Columbia Exhibit No.

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbia Gas of Ohio, Inc. for Authority to Amend its Filed Tariffs to Increase the Rates and Charges for Gas Services and Related Matters.	)))))	Case No. 21-637-GA-AIR
In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of an Alternative Form of Regulation.	)))	Case No. 21-638-GA-ALT
In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of a Demand Side Management Program for its Residential and Commercial Customers.	)))))	Case No. 21-639-GA-UNC
In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval to Change Accounting Methods.	)))	Case No. 21-640-GA-AAM

PREPARED DIRECT TESTIMONY OF
ERIC SLOWBE
ON BEHALF OF COLUMBIA GAS OF OHIO, INC.

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

Joseph M. Clark, Asst. Gen. Counsel (0080711) (Counsel of Record)
John R. Ryan, Sr. Counsel (0090607)
P.O. Box 117
290 W. Nationwide Blvd.
Columbus, Ohio 43216-0117
Telephone: (614) 813-8685
(614) 285-2220
E-mail: josephclark@nisource.com
johnryan@nisource.com

Eric B. Gallon (0071465)
Mark S. Stemm (0023146)
L. Bradfield Hughes (0070997)
Devan K. Flahive (0097457)
Porter, Wright, Morris & Arthur LLP
41 South High Street
Columbus, OH 43215
Telephone: (614) 227-2000
Email: egallon@porterwright.com
mstemm@porterwright.com
bhughes@porterwright.com
dflahive@porterwright.com

(Willing to accept service by e-mail)

Attorneys for
COLUMBIA GAS OF OHIO, INC.

July 14, 2021

PREPARED DIRECT TESTIMONY
OF ERIC SLOWBE

Q. Please state your name and business address.
A. My name is Eric Slowbe and my business address is 290 W. Nationwide Blvd., Columbus, Ohio 43215.

Q. By whom are you employed?
A. I am employed by Columbia Gas of Ohio, Inc. ("Columbia"). My current title is Principal Engineer.

Q. Please summarize your educational background.
A. I have a Bachelor of Science degree in Industrial Engineering from the University of Toledo in Toledo, Ohio, a Professional Engineering Certification from the State of Ohio, a Masters of Business Administration from Southern New Hampshire University, and a Project Management Professional Certification from the Project Management Institute.

Q. Please summarize your professional experience.
A. In 2008, I began my career with Columbia as a Field Engineer. As a Field Engineer, I was responsible for tasks including design and management of gas pipe construction projects, winter operations planning, and emergency response support in addition to providing technical assistance for various company activities. In 2014, I accepted a position as a Principal Engineer with responsibilities for Ohio and Kentucky.

Q. What are your responsibilities as Principal Engineer?
A. As Principal Engineer, my responsibilities include assisting in the collection and analysis of data for regulatory filings, managing engineering training materials and learning requirements, the evaluation, standardization, and improvement of internal processes, and providing technical support for various teams and initiatives within NiSource/Columbia. I help generate and deliver training on updates and changes to company policies and procedures, and assist with quality and accuracy evaluations related to engineering project design and documentation.

Q. What is the purpose of your testimony in this proceeding?
A. The purpose of my testimony is to explain how the proposals in Case Nos. 21-637-GA-AIR, *et al.*, will continue improving Columbia's ability to pro-

vide safe and reliable service to its customers. I will discuss Columbia's proposals to refine the current Infrastructure Replacement Program ("IRP") based on Columbia's observations, lessons learned since the IRP's inception, and ways Columbia proposes to improve its ability to efficiently meet the needs of its customers.

Q. Please summarize the components of Columbia's IRP.

A. The IRP consists of three segments. The Accelerated Mains Replacement Program ("AMRP") is focused on modernizing significant segments of mainline pipe and its associated facilities that present an existing hazard or have an increased probability of developing a leak. The Hazardous Service Line Program ("HSLP") addresses maintenance, repair, and replacement of service lines that present an existing or probable hazard to persons or property, or that require a scheduled repair or replacement based on severity or location. The Automated Meter Reading Device ("AMRD") program is related to the installation of devices on meters that enable reading of meters without directly accessing the meter.

Q. Please describe a summary of the status of the IRP programs.

A. The HSLP is ongoing, addressing risks remediated on service lines. The AMRD program concluded December 31, 2013, where Columbia ceased to recover any additional capital for this program. The AMRP is approximately halfway through its original scope. Columbia has identified approximately 4,100 miles of Priority Pipe (as defined later in this testimony) to replace under the AMRP. By the end of 2020, Columbia had replaced more than 2,200 miles of Priority Pipe.

