

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Co- )  
lumbia Gas of Ohio, Inc. for Authority )  
to Amend its Filed Tariffs to Increase the ) Case No. 21-637-GA-AIR  
Rates and Charges for Gas Services and )  
Related Matters. )

In the Matter of the Application of Co- )  
lumbia Gas of Ohio, Inc. for Approval of ) Case No. 21-638-GA-ALT  
an Alternative Form of Regulation. )

In the Matter of the Application of Co- )  
lumbia Gas of Ohio, Inc. for Approval of )  
a Demand Side Management Program ) Case No. 21-639-GA-UNC  
for its Residential and Commercial Cus- )  
tomers. )

In the Matter of the Application of Co- )  
lumbia Gas of Ohio, Inc. for Approval to ) Case No. 21-640-GA-AAM  
Change Accounting Methods. )

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

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- Management policies, practices, and organization
- Operating income
- Rate base
- Allocations
- Rate of return
- Rates and tariffs
- Other

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**COLUMBIA GAS OF OHIO, INC.**

**July 14, 2021**

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

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1 **I. INTRODUCTION**

2  
3 **Q. Please state your name and business address.**

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

5  
6 **Q. By whom are you employed?**

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

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

11 A. I attended Marietta College, earned a Bachelor of Arts in Communications  
12 and Political Science, and graduated magna cum laude from Capital Uni-  
13 versity Law School. I worked for two years in private practice with law  
14 firms in Columbus, and joined the NiSource Legal Department in 2012. In  
15 2015, I transitioned to my role as the Director of Regulatory Policy with Co-  
16 lumbia.

17  
18 **Q. What are your job responsibilities as Director of Regulatory Policy?**

19 A. My primary responsibilities include the planning, supervision, preparation,  
20 and support of Columbia's regulatory filings before the Public Utilities  
21 Commission of Ohio ("Commission"). I also supervise Columbia's energy  
22 efficiency team and customer care and regulatory compliance team. Finally,  
23 I provide regulatory and compliance guidance to the company's various  
24 business units.

25  
26 **Q. What is the purpose of your testimony in this proceeding?**

27 A. My testimony provides an overview of Columbia's business and of Colum-  
28 bia's rate and regulatory activity and supports Columbia Rate Case Appli-  
29 cation in this proceeding. I also support Columbia's Alternative Rate Plan  
30 to extend Columbia's Infrastructure Replacement Program Rider ("Rider  
31 IRP") and Capital Expenditure Program Rider ("CEP Rider") and adopt the  
32 new Federally Mandated Investment Rider ("FMI Rider"). I will also sup-  
33 port extension of the Demand Side Management ("DSM") Program and its  
34 associated DSM Rider, as well as the amortization and recovery of the Pipe-  
35 line Safety Program ("PSP") deferral. I will also provide testimony to sup-  
36 port the Federal/State Tax Reform Rider and the Regulatory Assessment

1 Rider (“RAR”). Finally, I will introduce the other witnesses that are provid-  
2 ing testimony in support of Columbia’s Application in this proceeding, and  
3 I will also support the following Schedules of the Rate Case Application:  
4

- 5 Schedule E-1, Clean Proposed Tariff
- 6 Schedule E-2, Clean Existing Tariff
- 7 Schedule E-2.1, Redline Tariff
- 8 Schedule E-3, Narrative Rationale for Tariff Changes
- 9 Schedule S-3, Proposed Newspaper Notice
- 10 Schedule S-4.1, Management Policies, Practices, and Organization
- 11 Schedule S-4.2, Functional Areas (1), (2), and (3)

12  
13 **II. COLUMBIA’S BASE RATE CASE APPLICATION**

14  
15 **A. COLUMBIA’S BUSINESS AND APPLICATION**

16  
17 **Q. Please describe Columbia’s business.**

18 A. Columbia is a local natural gas distribution utility, pursuant to R.C. 4905.03(E)  
19 and 4905.02(A), that provides natural gas sales and transportation service to  
20 more than 1.4 million residential, commercial, and industrial customers in the  
21 State of Ohio. Columbia is headquartered in Columbus, Ohio, and provides  
22 service to customers in 61 of Ohio’s 88 counties. Columbia’s ultimate parent  
23 company is NiSource Inc., which is headquartered in Merrillville, Indiana,  
24 and operates four other natural gas companies and one combination gas and  
25 electric company.  
26

27 **Q. Why does Columbia propose to increase its base rates?**

28 A. Columbia needs a rate increase because our present rates, which are based on  
29 Columbia’s 2008 costs of providing service, are no longer sufficient to cover  
30 our current costs of service. Since 2008, Columbia has recovered almost 3.5  
31 billion through the CEP Rider and Rider IRP, allowing Columbia the ability  
32 to meaningfully invest in its system. Likewise, Columbia has deferred almost  
33 190.8 million in costs through various Commission-approved deferrals that it  
34 has not recovered. Columbia’s Operations and Maintenance (“O&M”) costs  
35 have increased since 2008, requiring Columbia to file this proceeding. Finally,  
36 Columbia agreed to file a rate case proceeding by July 1, 2021, pursuant to the  
37 Commission-approved Stipulation and Recommendation in Case No. 17-  
38 2202-GA-ALT.

1 The cumulative impact of all of these factors has reduced Columbia’s earnings  
2 to the point that Columbia is required to seek a rate increase in order to have  
3 a reasonable opportunity to recover our costs of providing service, including  
4 a reasonable rate of return on Columbia’s investment.  
5

6 **Q. Describe Columbia’s proposed rate increase.**

7 A. Columbia’s Application demonstrates that, based on the test year and date  
8 certain information, its current rates produce a revenue deficiency of \$221.4  
9 million. The proposed rates would produce a rate increase, net of the CEP  
10 Rider and Rider IRP, of approximately \$221.4 million. That represents an av-  
11 erage aggregate base rate increase of approximately 27.07% in total operating  
12 revenues and a 29.86% increase in base rate distribution revenues.  
13

14 **Q. Is Columbia incorporating its Rider IRP and CEP Rider plant into base  
15 rates?**

16 A. Yes. Columbia is incorporating \$3.5 billion of Rider IRP and CEP Rider gross  
17 plant in-service balances into base rates through December 31, 2020. Colum-  
18 bia is also incorporating \$63.4 million of IRP- and CEP-eligible gross plant in-  
19 service that has been incurred from January 1, 2021 through March 31, 2021,  
20 into base rates. In addition to recovering this 2021 stub period capital in base  
21 rates, Columbia proposes to recover the January 1, 2021 through March 31,  
22 2021 plant in-service in the CEP Rider and Rider IRP while this rate case is  
23 pending. The process Columbia will utilize to timely recover the January 1,  
24 2021 through March 31, 2021 capital is discussed later in my testimony.  
25

26 **B. INTRODUCTION OF WITNESSES**

27  
28 **Q. Please introduce the other Columbia witnesses supporting this proceeding  
29 and explain the subject matter of their testimony.**

30 A. Columbia will present the following witnesses in support of its Application  
31 in Case Nos. 21-637-GA-AIR, 21-638-GA-ALT, 21-639-GA-UNC, and 21-640-  
32 GA-AAM:  
33

34 **Jeffery (“Jeff”) Gore** will discuss Columbia’s rate base (certain B Schedules),  
35 deferral accounting, and recovery of Columbia’s deferrals including NiFit,  
36 COVID-19, PSP Deferral, Pension and OPEB, and Environmental Deferral.  
37

38 **Tamaleh (“Tami”) Shaeffer** will discuss Columbia’s revenue requirement  
39 (certain C Schedules and Schedule S-2) including Columbia’s refresh of actu-  
40 als throughout the test year of 2021.

1           **Russell A. Feingold** will sponsor Columbia’s revenue, allocated cost of ser-  
2           vice study (certain E Schedules), class revenue apportionment, and rate de-  
3           sign proposals.  
4  
5           **Melissa Bartos** will discuss Columbia’s adjustments to projected customer  
6           counts and throughput to reflect the impact of COVID-19.  
7  
8           **Kimberly Cartella** will testify regarding Columbia’s labor and benefits ex-  
9           pense and support the planned wage increase for Customer Call Center em-  
10          ployees.  
11  
12          **Donald (“Don”) Ayers** will discuss Columbia’s pro forma adjustment for  
13          technical training and the proposed Picarro deferral.  
14  
15          **George Dice** will testify regarding one of Columbia’s pro forma adjustments  
16          for increasing the Customer Call Center employees’ hourly wages.  
17  
18          **Marc Okin** will sponsor testimony addressing Columbia’s request to recover  
19          environmental remediation expenses.  
20  
21          **Bryan Trapp** will discuss Columbia’s federal and state income tax expenses  
22          for the test period, as well as tax accounts included in rate base (certain B  
23          Schedules) and the impact to rates with the completion of the unprotected  
24          excess deferred taxes.  
25  
26          **Connor McGrath** will discuss Columbia’s projected capital and capital exe-  
27          cution program, as well as sponsor Schedule S-1.  
28  
29          **Eric Slowbe** will discuss Columbia’s IRP and is sponsoring Schedule S-1.  
30  
31          **Scott Tustin** will testify to Columbia’s proposed pro forma adjustment to cap-  
32          ture an accelerated cross bore program.  
33  
34          **John J. Spanos** will sponsor and discuss Columbia’s depreciation study.  
35  
36          **Paul R. Moul** will testify regarding Columbia’s capital structure, costs of  
37          long-term debt and common equity, and weighted cost of capital.  
38  
39          **Sarah Poe** will discuss Columbia’s DSM Program and Columbia’s application  
40          to continue that Program.

