Columbia Exhibit No.

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbia Gas of the Annual Application of Columbia Gas of Ohio, Inc. for an Adjustment to Rider IRP and Rider DSM Rates	))))	Case No. 11-5803-GA-RDR

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

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. I was originally employed by Columbia as an Operations Engineering Trainee in 1995, where I gained a broad understanding of the natural gas distribution industry. In 1997, I accepted a position as an Operations Engineer. I was responsible for planning and designing natural gas distribution systems. In 2006, I was promoted to Field Engineering Leader where I was responsible for providing guidance, support, and direction to Columbia's Field Engineering department in northwest Ohio. 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, planning, and design of virtually all capital work for Columbia's gas distribution system. I am also responsible for the development and monitoring of Columbia's capital budget.

Q. Have you previously testified before this Commission?

A. Yes. I previously testified in Case No. 10-2353-GA-RDR.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to explain the management, engineering, and construction practices of Columbia as they relate to the various components of Rider IRP, included in this filing, for the 2011 calendar year. I will also be discussing Columbia's performance with respect to its accelerated main replacement program and riser program.

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

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

Q. Please describe the AMRP, riser replacement and replacement of hazardous service line programs.

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

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

Q. Please summarize the AMRP and riser/hazardous service line performance portions of Rider IRP for 2011.

A. For the 2011 AMRP, Columbia completed 446 projects associated with the retirement of Priority Pipe for a total cost of approximately $107.5 million. The total footage replaced for each type of main is as follows:

Steel – 1,080,163 feet
Iron – 62,667 feet
Plastic – 205,955 feet

Also, in 2011, Columbia replaced 23,749 risers for a total cost of approximately $11.9 million. Finally, during 2011, Columbia replaced 8,577 hazardous customer service lines for a total cost of approximately $24.9 million.

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

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

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

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

Q. How did Columbia determine which mains were to be replaced as part of its AMRP in 2011?

A. In 2011, 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 2012?

A. Columbia expects to spend approximately $158.1 million on the various components of Rider IRP in 2012. Columbia currently estimates it will spend approximately $21 million on hazardous service lines, $24.2 million on AMRD, and $112.9 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
Ackerman Road, Columbus	TBD	TBD	$ 10,500,000
Wolfe Road, Bay Village	11/14/11	TBD	$ 4,378,400
Northwood Avenue, Columbus	12/01/11	TBD	$ 4,253,000
Olentangy Street, Columbus	01/30/12	TBD	$ 4,248,000
W. Second Street, Salem	11/01/11	TBD	$ 3,986,100
Yates, Toledo	12/31/11	TBD	$ 3,984,670
Dryden, Toledo	03/01/12	TBD	$ 3,386,200
Virginia Avenue, Parma	12/01/11	TBD	$ 3,338,250
Strasburg North, Strasburg	12/30/11	TBD	$ 3,271,400
Eisenhower Road, Columbus	12/01/11	TBD	$ 3,215,000
Oaklawn Street, Columbus	12/30/11	TBD	$ 3,213,560
Theota/Bradley, Parma	11/01/11	TBD	$ 3,000,000
Mingo Junction	02/01/12	TBD	$ 2,947,000
Steubenville	01/20/12	TBD	$ 2,812,500
South 6th Street, Coshocton	02/17/12	TBD	$ 2,775,400
Westminster, Parma	11/14/11	TBD	$ 2,751,000
Holmes, Toledo	03/01/12	TBD	$ 2,658,010
Rogers & Woodville, Toledo	12/16/11	TBD	$ 2,582,650
Gnadenhutten	12/23/11	TBD	$ 2,446,400

