

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Annual Application )  
of Columbia Gas of Ohio, Inc. for an ) Case No. 15-1918-GA-RDR  
Adjustment to Rider IRP and Rider )  
DSM Rates )

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

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**COLUMBIA GAS OF OHIO, INC.**

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**February 26, 2016**

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

**PREPARED DIRECT TESTIMONY  
OF SCOTT PIGG**

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

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

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

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

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

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

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

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

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

32 A. Yes. I provided written testimony last year in Case No. 14-2078-GA-RDR.

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

35 A. The purpose of my testimony is to provide background and support of the  
36 Shared Savings Incentive reported in schedule DSM-5, Shared Savings Incentive, filed by Columbia in this proceeding on February 26, 2016, and to  
37

1 support the reasonableness of Columbia's request for shared savings in  
2 Rider DSM rates.

3

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

5 A. Yes. Columbia exceeded 110% of the annual natural gas savings target,  
6 making it eligible to earn 8.5% of the net benefit of the value of the natural  
7 gas savings as described in shared savings mechanism.

8

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

10 A. Columbia developed a mechanism to track and calculate its shared  
11 savings incentive as approved in Case No. 11-5028-GA-UNC. The mecha-  
12 nism gathers and tracks data for energy conservation measures installed  
13 through each DSM program. Columbia used this data to calculate the pro-  
14 jected natural gas savings using the formulas identified in the State of  
15 Ohio Energy Efficiency Technical Reference Manual ("TRM"), with the ex-  
16 ceptions of the WarmChoice program where historic billing analysis was  
17 used, the Home Energy Reports program where guaranteed contract sav-  
18 ings with adjustments for measured actual savings were used, and the In-  
19 novative Energy Solutions program where the energy audit projected nat-  
20 ural gas savings were used. Using the energy conservation measure life-  
21 time identified in the TRM, Columbia calculated the projected lifetime  
22 natural gas savings and the value of the natural gas savings for all of its  
23 DSM programs. Columbia's shared savings were computed by taking the  
24 difference between the net present value of the program lifetime energy  
25 savings minus the value of the program costs calculated from the Utility  
26 Cost Test.

27

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

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

37 A. Yes.

## 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 26<sup>th</sup> day of February, 2016 upon the parties listed below.

/s/ Stephen B. Seiple

Stephen B. Seiple

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.