

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Campbell Soup Supply Company L.L.C. for) Case No. 21-1047-EL-AEC
the Approval of a Reasonable Arrangement)
for its Napoleon, Ohio Plant.)

**DIRECT TESTIMONY
OF
DOUG MONNIN**

**On Behalf of
Campbell Soup Supply Company L.L.C.**
*One Campbell Place
Camden, New Jersey 08103*

December 6, 2021

1 **I. INTRODUCTION**

2 ***Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.***

3 ***A1.*** My name is Doug Monnin. My business address is 12-773 State Route 110, Napoleon,
4 Ohio 43545. I have been employed by Campbell Soup Supply Company L.L.C. (Campbell
5 Supply) or its affiliates since 1985. I have been in my current role as Manager – Continuous
6 Improvement, Industrial Engineering, and Commercialization since 1999.

7

8 ***Q2. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATION AND PROFESSIONAL***
9 ***EXPERIENCE.***

10 ***A2.*** I have a B.S. degree in Manufacturing Technology from Bowling Green State University,
11 and have completed over 30 hours in their MBA program. I also earned my Six Sigma
12 Green Belt certification from the University of Toledo in 2006, and I completed my Black
13 Belt certification from MoreSteam University in 2013. Additionally, I have completed
14 programs sponsored by the University of Tennessee in Lean and Statistical Process
15 Control.

16

17 ***Q3. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY OR TESTIFIED BEFORE***
18 ***THE PUBLIC UTILITIES COMMISSION OF OHIO?***

19 ***A3.*** No.

II. EVALUATION OF THE PROPOSED REASONABLE ARRANGEMENT

Q4. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A4. The purpose of my testimony is to provide a background on Campbell Supply's Napoleon plant, to provide an overview of Campbell Supply's efforts to control its energy costs and address market challenges, and to recommend that the Public Utilities Commission of Ohio (Commission) approve Campbell Supply's application for a reasonable arrangement.

Q5. COULD YOU DESCRIBE CAMPBELL SUPPLY'S OPERATIONS?

A5. Campbell Supply is a major manufacturer of soups, vegetable juices, and sauces, and, as of September 1, 2021, employs approximately 1,343 employees at its Napoleon, Ohio site. Campbell Supply is also working to expand its Napoleon workforce by converting at least 250 seasonal employees to full-time, permanent positions. In addition to those employed directly by Campbell Supply, the Napoleon plant supports about 350 jobs from various third-party suppliers and service providers.

Q6. WHAT IS THE TAX IMPACT OF THESE OPERATIONS?

A6. Campbell Supply pays approximately \$5.6 million in Ohio state and local property, unemployment, and income taxes.

Q7. HOW HAS CAMPBELL SUPPLY INVESTED IN THE COMMUNITY?

A7. Campbell Supply is heavily invested in both its local community and in Ohio as a whole. The company invested about \$400,000 as part of a public-private partnership to build a second bridge over the Maumee River in Napoleon. Campbell Supply also provides

1 charitable support to a number of organizations, including the Henry County Senior Center,
2 the Napoleon High School Athletic Boosters, Henry County United Way, the American
3 Cancer Society, the Henry County Community Theater, the Henry County Tomato Queen
4 Pageant, Together We Can Make a Difference Initiatives, the Buckeye Trail Association,
5 The Ohio State University's Camp Palmer, GENYOUth, and Girls on the Run.
6 Additionally, Campbell Supply donates hundreds of thousands of dollars' worth of
7 products to local food banks each year and provides internship and co-op programs.

8
9 ***Q8. DOES CAMPBELL SUPPLY FACE MARKET CHALLENGES AT ITS NAPOLEON***
10 ***PLANT?***

11 ***A8.*** Yes. There are a number of large food manufacturers located in Ohio, as well as numerous
12 small manufacturers. Campbell Soup Company (Campbell Supply's ultimate parent
13 company) competes with many of these companies throughout the North American
14 marketplace. Campbell Supply must manage its costs, including energy costs, to remain
15 competitive in the food manufacturing industry.

16
17 Campbell Supply's business is acutely energy intensive. Energy costs represent
18 approximately 4% to 5% of the Napoleon site's overall costs, while electricity costs alone
19 represent approximately 2% to 3% of the site's overall costs.

20
21 ***Q9. HAS CAMPBELL SUPPLY TAKEN STEPS TO CONTROL ITS ENERGY COSTS?***

22 ***A9.*** Yes. Campbell Supply has taken numerous steps to reduce its electricity consumption. At
23 its Napoleon site, Campbell Supply has installed: LED lighting, resulting in savings of

*Direct Testimony of Doug Monnin
On Behalf of Campbell Soup Supply Company L.L.C.
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1 \$400,000 a year; processing water heat recovery systems, through multiple capital projects
2 over the last fifteen years; on-site capacitor banks to improve power factor, resulting in
3 savings of \$110,000 a year; and 9.8 MW of on-site solar generation, reducing capacity peak
4 load by 6 MW, typically resulting in reduced capacity cost from \$40,000 to \$79,000 per
5 MW. Additionally, Campbell Supply replaced two 300-horsepower low service water
6 pump motors with high efficiency types and variable frequency drives, resulting in savings
7 of \$50,000 a year at the Napoleon site. Campbell Supply also employs peak shaving during
8 predicted peak hours, resulting in savings of approximately \$30,000 a year at the Napoleon
9 site; and participates in a demand response program, resulting in savings of up to \$125,000
10 a year at the Napoleon site.

11
12 Furthermore, Campbell Supply regularly monitors the Napoleon site's electricity bill for
13 potential additional savings, including participating in an emergency load response
14 program and a load management program. Campbell Supply also utilizes the benefits of
15 its trade association membership by having other independent outside specialists assisting
16 with periodic energy audits and detailed reviews of monthly energy bills and associated
17 riders for the Napoleon site.

