

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. 16-2236-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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Attorneys for
COLUMBIA GAS OF OHIO, INC.

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 am currently pursuing a Master of Business
13 Administration at Southern New Hampshire University Online. In 2008, I
14 began my career with Columbia as a Field Engineer. As a Field Engineer, I
15 was responsible for tasks including design and management of gas pipe
16 construction projects, winter operations planning, and emergency response
17 support in addition to providing technical assistance for various company
18 activities. In 2014 I accepted a position as a Principal Engineer with respon-
19 sibilities for Ohio and 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. No, I have not.

32

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 2016 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.
29

30 **Q. Please summarize the AMRP and hazardous service line performance por-**
31 **tions of Rider IRP for 2016.**

32 A. For the 2016 AMRP filing, Columbia has included costs for projects associated
33 with the retirement of Priority Pipe totaling approximately \$214.7 million. The
34 total footage abandoned or retired from service for each type of main is as
35 follows:
36

1	Bare Steel:	1,003,778 feet
2	Iron/Other:	52,923 feet
3	Pre-1955 Unprotected Coated Steel:	152,404 feet
4	Post-1954 Coated Steel:	76,817 feet
5	Plastic:	169,876 feet
6		

7 Also, in 2016, Columbia replaced 5,617 hazardous customer service lines for
8 a total cost of approximately \$21.2 million.

9
10 **Q. Has Columbia included the costs to replace segments of plastic and coated**
11 **steel mains in this filing?**

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

19
20 The Opinion and Order issued in 11-5515-GA-ALT provided for recovery of
21 investment related to interspersed sections of nonpriority pipe contained
22 within the bounds of priority pipe replacement projects where it is more eco-
23 nomical to replace such pipe based on the pipe diameter and length of main.
24 These replacement metrics are set forth in the Commission's Order dated No-
25 vember 26, 2012.

26
27 The Opinion and Order further allowed for the inclusion and recovery of in-
28 vestment related to the replacement of first generation plastic pipe or Aldyl-
29 A plastic pipe when such pipe is associated with priority pipe in replacement
30 projects not to exceed 5% of the total pipe replaced. For 2016, Columbia's re-
31 tirement of first generation plastic pipe installed prior to 1982 associated with
32 an AMRP totaled 45,518 feet of pipe which was 3.13% of the total retirement
33 footage.

34
35 Columbia's AMRP was also clarified to expressly include ineffectively coated
36 steel pipe installed before 1955 which was considered ineffectively coated
37 without further testing. Columbia also tested segments of post-1954 coated
38 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 42,690 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 2016, 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 2016?**

34 A. In 2016, 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. Columbia extended and expanded the scope of our
16 previously bid "blanket" construction contracts through December 31, 2016.
17 This approach allows Columbia to maintain highly skilled contract resources
18 and encourages these contractors to expand their businesses in Ohio. Local
19 Columbia employees may perform work on some smaller projects when they
20 are available. Columbia evaluates each project on a variety of criteria to de-
21 termine who will perform the work.

22
23 **Q. What percentage of contractors working on AMRP projects in 2016 con-**
24 **sisted of Ohio labor?**

25 **A.** As part of the Stipulation in Case No. 08-72-GA-AIR, et al., approved by the
26 Commission on December 3, 2008, Columbia agreed to encourage its AMRP
27 contractors to use their best efforts to retain Ohio labor to perform AMRP re-
28 lated services. In the Joint Stipulation and Recommendation in Case No. 09-
29 0006-GA-UNC, filed on June 2, 2009, and approved by the Commission on
30 June 24, 2009, Columbia agreed to continue to encourage its AMRP contrac-
31 tors to use Ohio labor, and to report on Ohio labor participation in the AMRP
32 program. Columbia has added language to its bid packages stating a prefer-
33 ence that Ohio labor be used whenever possible as long as the price and qual-
34 ity of work is not negatively impacted. For 2016, 85% of contractor labor work-
35 force on AMRP projects was from Ohio.

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

1 A. Contractors do replace some hazardous service lines in a few locations, but
2 the majority of hazardous service lines are replaced by local Columbia em-
3 ployees.
4

5 **Q. Did the various components included in this filing produce any other sig-**
6 **nificant benefits for customers in 2016?**

7 A. Yes. Customer safety has been improved significantly due to the replacement
8 of more than 5,617 hazardous service lines. With the retirement of 1,056,701
9 feet of Priority Pipe, Columbia was able to eliminate the chance of water en-
10 tering these lines and freezing meters off in the winter. Incidents of water en-
11 tering the lines reduced 26% between the 2014-2015 and 2015-2016 gas sea-
12 sons. Additionally, Columbia was able to retire distribution mains where it
13 has habitually had to go in and dig up to repair the mains. Overall, Columbia
14 has continued to see a decrease in the number of new leaks found on distri-
15 bution mains and services based on its three year leakage survey frequency.
16 Columbia found 14,547 new leaks in 2016, or approximately 17.0% fewer
17 leaks compared to 2013 when the same geographic areas were surveyed and
18 17,522 leaks were found.
19

20 **Q. What are Columbia's construction plans for 2017?**

21 A. Columbia expects to spend approximately \$219.4 million on the various com-
22 ponents of Rider IRP in 2017. Columbia currently estimates it will spend ap-
23 proximately \$25 million on hazardous service lines, and \$194.4 million on re-
24 placing infrastructure. Priority Pipe projects will be constructed throughout
25 the year. Many of these projects have either not yet been identified or involve
26 third party coordination the schedules for which cannot be confirmed at this
27 time. These projects will address existing hazards and/or eliminate risky pipe
28 in conjunction with public works projects. A current listing of Columbia's
29 largest planned infrastructure projects are shown below.
30

