare Steel:	869,356 feet
2	Iron/Other:	46,922 feet
3	Pre-1955 Unprotected Coated Steel:	0 feet
4	Pre-1955 Ineffectively Coated Steel:	138,402 feet
5	Post-1954 Coated Steel:	53,954 feet
6	Plastic:	132,282 feet

7

8 In 2019, Columbia replaced 6,160 hazardous customer service lines for a total
9 cost of approximately \$25.5 million.

10

11 **Q. Has Columbia included the costs to replace segments of plastic and coated**
12 **steel mains in this filing?**

13 A. Columbia has included the costs of retiring these portions of non-priority pipe
14 main in conjunction with its infrastructure replacement projects in this
15 tracker. As part of the Joint Stipulation and Recommendation in Case No. 11-
16 5515-GA-ALT approved by the Commission in its Opinion and Order dated
17 November 26, 2012, Columbia clarified the scope of the AMRP to include in-
18 terspersed non-priority main, first generation plastic main, and ineffectively
19 coated steel main. Columbia has also added Pre-1955 Ineffectively Coated
20 Steel to accurately identify the type of pipe replaced in that vintage.

21

22 The Opinion and Order issued in 11-5515-GA-ALT provided for recovery of
23 investment related to interspersed sections of nonpriority pipe contained
24 within the bounds of priority pipe replacement projects where it is more eco-
25 nomical to replace such pipe based on the pipe diameter and length of main.
26 These replacement metrics are set forth in the Commission's Order dated No-
27 vember 26, 2012.

28

29 The Opinion and Order further allowed for the inclusion and recovery of in-
30 vestment related to the replacement of first generation plastic pipe or Aldyl-
31 A plastic pipe when such pipe is associated with priority pipe in replacement
32 projects not to exceed 5% of the total pipe replaced. For 2019, Columbia's re-
33 tirement of first generation non-interspersed plastic pipe installed prior to
34 1982 associated with an AMRP totaled 29,357 feet of pipe, which was 2.37%
35 of the total retirement footage.

36

37 Columbia's AMRP was also clarified to expressly include ineffectively coated
38 steel pipe installed before 1955 which was considered ineffectively coated
39 without further testing. Columbia also tested segments of post-1954 coated
40 steel pipe that were retired with replacement projects. Segments of post-1954

1 coated steel pipe that were determined to be ineffectively coated were in-
2 cluded in the IRP. Columbia retired a total of 25,312 feet of post-1954 coated
3 steel pipe that was found to be ineffectively coated.
4

5 **Q. The Joint Stipulation and Recommendation in Case No. 11-5515-GA-ALT**
6 **also included restrictions on certain types of projects related to system bet-**
7 **terment and municipal improvement. What has Columbia done to ensure**
8 **compliance with those requirements?**

9 A. Columbia has put processes in place to ensure that the cost of projects such as
10 system betterment designed for future growth and municipal improvement
11 projects where Columbia was required to move its facilities were not included
12 in the AMRP filing if they did not meet the requirements contained within the
13 Joint Stipulation and Recommendation approved by the Commission in Case
14 No. 11-5515-GA-ALT. One such process is the monthly review of all active job
15 orders through a Pre-Closeout Report. With this report, a list of all active job
16 orders are provided monthly to Columbia's field engineering leaders to re-
17 view with their respective engineering team members. Key information that
18 is provided includes the estimated footage of priority pipe that is expected to
19 be retired, the project accounting code (indicates whether the job order is an
20 AMRP project), and whether the project accounting code was entered cor-
21 rectly. This monthly review helps to ensure that AMRP related job orders are
22 properly entered into our Work Management System. Additionally, Colum-
23 bia has a comprehensive training module in its learning management system
24 for new and existing engineering employees that provides clear instructions
25 on what is included in the AMRP, and how to properly code projects for in-
26 clusion in its annual filing. In 2019, the Columbia Engineering Department
27 reviewed and updated the AMRP projects included and excluded in the
28 monthly reviews. These efforts help to reinforce the importance Columbia
29 places on this program and helps to ensure compliance to the Joint Stipula-
30 tion.
31

32 **Q. How did Columbia determine which mains were to be replaced as part of**
33 **its AMRP in 2019?**

34 A. In 2019, Columbia utilized Optimain DS™ to help evaluate and rank pipe seg-
35 ments system-wide against a range of environmental conditions (e.g. popula-
36 tion density, building class, surface cover type, etc.), risk factors (pipe seg-
37 ment leak history, pipe condition, pitting depth, depth of cover, etc.) and eco-
38 nomic factors. Generally, we identified, ranked and selected projects based on
39 the level of relative risk score that would be removed from the system per
40 every thousand feet of pipe that would be abandoned with the project. We

1 also considered the level of relative risk score that would be removed from
2 the system per every \$100,000 dollars of capital spent. This evaluation and
3 risk ranking of pipe segments was then reviewed by the engineering and op-
4 erations departments to assess whether that data was consistent with what
5 has been observed in the field. Additionally, Columbia worked collabora-
6 tively with local and state governments in areas where public improvement
7 work was to occur. Columbia reviewed plans and identified areas of Priority
8 Pipe within the scope of pending public improvement work. Columbia used
9 both sets of information listed above to help determine which sections of main
10 were the best candidates to select for replacement.

