

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Co- )  
lumbia Gas of Ohio, Inc. for an Adjust- ) Case No. 18-1701-GA-RDR  
ment to Rider IRP and Rider DSM Rates. )

---

---

**PREPARED SUPPLEMENTAL DIRECT TESTIMONY OF  
MELISSA L. THOMPSON  
ON BEHALF OF COLUMBIA GAS OF OHIO, INC.**

---

---

Stephen B. Seiple, Asst. General Counsel  
(0003809)

Joseph M. Clark, Sr. Counsel (0080711)  
(Counsel of Record)

P.O. Box 117

290 W. Nationwide Blvd.

Columbus, Ohio 43216-0117

Telephone: (614) 460-6988

E-mail: sseiple@nisource.com

josephclark@nisource.com

(Willing to accept service by e-mail)

Attorneys for

**COLUMBIA GAS OF OHIO, INC.**

**April 2, 2019**

**PREPARED SUPPLEMENTAL DIRECT TESTIMONY  
OF MELISSA L. THOMPSON**

---

**I. INTRODUCTION**

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

A. Melissa L. Thompson, 290 W. Nationwide Blvd., Columbus, Ohio 43215.

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

A. I am employed by Columbia Gas of Ohio, Inc. ("Columbia").

**Q. Did you previously file Prepared Direct Testimony in this case?**

A. Yes, my Prepared Direct Testimony was filed on February 28, 2019.

**Q. What is the purpose of your Supplemental Direct Testimony in this proceeding?**

A. In addition to supporting the Application and corresponding exhibits in this proceeding, I am also supporting the Stipulation and Recommendation ("Stipulation") filed in this proceeding on April 2, 2019. I believe the Stipulation represents a fair and reasonable compromise of the issues in this proceeding and should be adopted and approved by the Public Utilities Commission of Ohio ("Commission").

**II. THE STIPULATION AND RECOMMENDATION**

**Q. Please describe the Stipulation.**

A. The Stipulation is a comprehensive settlement of the issues in this proceeding agreed to by the Signatory Parties. In the Stipulation, the Signatory Parties recommend the Commission's approval of Columbia's proposed Rider IRP and Rider DSM rates as was proposed in Columbia's Application filed on February 28, 2019. The Signatory Parties further recommend the Commission adopt the recommendations contained within the Comments filed by Staff to allow the October, November, and December 2018 IRP and DSM investments to be re-examined during the calendar year 2019 Rider IRP and DSM proceeding. Finally, the Signatory Parties agree that the scope of this proceeding was limited to the review of Columbia's Rider IRP and Rider DSM investments.

1 **Q. Does the Stipulation satisfy the Commission’s criteria for evaluating the**  
2 **reasonableness of a stipulation?**

3 A. Yes. The Stipulation satisfies each of the Commission’s criteria for evaluat-  
4 ing the reasonableness of a stipulation: it is the result of serious bargaining  
5 among capable, knowledgeable parties; as a package, it benefits ratepayers  
6 and the public interest; and it does not violate any important regulatory  
7 principle or practice.  
8

9 **III. THE STIPULATION IS A PRODUCT OF SERIOUS BARGAINING AMONG**  
10 **CAPABLE, KNOWLEDGEABLE PARTIES**  
11

12 **Q. Were all parties to this case included in the negotiations that resulted in**  
13 **the Stipulation?**

14 A. Yes.  
15

16 **Q. Which parties have signed the Stipulation?**

17 A. In addition to Columbia, the Staff of the Public Utilities Commission of  
18 Ohio (“Staff”), and Ohio Partners for Affordable Energy (“OPAЕ”) have  
19 signed the Stipulation. I will refer to them as the Signatory Parties..  
20

21 **Q. Are there any parties who oppose the Stipulation?**

22 A. Yes, the Environmental Law and Policy Center (“ELPC”) has indicated that  
23 it objects to the Stipulation.  
24

25 **Q. Do you believe the Stipulation filed in this case is the product of serious**  
26 **bargaining?**

27 A. Yes. The Stipulation is the product of an open process in which all parties  
28 were represented by able counsel and technical experts. Columbia and the  
29 other parties met at a settlement conference to produce the Stipulation filed  
30 on April 2, 2019.  
31

32 **Q. Does the Stipulation represent a compromise of issues by knowledgeable**  
33 **and experienced parties?**

34 A. Yes, the Stipulation is a comprehensive compromise of the issues in this  
35 case. Each party to the Stipulation regularly participates in Commission  
36 proceedings and other regulatory matters, and each party was represented  
37 by experienced and competent counsel.

1 **Q. Do the Signatory Parties represent a broad range of interests?**

2 A. Yes. For example, OPAE represents the interests of low-income customers,  
3 including low-income residential and commercial customers, as well as its  
4 member community action agencies. Staff balances the interests of all cus-  
5 tomers and stakeholders in Ohio.  
6

7 **Q. Does the Stipulation serve as a reasonable resolution of issues?**

8 A. Yes. The Stipulation resolves the sole issue of this proceeding – i.e., what is  
9 the Rider IRP and Rider DSM rate to recover the reasonable and prudent  
10 calendar year 2018 investment.  
11

12 **IV. THE SETTLEMENT BENEFITS RATEPAYERS AND THE PUBLIC INTEREST**  
13

14 **Q. Does the Stipulation, as a package, benefit ratepayers and the public in-**  
15 **terest?**

16 A. Yes, because it will promote safety and reliability, enhance customer ser-  
17 vice, provide energy savings, and implement the final pieces of the federal  
18 tax reform legislation.  
19

