

**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. 17-2374-GA-RDR
justment 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, 2018

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 and perform evaluation services for Co-
6 lumbia 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 Univer-
11 sity of Wisconsin – Madison in 1980, and master's degrees in Agricultural
12 Engineering and Land Resources (with a certificate in Energy Analysis and
13 Policy) from the same institution in 1988. I have been performing research
14 on energy efficiency technologies and conducting energy efficiency pro-
15 gram evaluation since 1987. I was a senior energy analyst at Wisconsin En-
16 ergy Conservation Corporation from 1987 to 1995. I have since been em-
17 ployed at Seventhwave, formerly the Energy Center of Wisconsin, where I
18 currently hold the title of Principal Researcher. I have published many tech-
19 nical reports and papers over the years, and have performed many impact
20 evaluations of energy efficiency programs.

21
22 **Q. What is your role as evaluation consultant to Columbia?**

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

28
29 **Q. Have you previously testified before this Commission?**

30 A. Yes. I provided written testimony in Case Nos. 14-2078-GA-RDR, 15-1918-
31 GA-RDR, and 16-2236-GA-RDR.

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-
36 centive, filed by Columbia in this proceeding on February 27, 2018, and to

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 125% of the annual natural gas savings target,
6 making it eligible to earn 10% 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 savings
11 incentive as approved in Case Nos. 11-5028-GA-UNC, et al., as continued
12 and modified in Case Nos. 16-1309-GA-UNC, et al. The mechanism gathers
13 and tracks data for energy conservation measures installed through each
14 DSM program. Columbia used this data to calculate the projected natural
15 gas savings using the formulas identified in the State of Ohio Energy Effi-
16 ciency Technical Reference Manual ("TRM"), with the exceptions of the
17 WarmChoice® program where historic billing analysis was used, the Home
18 Energy Reports program where guaranteed contract savings with adjust-
19 ments for measured actual savings were used, and Simple Energy Solutions
20 program where smart thermostats are included as modeled using the meth-
21 odology from Case No. 16-1309-GA-UNC, et al. Projected natural gas sav-
22 ings for the Innovative Energy Solutions program and Small Commercial
23 Construction program are calculated using an energy audit or building
24 modeling software. Using the energy conservation measures' lifetimes
25 identified in the TRM, Columbia calculated the projected lifetime natural
26 gas savings and the value of the natural gas savings for all of its DSM pro-
27 grams. Columbia's shared savings were computed by taking the difference
28 between the net present value of the DSM program lifetime energy savings
29 and the value of the DSM program costs calculated from the Utility Cost
30 Test.

31

32 I reviewed the mechanism developed by Columbia and verified that the
33 projected natural gas savings estimates based on the TRM were calculated
34 correctly and are accurate. I have reviewed the calculations used in billing
35 analysis for WarmChoice®, Home Energy Reports, and Simple Energy So-
36 lutions savings for each program year. I have also reviewed the calculation
37 that was used to develop the net present value of the lifetime natural gas
38 savings that were used to determine the shared savings incentive as filed in

1 Schedule DSM-5 and verified these were calculated correctly and are accu-
2 rate.

3

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

5 **A. Yes. However, I reserve my right to supplement this testimony.**

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/s/ Joseph M. Clark

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