11
12 **Q. Please describe Columbia's process for determining the resources to be**
13 **used in conjunction with the AMRP projects.**

14 A. The majority of all Columbia's capital work is performed by contractors un-
15 der "blanket" contracts. This approach allows Columbia to maintain highly
16 skilled contract resources and encourages these contractors to expand their
17 businesses in Ohio. Local Columbia employees may perform work on some
18 smaller projects when they are available. Columbia evaluates each project on
19 a variety of criteria to determine who will perform the work.

20
21 **Q. What percentage of contractors working on AMRP projects in 2019 con-**
22 **sisted of Ohio labor?**

23 A. As part of the Stipulation in Case No. 08-72-GA-AIR, et al., approved by the
24 Commission on December 3, 2008, Columbia agreed to encourage its AMRP
25 contractors to use their best efforts to retain Ohio labor to perform AMRP re-
26 lated services. In the Joint Stipulation and Recommendation in Case No. 09-
27 0006-GA-UNC, filed on June 2, 2009, and approved by the Commission on
28 June 24, 2009, Columbia agreed to continue to encourage its AMRP contrac-
29 tors to use Ohio labor, and to report on Ohio labor participation in the AMRP
30 program. Columbia has added language to its bid packages stating a prefer-
31 ence that Ohio labor be used whenever possible as long as the price and qual-
32 ity of work is not negatively impacted. For 2019, 94% of contractor labor work-
33 force on AMRP projects was from Ohio.

34
35 **Q. Do contractors typically replace Columbia's hazardous customer service**
36 **lines?**

37 A. Contractors do replace some hazardous service lines in a few locations, but
38 the majority of hazardous service lines are replaced by local Columbia em-
39 ployees.

1 **Q. Did the various components included in this filing produce any other sig-**
2 **nificant benefits for customers in 2019?**

3 A. Yes. Customer safety has been improved significantly due to the replacement
4 of more than 6,160 hazardous service lines. With the retirement of 916,278 feet
5 of Priority Pipe, Columbia was able to eliminate the chance of water entering
6 these lines and freezing meters off in the winter. Additionally, Columbia was
7 able to retire distribution mains where it repeatedly has had to go in and dig
8 up to repair the mains.
9

10 **Q. What are Columbia's construction plans for 2020?**

11 A. Columbia expects to spend approximately \$232.7 million on the various com-
12 ponents of Rider IRP in 2020. Columbia currently estimates it will spend ap-
13 proximately \$29.0 million on hazardous service lines, and \$203.7 million on
14 replacing infrastructure. Priority Pipe projects will be constructed throughout
15 the year. Many of these projects have either not yet been identified or involve
16 third party coordination the schedules for which cannot be confirmed at this
17 time. These projects will address existing hazards and/or eliminate risky pipe
18 in conjunction with public works projects. A current listing of Columbia's
19 largest planned infrastructure projects is shown below.
20

<u>Project Name</u>	<u>City</u>	<u>Estimated Cost</u>
Parma Park Boulevard AMRP	Parma Hts.	\$9,114,667
Wood Hayes AMRP	Fremont	\$4,514,950
Navarre LP AMRP	Navarre LP	\$4,162,408
Oregon Avenue AMRP	Steubenville	\$3,787,449
Lincoln AMRP	Parma	\$3,763,495
Pike Street AMRP	Alliance	\$3,754,492
Fort Street AMRP	Nelsonville	\$3,604,395
3rd Avenue Phase 2 AMRP	Gallipolis	\$3,600,000
Nagley AMRP	Springfield	\$3,500,580
Navarre AMRP	Toledo	\$3,392,940
Italian Village: Third & Peru AMRP	Columbus	\$3,355,005
Manorford AMRP	Parma Hts.	\$3,220,057
Belmont Street AMRP	Bellaire	\$3,102,915
Oakwood Street AMRP	East Liverpool	\$3,059,530
Pottery Addition AMRP	Steubenville	\$3,043,144
Near East: Hankins & Bryden AMRP	Columbus	\$2,816,942
Fowler Street IP AMRP	New Lexington	\$2,803,191
N. 5th Street AMRP	Toronto	\$2,802,584

