

PUCO Case Nos. 21-0637-GA-AIR, et al.
Staff Data Request Set 1, No. 47
Respondent: Melissa L. Thompson

COLUMBIA GAS OF OHIO, INC.
RESPONSE TO STAFF'S DATA REQUEST SET ONE
DATED AUGUST 18, 2021

Data Request No. 47:

Please provide Staff with answers to the following questions pertaining to the Carbon Reduction Rider:

1. Under what legal authority is the company proposing to implement the Carbon Reduction Rider, i.e., which provision of the Ohio Revised Code?
2. What are current market prices for carbon offsets? Based on current market conditions, for customers who opt-in to pay the \$5 monthly charge, how many metric tons of carbon dioxide emissions will be reduced each month for each participating customer?
3. Does the entire \$5 go towards the purchase of carbon offsets, or is there an administrative fee/component charged by the carbon offset organization?
4. As referenced in Melissa Thompson's testimony, what are the differences, if any, between the major carbon standards, i.e., Verified Carbon Standard (VCS), the American Carbon Registry (ACR), the Climate Action Reserve (CAR), and Gold Standard (GS)?
5. Will the charges associated with participating in the program and the applicable carbon offsets purchased (type and quantity) pursuant to the program show up on participating customers' bills?
6. Please describe the specific services the Company plans to negotiate into a contract for the third-party implementing the Carbon Reduction Rider program.
7. Does the company plan to issue a request for proposal (RFP) to select the third-party vendor that will implement the program? If the company doesn't plan to issue an RFP, then has the company selected a preferred third-party vendor to implement the program?
8. If the Company has selected a third-party vendor, who is the vendor that was selected?
9. How will Company employee time be accounted for? For employees that work on implementation of the program, will their time be charged to the rider?

10. Are competitive retail natural gas suppliers currently offering carbon offset products and services?
11. Does the company have any projection of how many customers may participate in the program?
12. Does the company plan to market the program, e.g., direct mail, website ads, etc.? If so, how will marketing costs be recovered?
13. Does the Company, its parent, or any of its affiliate companies own any facilities that may receive revenue for the sale of carbon offset credits?
14. What metrics or measurables has the Company put into place to measure the projected milestones and goals of the program for the Company?
15. How long is the Company projecting the \$5 fixed charge to remain in effect? Could the \$5 monthly opt-in charge increase or decrease in the future outside of the initial start-up period for customers?
16. In the event customers who opted-in to the program wish to exit the program, would those customers be assessed fees for opting out after opting in? If so, what would be the magnitude of the fees assessed to the customer and will there be language within the rider that ascertains to those customers who chose to opt out of the program after they've opted into the program?
17. What was the basis for the \$5 customer opt-in charge? How was that opt-in charge determined?

Response:

1. Columbia is proposing to adopt the Carbon Reduction Rider under R.C. 4909.18. The Carbon Reduction Rider further meets the policies contained in R.C. 4929.02(A)(3), 4929.02(A)(4), and 1551.18.
2. Market prices for carbon offsets are variable. Currently, Columbia is negotiating with Bluesource, LLC, to purchase the carbon offsets for Columbia customers.
3. The \$5 will flow directly to Bluesource, LLC to purchase the carbon offsets and to cover Bluesource, LLC's administrative costs. None of the \$5 per month rate will offset any of Columbia's costs to administer this program.

4. Columbia plans to work with a vendor to purchase carbon offsets that have been third-party verified and registered via one of the major carbon standards. The examples listed are some of the standards that verify carbon offsets. A few links explaining the different standards can be found here:

<http://www.offsetguide.org/understanding-carbon-offsets/carbon-offset-programs/comparisons-of-offset-programs/program-administration-and-authority/>

<https://www.offsetguide.org/understanding-carbon-offsets/carbon-offset-programs/comparisons-of-offset-programs/general-features-of-offset-programs/>

<https://www.offsetguide.org/understanding-carbon-offsets/carbon-offset-programs/voluntary-offset-programs/>

5. Yes, if a customer chooses to opt-in to the Carbon Reduction Rider, it will show up on a customer's bill.

6. Columbia is currently negotiating with Bluesource, LLC, to purchase the carbon offsets for Columbia customers. At this time, Columbia anticipates the contract will be limited to Bluesource, LLC utilizing the Carbon Reduction Rider proceeds to purchase carbon offsets.

7. Columbia did not issue an RFP, but is currently negotiating with Bluesource, LLC.

8. Columbia is currently negotiating with Bluesource, LLC, to purchase the carbon offsets for Columbia customers.

9. Columbia employees will not be charging their time to the Carbon Reduction Rider.

10. Columbia does not know whether some or all of the competitive retail natural gas suppliers in its service area are offering carbon reduction products.

11. Columbia does not have a projection as to how many customers it believes will opt into the proposed rider.

12. At this time, Columbia does not have any plans to market the Carbon Reduction Rider. In the event such marketing is done in the future, Columbia

does not anticipate recovering the cost of such marketing through the Carbon Reduction Rider.

