

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Co-)
lumbia Gas of Ohio, Inc. for an Adjust-) Case No. 21-1185-GA-RDR
ment to Rider IRP and Rider DSM Rates.)

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

John R. Ryan, Sr. Counsel (0090607)
P.O. Box 117
290 W. Nationwide Blvd.
Columbus, Ohio 43216-0117
Telephone: (614) 285-2220
E-mail: johnryan@nisource.com

(Willing to accept service by e-mail)

February 25, 2022

Attorney for
COLUMBIA GAS OF OHIO, INC.

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

I. INTRODUCTION

Q. Please state your name and business address.

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

Q. By whom are you employed?

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

Q. Will you please state briefly your educational background and experience?

A. I attended Marietta College, earned a Bachelor of Arts in Communications and Political Science, and graduated magna cum laude from Capital University Law School. I worked for two years in private practice with law firms in Columbus, and joined the NiSource Legal Department in 2012. In 2015, I transitioned to my role as the Director of Regulatory Policy with Columbia.

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

A. My primary responsibilities include the planning, supervision, preparation, and support of Columbia's regulatory filings before the Public Utilities Commission of Ohio ("Commission"). I also develop policy to support Columbia's energy efficiency programs and drive Columbia's regulatory initiatives to ensure execution of Columbia's business strategy.

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

A. The purpose of my testimony is to support the reasonableness of Columbia's request for the proposed rate adjustments to Rider IRP, as well as to support and sponsor the Application and Attachments A through C filed on February 25, 2022. My testimony also supports Columbia's compliance with the Commission's directives in the Second Entry on Rehearing in Case No. 16-1309-GA-UNC, *et al.*

1 **II. EXPLANATION OF RIDER IRP SCHEDULES**

2
3 **Q. What schedules are you sponsoring in this proceeding?**

4 A. The following is a list of Rider IRP schedules filed on February 25, 2022, that
5 I am sponsoring and supporting in this proceeding:
6

Schedule	Description
Attachment A	Summary of Rates by Rate Schedule
Attachment B	Proposed Rate Schedules
Attachment C	Typical Bill Comparison

7
8 **Q. Would you please provide a brief explanation of Attachments A through**
9 **C?**

10 A. Attachment A computes the proposed combined monthly Rider IRP rate
11 for each rate schedule. It also computes the volumetric Rider DSM rate,
12 which Columbia witness Poe is also sponsoring. Attachment B details the
13 rate schedules to which Rider IRP applies. Attachment C compares typical
14 bills for each rate schedule between current rates and the proposed Riders
15 IRP and DSM rates.
16

17 **Q. How are the schedules included in Columbia's November 24, 2021 Notice**
18 **of Intent different from the updated schedules filed in this proceeding**
19 **on February 25, 2022?**

20 A. The schedules included in Columbia's Notice of Intent contained nine
21 months actual and three months estimated calendar year 2021 data, while
22 the schedules filed February 25, 2022 contain twelve months of actual data
23 for calendar year 2021. Columbia's Notice of Intent also contained two sets
24 of schedules (one set of schedules for pre- and post-base rate adjustment
25 with Case No. 21-0637-GA-AIR). Both sets of schedules have been updated
26 to include actual data through December 31, 2021.
27

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

29 A. The Commission authorized the establishment of Rider IRP in its Opinion
30 and Order ("Rate Case Order") dated December 3, 2008 in Case No. 08-72-
31 GA-AIR, *et al.* Rider IRP was further extended by Opinion and Order dated
32 November 28, 2012 in Case No. 11-5515-GA-ALT, and again by Opinion
33 and Order dated January 31, 2017 in Case No. 16-2422-GA-ALT. Columbia
34 is requesting the extension of Rider IRP in its base rate case, Case No. 21-
35 0637-GA-AIR, *et al.*

1 **Q. Please describe the Rider IRP.**

2 A. Rider IRP consists of three components. The first component recovers the
3 costs associated with Columbia's Accelerated Mains Replacement Program
4 ("AMRP"). Under the AMRP, Columbia plans to replace approximately
5 4,100 miles of priority pipe over a period of approximately 25 years. Sched-
6 ules filed in support of this component are identified through the use of the
7 acronym "AMRP."
8

