

**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. 19-1940-GA-RDR
justment to Rider IRP and Rider DSM)
Rates.)

**PREPARED DIRECT TESTIMONY OF
ANDREW S. METZ
ON BEHALF OF COLUMBIA GAS OF OHIO, INC.**

COLUMBIA GAS OF OHIO, INC.

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February 28, 2020

Attorney for
COLUMBIA GAS OF OHIO, INC.

**PREPARED DIRECT TESTIMONY
OF ANDREW S. METZ**

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

2 A. Andrew S. Metz, 290 West Nationwide Boulevard, Columbus, Ohio 43215.

3

4 **Q. By who are you employed?**

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

6

7 **Q. Will you please state briefly your educational background and experi-**
8 **ence?**

9 A. I graduated from Virginia Polytechnic Institute and State University with a
10 BS in Business Economics in 2008 and a masters in Financial Economics
11 from Youngstown State University in 2010. I began my career with Colum-
12 bia in 2012 in the energy efficiency department where I was a Data and Per-
13 formance Metrics Analyst. In April of 2017, I was promoted to my current
14 position of Financial and Analytics Lead.

15

16 **Q. What are your job responsibilities as Financial and Analytics Lead?**

17 A. I am responsible for validating Columbia's energy efficiency program data
18 and invoices, strategic planning, data analysis and reporting, as well as
19 managing Columbia's energy efficiency evaluation contractor. Other re-
20 sponsibilities include the preparation and/or support of exhibits, proposed
21 tariff changes, and testimony filed by Columbia in support of the Demand
22 Side Management ("DSM") rider proposed by Columbia in this case.

23

24 **Q. Have you previously testified before this Commission?**

25 A. Yes. I provided written testimony in Case Nos. 18-1701-GA-RDR as well as
26 17-2374-GA-RDR

27

28 **Q. What is the purpose of your testimony?**

29 A. The purpose of my testimony is to support the reasonableness of Colum-
30 bia's request for the proposed rate adjustments in Rider DSM. I provide a
31 detailed explanation of the DSM programs and the schedules filed by Co-
32 lumbia on February 28, 2020, in support of the proposed adjustments.

33

1 **Q. What schedules are you sponsoring in this proceeding?**

2 A. Following is a list and brief description of the schedules I am sponsoring in
3 this proceeding, which are applicable to Rider DSM:
4

Schedule/Exhibit	Description
Schedule DSM-1	DSM Revenue Requirement Calculation
Schedule DSM-2	Detail of Deferred DSM Expenditures by Month
Schedule DSM-3	Detail of DSM Recoveries by Month
Schedule DSM-4	Computation of DSM Carrying Costs
Schedule DSM-5	Shared Savings Incentive
Schedule DSM-6	Computation of DSM Rate per Mcf

5
6 **EXPLANATION OF DSM SCHEDULES**
7

8 **Q. Are you familiar with Columbia's Application filed in Case No. 11-5028-**
9 **GA-UNC, on September 9, 2011, and approved by Commission Order**
10 **dated December 14, 2011?**

11 A. Yes. In that case, Columbia's Application sought continuation, expansion,
12 and approval of various DSM programs through December 31, 2016. In its
13 Order, the Commission authorized Columbia to implement all of the pro-
14 posed DSM programs.
15

16 **Q. Are you familiar with Columbia's Application filed in Case No. 16-1309-**
17 **GA-UNC, on June 10, 2016, and approved by Commission Order dated**
18 **December 21, 2016?**

19 Yes. In that case, Columbia's Application sought to continue its demand
20 side management Program and to continue the recovery and accounting
21 previously approved in Case Nos. 08-0072-GA-AIR, et al., and 11-5028-GA-
22 UNC, et al., for an additional six years through December 31, 2022. This
23 application was approved by the Commission's December 21, 2016 Opinion
24 and Order in that proceeding.
25

26 **Q. Please describe Rider DSM.**

27 A. Rider DSM authorizes Columbia to recover the costs of implementing a
28 comprehensive, customer funded, cost-effective energy efficiency program
29 made available to all residential customers during calendar years 2009-
30 2011. This time period was extended in Case Nos. 11-5028-GA-UNC, et al.,
31 for program costs incurred in calendar years 2012-2016. The time period

1 was extended again in Case Nos. 16-1309-GA-UNC, et al., for program costs
2 incurred in calendar years 2017-2022.