18
19 Campbell Supply has also reduced its carbon footprint by investing in the on-site solar
20 array, and by replacing coal and fuel oil burners with natural gas. The solar array is
21 expected to result in a reduction of 250,000 metric tons of CO2 emissions over twenty
22 years. Between 2009 and 2012, Campbell Napoleon also invested \$20 million to install
23 three new high efficiency natural gas boilers (150,000 lbs/hr each) that led to the retirement

1 of two coal and two #6 fuel oil boilers, reducing emissions by approximately 38%. Both
2 the solar array and the boiler house modernization were primary drivers for Campbell
3 Supply's Napoleon site being awarded the Food Processing 2014 Green Plant of the Year.
4

5 Beyond its energy costs, Campbell Supply is engaged in efforts to manage its overall
6 operating costs. For example, the Napoleon site has a comprehensive cost reduction
7 program, which includes initiatives to improve labor productivity, reduce line downtime,
8 increase line throughput, decrease product losses, and reduce waste, targeted at 3% of site
9 conversion cost at approximately \$5.7 million a year.
10

11 ***Q10. HAVE THESE STEPS RESULTED IN COST REDUCTIONS FOR CAMPBELL***
12 ***SUPPLY?***

13 ***A10.*** Yes, but not to the degree that matches Campbell Supply's investment. Campbell Supply's
14 investment in on-site solar generation has resulted in a reduction of Campbell Supply's
15 transmission network service peak load. However, this has not resulted in similar
16 reductions in Campbell Supply's transmission costs. Due to how the Toledo Edison
17 Company (Toledo Edison) bills transmission costs through its transmission rider (Rider
18 NMB), Campbell Supply currently pays more than its fair share for transmission service at
19 the Napoleon site as its billed transmission costs do not currently align with the costs
20 created by Campbell Supply on the transmission system. Campbell Supply has overpaid
21 for transmission through Rider NMB for the past ten years. This overpayment of
22 transmission costs has contributed to the on-site solar generation project not providing the
23 expected benefits, and, in fact, being cost unfavorable. These savings should have accrued

1 to Campbell Supply, and would incentivize Campbell Supply to make additional
2 investments in the facility or the community.

3
4 ***Q11. IS THE PROPOSED REASONABLE ARRANGEMENT REASONABLE AND IN THE***
5 ***PUBLIC INTEREST?***

6 ***A11.*** Yes. The reasonable arrangement is reasonable as it will allow Campbell Supply to only
7 pay its fair share of the transmission costs that it creates and will allow Campbell Supply
8 to fully recognize its investment in on-site renewable generation at the Napoleon site,
9 resulting in reductions to network service peak load. In turn, these savings may support
10 Campbell Supply's efforts to continue its substantial investments in both its Napoleon plant
11 and the state and local communities, which would benefit the public.

12
13 Additionally, the proposed reasonable arrangement will benefit the public interest,
14 including other Toledo Edison customers, by reducing energy consumption on peak energy
15 days and providing system benefits to the transmission grid. By reducing its network
16 service peak load, Campbell Supply would reduce the overall strain on the transmission
17 grid during peak periods, benefitting other Toledo Edison customers.

18
19 ***Q12. COULD CAMPBELL SUPPLY OBTAIN ITS REQUESTED RELIEF THROUGH ITS***
20 ***UTILITY'S TARIFF?***

21 ***A12.*** No. The Rider NMB Opt-Out Pilot Program is not available through the utility's tariff and
22 can only be obtained through a reasonable arrangement, as Campbell Supply does not
23 currently qualify to participate in the Pilot Program. Without a reasonable arrangement,

Campbell Supply could not opt-out of Rider NMB and purchase its transmission service from its competitive retail electric service supplier. Instead, Campbell Supply would have to continue to take transmission service pursuant to Toledo Edison's Rider NMB tariff.

Q13. HAS CAMPBELL SUPPLY DISCUSSED THE PROPOSED REASONABLE ARRANGEMENT WITH ITS ELECTRIC DISTRIBUTION UTILITY AND COMPETITIVE SUPPLIER?

A13. Yes. I have spoken to our customer representative at Toledo Edison about participating in the Rider NMB Opt-Out Pilot Program in order to align Campbell Supply's billed transmission costs with its actual transmission costs. Toledo Edison has been supportive, agreeing not to oppose Campbell Supply's application.

Additionally, Campbell currently takes its electric generation service from Energy Harbor. Energy Harbor is currently supplying transmission services to several other Rider NMB Opt-Out Pilot program participants and has agreed to do so for Campbell Supply. Energy Harbor is willing to take over transmission supply for Campbell Supply's Napoleon site as soon as a reasonable arrangement has been approved.

Q14. HAS CAMPBELL RECEIVED OTHER SUPPORT FOR THE PROPOSED REASONABLE ARRANGEMENT?

A14. Yes. Ohio Senate Majority Whip Rob McColley and Ohio Representative Jim Hoops have both submitted correspondence with the Commission, supporting the proposed reasonable arrangement and urging the Commission to approve Campbell Supply's application.

1 **III. CONCLUSION**

2 ***Q15. DOES THIS CONCLUDE YOUR TESTIMONY?***

3 ***A15.*** Yes. However, I reserve the right to incorporate new information that may subsequently
4 become available through outstanding discovery or otherwise.

CERTIFICATE OF SERVICE

The Public Utility 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 also is being served via electronic mail on December 6, 2021 upon the parties of record.

*/s/ Kimberly W. Bojko*_____

Kimberly W. Bojko

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Summary: Testimony of Doug Monnin electronically filed by Mrs. Kimberly W. Bojko
on behalf of Campbell Soup Supply Company LLC.