9 The second component recovers the costs associated with the replacement
10 of natural gas risers that are prone to fail, along with the costs associated
11 with the installation, maintenance, repair and replacement of customer ser-
12 vice lines that have been determined to present an existing or probable haz-
13 ard to persons and property or requires a scheduled repair or replacement
14 based on severity or location. Schedules filed in support of this component
15 are identified through the use of the letter "R."
16

17 The third component recovers costs associated with Columbia's installation
18 of Automated Meter Reading Devices ("AMRD") on all residential and
19 commercial meters served by Columbia over approximately five years, be-
20 ginning in 2009. This program concluded in 2013. Schedules filed in support
21 of this component are identified through the use of the acronym "AMRD."
22

23 **Q. Are there any other matters addressed in Case No. 11-5515-GA-ALT that**
24 **impact the information set forth in this filing?**

25 A. Yes. The scope of the AMRP component of Columbia's IRP was clarified to
26 expressly include interspersed sections of non-priority pipe contained
27 within the bounds of priority pipe replacement projects, where it is more
28 economical to replace such pipe, as opposed to attempting to tie into exist-
29 ing sections of pipe. Columbia has included in this filing investment in in-
30 terspersed sections of non-priority pipe.
31

32 The scope of Columbia's AMRP component was also clarified to expressly
33 include investment in first generation plastic pipe when such pipe is asso-
34 ciated with priority pipe in IRP replacement projects. The scope of Colum-
35 bia's AMRP component was further clarified to include investment in inef-
36 fectively coated steel, subject to specific criteria. Steel pipe installed and
37 field coated before 1955 is considered to be ineffectively coated without the
38 need for further testing, and thus within the scope of the IRP. Field coated
39 steel pipe installed in 1955 or later is tested to determine whether it was
40 ineffectively coated. The costs associated with the testing, inspection and

1 replacement of pipe found to be ineffectively coated are included in Rider
2 IRP.

3

4 **Q. Are there any other matters addressed in Case No. 16-2422-GA-ALT that**
5 **impact the information set forth in this filing?**

6 A. Yes. The settlement in that case continued the IRP as approved in the Rate
7 Case Order and Case No. 11-5515-GA-ALT. The Commission's Opinion
8 and Order in Case No. 16-2422-GA-ALT also established Rider IRP rate lim-
9 itations, as well as minimum O&M savings.

10

11 **Q. Did Columbia include each of these components in the schedules filed**
12 **February 25, 2022, in support of the application filed in this proceeding?**

13 A. Yes. The three independent revenue calculations are detailed on Schedules
14 AMRP-1, R-1, and AMRD-1. These schedules were prepared and sponsored
15 by Columbia Witness Freiman. AMRP construction plans for calendar year
16 2021 are detailed in the direct testimony of Columbia witness Slowbe.
17 Mr. Slowbe also addresses the factors used to determine the pipe replace-
18 ment priority.

19

20 **III. IMPACTS OF COLUMBIA'S RATE CASE, 21-0637-GA-AIR, et al.**

21

22 **Q. Did Columbia file a rate case?**

23 A. Yes. Columbia filed its Notice of Intent on May 28, 2021, and its Application
24 on June 30, 2021 to adjust its base rates, continue its Infrastructure Replace-
25 ment Program ("IRP") Rider, continue its Capital Expenditure Program
26 ("CEP") Rider, continue its DSM Rider and energy efficiency program, and
27 address other regulatory items.

28

29 **Q. Does Columbia's Application in this proceeding contemplate base rates**
30 **going into effect with Case No. 21-0637-GA-AIR, et al.?**

31 A. Yes. Columbia's IRP Rider contains two sets of schedules contemplating
32 Rider IRP adjusting with the effective date of the base rate change in Case
33 No. 21-0637-GA-AIR, et al. The first set of schedules (AMRP, Riser, and
34 AMRD) reflect twelve months of actuals for calendar year 2021, and will go
35 into effect before Columbia's base rates adjust. The second set of schedules
36 (IRP) reflect nine months of actuals for calendar year 2021 (April through
37 December) and will go into effect with the adjustment of Columbia's base
38 rates.

