

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Annual Application of)
Columbia Gas of Ohio, Inc. for an) Case No. 18-1701-GA-RDR
Adjustment to Rider IRP & Rider DSM)
Rates)

REPLY BRIEF BY THE ENVIRONMENTAL LAW & POLICY CENTER

Columbia Gas of Ohio, Inc. (“Columbia” or “Company”) seeks approval of a Joint Stipulation and Recommendation (“Stipulation”) filed in this case on April 2, 2019, regarding cost recovery under its Infrastructure Replacement Program Rider (“Rider IRP”) and Demand Side Management Rider (“Rider DSM”). As Columbia indicates (Columbia Initial Br. at 2), the reasonableness of that Stipulation is a separate issue from the matter raised by the Environmental Law & Policy Center (“ELPC”) in its Initial Brief: the Company’s obligation to shift funding from its underutilized Home Performance Solutions program to support smart thermostat education and rebates under its Simple Energy Solutions program, in accordance with the December 21, 2016 Opinion and Order by the Public Utilities Commission of Ohio (“Commission” or “PUCO”) in Case Nos. 16-1309-GA-UNC *et al.* (“2016 DSM Case”). ELPC Initial Br. at 2-3, 4-5. ELPC continues to support such a shift in order to provide more cost-effective gas savings to a broader range of Columbia customers than under the Company’s current DSM plan. *Id.* at 2-5.

In its Initial Brief, Columbia characterized ELPC’s argument as “extraneous” to the Rider IRP and Rider DSM cost recovery issues resolved in the Stipulation. Columbia Initial Br. at 5. ELPC agrees that no direct modification of the Stipulation is necessary, and does not argue that

the Stipulation fails to meet the applicable standard. However, since all parties filed their initial briefs, the Commission has issued an entry on rehearing in the *2016 DSM Case* that makes clear any resolution of this proceeding should in fact address implementation of the Commission's prior directives regarding future program spending – not just retrospective cost recovery.

The Second Entry on Rehearing in the *2016 DSM Case* affirmed the Commission's intent that funds from underperforming programs be used for a customer education and marketing campaign for smart thermostats along with supporting rebates. *2016 DSM Case*, Second Entry on Rehearing (Apr. 10, 2019) at 11. The Commission also specified that Columbia should implement that directive through discussions with its DSM stakeholder group and through explanation of its approach "in its annual DSM rider application." *Id.* Thus, the Commission has confirmed that ELPC's arguments should be addressed in this type of docket.

The Commission also provided additional clarifying direction that a particular program should be considered "underperforming," triggering Columbia's obligation to shift funds toward a smart thermostat campaign, where the "customer participation rate . . . is 25 percent or more below the projected customer participation level." *2016 DSM Case*, Second Entry on Rehearing at 11. Since the bulk of this proceeding occurred before the Commission articulated this standard, there is not specific information in the record regarding projected or actual customer participation in the Home Performance Solutions program. Moreover, even if participation was at projected levels, actual spending was less than 65% of Columbia's projected budget in 2018. ELPC Initial Br. at 3. That discrepancy in actual versus projected spending indicates that there is sufficient funding available, at total rider cost levels previously approved by the Commission, to support a smart thermostat campaign that would deliver cost-effective savings to a large number

of Columbia customers. It is already four months into 2019 and it may take months more to work through the details and contracting to support “a customer education and marketing campaign for the Simple Energy Solution smart thermostat project.” *2016 DSM Case*, Second Entry on Rehearing at 11. Therefore, ELPC respectfully requests that the Commission order Columbia to move forward to develop such a campaign without further delay.

April 12, 2019

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Reply Brief submitted on behalf of the Environmental Law & Policy Center was served by electronic mail upon all Parties of Record on April 12, 2019.

/s Madeline Fleisher
Madeline Fleisher

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Summary: Brief Reply Brief electronically filed by Madeline Fleisher on behalf of
Environmental Law & Policy Center