3
4 Rider DSM will be determined annually based on the actual cost of the pro-
5 gram for the previous calendar year with rates to become effective the fol-
6 lowing May. The procedure for the filing of Rider DSM adjustments is iden-
7 tical to the filing procedure applicable to the Rider IRP, as set forth in the
8 Opinion and Order from Case No. 16-1309-GA-UNC, et al.

9
10 **Q. What are the customer benefits of the DSM programs?**

11 A. The primary customer benefits of the DSM programs are lower natural gas
12 usage and bills as a result of the implementation of energy efficiency
13 measures. Other customer benefits include improved safety and reduced
14 greenhouse gas emissions.

15
16 **Q. Please provide a brief description of each of the DSM programs for which
17 Columbia has incurred costs during 2019.**

18 A. Columbia incurred costs for most of its DSM programs during 2019.

19
20 Columbia's income eligible customer home weatherization program,
21 WarmChoice®, served 1,938 households in 2019 through a network of five
22 community-based providers and their subcontractors. Customers receive a
23 diagnostic energy and safety inspection and installation of attic, wall, floor,
24 duct and pipe insulation, air leakage sealing, and replacement of defective
25 natural gas fueled water and/or space heating appliances, when needed. All
26 customers who received services through WarmChoice® received a quality
27 assurance inspection by their WarmChoice® provider after all heating work
28 was completed, and again after all weatherization work was completed.
29 Additionally, six percent of homes that received WarmChoice® services in
30 2019 had a quality assurance inspection completed by Columbia staff which
31 included a complete inspection of all heating and weatherization work
32 completed at the home.

33
34 The Home Energy Audit and Rebates program provides low-cost energy
35 audits and assessments, smart or programmable thermostats, water heater
36 pipe insulation and high-performance, energy-efficient showerheads and
37 faucet aerators installed during the energy audit or assessment (if needed),
38 and rebates for high-efficiency gas furnaces and boilers, duct sealing and
39 air sealing, and attic and wall insulation targeted to customers with higher

1 than average natural gas usage. CLEAResult is Columbia's implementation
2 contractor for this program. CLEAResult has on-staff and independent en-
3 ergy auditors located strategically throughout Columbia's service territory
4 to perform the residential customer energy audits and assessments, and in-
5 stall the smart or programmable thermostat, energy-efficient showerheads,
6 water heater pipe insulation, and faucet aerators at the time of the energy
7 audit or assessment, if needed. CLEAResult also recruits, manages, and
8 trains the HVAC and insulation contractor network, processes rebates,
9 maintains a database of customers served and transactions processed, and
10 performs quality assurance inspections of completed work. CLEAResult
11 performed energy audits for 4,797 customers, and installed 808 program-
12 mable thermostats, 442 smart thermostats, 1,832 showerheads, 1,846 water
13 heater pipe insulation, and 1,985 faucet aerators.

14
15 Customers completing work in the Home Energy Audit and Rebates pro-
16 gram in 2019 totaled 1,859, although energy audits that were completed late
17 in the year will result in work being completed in 2020. The following re-
18 bates were paid to customers in 2019: 1,701 air sealing; 1,679 attic insulation;
19 878 wall insulation; 80 duct sealing; and, 22 high efficiency furnaces. The
20 program received the United States Environmental Protection Agency
21 ENERGY STAR® Partner of the Year – Sustained Excellence award for En-
22 ergy Efficiency Program Delivery in 2019.