Salineville	01/31/12	TBD	$ 2,373,200
Dogwood Ridge, Wheelersburg	12/01/11	TBD	$ 2,185,000
Parkwood, Toledo	03/01/12	TBD	$ 2,079,940
Cassilly Street, Springfield	12/01/11	TBD	$ 2,078,025
Pine Street, Zanesville	01/27/12	TBD	$ 2,045,400
Bexley Park Road, Bexley	12/01/11	TBD	$ 2,033,200
South Ogden Phase III, Toledo	12/16/11	TBD	$ 1,935,480
South Ogden Phase II, Toledo	12/16/11	TBD	$ 1,904,895
Fremont Phase 2, Fremont	12/31/11	TBD	$ 1,900,000
S Richardson Avenue, Columbus	12/01/11	TBD	$ 1,887,200
W. Ely & Garfield, Alliance	11/01/11	TBD	$ 1,844,690
Tracy Road, Toledo	TBD	TBD	$ 1,809,950
Hamilton Avenue, Columbus	12/01/11	TBD	$ 1,721,000
Lexington Avenue, Springfield	12/01/11	TBD	$ 1,715,400
Boyce Street, Urbana	12/01/11	TBD	$ 1,615,100
Luckey	12/31/11	TBD	$ 1,597,200
7th Street, Findlay	01/13/12	TBD	$ 1,508,000
Grace Street, Columbus	12/01/11	TBD	$ 1,350,000
Airline & Decatur, Toledo	12/16/11	TBD	$ 1,309,410
Hoppes Avenue, Springfield	12/01/11	TBD	$ 1,260,000
McKitterick, Jackson	12/01/11	TBD	$ 1,156,000
Malvern IP, Malvern	02/01/12	TBD	$ 1,061,700
Rankin Avenue, Columbus	12/01/11	TBD	$ 1,004,935
Main & Prospect, Marion	01/13/12	TBD	$ 888,200
N. 7th Street, Ironton	12/31/11	TBD	$ 795,000
E 4th Street, Chillicothe	12/01/11	TBD	$ 778,000

Rudolph Phase 2, Rudolph	01/20/12	TBD	$ 580,500
Banks Street, Mount Gilead	03/01/12	TBD	$ 559,000
Linden Street, Port Clinton	12/31/11	TBD	$ 552,500
Third Street, Mansfield	12/01/11	TBD	$ 552,000
Albany	01/12/12	TBD	$ 547,000
Lusch Road, Marion	01/27/12	TBD	$ 486,100
Kasson Street, Johnstown	12/01/11	TBD	$ 389,000
Colby Street, Crestline	01/13/12	TBD	$ 305,000
Berdan, Toledo	01/20/12	TBD	$ 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 2011 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 related services. In the Joint Stipulation and Recommendation in Case No. 09-0006-GA-UNC, filed on June 2, 2009, and approved by the Commission on June 24, 2009, Columbia agreed to continue to encourage its AMRP contractors to use Ohio labor, and to report on Ohio labor participation in the

AMRP program. Columbia has added language to its bid packages stating a preference that Ohio labor be used whenever possible as long as the price and quality of work is not negatively impacted. For 2011, 83% of contractor labor workforce on AMRP projects was from Ohio.

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

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

Q. Were there any O&M savings in 2011 associated with the replacement of priority pipe?

A. Using the methodology agreed to in the Stipulation and Order in Case No. 09-1036-GA-RDR, there was an O&M savings of approximately $164,854 in 2011 associated with the replacement of priority pipe. The savings are further explained in the testimony of Columbia witness Martin.

Q. Did the various components included in this filing produce any other significant benefits for customers in 2011?

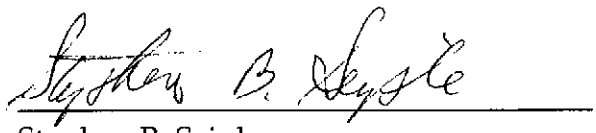
A. Yes. Customer safety has been improved significantly due to the replacement of 23,749 prone to fail risers and more than 8,577 hazardous service lines. With the completion of 446 projects and the retirement of 1,142,830 feet of Priority Pipe, Columbia was able to eliminate the chance of water entering the lines and freezing meters off in the winter. In addition, Columbia was able to retire distribution mains where it has habitually had to go in and dig up to repair the mains.

Q. Does this complete your Prepared Direct Testimony?

A. Yes, it does.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Prepared Direct Testimony of Eric Belle was served upon all parties of record by electronic mail or regular U.S. Mail this 28th day of February 2012.



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