13. No, Columbia, its parent, or any of its affiliate companies do not own any facilities that may receive revenue for the sale of carbon offset credits.

14. At this time, Columbia does not have any metrics to measure the success of the customer opt-in Carbon Reduction Rider.

15. At this time, Columbia does not plan to adjust the \$5 rate of the Carbon Reduction Rider.

16. If a customer chooses to opt-out of the Carbon Reduction Rider, there will not be a fee assessed.

17. Columbia set the \$5 rate as a reasonable rate for customers interested in making an optional, environmentally conscious choice to offset their carbon output on a monthly basis.

PUCO Case Nos. 21-0637-GA-AIR, *et al.*
RESA Interrogatory Set 2, No. 14
Respondent: Melissa L. Thompson

COLUMBIA GAS OF OHIO, INC.
RESPONSE TO THE RETAIL ENERGY SUPPLY ASSOCIATION'S
INTERROGATORIES
DATED APRIL 15, 2022

Interrogatory Set 2, No. 14.

How will customers “opt-in” to fund a reduction to their carbon output through the proposed Carbon Reduction Rider?

Response:

Because the Carbon Reduction Rider is a new mechanism, Columbia is in the preliminary stages of developing the rider and, as such, Columbia has not developed processes for how customers will opt-in to the Carbon Reduction Rider.

PUCO Case Nos. 21-0637-GA-AIR, *et al.*
RESA Interrogatory Set 2, No. 16
Respondent: Melissa L. Thompson

COLUMBIA GAS OF OHIO, INC.
RESPONSE TO THE RETAIL ENERGY SUPPLY ASSOCIATION'S
INTERROGATORIES
DATED APRIL 15, 2022

Interrogatory Set 2, No. 16.

How will the funds generated by the proposed Carbon Reduction Rider be booked by Columbia?

Response:

All funds received from the Carbon Reduction Rider will be recorded as a debit to Cash and credit to a liability. When funds are dispersed to purchase carbon offsets the net entry will be debit to liability and credit to cash.

PUCO Case Nos. 21-0637-GA-AIR, *et al.*
RESA Interrogatory Set 2, No. 22
Respondent: Melissa L. Thompson
As to Objections: Joseph M Clark

COLUMBIA GAS OF OHIO, INC.
RESPONSE TO THE RETAIL ENERGY SUPPLY ASSOCIATION'S
INTERROGATORIES
DATED APRIL 15, 2022

Interrogatory Set 2, No. 22.

What companies have low-carbon natural gas supplies available in Ohio?

Response:

Objection. Columbia objects in so much as RESA has neither provided definitions for "low-carbon natural gas supplies," nor "companies" for this interrogatory. As a result, this request is overly broad and unduly burdensome. Further, this interrogatory seeks information that is irrelevant to the subject matter of these proceedings and is not reasonably calculated to lead to the discovery of admissible evidence.

COLUMBIA GAS OF OHIO, INC.
RESPONSE TO THE RETAIL ENERGY SUPPLY ASSOCIATION'S
INTERROGATORIES
DATED APRIL 15, 2022

Interrogatory Set 2, No. 26.

Referring to the provision of “optional services” on Tariff Sheet 44, paragraph 14, identify all optional services that Columbia offers to its customers today and to which customer class each optional service is offered? If the optional service is actually provided by a third party, identify the third party.

Response:

The Optional Services Third-Party Billing program is offered to residential and small commercial customers. With this program, customers have the option to enroll in service protection plans that provide warranty coverage for items such as heating and cooling systems, gas lines, and water and sewer lines.

These services are provided by the following third-party vendors:

Interstate Gas Supply (IGS)
Pivotal Home Solutions
Columbia Service Partners (HomeServe)

PUCO Case Nos. 21-0637-GA-AIR, *et al.*
IGS Interrogatory Set 2, No. 5
Respondent: Melissa L. Thompson

COLUMBIA GAS OF OHIO, INC.
RESPONSE TO INTERSTATE GAS SUPPLY INC.'S INTERROGATORY
DATED SEPTEMBER 17, 2021

Interrogatory Set 2, No. 5:

Please indicate whether Columbia performed a customer survey, study, or analysis to evaluate customer interest in the proposed Carbon Reduction Rider prior to introducing the tariff offering in this case. If so, identify all associated documents.

Response:

Columbia has not performed a customer survey, study, or analysis to evaluate customer interest in the proposed Carbon Reduction Rider.