1 Columbia previously listed Randy Gunn in the Application as a witness  
2 providing direct testimony, but Mr. Gunn will not be filing testimony at this  
3 time.

4  
5 **C. PIPELINE SAFETY PROGRAM DEFERRAL**  
6

7 **Q. What is the Pipeline Safety Program (“PSP”) Deferral?**

8 A. The PSP Deferral was a deferral mechanism established in Case No. 14-1615-  
9 GA-AAM. In its Application, Columbia explained that its proposed \$15 mil-  
10 lion per year PSP was designed to improve the safety of its distribution sys-  
11 tem through the identification and remediation of Distribution Integrity Man-  
12 agement Program (“DIMP”) risks. Columbia developed the PSP to address  
13 these risks through four initiatives: (1) the Cross Bore Safety Initiative; (2) the  
14 Damage Prevention Technology Initiative; (3) the Advanced Workforce  
15 Training Initiative; and (4) the Enhanced Public Awareness Initiative. The  
16 Commission approved this deferral by Finding and Order dated December  
17 17, 2014.

18  
19 **Q. Was the PSP Deferral updated?**

20 A. Yes, in Case No. 16-552-GA-AAM, Columbia requested authority to expand  
21 the PSP by an additional \$10 million to be used exclusively for the Damage  
22 Prevention Technology Initiative. And, pursuant to a Stipulation and Recom-  
23 mendation filed in the proceeding, Columbia agreed to carrying costs to be  
24 set at three percent per annum. Pursuant to this Stipulation and Recommen-  
25 dation, Columbia also agreed that when it sought recovery of these expenses,  
26 it would only seek a return of the expenses, with no return on the asset being  
27 sought through rate base recognition. Finally, Columbia agreed that the de-  
28 ferral authority for the additional \$10 million would expire not later than Jan-  
29 uary 1, 2024. The Commission approved Columbia’s Application and the  
30 Stipulation and Recommendation by Opinion and Order dated August 26,  
31 2016.

32  
33 **Q. Does Columbia file a report annually to describe the PSP Deferral?**

34 A. Yes. In the docket for Case No. 14-1615-GA-AAM, Columbia files an annual  
35 report detailing the total expenses deferred for the four initiatives. In the an-  
36 nual report, Columbia also provides Agreed Upon Procedures by Deloitte  
37 and Touche reviewing the annual expenses deferred in the PSP. Finally, the  
38 annual report includes a summary of activities in each of the PSP Initiatives.  
39 A compilation of these PSP Initiative Summaries is attached to the Rate Case  
40 Application as Exhibit B.

1 **Q. Please describe the four initiatives that are part of the PSP.**

2 **A.** The PSP includes four initiatives to address and remediate Columbia’s DIMP  
3 Risks. These initiatives are as follows:  
4

5 **Cross Bore Safety Initiative.** This initiative is intended to systemati-  
6 cally identify, investigate, and remediate potentially dangerous cross  
7 bores, which are when one underground utility intersects another. To  
8 remediate this risk, this initiative uses a targeted camera program,  
9 guided by a Columbia-developed risk ranking model, to view storm  
10 or sewer mains and laterals. This initiative also responds and remedi-  
11 ates any cross bores identified by third parties that Columbia must re-  
12 mediate in the field. Finally, this program also provides contractor and  
13 consumer education about cross bores through a campaign directed at  
14 encouraging calling 811 before sewer laterals and mains are cleared.  
15 This educational campaign can be found on Columbia’s website at the  
16 following link: [https://www.columbiagasohio.com/safety/natural-gas-  
17 safety/sewer-line-safety](https://www.columbiagasohio.com/safety/natural-gas-safety/sewer-line-safety).  
18

19 **Damage Prevention Technology Initiative.** This initiative imple-  
20 ments new technologies and damage prevention activities designed to  
21 reduce risk associated with excavation damage, including improving  
22 the accuracy of Columbia’s infrastructure records. This initiative spe-  
23 cifically is designed to obtain the GPS location coordinates of all of Co-  
24 lumbia’s mains, service lines, and curb valves. Additional information  
25 about Columbia’s GPS program can be found on Columbia’s website  
26 at the following link: [https://www.columbiagasohio.com/safety/natu-  
27 ral-gas-safety/locating-gas-lines](https://www.columbiagasohio.com/safety/natural-gas-safety/locating-gas-lines).  
28

29 **Advanced Workforce Training Initiative.** This initiative is utilized to  
30 build and maintain the new training center in Gahanna, Ohio. The  
31 training center provides new hires as well as existing employees the  
32 ability to train in a controlled environment before being dispatched to  
33 the field. This initiative also provides for training curriculum devel-  
34 opment and the on-the-job trainers that accompany employees after  
35 they leave the training center. For a video showing Columbia’s sister  
36 company’s facility in Pennsylvania, please see the video at the follow-  
37 ing link: <https://www.youtube.com/watch?v=RptoPFU4Lfg>.



1           **Enhanced Public Awareness Initiative.** This initiative involves sup-  
2           porting Columbia’s efforts to become compliant with the American Pe-  
3           troleum Institute’s Recommended Practice (“RP”) 1162, *Public Aware-*  
4           *ness Programs for Pipeline Operators*, as well as educating the public, first  
5           responders, municipalities, and excavators and contractors about 811  
6           one call procedures. The initiative also supports natural gas safety ed-  
7           ucation, including smell and tell efforts and educating kids on natural  
8           gas safety through Digger Dog. For more information about Colum-  
9           bia’s natural gas safety campaign, please see Columbia’s website at the  
10          following link: [https://www.columbiagasohio.com/safety/natural-gas-](https://www.columbiagasohio.com/safety/natural-gas-safety)  
11          [safety](https://www.columbiagasohio.com/safety/natural-gas-safety).

12  
13          **Q. Since 2015, how much has Columbia deferred in the PSP Deferral?**

14          A. As of March 31, 2021, Columbia has deferred \$149.383 million. As is shown  
15          on Exhibit B of the Alternative Rate Case portion of Columbia’s Application,  
16          the dollars deferred to the programmatic spend each year, not including car-  
17          rying costs, has not exceeded the \$25 million limit of the authority granted by  
18          the Commission.

19  
20          **Q. How does Columbia plan to recover the PSP Deferral in this case?**

21          A. As is discussed in the testimony of Columbia Witness Shaeffer and Columbia  
22          Witness Gore, Columbia will be amortizing the PSP Deferral over a 10-year  
23          period.

24  
25          **Q. Does Columbia plan to continue to exercise the PSP Deferral authority after  
26          the new rates are in effect in this proceeding?**

27          A. No, Columbia is proposing to roll the annual \$25 million PSP Deferral into its  
28          base rates in this proceeding to allow for the activities to continue beyond the  
29          rate case, but to be recovered in Columbia’s cost of service.

30  
31          **D. SPONSORED APPLICATION SCHEDULES**

32  
33                  **1. Schedule E-1, Clean Proposed Tariff**

34  
35          **Q. Are you sponsoring Schedule E-1, Clean Proposed Tariff?**

36          A. Yes, I am sponsoring Schedule E-1. This schedule shows the clean proposed  
37          tariff. This schedule incorporates the changes shown in redline on Schedule  
38          E-2.1 and as described on Schedule E-3.

1 **Q. Are there tariff sheets that Columbia is not changing?**

2 A. Yes, Columbia did not change any tariff provisions in Section VII, Sheets 1  
3 through 24, and, therefore, did not file these tariff sheets as part of this pro-  
4 ceeding. Likewise, Columbia did not change any tariff provisions in Section  
5 VIII, and, therefore, did not file these tariff sheets as part of this proceeding.  
6

7 **2. Schedule E-2, Clean Existing Tariff**  
8

9 **Q. Are you sponsoring Schedule E-2, Clean Existing Tariff?**

10 A. Yes, I am sponsoring Schedule E-2. This schedule shows the clean, existing  
11 tariff pages as of May 28, 2021, and does not include the proposed changes  
12 shown in redline on Schedule E-2.1.  
13

14 **Q. Are there tariff sheets that Columbia has changed since filing the Notice of  
15 Intent on May 28, 2021?**

16 A. Yes. Columbia has modified the SCO Rate Sheet, and will continue to do so  
17 on a monthly basis until there is a final Opinion and Order. Likewise, Colum-  
18 bia has changed its Banking and Balancing Rate Sheet. As the case continues,  
19 Columbia will be updating its riders periodically, including, but not limited  
20 to, the CHOICE/SCO Reconciliation Rider, Percentage of Income Payment  
21 Plan Rider, Uncollectible Expense Rider, Rider IRP, and the CEP Rider. These  
22 rate changes will be updated as the case proceeds, and, upon an Opinion and  
23 Order by the Commission approving Columbia's proposed Original Sheet 1c,  
24 will be incorporated into the summary of rates in effect. Columbia Witness  
25 Feingold discusses other changes to the tariff sheets since Columbia filed the  
26 Notice of Intent.  
27

28 **3. Schedule E-2.1, Redline Tariff, and Schedule E-3, Narrative  
29 Rationale for Tariff Changes**  
30

31 **Q. Are you sponsoring Schedule E-2.1, Redline Tariff?**

32 A. Yes, I am sponsoring Schedule E-2.1. This schedule shows the redline changes  
33 between Schedule E-1, Clean Proposed Tariff, and E-2, Clean Existing Tariff.  
34 As I previously explained, all three schedules, E-1, E-2, and E-2.1, only include  
35 an excerpt of Columbia's complete tariff. Columbia did not change anything  
36 in its existing tariff on Sheets 1 through 24 in Section VII, or the entirety of  
37 Section VIII.