23
24 Columbia contracted with ICF Resources, LLC ("ICF") in 2019 to imple-
25 ment the EfficiencyCraftedSM Homes program. This program provides in-
26 centives to builders to construct homes to a higher energy efficiency stand-
27 ard than Ohio's building energy code. ICF recruited and trained home en-
28 ergy raters and homebuilders to participate in the program. Columbia part-
29 ners with AEP Ohio when both utilities serve the same customer. Program
30 staff performed outreach to recruit and enroll new homebuilders and home
31 energy rating companies. During 2019, 59 homebuilders and 12 home en-
32 ergy rating companies submitted or received rebates, representing a mix of
33 both returning and newly recruited participants. In 2019, 3,163 homes with
34 an average Home Energy Rating System ("HERS") score of 60 were built to
35 program standards (519 were ENERGY STAR® Certified) and received in-
36 centives. During 2019, 4,505 homes enrolled in the program including the
37 3,163 completed homes. This program received the United States Environ-
38 mental Protection Agency ENERGY STAR® Partner of the Year - Sustained

1 Excellence award for Energy Efficiency Program Delivery in 2019 and a
2 2019 ENERGY STAR® Certified Homes Market Leader Award.

3
4 The Simple Energy Solutions program provides rebates to customers who
5 purchase smart and programmable thermostats; high-performance, en-
6 ergy-efficient showerheads; and/or energy-efficient faucet aerators. Cus-
7 tomers may purchase eligible products from Columbia's e-store, operated
8 by Uplight, and have the rebates applied automatically to the purchase
9 price. In 2019 Columbia contracted with CLEAResult to partner with AEP
10 to install showerheads and aerators in multifamily buildings that have nat-
11 ural gas water heating. Customers also may purchase products at a hard-
12 ware or home improvement store and receive an instant rebate or mail in a
13 rebate form with the UPC and receipt to receive their rebate by mail. Co-
14 lumbia also partnered with Google Nest, Emerson, Honeywell and ecobee
15 to provide several promotions throughout the year on smart thermostats.
16 These promotions included additional rebates from the manufacturer on
17 top of the Columbia instant rebate. Customers obtained 374 programmable
18 thermostats, 14,714 smart thermostats, 2,378 energy-efficient showerheads
19 and 2,654 energy-efficient faucet aerators through the program in 2019. The
20 program received the United States Environmental Protection Agency
21 ENERGY STAR® Partner of the Year - Sustained Excellence award for En-
22 ergy Efficiency Program Delivery in 2019.

23
24 Columbia worked with the Ohio Energy Project ("OEP") in 2019 to operate
25 the Student Energy Efficiency Education program, known as "e³ smart".
26 OEP provided program orientation to schoolteachers throughout Colum-
27 bia's service territory to offer a curriculum on energy efficiency to students
28 in grades 4 to 12. Students received a kit of energy efficiency materials, in-
29 cluding an energy-efficient showerhead, faucet and bathroom aerator, and
30 weather stripping, to install in their homes as part of the course curriculum
31 to help lower their home energy usage. During 2019, 23,393 students were
32 educated through the program.

33
34 Columbia continued its contract with CLEAResult to implement the Appli-
35 ance Rebates program. This program provides instant rebates to customers
36 when they have an ENERGY STAR® certified, high efficiency natural gas
37 furnace, boiler, or water heater installed by a participating contractor. In
38 2019, 6,741 instant rebates were provided to customers who installed high
39 efficiency heating systems and 264 water heaters were replaced through the

1 program. This program received the United States Environmental Protec-
2 tion Agency ENERGY STAR® Partner of the Year - Sustained Excellence
3 award for Energy Efficiency Program Delivery in 2019.
4

