

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Annual Application)
of Columbia Gas of Ohio, Inc. for an) Case No. 14-2078-GA-RDR
Adjustment to Rider IRP and Rider)
DSM Rates

**PREPARED DIRECT TESTIMONY
OF SCOTT PIGG
ON BEHALF OF COLUMBIA GAS OF OHIO, INC.**

COLUMBIA GAS OF OHIO, INC.

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February 27, 2015

Attorneys for
COLUMBIA GAS OF OHIO, INC.

**PREPARED DIRECT TESTIMONY
OF SCOTT PIGG**

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

2 A. Scott Pigg, 749 University Row, Suite 320, Madison, WI 53705.

3
4 **Q. By whom are you employed?**

5 A. I am employed by the Energy Center of Wisconsin and perform evaluation
6 services for Columbia Gas of Ohio, Inc. ("Columbia").
7

8 **Q. Will you please state briefly your educational background and experi-
9 ence?**

10 A. I received a Bachelor's degree in Agricultural Engineering from the
11 University of Wisconsin – Madison in 1980, and Masters' degrees in Agri-
12 cultural Engineering and Land Resources (with a certificate in Energy Anal-
13 ysis and Policy) from the same institution in 1988. I have been performing
14 research on energy efficiency technologies and conducting energy efficiency
15 program evaluation since 1987. I was a senior energy analyst at Wisconsin
16 Energy Conservation Corporation from 1987 to 1995. I have since been em-
17 ployed at the Energy Center of Wisconsin, where I currently hold the title of
18 Principal Researcher. I have published many technical reports and papers
19 over the years, and have performed many impact evaluations of energy ef-
20 ficiency programs.
21

22 **Q. What is your role as evaluation consultant to Columbia Gas of Ohio?**

23 A. My role is to provide Columbia with demand side management ("DSM")
24 program design, research, analysis and evaluation support. This includes
25 completing energy engineering and billing analysis impact evaluations for
26 Columbia's DSM programs. I am also responsible for reviewing and veri-
27 fying the mechanism that Columbia developed to track and calculate Co-
28 lumbia's Shared Savings Incentive.
29

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

31 A. No.
32

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

34 A. The purpose of my testimony is to provide background and support of the
35 Shared Savings Incentive reported in schedule DSM-5, Shared Savings In-

centive, filed by Columbia in this proceeding on February 27, 2015, and to support the reasonableness of Columbia's request for shared savings in Rider DSM rates.

Q. Did Columbia earn shared savings from its DSM programs?

A. Yes. Based on the procedures defined in the shared savings mechanism in Case No. 11-5028-GA-UNC, Columbia's DSM programs produced annual savings of 616,629 MCF, which equals 158.9% of the savings target of 388,051 MCF. By surpassing 110% of the annual natural gas savings target, Columbia is eligible to earn 8.5% of the net benefit of the value of the natural gas savings as described in shared savings mechanism.

Q. Please describe the process used to track and verify shared savings.

A. Columbia developed a mechanism to track and calculate its shared savings incentive as approved in Case No. 11-5028-GA-UNC. The mechanism gathers and tracks data for energy conservation measures installed through each DSM program. Columbia used this data to calculate the projected natural gas savings using the formulas identified in the State of Ohio Energy Efficiency Technical Reference Manual ("TRM"), with the exceptions of the WarmChoice program where historic billing analysis was used, the Home Energy Reports program where guaranteed contract savings were used, and the Innovative Energy Solutions program where the energy audit projected natural gas savings were used. Using the energy conservation measure lifetime identified in the TRM, Columbia calculated the projected lifetime natural gas savings and the value of the natural gas savings for all of its DSM programs. Columbia's shared savings were computed by taking the difference between the net present value of the program lifetime energy savings minus the net present value of the program costs calculated from the Utility Cost Test.

I reviewed the mechanism developed by Columbia and verified that the projected natural gas savings estimates based on the TRM were calculated correctly and are accurate. I have also reviewed the calculation that was used to develop the net present value of the lifetime natural gas savings that were used to determine the shared savings incentive as filed in Schedule DSM-5 and verified these were calculated correctly and are accurate.

Q. Does this complete your Prepared Direct Testimony?

A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Prepared Direct Testimony of Scott Pigg was served upon all parties of record by electronic mail this 27th day of February 2015.

/s/ Brooke E. Leslie

Brooke E. Leslie

Attorney for

COLUMBIA GAS OF OHIO, INC.

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