1 **Q. Are you also sponsoring Schedule E-3, Narrative Rationale for Tariff**  
2 **Changes?**

3 A. Yes, I am sponsoring Schedule E-3. This schedule details each of the changes  
4 shown in Schedule E-2.1 and explains the rationale behind each of these  
5 changes. Many of the changes listed on this schedule are to correct the capi-  
6 talization in the tariff, improve the consistency of defined terms in the tariff,  
7 and move towards gender neutral pronouns.

8  
9 **Q. Describe some of the changes shown in Schedule E-2.1 and discussed in**  
10 **Schedule E-3.**

11 A. Initially, the first two changes to the tariff are for administrative convenience  
12 and tariff clarity. Columbia added two new tariff sheets, Original Sheet 1c  
13 and Original Sheet 1d, as a summary of rates currently in effect and a defini-  
14 tions sheet for Sections I through IV. Original Sheet 1c specifically was added  
15 for administrative convenience, due to the fact that Columbia was required to  
16 update multiple tariff sheets each time a rate change was made. This change  
17 allow for Columbia to update any rate changes on a single tariff rate sheet.  
18 Likewise, this tariff sheet reflects the new Large General Service Schools Rates  
19 that are new to the LGS/LGTS/FRLGTS rate class. These new schools rates  
20 have been added to reflect the removal of the load factor requirement for eli-  
21 gibility into the Large General Service class. Original Sheet 1d was added, for  
22 clarity, to ensure that Sections I through IV had a definitions section, similar  
23 to the existing definitions section for Sections V, VI, VII, and VIII of the tariff.

24  
25 Next, Columbia added language to Paragraph 11 in Section I to address issues  
26 Columbia has experienced with customers refusing to provide land rights to  
27 Columbia to ensure Columbia can serve those customers. Columbia has also  
28 been having issues with customers encroaching upon Columbia’s land rights,  
29 and Columbia has added language to address those issues.

30  
31 Columbia added language to Paragraph 15.A. in Section I to address issues  
32 Columbia has experienced with stray natural gas being present at Customer  
33 premises that creates a safety hazard. Columbia also added that it may dis-  
34 continue gas service whenever deemed necessary by the Company for safety  
35 reasons. This language mirrors existing tariff language in Paragraph 15.B.

36  
37 Columbia also clarified the language in Paragraph 1 of Section III. Many of  
38 the changes contained in this section reflect that Columbia refers to its facili-  
39 ties as “service lines” rather than “customer service lines” and to remove stale

1 language regarding the reimbursement to customers for costs incurred to  
2 have a plumber repair or replace prone-to-fail risers.

3  
4 Columbia incorporated new language in Paragraphs 12 and 13 in Section III  
5 to address the value limit on Columbia's offer of 100 feet of free main line.  
6 Columbia also added language that permits Columbia to enter into line ex-  
7 tension agreements with customers which may include commercially reason-  
8 able terms if agreed to between the customer and Columbia. Columbia added  
9 similar language to Paragraph 13 that Columbia and the Customer may enter  
10 into an agreement for any additions, replacements, or betterments, which  
11 may include commercially reasonable terms that are mutually agreeable.

12  
13 Columbia added three new paragraphs to Section III, Paragraphs 14, 15, and  
14 16, to address the existence of Farm Tap Consumers in its system. Farm Tap  
15 Consumers, as defined in Paragraph 14, are those consumers that have been  
16 or request to be served by directly connecting a production well, storage well,  
17 gathering line, transmission line, or other infrastructure that are not operated  
18 as part of Columbia's distribution system. The new paragraphs explain that  
19 the Company has the right to choose not to serve any such customer if its own  
20 distribution system is not close to the customer and it is not economical to  
21 extend a main to serve them. For those Farm Tap Consumers who lose their  
22 source of supply (i.e., the third-party production well, storage well, gathering  
23 line, transmission line, or other infrastructure) and do not contest the aban-  
24 donment, Columbia proposes a method of abandoning those customers.

25  
26 Many of the remaining changes in Section V, VI, and Section VII in the tariff  
27 sheets are to reflect that Columbia is increasing the threshold for the Small  
28 General Service ("SGS") class from 300 Mcf to 600 Mcf, removing the load  
29 factor requirement from the LGS class, relocating many of its existing rates to  
30 the new Original Sheet 1c, and adopting a Schools Rate for the LGS class.  
31 Schedule E-2.1 likewise shows the three proposed tariff sheets in each section  
32 to reflect the new riders being proposed by Columbia in this proceeding: the  
33 Federally Mandated Investment Rider, Federal/State Tax Reform Rider, and  
34 the Carbon Reduction Rider. The rate design changes reflected in Schedule  
35 E-1 and E-2.1 are discussed in the Direct Testimony of Columbia Witness  
36 Feingold.

1 Finally, in Section VI, Columbia is removing the Transportation Service  
2 Agreement from its Tariff. This agreement is being removed to allow Colum-  
3 bia to make updates to the Agreement when needed and to streamline the  
4 tariff in this section.  
5

6 **4. Schedule S-3, Proposed Newspaper Notice**  
7

8 **Q. Are you sponsoring Schedule S-3, Proposed Newspaper Notice?**

9 A. Yes, I am sponsoring Schedule S-3. This schedule contains Columbia’s pro-  
10 posed newspaper notice as is required by the standard filing requirements in  
11 Ohio Adm.Code 4901-7-01, Appendix A.  
12

13 **5. Schedule S-4.1, Management Policies, Practices, and Organ-  
14 ization**  
15

16 **Q. Are you sponsoring Schedule S-4.1, Management Policies, Practices and  
17 Organization?**

18 A. Yes, I am sponsoring Schedule S-4.1. Schedule S-4.1 is the Executive Summary  
19 of Columbia’s corporate management processes, policies, and practices. The  
20 Executive Summary discusses Columbia’s organizational structure; proce-  
21 dures for strategic planning; policy and goal-setting; processes for decision-  
22 making; Columbia’s practices for internal and external communications; and  
23 Columbia’s charitable endeavors.  
24

25 **6. Schedule S-4.2, Functional Areas (1), (2), and (3)**  
26

27 **Q. Are you sponsoring Schedule S-4.2, Functional Areas of the Organization?**

28 A. Yes, I am sponsoring Schedule S-4.2.  
29

30 **Q. Please describe Schedule S-4.2.**

31 A. Schedule S-4.2 discusses the three functional areas identified by Staff in its  
32 Letter filed on June 14, 2021 in this proceeding. These functional areas are:  
33

- 34 1. Upgrades to the system mapping improvements;
- 35
- 36 2. How the Company plans to reduce the limitations of its current com-  
37 pliance database; and
- 38
- 39 3. The implementation of its Safety Management System program as de-  
40 scribed in American Petroleum Institute (“API”) standard 1173.

1 **III. INFRASTRUCTURE REPLACEMENT PROGRAM**

2  
3 **A. OVERVIEW OF THE INFRASTRUCTURE REPLACEMENT**  
4 **PROGRAM**

5  
6 **Q. How was Rider IRP authorized by the Commission?**

7 A. The Commission authorized the establishment of Rider IRP in its Opinion  
8 and Order dated April 9, 2008, in Case Nos. 07-478-GA-UNC, *et al.* Rider  
9 IRP was further extended by Opinion and Order (“2008 Rate Case Order”)  
10 dated December 3, 2008, in Case Nos. 08-73-GA-ALT, *et al.*, by Opinion and  
11 Order dated November 28, 2012, in Case No. 11-5515-GA-ALT, and again  
12 by Opinion and Order dated January 31, 2017, in Case No. 16-2422-GA-  
13 ALT.

14  
15 **Q. Please summarize Rider IRP.**

16 A. The Commission’s 2008 Rate Case Order authorized Columbia to establish  
17 Rider IRP for a five-year period, reflecting capital investments through  
18 2012. Pursuant to that Order, Rider IRP provides for recovery of and return  
19 on Columbia’s plant investment and related expenses as provided for in the  
20 Stipulation previously filed in Case No. 08-73-GA-ALT. The Commission’s  
21 2012 Order approved a five-year extension for Rider IRP, incorporating  
22 capital investments through December 31, 2017, with certain clarifications.  
23 The Commission’s 2017 Order approved another five-year extension for  
24 Rider IRP, incorporating capital investments through December 31, 2022.

25  
26 Rider IRP consists of two components. The first component recovers the  
27 costs associated with Columbia’s Accelerated Mains Replacement Program  
28 (“AMRP”). Under the AMRP, Columbia plans to replace approximately  
29 4,100 miles of priority pipe over a period of approximately 25 years.

30  
31 The second component recovers the costs associated with the replacement  
32 of natural gas risers that were prone to failure and the installation, mainte-  
33 nance, repair, and replacement of customer service lines that have been de-  
34 termined to present an existing or probable hazard to persons and/or prop-  
35 erty. Columbia completed its replacement of prone-to-fail risers in June  
36 2011, but has continued and will continue to repair and replace hazardous  
37 service lines. This component will be referred to as the Hazardous Service  
38 Line Program (“HSLP”).

1 The Rider IRP had a third component, which is now being rolled into Co-  
2 lumbia’s base rates. The third component previously recovered costs asso-  
3 ciated with Columbia’s installation of Automated Meter Reading Devices  
4 (“AMRD”) on all residential and commercial meters served by Columbia.  
5 Because Columbia agreed that it would not seek cost recovery through  
6 Rider IRP for any AMRDs installed after December 31, 2013, Columbia  
7 ceased to recover additional capital dollars for this component over five  
8 years ago.