Q. Why is Columbia seeking to continue its IRP?

A. Columbia's intent remains to provide safe and reliable service to our customers. The need to replace aging infrastructure remains unchanged. By targeting replacements systematically and addressing issues on a large scale, the AMRP and HSLP reduce leaks and associated customer outages, and increase customer safety.

Continuing the IRP enables Columbia to replace aging system components in advance of or in conjunction with state and municipal projects. Prior to the IRP, Columbia could only justify the economics of replacing the minimum stretches of IRP-eligible infrastructure when it was discovered that the pipe would be in direct conflict with a municipality's construction plans. With the IRP mechanism Columbia can replace the entirety of IRP-

eligible infrastructure within the municipality's construction zone. This increased ability results in Columbia not needing to invasively repair aging pipelines that would have remained within new municipal construction or repair regions. This win-win scenario upgrades aging gas infrastructure and allows the new municipality infrastructure to remain undisturbed by Columbia.

Q: Please describe the Hazardous Service Line Program.

A: The HSLP is an extension of the prone-to-fail riser survey and replacement program that the Commission originally approved in Case No. 07-478-GA-UNC. In 2008, the Commission made Columbia responsible for maintaining, repairing, and replacing service lines that Columbia has determined present an existing or probable hazard to persons or property, or require a scheduled repair or replacement based on severity or location. This program assures that hazardous service lines are remediated.

Q: How many hazardous service lines has Columbia replaced?

A. As of the end of 2020, Columbia had replaced approximately 85,106 hazardous service lines as part of the HSLP.

Q. Please describe the Accelerated Mains Replacement Program.

A. Columbia's AMRP is a 25-year program to target the replacement of bare steel, unprotected coated steel, cast iron, and wrought iron mains. The individual projects to achieve the replacement program vary by area, complexity, and cost. Some projects involve the replacement of small individual segments while other projects entail the replacement of significant amounts of risk-prone pipe over extremely large geographic areas.

Q. What types of gas mains did the AMRP originally target for accelerated replacement?

A. The types of gas main explicitly included in the AMRP, as initially approved in Case Nos. 08-73-GA-ALT, *et al.*, are bare steel, unprotected coated steel, wrought iron, and cast iron. These types of main ("Priority Pipe" or "Priority Main") are prone to leak at higher rates than mains made from other materials due to their type, protection, age, and other characteristics.

Q. Has the Commission modified the scope of the AMRP since 2008?

A. In Case No. 11-5515-GA-ALT, the Commission clarified the scope of the AMRP to expressly include certain items, including interspersed sections of non-Priority Pipe, first generation plastic pipe, ineffectively coated steel,

certain meter move outs, and government relocations that include Priority Pipe. This recognized that the AMRP program could replace segments of non-Priority Pipe more efficiently than it could tie into them.

Q. Since beginning the AMRP, how many miles of main has Columbia replaced?

A. The table below breaks down the type of mains replaced over the first 12 years (2008-2020) of the AMRP:

Infrastructure Category	Mileage Replaced
Bare Steel	1,938.7
Cast Iron / Wrought Iron	112.0
Pre-1955 Unprotected Coated Steel	240.2
Pre-1955 Ineffectively Coated Steel	116.7
Post-1954 Coated Steel	110.3
Plastic	295.3

Q. How does Columbia determine the prioritization for replacement or upgrade of facilities?

A. Many factors are considered when choosing to upgrade or replace gas facilities. No single factor, system, or program unilaterally determines the prioritization of replacement projects. Considerations include, but are not limited to, risk scores as calculated by Optimain DS™ (prior to 2022) or its replacement program Uptime MRP (starting in 2022), environmental considerations (e.g., population density, building class, surface cover type), supply requirements, operability and reliability requirements, newly identified material risks, jurisdiction requirements, various laws, and company standard improvements or clarifications. These considerations assure Columbia prioritizes replacement of pipe segments that could pose additional risk if replacement is delayed. Columbia works collaboratively with local and state governments to replace Priority Pipe where public improvement work will occur.

Q. What obstacles has Columbia encountered in the IRP to date?

A. In the earliest years of Columbia's IRP, Columbia targeted projects with both a high likelihood to develop a leak and a high ratio of Priority Pipe retired per main installed to replace it. This resulted in a high quantity of Priority Pipe

being abandoned for each foot of pipe installed to replace it, and a large corresponding reduction in total system risk. The projects often retired segments of a system that contained more than one main on a single street, but only required one upgraded main to serve the same customers. Further, small segments that were replaced because the pipe could not be repaired were within new AMRP projects, resulting in reduced Priority Pipe ratios.

As Columbia's program advanced, projects included replacement of pipe in increasingly inefficient situations. To continue meeting the timeline of the IRP, Columbia's projects are becoming less efficient for the replacement of Priority Pipe as the pipe is more interspersed with other non-Priority Pipe in the system.