COLUMBIA GAS OF OHIO, INC.
RESPONSE TO INTERSTATE GAS SUPPLY INC.'S INTERROGATORY
DATED SEPTEMBER 17, 2021

Interrogatory Set 2, No. 8:

Staff Data Request One; Data Request No. 47, Question 12, asked “Does the company plan to market the program, e.g., direct mail, website ads, etc.? If so, how will marketing costs be recovered?” In response, Columbia indicated that “[a]t this time, Columbia does not have any plans to market the Carbon Reduction Rider. In the event such marketing is done in the future, Columbia does not anticipate recovering the cost of such marketing through the Carbon Reduction Rider.” Regarding this response:

- a. Identify Columbia’s definition of “market”
- b. Identify how Columbia plans to generate awareness of the existence of the rider if it does not intend to “market” to customers.
- c. Please indicate why Columbia does not plan to market its Carbon Reduction Rider.
- d. To the extent that Columbia does market the rider, how will Columbia recover the cost of such marketing?

Response:

- a – b. Columbia does not have any plans to market, being defined as paid advertisements, the Carbon Reduction Rider, and, as such, does not currently have any plans as to how it would generate awareness of the existence of the Carbon Reduction Rider.
- c. Because the Carbon Reduction Rider is a new mechanism, Columbia is in the preliminary stages of developing the rider and, as such, Columbia does not currently have a plan to market the Carbon Reduction Rider.
- d. Because Columbia currently does not have any plans to market the Carbon Reduction Rider, Columbia cannot speculate as to how it would recover the cost of any such potential marketing.

COLUMBIA GAS OF OHIO, INC.
RESPONSE TO INTERSTATE GAS SUPPLY INC.'S INTERROGATORY
DATED SEPTEMBER 17, 2021

Interrogatory Set 2, No. 9:

Staff Data Request One; Data Request No. 47, Question 9, asked “[h]ow will Company employee time be accounted for? For employees that work on implementation of the program, will their time be charged to the rider?” In response, Columbia indicated “Columbia employees will not be charging their time to the Carbon Reduction Rider.” Regarding this response:

- a. Please indicate whether any Columbia employees will participate in the administration of the Carbon Reduction Rider.
- b. If your answer to (a) is yes, please identify the number of employees that will participate in the Rider’s development and administration and identify the accounting treatment of those costs.
- c. If your answer to (a) is yes, identify whether Columbia will recover the cost of such employees through distribution rates, as well as the amount of cost associated with those employees proposed for recovery through distribution rates.

Response:

a. Yes.

b. – c. The Ohio Regulatory Team will be working on the Carbon Reduction Rider, and these employees recover their time through distribution rates.

COLUMBIA GAS OF OHIO, INC.
RESPONSE TO INTERSTATE GAS SUPPLY INC.'S INTERROGATORY
DATED SEPTEMBER 17, 2021

Interrogatory Set 2, No. 11:

Staff Data Request One; Data Request No. 47, Question 5, asked “[w]ill the charges associated with participating in the program and the applicable carbon offsets purchased (type and quantity) pursuant to the program show up on participating customers’ bills?” In response, Columbia indicated, “[y]es, if a customer chooses to opt-in to the Carbon Reduction Rider, it will show up on a customer’s bill.” Regarding this response:

- (a) indicate whether Columbia plans to bill the carbon-neutral natural gas rider as a separate charge or line item on customer bills.
- (b) If the answer to (a) is yes, identify the total information technology, administrative, and other costs necessary for Columbia to provide this billing service to customers, and the mechanism that Columbia proposes to use (e.g. Rider, rate, etc.) to recover those costs.

Response:

- a. Columbia plans to bill the Carbon Reduction Rider as a separate line item on a customer’s bill.
- b. Because the Carbon Reduction Rider is a new mechanism, Columbia is in the preliminary stages of developing the rider and, as such, Columbia does not currently have information to respond to this interrogatory.

PUCO Case Nos. 21-0637-GA-AIR, *et al.*
IGS Interrogatory Set 2, No. 17
Respondent: Melissa L. Thompson

COLUMBIA GAS OF OHIO, INC.
RESPONSE TO INTERSTATE GAS SUPPLY INC.'S INTERROGATORY
DATED SEPTEMBER 17, 2021

Interrogatory Set 2, No. 17:

Referring to the proposed Carbon Reduction Rider, please state whether Columbia intends to purchase actual renewable gas or just the environmental attributes of this gas? If Columbia intends to purchase actual renewable gas, how much Columbia will pay per ton for each offset?

Response:

Because the Carbon Reduction Rider is a new mechanism, Columbia is in the preliminary stages of developing the rider and, as such, Columbia does not currently intend to purchase renewable gas or the environmental attributes of renewable gas.

PUCO Case Nos. 21-0637-GA-AIR, *et al.*
IGS Interrogatory Set 2, No. 24
Respondent: Melissa L. Thompson

COLUMBIA GAS OF OHIO, INC.
RESPONSE TO INTERSTATE GAS SUPPLY INC.'S INTERROGATORY
DATED SEPTEMBER 17, 2021

Interrogatory Set 2, No. 24:

Please provide Columbia's estimate of the marketing costs associated with the proposed Carbon Reduction Rider and identify how Columbia proposes to recover such costs.

Response:

Please see Columbia's Response to IGS Interrogatory Set 2, No. 8.