9

10 **Q. Please describe the scope of the Accelerated Mains Replacement Program**  
11 **or AMRP.**

12 A. Columbia’s AMRP targets the replacement of corroding and hazardous  
13 mains over a 25-year timeframe. The types of gas main explicitly included  
14 in the AMRP, as initially approved, were bare steel, unprotected coated  
15 steel, wrought iron, and cast iron. These types of main (“Priority Pipe” or  
16 “Priority Main”), as found by the Commission, are more likely to leak, due  
17 to their material type, protection, age, and other characteristics.

18

19 In Columbia’s extension of the IRP, Case No. 11-5515-GA-ALT, the Com-  
20 mission adopted a Stipulation and Recommendation (“2011 Stipulation”)  
21 that, among other things, clarified the scope of the AMRP to expressly in-  
22 clude certain items, including interspersed sections of non-priority pipe,  
23 first generation plastic pipe, ineffectively coated steel, meter move outs, and  
24 government relocations. In particular, the AMRP was clarified to expressly  
25 include interspersed sections of non-priority pipe contained within the  
26 bounds of Priority Pipe replacement projects, where it is more economical  
27 to replace such pipe, as opposed to attempting to tie into existing sections  
28 of pipe. The AMRP was clarified to expressly include investment in first  
29 generation plastic pipe, when such pipe is associated with Priority Pipe in  
30 IRP replacement projects. The AMRP was also clarified to expressly include  
31 investment in replacing steel pipe installed and field coated before 1955 and  
32 field coated steel pipe installed in 1955 or later, if testing determines that it  
33 was ineffectively coated. The costs associated with the testing, inspection  
34 and replacement of pipe found to be ineffectively coated are included in  
35 Rider IRP.

36

37 In Columbia’s last extension of the IRP, Case No. 16-2422-GA-ALT, the  
38 Commission adopted a Stipulation and Recommendation (“2017 Stipula-  
39 tion”) that continued the AMRP Program as approved in the 2011 Stipula-  
40 tion.

1 **Q. Please describe the Hazardous Service Line Program or HSLP.**

2 A. Under Columbia's approved tariff, Columbia also has the responsibility to  
3 maintain, repair, and replace customer-owned service lines deemed to pre-  
4 sent an existing or probable hazard to persons or property or require a  
5 scheduled repair or replacement based upon severity or location.

6  
7 **Q. Please explain the process approved by the Commission in its 2008 Order  
8 for establishing rates through the Rider IRP mechanism.**

9 A. The process approved by the Commission provides for Columbia's filing of  
10 a Notice of Intent by no later than November 30 of each year based on nine  
11 months actual data and three months estimated data. This Notice of Intent  
12 includes Columbia's initial IRP tariffs and supporting schedules for the  
13 Rider IRP to become effective the following May. Columbia then files an  
14 application no later than last day of February of the following calendar year  
15 with twelve months of actual data. This data is reviewed and a final order  
16 is issued by the Commission in anticipation of Columbia having the ability  
17 to place rates into effect by Unit 1 of May.

18  
19 **Q. How is Columbia proposing to establish rates through the Rider IRP  
20 mechanism included in the Application?**

21 A. Columbia's Rider IRP filings will continue to include independent studies  
22 for the aforementioned programs. Columbia will continue to develop inde-  
23 pendent revenue requirement studies for its AMRP and HSLP. Columbia  
24 will compute each revenue requirement based upon each program's costs.  
25 Columbia will allocate the revenue requirement for each program to each  
26 applicable rate schedule using the allocation basis approved by the Com-  
27 mission in this rate case proceeding. Columbia will divide the allocated rev-  
28 enue requirement for each rate schedule by the projected bills to be sent to  
29 customers in each rate class for the following May through April. Columbia  
30 will then determine the Rider IRP, for each rate schedule, by aggregating  
31 the calculated rates for each of the programs comprising the Rider IRP.

32  
33 Columbia will then file, by the following February 28, an updated applica-  
34 tion with schedules supporting the proposed Rider IRP based on actual  
35 costs accumulated through the previous twelve months ended December.  
36 These filings will include all the accounting and billing details Staff needs  
37 to analyze the schedules and issue its Report of Investigation.

38  
39 Subject to Commission approval, the Rider IRP will become effective by the  
40 following May 1 unless: (a) the Commission delays the effective date of the



1 Rider IRP; (b) Staff determines Columbia’s request to increase the Rider IRP  
2 is unjust and unreasonable; or (c) any party granted intervention by the  
3 Commission files an objection that is not resolved to the Commission’s sat-  
4 isfaction.  
5

6 **Q. Will these filings continue to recognize achieved O&M expense savings?**

7 A. Yes. With the Alternative Rate Plan proposed in this case, Columbia is rec-  
8 ommending to continue to calculate the associated O&M expense savings  
9 from the AMRP. However, Columbia is proposing that the O&M expense  
10 savings calculation be updated to reflect a baseline year of the twelve-  
11 month period ending December 31, 2021. With the updated calculation to  
12 reflect this base rate proceeding, Columbia proposes to continue passing  
13 back the greater of actual O&M savings or \$2.00 million per year.  
14

15 **Q. Does this process include a reconciliation adjustment to allow for the dol-  
16 lar-for-dollar matching of costs and revenues?**

17 A. Yes.  
18

19 **B. APPLICATION AND PROPOSED MAXIMUM RIDER IRP RATES**  
20

21 **Q. Why has Columbia filed the current Application?**

22 A. Columbia’s existing Rider IRP authorization ends with IRP investment in  
23 service by December 31, 2022. The upcoming expiration of that authority  
24 necessitates an application to extend the program for an additional five  
25 years. A five-year extension allows Columbia to continue its accelerated re-  
26 placement of aging infrastructure through the IRP. Additionally, in order to  
27 meet its commitment to replace all existing Priority Pipe and metallic ser-  
28 vices lines over a 25-year period, Columbia is requesting authority to estab-  
29 lish new maximum rates through this five-year extension.  
30

31 **Q. Does the Application propose to modify any portion of the IRP?**

32 A. Yes. In Case No. 11-5515-GA-ALT, Columbia agreed to certain interspersed  
33 pipeline limitations to be included in the AMRP, as well as limitations on  
34 the total plastic pipe replaced and included in the AMRP per year (5% per  
35 year). As further discussed in Columbia Witness Slowbe’s testimony, in or-  
36 der to allow Columbia greater flexibility to scope its pipeline projects in the  
37 latter years of the IRP, Columbia proposes to remove these limitations.  
38 Likewise, Columbia proposes new SGS maximum rate limits for Rider IRP.  
39 These new maximum rates are necessary to ensure Columbia can replace

1 its Priority Pipe during the twenty-five-year committed programmatic pe-  
 2 riod.

3

4 **Q. What maximum rates is Columbia proposing in this proceeding?**

5 A. Columbia is proposing the following Rider IRP rate limits in this proceed-  
 6 ing:

7

Rate effective date	May 1, 2022	May 1, 2023	May 1, 2024	May 1, 2025	May 1, 2026	May 1, 2027
SGS Rate limit	\$1.51 per month	\$3.25 per month	\$5.01 per month	\$6.79 per month	\$8.62 per month	\$10.87 per month
Assets	Apr. 1, 2021 – Dec. 31, 2021	Apr. 1, 2021 – Dec. 31, 2022	Apr. 1, 2021 – Dec. 31, 2023	Apr. 1, 2021 – Dec. 31, 2024	Apr. 1, 2021 – Dec. 31, 2025	Apr. 1, 2021 – Dec. 31, 2026

8

9 For background, since 2008, Columbia’s Rider IRP rates have been limited  
 10 in two ways. First, Columbia has agreed to a maximum monthly Rider IRP  
 11 rate for the SGS Class. As shown below, this maximum rate has been effec-  
 12 tively maintained throughout and underspent for each year of the IRP:

13

Rate Effective in May, Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Maximum Rider IRP SGS Class Rate	\$1.10	\$2.20	\$3.20	\$4.20	\$5.20	\$6.20	\$7.20	\$8.20	\$9.20	\$10.20	\$11.35	\$12.50	\$13.70
Actual Rider IRP SGS Class Rate	\$0.86	\$1.62	\$2.63	\$3.57	\$4.71	\$5.71	\$6.71	\$7.65	\$8.96	\$8.91	\$9.38	\$10.91	\$11.98

14

15 Second, the costs Columbia recovers on an annual basis are reviewed an-  
 16 nually by the Commission for reasonableness and prudence. This reasona-  
 17 bleness review ensures that Columbia only incurs and recovers from its cus-  
 18 tomers those dollars determined to meet this regulatory standard.

19

20 **Q. Is Columbia planning to adjust Rider IRP while this proceeding is pend-**  
 21 **ing?**

22 A. Yes, Columbia will adjust Rider IRP by filing a Notice of Intent in Novem-  
 23 ber 2021. This Notice of Intent will capture six months actuals, three  
 24 months estimated of capital costs for 2021 that are not in base rates. Colum-  
 25 bia will also be filing a schedule showing nine months actuals, three months

1 estimated of capital costs for 2021, to reflect the timing difference of Colum-  
2 bia not being able to capture the January through March 2021 Rider IRP  
3 investment until base rates go into effect. The latter schedules will be filed  
4 pursuant to the authority Columbia has been granted by the Commission  
5 in Case No. 16-2422-GA-ALT to adjust Rider IRP with assets placed in ser-  
6 vice through December 31, 2022. As explained in the Alternative Rate Plan  
7 filed in this proceeding, Columbia will adjust its Rider IRP down to reflect  
8 the last nine months of 2021 when Columbia's new base rate from this pro-  
9 ceeding goes into effect.