5 Columbia worked with Oracle through June of 2019 and Bidgely for the
6 remainder of the year to implement the Home Energy (Efficiency) Reports
7 program. The Home Energy (Efficiency) Report is an engaging, user-
8 friendly customer experience tool that anonymously compares customers'
9 energy usage to that of their neighbors of similar size homes and de-
10 mographics, tapping into the behavioral science insight that social pressure
11 is a driving factor in motivating behavioral change around energy usage.
12 The program provides customers with their energy usage information, a
13 comparison of their usage with similar homes, and energy saving tips to
14 help them take actions to reduce their natural gas usage. The program pro-
15 vided reports to over 610,000 randomly selected customers in 2019.
16

17 The Innovative Energy Solutions program provides funding for energy au-
18 dits; rebates for energy efficiency improvements; funding for building com-
19 missioning; research and demonstration projects; and evaluation, measure-
20 ment and verification projects for commercial and industrial buildings, in-
21 cluding those owned by not-for-profits and religious institutions. In 2019,
22 Columbia contracted with CLEAResult to provide implementation services
23 for the program. 34 audits were funded in 2019, and rebates were provided
24 for 124 energy efficiency improvement measures. We anticipate that some
25 of the remaining customers that had energy audits funded in 2019 will ap-
26 ply for rebates in 2020.
27

28 In 2019, Columbia contracted with CLEAResult to operate its Energy De-
29 sign Solutions program. The Energy Design Solutions program, branded
30 the Small Commercial Construction program, provides education and
31 training to building industry professionals and owners on the benefits of
32 building energy efficient small buildings. During 2019, the program pro-
33 vided incentives for 79 energy efficiency measures through the program.
34

35 During 2019, Columbia funded a tool in partnership with JadeTrack Inc. for
36 commercial and industrial buildings to track energy consumption over time
37 and compare energy consumption of their building with that of similar
38 building types to identify energy saving opportunities. 126 buildings were
39 actively being benchmarked as of December 31, 2019. Columbia worked

1 with the Ohio Hospital Association to provide monthly natural gas usage
2 data to enable the benchmarking of its members' hospital buildings.
3

4 Finally, in 2019 Columbia continued to offer its Home Energy Checkup pro-
5 gram, a simple, easy-to-use on-line energy audit for customers who want
6 to determine how efficient their homes are without an energy auditor visit-
7 ing their home. The on-line energy audit provides information on low-cost
8 actions as well as DSM programs that are appropriate for customers to par-
9 ticipate in. During 2019, 6,131 households completed the Home Energy
10 Checkup.
11

12 **Q. Did Columbia pursue any other efforts in 2019?**

13 A. Columbia received an Honorable Mention for Best in Data Insight at the
14 PRWeek Awards in 2019, 2019 ENERGY STAR® Certified Homes Market
15 Leader Award, 2019 EPA ENERGY STAR Partner of the Year - Sustained
16 Excellence in Energy Efficiency Program Delivery award, PRSA Bronze An-
17 vil Award for Best Use of Data/Analytics, PRISM for Use for Data/Analytics
18 from PRSA Central Ohio Chapter, Telly Award – Silver Honor for Regional
19 TV/Public Interest and Awareness, and Telly Award – Silver Honor for Re-
20 gional TV Campaign B2B.
21

22 In 2019, Columbia partnered with AEP Ohio and the city of Columbus to
23 help Columbus residents reduce their energy usage and energy bills
24 through participation in Columbia's and AEP's energy efficiency programs.
25 The city of Columbus was selected as a part of Bloomberg Philanthropies'
26 American Cities Climate Challenge to implement a robust plan to help mit-
27 igate the impacts of climate change, and it partnered with Columbia and
28 AEP Ohio to develop an aggressive goal to complete 30,000 energy audits
29 between 2019 and 2020. To help meet this goal, Columbia, AEP Ohio and
30 the city of Columbus targeted energy efficiency programs in Linden, Frank-
31 linton, and Hilltop in 2019 through the Community Energy Savers pro-
32 gram. Community Energy Savers is a 4-month program which works di-
33 rectly with the community to increase participation in the utilities' energy
34 efficiency programs by two times a historical baseline. Additionally, Co-
35 lumbia, AEP Ohio and the city of Columbus are reaching out to all residents
36 of Columbus to encourage them to have an energy audit – either online or
37 in-home – to start saving energy.