20 **Q. How will the Stipulation promote safety and reliability?**

21 A. The Stipulation recommends adoption of the Rider IRP and Rider DSM  
22 rates that will continue Columbia’s Infrastructure Replacement Program  
23 (“IRP”) and Demand Side Management (“DSM”) Programs. Under the IRP,  
24 Columbia has been accelerating the replacement of bare steel, cast iron,  
25 wrought iron, and unprotected coated steel, which have a greater probabili-  
26 ty to leak due to their material type, protection, age, and other characteris-  
27 tics. The Stipulation allows Columbia to continue to recover costs necessary  
28 to implement its systematic replacement strategy, which targets the identi-  
29 fication, selection, and replacement of this pipe with high relative risk. Fi-  
30 nally, the Stipulation allows Columbia to recover costs necessary to con-  
31 tinue to maintain responsibility for all maintenance, repair, and replace-  
32 ment of customer-owned service lines that have been determined by Co-  
33 lumbia to present an existing or probable hazard to persons or property  
34 based on severity or location.  
35

36 As for the Demand Side Management Program, with each home energy au-  
37 dit, whether conducted in the WarmChoice® Program or the Home Perfor-  
38 mance Solutions program, Columbia and its contractors conduct a safety  
39 inspection. For example, home energy audits and inspections conducted

1 from 2017 through 2018 identified 378 gas leaks; 1,255 electrical wiring is-  
2 sues; and 3,291 venting issues. When these issues are fixed, Columbia's cus-  
3 tomers are safer.

4

5 **Q. How will the Stipulation enhance customer service?**

6 A. By replacing aging infrastructure under the IRP, Columbia can reduce cus-  
7 tomer outages due to leaks on bare steel, cast iron, wrought iron, unpro-  
8 tected coated steel, ineffectively coated steel, and first generation plastic  
9 main lines. Through Columbia's main line replacements and subsequent  
10 uprating of main lines from low to medium pressure, Columbia is able to  
11 further increase the reliability of its system due to less ground water being  
12 able to infiltrate its facilities.

13

14 **Q. Will the Stipulation provide energy saving measures?**

15 A. Yes. Columbia's DSM Program provides residential and small commercial  
16 customers access to energy savings measures, which will directly reduce  
17 natural gas usage and improve the affordability of natural gas service. By  
18 approving the Rider DSM rate, Columbia may continue providing custom-  
19 ers these programs.

20

21 **Q. What is the Stipulation's financial impact on customers?**

22 A. The Stipulation provides for a reduction of Columbia's Rider DSM rate. The  
23 Stipulation also recommends the approval of the Rider IRP rate, which in-  
24 corporates the pass back of excess deferred taxes associated with the re-  
25 duced federal tax rate. Finally, the Stipulation recommends the approval of  
26 a Small General Service ("SGS") class Rider IRP rate of \$9.38, which is less  
27 than the approved Rider IRP rate limit of \$11.35 per SGS customer, per  
28 month.

29

30 **Q. Is it your opinion that the Stipulation, as a package, benefits customers  
31 and is in the public interest?**

32 A. Yes, I believe the Stipulation benefits customers and is in the public interest.

1 V. THE SETTLEMENT DOES NOT VIOLATE ANY IMPORTANT REGULA-  
2 TORY PRINCIPLE OR PRACTICE  
3

4 Q. Does the Stipulation violate any important regulatory principle or prac-  
5 tice?

6 A. No. The Stipulation does not violate any important regulatory principle or  
7 practice.  
8

9 Q. Is the Stipulation consistent with recent Commission decisions involving  
10 similar applications?

11 A. Yes. The Stipulation is consistent with the Commission orders in past Co-  
12 lumbia applications requesting an adjustment to Riders IRP and DSM.  
13

14 Q. Why do you believe the Stipulation does not violate any important regu-  
15 latory principle or practice?

16 A. The Stipulation recommends an adjustment to Riders IRP and DSM that  
17 meets the state policy set forth in R.C. 4929.02. That policy promotes the  
18 availability of adequate, reliable, and reasonably priced services and goods.  
19 By ensuring that Columbia is given the opportunity to timely recover its  
20 investments in its infrastructure replacement program and energy effi-  
21 ciency program, the Stipulation will enhance Columbia's ability to continue  
22 to offer adequate, reliable, and reasonably priced natural gas services and  
23 goods.  
24

25 Q. Are you recommending that the Commission approve the Stipulation  
26 without modification?

27 A. Yes, I believe the Stipulation represents a fair, balanced, and reasonable  
28 compromise of diverse interests and provides a fair result for customers. I  
29 believe the Stipulation meets all of the Commission's criteria for adoption  
30 of settlements and that the Commission should issue an order approving  
31 the settlement.  
32

33 Q. Does this complete your Prepared Supplemental Direct Testimony?

34 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 2nd day of April, 2019, upon the parties listed below:

<b>Ohio Attorney General's Office</b>	thomas.lindgren@ohioattorneygeneral.gov robert.eubanks@ohioattorneygeneral.gov
---------------------------------------	---

<b>The Office of the Ohio Consumers' Counsel</b>	Christopher.healey@occ.ohio.gov
--	---------------------------------

<b>Ohio Partners for Affordable Energy</b>	cmooney@ohiopartners.org
--	--------------------------

<b>Environmental Law and Policy Center</b>	RKelter@elpc.org MFleisher@elpc.org
--	--

/s/ Joseph M. Clark

Joseph M. Clark

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

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**4/2/2019 8:39:07 AM**

**in**

**Case No(s). 18-1701-GA-RDR**

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