10  
11 **C. THE FILING REQUIREMENTS FOR ALTERNATIVE RATE PLAN AP-**  
12 **PLICATIONS IN OHIO ADM.CODE 4901:1-19-06**

13  
14 **Q. Ohio Adm.Code 4901:1-19-06(C)(2)(a) states that alternative rate plan ap-**  
15 **lications must provide a detailed alternative rate plan. Does Columbia's**  
16 **Application provide an alternative rate plan?**

17 A. Yes. Attached as Exhibit A to the Alternative Rate Plan section of Colum-  
18 bia's Application is an alternative rate plan that states the facts and grounds  
19 upon which Columbia's application is based. Exhibit A details the plan's  
20 elements, transition plans, and other matters required by the Commission's  
21 rules.

22  
23 **Q. Ohio Adm.Code 4901:1-19-06(C)(2)(b) requires alternative rate plan appli-**  
24 **cations to list the services for which they have been exempted and pro-**  
25 **vide certain other information regarding those exemptions. Does Colum-**  
26 **bia's Application provide information regarding any services the Com-**  
27 **mission has authorized it to exempt under R.C. 4929.04?**

28 A. Yes. In Case No. 08-1344-GA-EXM, the Commission authorized an exemp-  
29 tion for Columbia to implement its gas supply auctions, described later in  
30 my testimony. Columbia further details this compliance in Exhibit B to the  
31 Alternative Rate Plan section of the Application, which I am sponsoring.

32  
33 **Q. Ohio Adm.Code 4901:1-19-06(C)(2)(c) requires an alternative rate plan ap-**  
34 **plication to discuss how the plan addresses potential issues concerning**  
35 **cross-subsidization of services. Will the adoption of Columbia's alterna-**  
36 **tive regulation plan result in any cross subsidization of services?**

37 A. No, as detailed in Exhibit C to the Alternative Rate Plan section of the Ap-  
38 plication.

1 **Q. R.C. 4929.05(A)(1) and Ohio Adm.Code 4901:1-19-06(C)(2)(d) require an**  
2 **alternative rate plan applicant to discuss how it complies with R.C.**  
3 **4905.35. Does Columbia comply with R.C. 4905.35?**

4 **A.** As explained in Exhibit D of the Alternative Rate Plan section of the Appli-  
5 cation, Columbia is compliant with R.C. 4905.35, which prohibits a public  
6 utility from making or giving any undue or unreasonable preference or ad-  
7 vantage to any party or subjecting a party to undue or unreasonable preju-  
8 dice or disadvantages; requires a utility to offer regulated services or goods  
9 to all similarly situated consumers, including those with which it is affili-  
10 ated or which it controls, under comparable terms and conditions; man-  
11 dates unbundling of services that include both regulated and unregulated  
12 services of goods; and prohibits a utility from conditioning or limiting the  
13 availability or condition of services of goods on the basis of identity of the  
14 supplier of the other services or goods or on the purchase of unregulated  
15 services or goods.

16  
17 Columbia's public utility services are available on a comparable and non-  
18 discriminatory basis. Columbia does not presently have any bundled ser-  
19 vice offerings that include a regulated and unregulated service. Columbia  
20 does not condition or limit the availability of any regulated services or  
21 goods, or the availability of a discounted rate or improved quality, price,  
22 term or condition for any regulated services or goods, on the basis of the  
23 identity of the supplier of any other services or goods or on the purchase of  
24 any unregulated services or goods from Columbia. Columbia offers its reg-  
25 ulated services or goods to all similarly-situated customers, including any  
26 persons with which it is affiliated or which it controls, under comparable  
27 terms and conditions.

28  
29 Columbia's approved Standards of Conduct (existing Tariff Sheet No. 22,  
30 Section VII, which is attached in Exhibit B to the Alternative Rate Plan sec-  
31 tion of the Application), are based on the requirements of R.C. 4905.35 and  
32 requires Columbia to comply with those requirements as noted in the fol-  
33 lowing provisions:

- 34  
35
- 36 • Columbia shall apply tariffs in a nondiscriminatory manner.
  - 37 • Columbia shall enforce the tariffs in a nondiscriminatory manner.
  - 38 • Columbia shall not give any supplier, including any marketing affil-  
39 iate, or customers of any supplier, including any marketing affiliate,  
40 preference over any other suppliers or customers. For purposes of  
Columbia's CHOICE® Program, any ancillary service provided by

1 Columbia that is not tariffed shall be priced uniformly for affiliated  
2 and nonaffiliated companies and available to all equally.

- 3 • Columbia shall process all similar requests for transportation in the  
4 same manner and within the same approximate period of time.
- 5 • Columbia shall not condition or tie its agreements to gas supply or  
6 for the release of interstate pipeline capacity to any agreement by a  
7 supplier, customer, or third party in which its marketing affiliate is  
8 involved.
- 9 • Neither Columbia nor any marketing affiliate shall communicate the  
10 idea that any advantage might accrue in the use of Columbia's ser-  
11 vice as a result of dealing with any supplier, including any market-  
12 ing affiliate.

13  
14 Columbia also requires all employees dealing with customers or suppliers  
15 in the areas covered by the code of conduct to receive annual training re-  
16 garding its purpose and application.

17  
18 **Q. R.C. 4929.05(A) and Ohio Adm.Code 4901:1-19-06(C)(2)(d) also require an**  
19 **alternative rate plan applicant to discuss how it substantially complies**  
20 **with R.C. 4929.02 and whether it expects to remain in substantial compli-**  
21 **ance with R.C. 4929.02 after implementation of its Alternative Rate Plan.**  
22 **Does Columbia substantially comply with R.C. 4929.02, and will it con-**  
23 **tinue to do so if the Commission approves its Application?**

24 **A.** As explained in Exhibit D to the Alternative Rate Plan section of the Appli-  
25 cation, Columbia is currently in compliance with the provisions of R.C.  
26 4929.02 and will continue to be in compliance with those provisions after  
27 the alternative rate plan is implemented. R.C. 4929.02 sets forth the state  
28 policy regarding natural gas services and goods. That policy promotes the  
29 availability of adequate, reliable and reasonably priced services and goods  
30 as well as the unbundling and comparability of those services and goods. It  
31 also supports effective choices for supplies and suppliers and encourages  
32 market access to supply- and demand-side services and goods. Other pro-  
33 visions address the importance of effective competition and the regulatory  
34 treatment needed to support that competition.

35  
36 Columbia is in compliance with the policies set forth in R.C. 4929.02. Co-  
37 lumbia's Gas Transportation Service Program and CHOICE® Program both  
38 offer unbundled and comparable natural gas services and goods alterna-  
39 tives that allow customers to choose their supplier, price, terms, and other

1 conditions to meet their respective needs. Those programs promote diver-  
2 sity of natural gas supplies and suppliers, by giving consumers effective  
3 choices over the selection of those supplies and suppliers.  
4

5 Approving Columbia’s Application will advance Ohio’s policies to an even  
6 greater extent. By ensuring that Columbia is given the opportunity to timely  
7 recover its investments in replacing and repairing aging infrastructure, as  
8 well as invest in communities, the plan will enhance Columbia’s ability to  
9 continue to offer adequate, reliable, and reasonably priced natural gas ser-  
10 vices and goods. The prices paid by customers will continue to be reviewed  
11 and approved by the Commission, and thus will remain reasonable.  
12

13 Columbia has worked proactively with stakeholders in Ohio to implement  
14 unbundled and ancillary service offerings that provide customers with ef-  
15 fective and convenient choices to meet their natural gas supply needs. In  
16 2011, the Commission approved the establishment of a retail auction  
17 (Standard Choice Offer) process which continues today. Implementation of  
18 these processes, combined with Columbia’s existing service programs, en-  
19 sures continued and enhanced compliance with the policies contained in  
20 R.C. 4905.35 and 4929.02.  
21

22 **Q. Ohio Adm.Code 4901:1-19-06(C)(2)(d) also requires an applicant to**  
23 **demonstrate that its alternative rate plan is just and reasonable. Is Co-**  
24 **lumbia’s alternative rate plan just and reasonable?**

25 **A.** Yes. Columbia’s IRP will continue to improve the safety and reliability of  
26 service and customer satisfaction and convenience and result in reduced  
27 leakage. The proposed maximum Rider IRP monthly rates for the SGS Class  
28 and annual rate review will ensure that the Rider IRP rate remains just and  
29 reasonable.  
30

31 **IV. CAPITAL EXPENDITURE PROGRAM**  
32

33 **A. OVERVIEW OF THE CAPITAL EXPENDITURE PROGRAM**  
34 **DEFERRAL**  
35

36 **Q. Please describe the history of the capital expenditure program and CEP**  
37 **Rider.**

38 **A.** The Commission’s orders in Case Nos. 11-5351-GA-UNC, *et al.*, as contin-  
39 ued by Case Nos. 12-3221-GA-UNC, *et al.*, authorized Columbia to imple-

1 ment a capital expenditure program (“CEP”) regulatory asset (“CEP Deferral”) to defer the depreciation expense, property taxes, and post-in-service  
2 carrying costs associated with certain types of capital investments. The  
3 Commission authorized Columbia to accrue CEP deferrals until the accrued  
4 deferrals, if included in rates, would cause the rates charged to the Small  
5 General Service (“SGS”) class<sup>1</sup> to increase by more than \$1.50 per month.  
6