1 **Q. How do actual DSM costs to date compare to the DSM Action Plan?**

2 A. Columbia invested approximately \$22.6 million in its DSM programs in
3 2019 versus the \$26.2 million in the DSM Action Plan budget.
4

5 **Q. What are Columbia's plans for the DSM funds not invested in 2019?**

6 A. Columbia will carry forward un-invested DSM funding from 2019 for pos-
7 sible use in future program years.
8

9 **Q. How are the schedules included in Columbia's November 26, 2019 Notice**
10 **of Intent different from the updated schedules filed in this proceeding**
11 **on February 28, 2020?**

12 A. The schedules included in Columbia's Notice of Intent contained nine
13 months actual and three months estimated calendar year 2019 data. The
14 schedules filed February 28, 2020 contain twelve months of actual calendar
15 year 2019 data.
16

17 **Q. Does your testimony support the estimated data?**

18 A. No. My testimony supports the actual data filed in this proceeding on Feb-
19 ruary 28, 2020, because the actual data is what supports the Rider DSM rate
20 calculated on Schedule DSM-6 that will ultimately be billed to customers.
21

22 **Q. What types of DSM expenses are deferred?**

23 A. Expenses incurred in the development, implementation, and administra-
24 tion of the comprehensive energy efficiency programs are deferred using
25 actual costs as incurred. In addition, carrying costs were deferred as actual
26 costs and calculated using Columbia's actual weighted cost of debt rate. The
27 Commission Orders in Case Nos. 08-0833-GA-UNC, 11-5028-GA-UNC, and
28 16-1309-GA-UNC authorize the inclusion of carrying costs.
29

30 **Q. What is included in the DSM revenue requirement?**

31 A. Deferred expenses incurred through December 31, 2019 have been included
32 in the DSM revenue requirement.
33

34 **Q. How is the DSM revenue requirement allocated to Columbia's customer**
35 **base?**

36 A. Pursuant to the Commission's Order in Case No. 08-0833-GA-UNC, the
37 DSM program costs will be recovered from those customer classes primar-
38 ily eligible to participate – Small General Service customers. The total reve-
39 nue requirement calculated on Schedule DSM-1 is divided by the projected

annual throughput of Small General Service customers for the twelve months rates will be in effect and the resulting rate will be billed volumetrically.

Q. What is the basis for including all of the items described in the paragraphs above in the development of the DSM revenue requirement?

A. Each item included in the revenue requirement is a reasonable, necessary, business-related expense directly resulting from the development, administration, and implementation of the DSM program.

Q. What is the source for the actual data shown on these schedules?

A. Generally, the information came from either the General Ledger or the supporting sub-ledgers of Columbia. When data came from another source, it was indicated on the appropriate schedule or elsewhere in this testimony.

Q. Please describe the shared savings mechanism approved in Case 16-1309-GA-UNC.

A. Columbia's shared savings are computed on the difference between the net present value of program lifetime energy savings and the program costs calculated from the Utility Cost Test. The recovery of the shared savings incentive, grossed up for taxes, is based on the following tiered levels of program achievement:

Percent of Mcf Savings Targets Minimum	Percent of Mcf Savings Targets Maximum	Corresponding Shared Savings Percentage
100%	< 105%	5%
≥ 105%	< 110%	6%
≥ 110%	< 115%	7%
≥ 115%	< 120%	8%
≥ 120%	< 125%	9%
≥ 125%		10%

Q. Please describe the process used to track and verify shared savings.

A. Columbia developed a mechanism to track and calculate its shared savings incentive as approved in Case Nos. 11-5028-GA-UNC, et al., as continued and modified in Case Nos. 16-1309-GA-UNC, et al. The mechanism gathers and tracks data for energy conservation measures installed through each DSM program. Columbia used this data to calculate the projected natural