1 **IV. REGULATORY COMPLIANCE WITH 16-1309-GA-UNC, *et al.***

2
3 **Q. Did Columbia meet the Commission’s requirements from Case No. 16-**
4 **1309-GA-UNC, *et al.*?**

5 A. Yes. In Case No. 16-1309-GA-UNC, *et al.*, the Commission’s Second Entry
6 on Rehearing dated April 10, 2019, included several directives for Columbia
7 to satisfy with regards to its Demand Side Management (“DSM”) program.
8

9 **Q. What was the first requirement from the Commission’s Second Entry on**
10 **Rehearing?**

11 A. In paragraph 23, the Commission required Columbia to hold biannual DSM
12 Stakeholder Meetings. Columbia held two DSM Stakeholder Meetings in
13 2021 on May 14, 2021, and on November 15, 2021. Columbia also, pursuant
14 to paragraph 23, discussed its programs, which were not underperforming
15 because many of its programs met the 75% customer participation require-
16 ment.
17

18 **Q. Did all programs meet the 75% customer participation requirement in**
19 **2021?**

20 A. Yes.
21

22 **Q. What was the last requirement from the Commission’s Second Entry on**
23 **Rehearing?**

24 A. In paragraph 36, the Commission directed Columbia to explore “other
25 funding options to cover non-energy efficiency health and safety repair
26 costs” at its biannual DSM Stakeholder Group meeting. At both its meetings
27 on May 14, 2021, and November 15, 2021, Columbia raised this issue to its
28 DSM Stakeholder Group. At both meetings, no other sources of funding to
29 cover non-energy efficiency health and safety repair costs was identified.
30

31 **V. REASONABLENESS OF REQUESTED ADJUSTMENT**
32

33 **Q. Did Columbia agree to a Rider IRP rate cap for the Small General Service**
34 **(“SGS”) class of customers?**

35 A. Yes. In Case No. 16-2422-GA-ALT, Columbia agreed to limit the Rider IRP
36 rate effective May 2022 to \$14.95 per SGS customer, per month.
37

38 **Q. Are Columbia’s proposed rates within the permitted caps?**

39 A. Yes. Columbia’s proposed SGS class rate is \$12.91 per SGS customer, per
40 month beginning May 2022.

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Q. Does the combined revenue requirement detailed on Schedules R-1, AMRP-1, and AMRD-1 exceed what was presented in Columbia’s Notice of Intent filed in this docket on November 24, 2021?

A. No. Columbia is proposing a combined annualized revenue requirement of \$292,934,347 in the updated schedules supported by my testimony. This does not exceed the combined annualized revenue requirement of \$299,612,984 estimated on November 24, 2021. Columbia estimates that the rate changes proposed herein, if granted in full and factoring in the applicable rate caps approved by the Commission, would increase gross revenues by an additional \$24,040,379 which represents a \$0.93 per month increase to the SGS Rider IRP rate.

Q. Do you have an opinion regarding whether Columbia’s request to adjust the Rider IRP is reasonable?

A. Yes. I believe Columbia’s request to adjust its Rider IRP is fair and reasonable. I believe that the costs of service are properly allocated to the appropriate customer classes and the rate design was properly computed in accordance with the terms and conditions of prior Commission orders. Furthermore, the proposed Rider IRP rates are within the rate cap established in the Order.

Q. Does this complete your Prepared Direct Testimony?

A. Yes, it does.

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 25th day of February, 2022, upon the persons listed below.

/s/ John R. Ryan

John R. Ryan

Attorney for

COLUMBIA GAS OF OHIO, INC.

SERVICE LIST

Thomas Lindgren
Assistant Attorney General
Public Utilities Section
180 East Broad Street
Columbus, Ohio 43215
Email: Thomas.lindgren@ohioago.gov

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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.