7  
8 The deferral transitioned to the CEP Rider in Case No. 17-2202-GA-ALT. In  
9 that proceeding, the Commission granted Columbia the ability to recover a  
10 return on and of the assets previously deferred by the CEP Deferral. Like-  
11 wise, the Commission granted Columbia the authority to continue to re-  
12 cover CEP Assets placed in service through December 31, 2021.  
13

14 **Q. What types of capital investments are eligible for the CEP Rider?**

15 A. As explained in Columbia’s Commission-approved Application in Case  
16 No. 17-2202-GA-ALT, Columbia’s capital expenditure program includes  
17 four categories of capital investments:  
18

19 a. **Replacement/Public Improvement/Betterment.** This cate-  
20 gory includes the replacement of facilities for any of the following  
21 reasons: (1) physical deterioration; (2) meeting the requirements of  
22 governmental authorities related to street and highway construction;  
23 (3) accommodating existing customer requests for facility relocation;  
24 and, (4) improving system operating conditions and ensuring ade-  
25 quate distribution system capacity and/or system reliability. This  
26 category may also include, but is not limited to, costs related to in-  
27 stallation of and/or improvements to mains and service lines, meas-  
28 uring and regulation stations, district regulator stations, excess pres-  
29 sure measuring stations, meters, meter sets, AMR devices, house  
30 regulators, and any associated buildings, land or land rights.  
31

32 b. **Growth.** This category includes the installation of facilities re-  
33 quired to provide service to new customers or to provide increased  
34 load capacity to existing customers. This category may include, but

---

<sup>1</sup> Small General Service includes Small General Sales Service, Small General Schools Sales Service, Small Gas Transportation Service, Small General Schools Transportation Service, Full Requirements Small General Transportation Service, and Full Requirements Small General Schools Transportation Service.

1 is not limited to, costs associated with the installation of and/or im-  
2 provement to mains and services (including service line installations  
3 to new customers served by existing mains), district regulator sta-  
4 tions, excess pressure measuring stations, meters, meter sets, AMR  
5 devices, house regulators, and any associated land or land rights.

6  
7 c. **Support Services.** This category includes, but is not limited  
8 to, costs associated with the purchase of and/or improvements to  
9 buildings and structures (including associated land and land rights),  
10 environmental remediation at company-owned facilities, office fur-  
11 niture and equipment, motorized equipment and trailers, power-op-  
12 erated equipment, and other miscellaneous equipment.

13  
14 d. **Information Technology.** This category includes capital ex-  
15 penditures related to technology and communications infrastruc-  
16 ture. This category may include, but is not limited to, costs associated  
17 with the purchase and installation of communications equipment  
18 (including associated buildings, land or land rights), data processing  
19 equipment, data processing software, and software licenses.

20  
21 **Q. How do the categories of capital investment that you just listed align with**  
22 **R.C. 4929.111?**

23 A. R.C. 4929.111(A) permits a natural gas company to file an application to  
24 implement a capital expenditure program for any of the following types of  
25 capital:

- 26  
27 (1) any infrastructure expansion, infrastructure improvement or  
28 infrastructure replacement program;  
29 (2) any program to install, upgrade, or replace information tech-  
30 nology systems; and  
31 (3) any program reasonably necessary to comply with any rules,  
32 regulations, or orders of the Commission or other govern-  
33 mental entity having jurisdiction.

34  
35 The first two categories of capital investment in Columbia’s approved cap-  
36 ital expenditure program, Replacement/Public Improvement/Betterment  
37 and Growth, align with the category of capital expenditures contemplated  
38 by R.C. 4929.111(A)(1). Both of these categories capture costs associated  
39 with the replacement of infrastructure and installation of new infrastruc-



1           ture. The fourth category of capital investment in Columbia’s Capital Ex-  
2           penditure Program, Information Technology, aligns with the category of  
3           expenditures contemplated by R.C. 4929.111(A)(2). Through this category  
4           of expenditures, Columbia is able to install, upgrade and replace its IT sys-  
5           tems through communications equipment, data processing equipment and  
6           software, and software licenses. The third category of capital investment in  
7           Columbia’s Capital Expenditure Program, Support Services, aligns with the  
8           category of expenditures contemplated by R.C. 4929.111(A)(3). Columbia  
9           must invest in its buildings, facilities, motorized equipment and trailers,  
10          power-operated equipment, and other equipment to comply with the rules,  
11          regulations, and orders of the Commission or other governmental entities  
12          having jurisdiction over Columbia. Without this kind of capital investment,  
13          Columbia would not be able to provide safe and reliable natural gas service  
14          to its customers.

15  
16           **B.           APPLICATION AND PROPOSED MAXIMUM CEP RIDER RATE**

17  
18           **Q.           Why has Columbia filed the current Application?**

19           A.           Columbia’s existing CEP Rider authorization ends with CEP investment in  
20           service by December 31, 2021. The upcoming expiration of that authority  
21           necessitates an application to extend the program. Columbia is proposing  
22           to extend the CEP for an additional five years.

23  
24           **Q.           Does the Application propose to modify any portion of the CEP Rider?**

25           A.           Yes. Because Columbia is filing a base rate proceeding to continue the CEP  
26           Rider mechanism, Columbia is proposing to end the rate base depreciation  
27           offset. This offset is no longer needed to offset the depreciation of Colum-  
28           bia’s capital expenses because this depreciation is being recognized in this  
29           proceeding. Likewise, Columbia is proposing new maximum rates for the  
30           CEP Rider for the next five-year term. Otherwise, Columbia is requesting  
31           to continue the approved CEP Rider from Case No. 17-2202-GA-ALT, and  
32           the associated CEP Deferral, that was approved in Case Nos. 12-3221-GA-  
33           UNC, *et al.*

34  
35           **Q.           Is Columbia proposing a maximum rate in this proceeding?**

36           A.           Yes. Columbia is proposing the following CEP Rider rate limits in this pro-  
37           ceeding:

1

Rate effective date	Sept. 1, 2022	Sept. 1, 2023	Sept. 1, 2024	Sept. 1, 2025	Sept. 1, 2026	Sept. 1, 2027
SGS Rate limit	\$1.78 per month	\$4.31 per month	\$6.96 per month	\$10.54 per month	\$13.14 per month	\$15.89 per month
Assets	Apr. 1, 2021 – Dec. 31, 2021	Apr. 1, 2021 – Dec. 31, 2022	Apr. 1, 2021 – Dec. 31, 2023	Apr. 1, 2021 – Dec. 31, 2024	Apr. 1, 2021 – Dec. 31, 2025	Apr. 1, 2021 – Dec. 31, 2026

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Columbia is also proposing to continue the authority to defer any costs in excess of its monthly rate limits, with carrying costs at Columbia’s long-term debt rate, for recovery in any subsequent CEP Rider proceeding during the five-year period of the proposed CEP term.

**Q. Is Columbia planning to adjust the CEP Rider while this proceeding is pending?**

A. Yes, Columbia will adjust the CEP Rider by filing an Application in February 2022. This Application will capture nine months of actual capital costs for 2021 that are not in base rates. Columbia will also be filing a schedule showing twelve months of capital costs for 2021 to reflect the timing difference of Columbia not being able to capture the January through March 2021 CEP Rider investment until base rates go into effect. The latter schedules will be filed pursuant to the authority Columbia has been granted by the Commission in Case No. 17-2202-GA-ALT to adjust Rider IRP with assets placed in service through December 31, 2022. As explained in the Alternative Rate Plan filed in this proceeding, Columbia will adjust its CEP Rider down to reflect the last nine months of 2021 when Columbia’s new base rate from this proceeding goes into effect.

**C. THE FILING REQUIREMENTS FOR ALTERNATIVE RATE PLAN APPLICATIONS IN OHIO ADM.CODE 4901:1-19-06**

**Q. Ohio Adm.Code 4901:1-19-06(C)(2)(a) states that alternative rate plan applications must provide a detailed alternative rate plan. Does Columbia’s Application provide a detailed alternative rate plan?**

A. Yes. Attached as Exhibit A to the Alternative Rate Plan section of Columbia’s Application is an alternative rate plan that states the facts and grounds upon which Columbia’s CEP Rider application is based.

1 **Q. Ohio Adm.Code 4901:1-19-06(C)(2)(b) requires alternative rate plan appli-**  
2 **cations to list the services for which they have been exempted and pro-**  
3 **vide certain other information regarding those exemptions. Does Colum-**  
4 **bia’s Application provide information regarding any services the Com-**  
5 **mission has authorized it to exempt under R.C. 4929.04?**

6 A. Yes. In Case No. 08-1344-GA-EXM, the Commission authorized an exemp-  
7 tion for Columbia to implement its gas supply auctions. Columbia further  
8 details this compliance in Exhibit B to the Alternative Rate Plan section of  
9 the Application, which I am sponsoring.

10  
11 **Q. Ohio Adm.Code 4901:1-19-06(C)(2)(c) requires an alternative rate plan ap-**  
12 **plication to discuss how the plan addresses potential issues concerning**  
13 **cross-subsidization of services. Will the adoption of Columbia’s alterna-**  
14 **tive rate plan result in any cross-subsidization of services?**

15 A. No, as detailed in Exhibit C to the Alternative Rate Plan section of the Ap-  
16 plication.

17  
18 **Q. R.C. 4929.05(A)(1) and Ohio Adm.Code 4901:1-19-06(C)(2)(d) require an**  
19 **alternative rate plan applicant to discuss how it complies with**  
20 **R.C. 4905.35. Does Columbia comply with R.C. 4905.35?**

21 A. As explained in Exhibit D of the Alternative Rate Plan section of the Appli-  
22 cation, which I am sponsoring, Columbia complies with R.C. 4905.35. Co-  
23 lumbia’s public utility services are available on a comparable and non-dis-  
24 criminatory basis. Columbia does not presently have any bundled service  
25 offerings that include a regulated and unregulated service. Columbia does  
26 not condition or limit the availability of any regulated services or goods, or  
27 the availability of a discounted rate or improved quality, price, term or con-  
28 dition for any regulated services or goods, on the basis of the identity of the  
29 supplier of any other services or goods or on the purchase of any unregu-  
30 lated services or goods from Columbia. Columbia offers its regulated ser-  
31 vices or goods to all similarly-situated customers, including any persons  
32 with which it is affiliated or which it controls, under comparable terms and  
33 conditions.