<u>Project Name</u>	<u>City</u>	<u>Estimated Cost</u>
Queens Highway AMRP	Parma	\$7,548,372
Drexel AMRP	Columbus	\$6,700,000
Longfellow AMRP	Berea	\$3,698,363
Professor & Union AMRP	Oberlin	\$3,375,000
Moreland AMRP	Parma	\$3,284,854
Findley Ave AMRP	Toronto	\$3,034,500
Wolfe Avenue AMRP	Mansfield	\$2,860,320
Maple St AMRP	Salem	\$2,808,993
Killbuck AMRP	Killbuck	\$2,689,810

<u>Project Name</u>	<u>City</u>	<u>Estimated Cost</u>
Risingsun AMRP	Risingsun	\$2,668,398
104th AMRP	Toledo	\$2,619,882
Main St AMRP	Tiffin	\$2,592,873
Columbia St AMRP	Alliance	\$2,408,414
Wall Street AMRP	Plymouth	\$2,403,023
Second St AMRP	Carrollton	\$2,324,440
William Ave AMRP	Yorkville	\$2,286,827
Sandusky AMRP	Sandusky	\$2,268,628
Elmore AMRP	Elmore	\$2,148,412
Foresythe & 6th AMRP	Columbus	\$2,134,000
Beech & Stanley AMRP	Columbus	\$2,124,250
Preston Street AMRP	Centerburg	\$2,123,471
Windsor & Park AMRP	Urbana	\$2,035,000
Fort Street AMRP	Maumee	\$1,991,308
Rose & Wilson AMRP	Springfield	\$1,939,000
USR 23 and Olentangy River AMRP	Delaware	\$1,900,000
Mulberry Street AMRP	Mt. Vernon	\$1,875,152
Hamilton Ave AMRP	Steubenville	\$1,851,000
Eastern Ave AMRP	New Lexington	\$1,845,000
Broadway & Newton AMRP	Toledo	\$1,821,708
Winona Blvd AMRP	Chillicothe	\$1,752,000
Beechway AMRP	Toledo	\$1,747,334
Front St. Ph 1 AMRP	Logan	\$1,746,919
Derrer and Olive AMRP	Columbus	\$1,741,929
Worthington & 9th PH 2 AMRP	Columbus	\$1,736,903
Roanoke East AMRP	Toledo	\$1,684,276
Vermilion West AMRP	Vermilion	\$1,679,045
Emerald & Eldridge AMRP	Columbus	\$1,640,000
Enderby & Edgehill AMRP	Parma	\$1,594,647
Beechrock Ave AMRP	Zanesville	\$1,549,500
Siebert & Bruck 2 AMRP	Columbus	\$1,543,887
Scott & Jones AMRP	Columbus	\$1,520,000
Adelbert Street AMRP	Elyria	\$1,504,658
Poplar St. AMRP	Nelsonville	\$1,494,000
Mound & High AMRP	Springfield	\$1,492,000
Roanoke West AMRP	Toledo	\$1,489,769
106th AMRP	Toledo	\$1,460,829
Ridge Ave AMRP	Zanesville	\$1,456,500

<u>Project Name</u>	<u>City</u>	<u>Estimated Cost</u>
Crogahan St AMRP	Fremont	\$1,401,673
Taylor Boulevard AMRP	LaGrange	\$1,388,000
Hilltop - Walsh & Helen AMRP	Columbus	\$1,370,000
Alger AMRP	Alger	\$1,354,061
Dominion & Zeller AMRP	Columbus	\$1,352,837
Long & 22nd AMRP	Columbus	\$1,345,000
Center Ridge Road AMRP	North Ridgeville	\$1,332,921
Michigan Avenue AMRP	Mansfield	\$1,324,239
Birchard Ph1 AMRP	Fremont	\$1,317,283
Robinson Ave AMRP	Portsmouth	\$1,312,000
Antietam AMRP	London	\$1,282,000
Beechwood Blvd AMRP	Wintersville	\$1,246,504
Andover and Berkshire AMRP	Upper Arlington	\$1,240,150
Andover and Suffolk AMRP	Upper Arlington	\$1,218,000
Mulberry St AMRP	Coshocton	\$1,143,484
Denver & Stanberry AMRP	Bexley	\$1,135,000
Monroe AMRP	Toledo	\$1,091,849
Saco AMRP	Toledo	\$1,082,694
City Park & Blenkner AMRP	Columbus	\$1,050,000
Segur North AMRP	Toledo	\$1,040,228
Lincoln Ave AMRP	Massilon	\$1,023,736
Elm St AMRP	Columbiana	\$1,018,806
Wyandotte & King AMRP	Upper Arlington	\$990,948
Latonia Street AMRP	Ironton	\$966,085
Beatty Ave AMRP	Cambridge	\$960,500
Birchard Ph2 AMRP	Fremont	\$938,848
City Park & Gates AMRP	Columbus	\$925,197
Alley MP AMRP	Chillicothe	\$908,500
Michigan & 6th Ph 2 AMRP	Columbus	\$880,005
Worthington & 9th PH 1 AMRP	Columbus	\$850,224
Longview Avenue AMRP	Mansfield	\$830,419
Michigan & 6th Ph 1 AMRP	Columbus	\$809,995
Delano Ave AMRP	Chillicothe	\$733,000
Main St AMRP	Roseville	\$688,000
Front St. Ph 2 AMRP	Logan	\$525,000

1

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

3 **A.** Yes, it does.

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 27th day of February, 2017 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.