Q. What benefits will continuing the IRP provide?

A. Beyond increasing the safety of its system, continuing the AMRP maintains Columbia's access to highly skilled and operator qualified construction contractor resources. Retaining such contractors can be challenging. Columbia implemented a contractor acquisition strategy in 2011 that was aimed at providing long-term blanket contracts and building strong relationships with qualified contractors. The stability provided by these contracts, largely driven by the IRP, ensures a consistent stream of business for the contractors, thereby encouraging them to expand their businesses in Ohio and hire the necessary labor resources.

Further, by assuring steady work, contractors are able to reduce the turnover of their skilled labor resources. The resulting increase in productivity, decreased on-job-training needs, and improved stability assures that work proceeds efficiently and effectively. Each of these results reduces long-term costs for Columbia.

From a system operability standpoint, Columbia has noticed a significant reduction in total incidents of water entering Columbia's systems. The IRP program has significantly reduced this type of interruption in service, and Columbia expects the trend to continue as its system continues to be modernized.

System stability and predictive capacity evaluations are gained by the IRP. Prior system pressure limitations are substantially reduced, resulting in a

more predictable and reliable supply of gas to customers. With a more predictable supply of gas, Columbia has improved confidence in its ability to serve a new customer wanting service on its modernized system.

Q. Is Columbia proposing any changes to the IRP?

A. Yes. Per the Stipulation in Case No. 11-5515-GA-ALT, Columbia is required to upgrade existing interspersed sections of non-Priority Pipe within the bounds of a Priority Pipe replacement project where it is more economical to do than attempting to tie into the existing sections of non-Priority Pipe. The stipulation limited the lengths of non-Priority Pipe that could be upgraded under the AMRP. These lengths were established to ensure that Columbia's investments targeted Priority Pipe. Now, however, Columbia's approved Capital Expenditure Program ("CEP"), established in 2011, provides a mechanism to recover the replacement of the interspersed lengths of non-Priority Pipe mains if Columbia has a business reason to replace the segment instead of upgrading it as part of an IRP.

Therefore, first, Columbia would like to improve the efficiency of its designs, construction, and filings for the IRP by eliminating current limits on the replacement of interspersed lengths of non-Priority Pipe. Columbia would like to include projects in the IRP when the project retires a 50% or greater ratio of Priority Pipe.

Second, Columbia's IRP currently allows mandatory relocation projects that include less than 25% plastic pipe retirement to be included in filings. Columbia proposes that the limit match the 50% threshold proposed for other projects. The benefit includes having a single set of IRP criteria for inclusion or exclusion of replacement work.

Third, Columbia's IRP limits the retirement of plastic in the IRP to less than five percent (5%) of the total IRP retirement in any year. Columbia asks for the elimination of this restriction to permit increased efficiency in designing and constructing projects.

Since the inception of the IRP, and notwithstanding the clarifications during its various extensions, Columbia has improved its systems and its understanding of risks. The natural gas industry as a whole has undergone significant changes and learned lessons over time. Those changes and increased regulation mandates resulted in a different set of criteria than originally known or anticipated at the beginning of the program.

Columbia believes that any modifications proposed herein will not change the originally projected 25-year timeline of the IRP, and believes the systematic replacement of Priority Pipe facilities continues to be in the best interest of customers and municipalities.

Q. What benefits do you expect will be gained from the proposed changes?

A. These changes will enable Columbia to manage its risks and projects in more efficient ways than it has from the inception of the IRP to date. It will enable company representatives to have more time to manage projects without the complexity that makes the current designing, scheduling, managing, and reporting efforts inefficient. It will also enable Columbia and its customers to benefit from the ability of Columbia to upgrade all its facilities to the most applicable modernized technologies, with the lowest maintenance and lifetime costs.

Q. Does this complete your Prepared Direct Testimony?

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.

SERVICE LIST

Staff of the Public Utilities Commission of Ohio	Kyle Kern Werner Margard Thomas Shepherd Kyle.Kern@OhioAGO.gov Werner.Margard@OhioAGO.gov Thomas.Shepherd@OhioAGO.gov
Office of the Ohio Consumers' Counsel	Christopher Healey Angela D. O'Brien christopher.healey@occ.ohio.gov angela.obrien@occ.ohio.gov
Ohio Energy Group (OEG)	Michael L. Kurtz, Esq. Kurt J. Boehm, Esq. Jody Kyler Cohn, Esq. BOEHM, KURTZ & LOWRY mkurtz@BKLlawfirm.com kboehm@BKLlawfirm.com jkylercohn@BKLlawfirm.com

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