34  
35 Columbia’s approved Standards of Conduct (existing Tariff Sheet No. 22,  
36 Section VII, which is attached in Exhibit B to the Alternative Rate Plan sec-  
37 tion of the Application), are based on the requirements of R.C. 4905.35 and  
38 requires Columbia to comply with those requirements as noted in the fol-  
39 lowing provisions:

- 1 • Columbia shall apply tariffs in a nondiscriminatory manner.
- 2 • Columbia shall enforce the tariffs in a nondiscriminatory manner.
- 3 • Columbia shall not give any supplier, including any marketing affil-
- 4 iate, or customers of any supplier, including any marketing affiliate,
- 5 preference over any other suppliers or customers. For purposes of
- 6 Columbia's CHOICE® Program, any ancillary service provided by
- 7 Columbia that is not tariffed shall be priced uniformly for affiliated
- 8 and nonaffiliated companies and available to all equally.
- 9 • Columbia shall process all similar requests for transportation in the
- 10 same manner and within the same approximate period of time.
- 11 • Columbia shall not condition or tie its agreements for gas supply or
- 12 for the release of interstate pipeline capacity to any agreement by a
- 13 supplier, customer, or third party in which its marketing affiliate is
- 14 involved.
- 15 • Neither Columbia nor any marketing affiliate shall communicate the
- 16 idea that any advantage might accrue in the use of Columbia's ser-
- 17 vice as a result of dealing with any supplier, including any market-
- 18 ing affiliate.

19  
20 Columbia also requires all employees dealing with customers or suppliers  
21 in the areas covered by the code of conduct to receive annual training re-  
22 garding its purpose and application.

23  
24 **Q. R.C. 4929.05(A) and Ohio Adm.Code 4901:1-19-06(C)(2)(d) also require an**  
25 **alternative rate plan applicant to discuss how it substantially complies**  
26 **with R.C. 4929.02 and whether it expects to remain in substantial compli-**  
27 **ance with R.C. 4929.02 after implementation of its Alternative Rate Plan.**  
28 **Does Columbia substantially comply with R.C. 4929.02, and will it con-**  
29 **tinue to do so if the Commission approves its Application?**

30 **A.** As explained in Exhibit D to the Alternative Rate Plan section of the Appli-  
31 cation, Columbia is currently in compliance with the provisions of R.C.  
32 4929.02 and will continue to be in compliance with those provisions after  
33 the alternative rate plan is implemented. R.C. 4929.02 sets forth the state  
34 policy regarding natural gas services and goods. That policy promotes the  
35 availability of adequate, reliable and reasonably priced services and goods  
36 as well as the unbundling and comparability of those services and goods. It  
37 also supports effective choices for supplies and suppliers and encourages  
38 market access to supply- and demand-side management services and  
39 goods. Other provisions address the importance of effective competition

1 and the regulatory treatment needed to support that competition. Most im-  
2 portantly, R.C. 4929.02 encourages the promotion of an alignment of natu-  
3 ral gas company interests with consumer interest in energy efficiency and  
4 energy conservation.

5  
6 Columbia is in compliance with the policies set forth in R.C. 4929.02. Co-  
7 lumbia's Gas Transportation Service Program and CHOICE® Program both  
8 offer unbundled and comparable natural gas services and goods alterna-  
9 tives that allow customers to choose their supplier, price, terms, and other  
10 conditions to meet their respective needs. Those programs promote diver-  
11 sity of natural gas supplies and suppliers, by giving consumers effective  
12 choices over the selection of those supplies and suppliers. And, as discussed  
13 in the Application and further in the testimony of Columbia Witness Poe,  
14 Columbia's DSM Program encourages the promotion of an alignment of  
15 natural gas company interests with consumer interest in energy efficiency  
16 and energy conservation.

17  
18 Approving Columbia's Application will further advance Ohio's policies. By  
19 ensuring that Columbia is given the opportunity to timely recover its in-  
20 vestments in public improvement, growth capital, shared services, and in-  
21 formation technology, the plan will enhance Columbia's ability to continue  
22 to offer adequate, reliable, and reasonably priced natural gas services and  
23 goods.

24  
25 **Q. Ohio Adm.Code 4901:1-19-06(C)(2)(d) also requires an applicant to**  
26 **demonstrate that its alternative rate plan is just and reasonable. Is Co-**  
27 **lumbia's alternative rate plan just and reasonable?**

28 **A.** Yes, it is. The proposed alternative rate plan allows for the timely recovery  
29 of Columbia's CEP Deferral and the underlying investments to which the  
30 CEP Deferral relates, reducing the need to defer PISCC expenses associated  
31 with those investments and encouraging and promoting prudent invest-  
32 ment in Columbia's distribution system and other capital assets. Finally,  
33 with the proposed CEP Rider structure, the proposed alternative rate plan  
34 will ensure that the CEP Rider remains reasonable. Therefore, Columbia's  
35 alternative rate plan is just and reasonable.

1 **V. FEDERALLY MANDATED INVESTMENT RIDER**

2

3 **A. OVERVIEW OF THE FEDERALLY MANDATED INVESTMENT**  
4 **RIDER**

5

6 **Q. Please describe the FMI Rider.**

7 A. The proposed FMI Rider will recover the capital and O&M expenses asso-  
8 ciated with the compliance requirements of new federal- and/or state-man-  
9 dated investment, beginning with the PHMSA Mega Rule. The Mega Rule  
10 enhances safety regulations for gas transportation pipelines and establishes  
11 required actions by pipeline operators.

12

13 **Q. What types of capital investments or O&M expenses are eligible for the**  
14 **FMI Rider?**

15 A. Any capital expenditure or O&M expense that is necessary for Columbia to  
16 become compliant with any new federal- and/or state-mandated rule or  
17 regulations, beginning with the PHMSA Mega Rule.

18

19 **B. APPLICATION AND PROPOSED MAXIMUM FMI RIDER RATE**

20

21 **Q. Why has Columbia filed the current Application?**

22 A. Compliance with the PHMSA Mega Rule, over a 15-year timeframe, re-  
23 quires significant investment by Columbia to meet the federal compliance  
24 deadlines. Recognizing this significant increase in capital and O&M ex-  
25 penditures, Columbia is proposing this rider as a separate, stand-alone  
26 rider to capture this investment.

27

28 **Q. Is Columbia proposing a maximum rate in this proceeding?**

29 A. Yes. Columbia is proposing the following FMI Rider rate limits in this pro-  
30 ceeding:

31

Rate effective date	Sept. 1, 2023	Sept. 1, 2024	Sept. 1, 2025	Sept. 1, 2026	Sept. 1, 2027
SGS Rate limit	\$0.52 per month	\$2.07 per month	\$3.47 per month	\$5.28 per month	\$7.00 per month
Assets	Jan. 1, 2022 – Dec. 31, 2022	Jan. 1, 2022 – Dec. 31, 2023	Jan. 1, 2022 – Dec. 31, 2024	Jan. 1, 2022 – Dec. 31, 2025	Jan. 1, 2022 – Dec. 31, 2026

32

33 Columbia is also proposing to defer any costs in excess of its monthly rate  
34 limits, with carrying costs at Columbia’s long-term debt rate, for recovery

1 in any subsequent FMI Rider proceeding during the five-year period of the  
2 proposed FMI term.

3  
4 **C. THE FILING REQUIREMENTS FOR ALTERNATIVE RATE PLAN**  
5 **APPLICATIONS IN OHIO ADM.CODE 4901:1-19-06**  
6

7 **Q. Ohio Adm.Code 4901:1-19-06(C)(2)(a) states that alternative rate plan ap-**  
8 **plications must provide a detailed alternative rate plan. Does Columbia's**  
9 **Application provide a detailed alternative rate plan?**

10 A. Yes. Attached as Exhibit A to the Alternative Rate Plan section of Colum-  
11 bia's Application is an alternative rate plan that states the facts and grounds  
12 upon which Columbia's FMI Rider application is based.  
13

14 **Q. Ohio Adm.Code 4901:1-19-06(C)(2)(b) requires alternative rate plan appli-**  
15 **cations to list the services for which they have been exempted and pro-**  
16 **vide certain other information regarding those exemptions. Does Colum-**  
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22 the Application, which I am sponsoring.  
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24 **Q. Ohio Adm.Code 4901:1-19-06(C)(2)(c) requires an alternative rate plan ap-**  
25 **plication to discuss how the plan addresses potential issues concerning**  
26 **cross-subsidization of services. Will the adoption of Columbia's alterna-**  
27 **tive rate plan result in any cross-subsidization of services?**

28 A. No, as detailed in Exhibit C to the Alternative Rate Plan section of the Ap-  
29 plication.  
30

31 **Q. R.C. 4929.05(A)(1) and Ohio Adm.Code 4901:1-19-06(C)(2)(d) require an**  
32 **alternative rate plan applicant to discuss how it complies with**  
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18 iate, or customers of any supplier, including any marketing affiliate,  
19 preference over any other suppliers or customers. For purposes of  
20 Columbia's CHOICE® Program, any ancillary service provided by  
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22 and nonaffiliated companies and available to all equally.
- 23 • Columbia shall process all similar requests for transportation in the  
24 same manner and within the same approximate period of time.
- 25 • Columbia shall not condition or tie its agreements for gas supply or  
26 for the release of interstate pipeline capacity to any agreement by a  
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- 29 • Neither Columbia nor any marketing affiliate shall communicate the  
30 idea that any advantage might accrue in the use of Columbia's ser-  
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34 Columbia also requires all employees dealing with customers or suppliers  
35 in the areas covered by the code of conduct to receive annual training re-  
36 garding its purpose and application.