1 gas savings using the formulas identified in the State of Ohio Energy Effi-
2 ciency Technical Reference Manual ("TRM"), with the exceptions of the
3 WarmChoice® program where historic billing analysis was used, the Home
4 Energy Reports program where guaranteed contract savings with adjust-
5 ments for measured actual savings were used, and Simple Energy Solutions
6 program where smart thermostats are included as modeled using the meth-
7 odology from Case No. 16-1309-GA-UNC, et al. Projected natural gas sav-
8 ings for the Innovative Energy Solutions program and Small Commercial
9 Construction program are calculated using an energy audit or building
10 modeling software. Using the energy conservation measures' lifetimes
11 identified in the TRM, Columbia calculated the projected lifetime natural
12 gas savings and the value of the natural gas savings for all of its DSM pro-
13 grams. Columbia's shared savings were computed by taking the difference
14 between the net present value of the DSM program lifetime energy savings
15 and the value of the DSM program costs calculated from the Utility Cost
16 Test. Columbia provided the data tracking tool, including DSM program
17 data, to Mr. Pigg, to verify that the natural gas savings complied with the
18 approved methods for determining savings. Mr. Pigg's testimony discusses
19 the process used and the results of the shared savings verification process.
20

21 **Q. Did Columbia retain shared savings from its DSM programs in 2019?**

22 A. Yes. Columbia exceeded 125% of its annual natural gas savings target, mak-
23 ing it eligible to retain 10% of the net benefit value of the natural gas sav-
24 ings.
25

26 **EXPLANATION OF REMAINING SCHEDULES**

27

28 **Q. Would you please provide a brief explanation of each of the schedules?**

29 A. Attachment A sets forth the proposed combined volumetric Rider DSM rate
30 for each rate schedule. It also sets forth the monthly Rider IRP rate, which
31 Columbia witness Thompson is also sponsoring. Attachment B details the
32 rate schedules to which Rider DSM applies. Attachment C is a typical bill
33 comparison which provides for the quantification of the impact of Colum-
34 bia's proposed DSM and IRP rates on customers' bills at various consump-
35 tion levels.

1 **REASONABLENESS OF REQUESTED INCREASE AND BENEFITS TO**
2 **CUSTOMERS AND THE PUBLIC INTEREST**

3
4 **Q. Does the revenue requirement detailed on Schedule DSM-1 exceed what**
5 **was presented in Columbia's Notice of Intent filed in this docket on No-**
6 **vember 28, 2019?**

7 A. No. Columbia is proposing a revenue requirement of \$23,516,929 in the
8 schedules supported by my testimony. This does not exceed the combined
9 annualized revenue requirement of \$25,082,571 estimated on November 28,
10 2019.

11
12 **Q. Do you have an opinion regarding whether Columbia's request to adjust**
13 **the Rider DSM is reasonable?**

14 A. Yes. I believe Columbia's request to adjust its Rider DSM is fair and reason-
15 able. These are necessary business expenses incurred in the day-to-day op-
16 erations of the DSM Program.

17
18 **Q. Do the DSM programs benefit customers and the public interest?**

19 A. Yes. The DSM programs will provide all Columbia customers easy access
20 to energy saving measures, which will directly reduce natural gas usage,
21 improving the affordability of natural gas service. Beyond the value of en-
22 ergy savings, DSM programs provide other benefits such as improved
23 safety, reduced greenhouse gas emissions, a lower carbon footprint, and
24 reduced water and electricity consumption.

25
26 **Q. Has the calculation of shared savings changed since last year?**

27 A. No.

28
29 **Q. Does this complete your Prepared Direct Testimony?**

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

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 28th day of February, 2020 upon the parties listed below.

/s/ Joseph M. Clark

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Case No(s). 19-1940-GA-RDR

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