<u>Project Name</u>	<u>City</u>	<u>Estimated Cost</u>
Victorian Village: 4th & Dennison AMRP	Columbus	\$2,738,028
Union Street AMRP	West Lafayette	\$2,662,235
Hickory Avenue AMRP	Beach City	\$2,457,250
Locust Street AMRP	Gallipolis	\$2,446,801
22nd Street AMRP	Lorain	\$2,427,940
OSU: Wyandotte & Indianola AMRP	Columbus	\$2,371,492
Front Street AMRP	Logan	\$2,357,937
Duluth & Windsor AMRP	Marion	\$2,275,186
Hilltop: Olive & Westgate AMRP	Columbus	\$2,257,846
Fisher AMRP	Springfield	\$2,248,317
Aberdeen - Glendale LP System AMRP	Toledo	\$2,247,385
Near East: Sherman & Oak AMRP	Columbus	\$2,236,851
Olers Lima Avenue Phase 1 AMRP	Findlay	\$2,193,100
Portsmouth AMRP	Toledo	\$2,175,300
Victorian Village: Perry & King AMRP	Columbus	\$2,159,928
Lexington AMRP	Lexington	\$2,135,950
Cleveland Norwalk Phase 2 AMRP	Norwalk	\$2,115,806
Avondale #2 AMRP	Toledo	\$2,098,245
Woodlawn Norwalk Phase 1 AMRP	Norwalk	\$2,034,403
Terrace Drive AMRP	Wintersville	\$2,017,306
Forsyth AMRP	Toledo	\$2,005,121
Rachel Rachel AMRP	Mansfield	\$1,981,941
Alvin AMRP	Toledo	\$1,974,830
Woodward AMRP	Springfield	\$1,928,318
Tuxedo 2 AMRP	Parma	\$1,890,079
Oakdale 2 - Bond to Bateman AMRP	Toledo	\$1,872,996
Bolivar LP West AMRP	Bolivar	\$1,858,323
Mason AMRP	Toledo	\$1,851,460
Near East: 20th & Bryden AMRP	Columbus	\$1,759,829
Walnut Street AMRP	New London	\$1,706,301
Clintonville: Rathbone & Milton AMRP	Columbus	\$1,704,125
Bowling Green Haskins AMRP	Bowling Green	\$1,635,214
German Village: 3rd & Beck AMRP	Columbus	\$1,623,421
College and Cherry AMRP	Woodville	\$1,558,423
Forest AMRP	Springfield	\$1,538,335
Palmer AMRP	Toledo	\$1,522,683
Irwin AMRP	Springfield	\$1,521,285

<u>Project Name</u>	<u>City</u>	<u>Estimated Cost</u>
German Village: 5th & Lansing AMRP	Columbus	\$1,510,067
Aldridge Avenue AMRP	Columbia Station	\$1,508,416
Buena Vista AMRP	Ashland	\$1,505,850
Upper Arlington: Arlington & Beverly AMRP	Upper Arlington	\$1,499,029
Canal Street AMRP	Newcomerstown	\$1,446,924
Stratton LP AMRP	Stratton	\$1,431,626
High Street AMRP	Coal Grove	\$1,379,054
Near East: Toronto & Ohio AMRP	Columbus	\$1,374,217
Woodville & Kinkel AMRP	Mansfield	\$1,352,992
UA: Welsford & Wilshire AMRP	Upper Arlington	\$1,320,427
Madison AMRP	Urbana	\$1,311,636
Coles Boulevard AMRP	Portsmouth	\$1,200,000
Marion and Norton AMRP	Mt. Vernon	\$1,197,573
Airline near Airport Hwy AMRP	Toledo	\$1,106,959
Oakland AMRP	Toledo	\$1,053,046
Glenbrook (Glendale LP System) AMRP	Toledo	\$1,051,503
Bellaire High Ridge Road AMRP	Bellaire	\$1,022,046
Belle Center: Torrence & Plum AMRP	Belle Center	\$1,015,820
Downtown: Long & Milton AMRP	Columbus	\$1,013,267
Delaware: Sandusky & Weiser AMRP	Delaware	\$1,011,311
Portsmouth IP East AMRP	Portsmouth	\$1,000,971
Sandusky Street 12" Trunk AMRP	Findlay	\$997,457
Winthrop AMRP	Toledo	\$956,335
Seville West AMRP	Seville	\$919,260
9th Street AMRP	Salem	\$916,348
Linda Lane AMRP	Sheffield Village	\$896,141
North Fultonham AMRP	North Fultonham	\$895,076
Waller AMRP	Portsmouth	\$872,646
113th South AMRP	Toledo	\$838,837
Buckeye Addition AMRP	Mt Vernon	\$830,222
Hollander Street AMRP	Newark	\$823,287
Cora AMRP	Springfield	\$817,301
Lisbon East LP AMRP	Lisbon	\$808,813
Heller Drive AMRP	Newcomerstown	\$785,657
Seville East AMRP	Seville	\$765,448

<u>Project Name</u>	<u>City</u>	<u>Estimated Cost</u>
Tarrace Addition AMRP	Caldwell	\$741,203
Pennsville AMRP	Pennsville	\$722,217
Gallia Street AMRP	Gallipolis	\$721,095
Fairview Avenue AMRP	Athens	\$647,268
Laskey & Oppen AMRP	Toledo	\$640,049
Near East: Ohio & Madison AMRP	Columbus	\$619,564
ODU: Meadowdale & Woodward AMRP	Columbus	\$577,981

1

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

3 A. Yes. However, I reserve my right to supplement this testimony.

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 parties listed below.

/s/ Joseph M. Clark

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