1 **Q. R.C. 4929.05(A) and Ohio Adm.Code 4901:1-19-06(C)(2)(d) also require an**  
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3 **with R.C. 4929.02 and whether it expects to remain in substantial compli-**  
4 **ance with R.C. 4929.02 after implementation of its Alternative Rate Plan.**  
5 **Does Columbia substantially comply with R.C. 4929.02, and will it con-**  
6 **tinue to do so if the Commission approves its Application?**

7 **A.** As explained in Exhibit D to the Alternative Rate Plan section of the Appli-  
8 cation, Columbia is currently in compliance with the provisions of R.C.  
9 4929.02 and will continue to be in compliance with those provisions after  
10 the alternative rate plan is implemented. R.C. 4929.02 sets forth the state  
11 policy regarding natural gas services and goods. That policy promotes the  
12 availability of adequate, reliable and reasonably priced services and goods  
13 as well as the unbundling and comparability of those services and goods. It  
14 also supports effective choices for supplies and suppliers and encourages  
15 market access to supply- and demand-side management services and  
16 goods. Other provisions address the importance of effective competition  
17 and the regulatory treatment needed to support that competition. Most im-  
18 portantly, R.C. 4929.02 encourages the promotion of an alignment of natu-  
19 ral gas company interests with consumer interest in energy efficiency and  
20 energy conservation.

21  
22 Columbia is in compliance with the policies set forth in R.C. 4929.02. Co-  
23 lumbia’s Gas Transportation Service Program and CHOICE® Program both  
24 offer unbundled and comparable natural gas services and goods alterna-  
25 tives that allow customers to choose their supplier, price, terms, and other  
26 conditions to meet their respective needs. Those programs promote diver-  
27 sity of natural gas supplies and suppliers, by giving consumers effective  
28 choices over the selection of those supplies and suppliers. And, as discussed  
29 in the Application and further in the testimony of Columbia Witness Poe,  
30 Columbia’s DSM Program encourages the promotion of an alignment of  
31 natural gas company interests with consumer interest in energy efficiency  
32 and energy conservation.

33  
34 Approving Columbia’s Application will further advance Ohio’s policies. By  
35 ensuring that Columbia is given the opportunity to timely recover its in-  
36 vestments in compliance with federal and state mandates, the plan will en-  
37 hance Columbia’s ability to continue to offer adequate, reliable, and reason-  
38 ably priced natural gas services and goods.

1 **Q. Ohio Adm.Code 4901:1-19-06(C)(2)(d) requires an applicant to demon-**  
2 **strate that its alternative rate plan is just and reasonable. Is Columbia’s**  
3 **alternative rate plan just and reasonable?**

4 A. Yes, it is. The FMI Rider is designed to allow Columbia to recover its invest-  
5 ments to comply with new state and federal mandates, which are necessary  
6 to provide natural gas distribution and transportation services, in a timely  
7 manner. Finally, with the proposed FMI Rider structure, the proposed al-  
8 ternative rate plan will ensure that the FMI Rider remains reasonable.  
9 Therefore, Columbia’s alternative rate plan is just and reasonable.

10  
11 **VI. RIDER DSM**

12  
13 **Q. Please describe Rider DSM.**

14 A. Columbia seeks approval to continue the tracker that provides for the recov-  
15 ery of costs related to the implementation of the DSM Program that will ena-  
16 ble customers to reduce bills through various conservation programs. This  
17 cost recovery mechanism enables Columbia to mitigate the impact of regula-  
18 tory lag on the investments in the DSM Program.

19  
20 **Q. Does Columbia’s proposed DSM Program violate any regulatory policy or**  
21 **principles?**

22 A. No. This Program will help the Commission comply with R.C. 4929.02 and  
23 R.C. 4905.70.

24  
25 **Q. In paragraph 35 of that Second Entry on Rehearing, the Commission di-**  
26 **rected Columbia to “collaborate on how more low-income Columbia cus-**  
27 **tomers can be made aware of the WarmChoice® program, and that Colum-**  
28 **bia coordinate with HeatShare and Fuel Fund programs to inform cus-**  
29 **tomers about Columbia’s energy efficiency programs.” Has Columbia**  
30 **complied with the Commission’s directive?**

31 A. Yes. Columbia shared updates on marketing and outreach efforts to make  
32 more customers aware of its WarmChoice® program during its biannual  
33 DSM Stakeholder Group meetings on June 28, 2019, November 1, 2019, June  
34 26, 2020 and November 5, 2020. Columbia shared that it has coordinated  
35 with the Energy Assistance team to cross promote Energy Assistance and  
36 WarmChoice® in marketing materials, on the Columbia Gas of Ohio web-  
37 site, in emails to customers, at events and during presentations, as well as  
38 with organizations where customers seek assistance, including but not lim-  
39 ited to, the Local Matters Veggie Van, the Breathing Association, Lutheran  
40 Social Services, Veterans Services Offices, food pantries, Jobs and Family

1 Services/HEAP Offices, and Community Action Agencies. Columbia also  
2 distributed WarmChoice® information cards to Ohio Salvation Army offices  
3 to share with Columbia customers seeking HeatShare dollars.  
4

5 **VII. CARBON REDUCTION RIDER**  
6

7 **Q. Please describe the Carbon Reduction Rider.**

8 A. The Carbon Reduction Rider is an opt-in rider that allows customers to pay  
9 an additional fixed monthly fee to be used toward purchasing carbon off-  
10 sets.  
11

12 **Q. Why is Columbia proposing to offer its customers a Carbon Reduction**  
13 **Rider at this time?**

14 A. Columbia wants to provide its customers the opportunity to help offset car-  
15 bon dioxide emissions that are generated as a result of burning natural gas.  
16

17 **Q. How much is the proposed Carbon Reduction Rider?**

18 A. The proposed Carbon Reduction Rider is \$5 per month for customers who  
19 opt-in to this rider. Non-participating customers will not pay any fee to-  
20 ward the Carbon Reduction Rider.  
21

22 **Q. Which customers are eligible to participate in the Carbon Reduction**  
23 **Rider?**

24 A. All customers billed by Columbia under rate schedules SGS, SGSS, GS, GSS,  
25 LGS, and LGSS are eligible to participate.  
26

27 **Q. How will the \$5 monthly charge be used?**

28 A. Columbia will work with a third-party vendor to purchase carbon offsets on  
29 behalf of customers who opt-in to the Carbon Reduction Rider. Columbia will  
30 not retain any portion of the fees that customers pay toward the Carbon Re-  
31 duction Rider.  
32

33 **Q. What types of projects will the Carbon Reduction Rider go toward?**

34 A. Columbia will work with its vendor to ensure carbon offsets meet one of the  
35 major carbon standards, including the Verified Carbon Standard (VCS), the  
36 American Carbon Registry (ACR), the Climate Action Reserve (CAR), or Gold  
37 Standard (GS). Specific projects will be determined based on availability at  
38 the time of carbon offset purchase, but may include, for example, forestry pro-  
39 jects or landfill gas combustion projects.

1 **VIII. REGULATORY ASSESSMENT RIDER (“RAR”)**

2  
3 **Q. Is Columbia planning to update the RAR after the conclusion of the rate**  
4 **case?**

5 A. Yes. Columbia is planning to annually update the RAR. This is due to the  
6 fact that assessments for the Commission and the Office of the Ohio Con-  
7 sumers’ Counsel (“OCC”) are issued annually based on Columbia’s prior  
8 calendar year’s ratio of gas cost revenue to total operating revenue. Because  
9 this assessment changes annually, Columbia will be updating this rider an-  
10 nually after the conclusion of the rate case.

11  
12 **IV. FEDERAL/STATE TAX REFORM RIDER**

13  
14 **Q. Please describe the Federal/State Tax Reform Rider.**

15 A. The Federal/State Tax Reform Rider is a \$0 rider that allows for Columbia  
16 to incorporate any adjustments to federal or state tax rates or other tax-re-  
17 lated changes.

18  
19 **Q. When will Columbia adjust the Federal/State Tax Reform Rider?**

20 A. Columbia will adjust the Federal/State Tax Reform Rider rate when changes  
21 to federal or state tax rates or other changes dictate a rate adjustment.

22  
23 **Q. Which customers are impacted by the Federal/State Tax Reform Rider?**

24 A. All customers billed by Columbia under rate schedules SGS, SGSS, GS, GSS,  
25 LGS, and LGSS.

26  
27 **Q. Does this complete your Prepared Direct Testimony?**

28 A. Yes, it does. However, I reserve the 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 14th day of July, 2021, upon the persons listed below.

*/s/ Joseph M. Clark*

\_\_\_\_\_  
Joseph M. Clark

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

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Summary: Testimony Direct Testimony of Melissa L. Thompson electronically filed by Ms. Melissa L. Thompson on behalf of Columbia Gas of Ohio, Inc.