

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Annual Application)
of Columbia Gas of Ohio, Inc. for an) Case No. 16-2236-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, 2017

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 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 master's degrees in Agricultural Engineering and Land Resources (with a certificate in Energy Analysis and Policy) from the same institution in 1988. I have been performing research on energy efficiency technologies and conducting energy efficiency program evaluation since 1987. I was a senior energy analyst at Wisconsin Energy Conservation Corporation from 1987 to 1995. I have 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.

22
23 **Q. What is your role as evaluation consultant to Columbia?**

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 impact evaluations for Columbia's DSM programs. I am also
27 responsible for reviewing and verifying the mechanism that Columbia developed to track and calculate Columbia's Shared Savings Incentive.

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29
30 **Q. Have you previously testified before this Commission?**

31 A. Yes. I provided written testimony last year in Case No. 15-1918-GA-RDR.

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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 Incentive, filed by Columbia in this proceeding on February 27, 2017, and to
36

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 Nos. 11-5028-GA-UNC, et al. The
12 mechanism gathers and tracks data for energy conservation measures in-
13 stalled through each DSM program. Columbia used this data to calculate
14 the projected natural gas savings using the formulas identified in the State
15 of Ohio Energy Efficiency Technical Reference Manual ("TRM"), with the
16 exceptions of the WarmChoice[®] program where historic billing analysis
17 was used, the Home Energy Reports program where guaranteed contract
18 savings with adjustments for measured actual savings were used, and the
19 Innovative Energy Solutions program where the energy audit projected
20 natural gas savings were used. Using the energy conservation measures'
21 lifetimes 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 DSM program lifetime en-
25 ergy savings and the value of the DSM program costs calculated from the
26 Utility 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.

35

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 27th day of February, 2017 upon the parties listed below.

/s/ Joseph M. Clark

Joseph M. Clark

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