

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Annual Application)
of Columbia Gas of Ohio, Inc. for an Ad-) Case No. 21-1185-GA-RDR
justment to Rider IRP and Rider DSM)
Rates.)

**PREPARED DIRECT TESTIMONY OF
SARAH POE
ON BEHALF OF COLUMBIA GAS OF OHIO, INC.**

COLUMBIA GAS OF OHIO, INC.

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February 25, 2022

Attorney for
COLUMBIA GAS OF OHIO, INC.

**PREPARED DIRECT TESTIMONY
OF SARAH POE**

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

2 A. Sarah Poe, 290 West Nationwide Boulevard, Columbus, Ohio 43215.

3

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

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

6

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

9 A. I graduated from the University of Dayton with a Bachelor of Science in
10 mathematics in 2007 and an MBA from Ohio University in 2015. I began my
11 career with Columbia in 2009 in the energy efficiency department where I
12 was a Data and Performance Metrics Analyst. In August of 2012, I was pro-
13 moted to the position of Evaluation Team Leader. In April of 2017, I was
14 promoted to the position of Manager of Energy Efficiency Programs. In July
15 of 2020, I was promoted to my current position of Energy Efficiency Man-
16 ager.

17

18 **Q. What are your job responsibilities as Energy Efficiency Manager?**

19 A. I am responsible for the implementation of Columbia Gas of Ohio's energy
20 efficiency programs and services for Columbia customers, including low-
21 income customers. Other responsibilities include the preparation and/or
22 support of exhibits, proposed tariff changes and testimony filed by Colum-
23 bia in support of the Demand Side Management ("DSM") rider proposed
24 by Columbia in this case.

25

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

27 A. The purpose of my testimony is to support the reasonableness of Colum-
28 bia's request for the proposed rate adjustments in Rider DSM. I provide a
29 detailed explanation of the DSM programs and the schedules filed by Co-
30 lumbia on February 25, 2022, in support of the proposed adjustments.

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

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

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

5
6 **EXPLANATION OF DSM SCHEDULES**
7

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

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

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

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

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

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

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

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

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

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

15
16 **Q. Please provide a brief description of each of the DSM programs for which**
17 **Columbia has incurred costs during 2021.**

18 A. Columbia incurred costs for all of its DSM programs during 2021.

19
20 Columbia's income eligible customer home weatherization program,
21 WarmChoice®, served 1,933 households in 2021 through a network of four
22 community-based providers and their subcontractors. Customers receive a
23 diagnostic energy and safety inspection and installation of attic, wall, floor,
24 duct and pipe insulation, air leakage sealing, and replacement of defective
25 natural gas fueled water and/or space heating appliances, when needed. All
26 customers who received services through WarmChoice® received a quality
27 assurance inspection by their WarmChoice® provider after all heating work
28 was completed, and again after all weatherization work was completed.
29 Additionally, 4.8 percent of homes that received WarmChoice® services in
30 2021 had a quality assurance inspection completed by Columbia staff which
31 included a complete inspection of all heating and weatherization work
32 completed at the home.

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

1 insulation targeted to customers with higher than average natural gas use.
2 age. CLEAResult is Columbia's implementation contractor for this pro-
3 gram. CLEAResult has on-staff and independent energy auditors located
4 strategically throughout Columbia's service area to perform the residential
5 customer energy audits, and install the smart or programmable thermostat,
6 energy-efficient showerheads, water heater pipe insulation, and faucet aer-
7 ators at the time of the energy audit, if needed. CLEAResult also recruits,
8 manages, and trains the HVAC and insulation contractor network, pro-
9 cesses rebates, maintains a database of customers served and transactions
10 processed, and performs quality assurance inspections of completed work.
11 CLEAResult performed energy audits for 5,336 customers, and installed 677
12 programmable thermostats, 222 smart thermostats, 1,638 showerheads,
13 2,480 water heater pipe insulation, and 2,365 faucet aerators.

14
15 Customers completing work in the Home Energy Audit and Rebates pro-
16 gram in 2021 totaled 1,376, although energy audits that were completed late
17 in the year will result in work being completed in 2022. The following re-
18 bates were paid to customers in 2021: 1,303 air sealing; 1,253 attic insulation;
19 581 wall insulation; 68 duct sealing; and, 22 high efficiency furnaces. The
20 program received the United States Environmental Protection Agency
21 ENERGY STAR® Partner of the Year – Sustained Excellence award for En-
22 ergy Efficiency Program Delivery in 2021.

23
24 Columbia contracted with ICF Resources, LLC ("ICF") in 2021 to imple-
25 ment the EfficiencyCraftedSM Homes program. This program provides in-
26 centives to builders to construct homes to a higher energy efficiency stand-
27 ard than Ohio's building energy code. ICF recruited and trained home en-
28 ergy raters and homebuilders to participate in the program. Program staff
29 performed outreach to recruit and enroll new homebuilders and home en-
30 ergy rating companies. During 2021, 56 homebuilders and 11 home energy
31 rating companies submitted or received rebates, representing a mix of both
32 returning and newly recruited participants. In 2021, 3,292 homes with an
33 average Home Energy Rating System ("HERS") score of 59 were built to
34 program standards (557 were ENERGY STAR® Certified) and received in-
35 centives. This program received the United States Environmental Protec-
36 tion Agency ENERGY STAR® Partner of the Year - Sustained Excellence
37 award for Energy Efficiency Program Delivery in 2021 and a 2021 ENERGY
38 STAR® Certified Homes Market Leader Award.

1 The Simple Energy Solutions program provides rebates to customers who
2 purchase smart and programmable thermostats; high-performance, en-
3 ergy-efficient showerheads; and/or energy-efficient faucet aerators. Cus-
4 tomers may purchase eligible products from Columbia's e-store, operated
5 by Uplight, and have the rebates applied automatically to the purchase
6 price. Customers also may purchase products at a hardware or home im-
7 provement store and mail in a rebate form with the UPC and receipt to re-
8 ceive their rebate by mail. Columbia also partnered with Google Nest, Em-
9 erson, Honeywell and ecobee to provide several promotions throughout
10 the year on smart thermostats. These promotions included additional in-
11 centives from the manufacturer on top of the Columbia instant rebate. Cus-
12 tomers obtained 371 programmable thermostats, 29,353 smart thermostats,
13 1,505 energy-efficient showerheads and 211 energy-efficient faucet aerators
14 through the program in 2021. The program received the United States En-
15 vironmental Protection Agency ENERGY STAR® Partner of the Year - Sus-
16 tained Excellence award for Energy Efficiency Program Delivery in 2021.

17
18 Columbia worked with the Ohio Energy Project ("OEP") in 2021 to operate
19 the Student Energy Efficiency Education program, known as "e³ smart".
20 OEP provided program orientation to schoolteachers throughout Colum-
21 bia's service area to offer a curriculum on energy efficiency to students in
22 grades 3 to 12. Students received a kit of energy efficiency materials, includ-
23 ing an energy-efficient showerhead, faucet and bathroom aerator, and
24 weather stripping, to install in their homes as part of the course curriculum
25 to help lower their home energy usage. During 2021, 11,995 students were
26 educated through the program.

27
28 Columbia continued its contract with CLEAResult to implement the Appli-
29 ance Rebates program. This program provides instant rebates to customers
30 when they have an ENERGY STAR® certified, high efficiency natural gas
31 furnace, boiler, or water heater installed by a participating contractor. In
32 2021, 7,710 instant rebates were provided to customers who installed high
33 efficiency heating systems and 109 water heaters were replaced through the
34 program. This program received the United States Environmental Protec-
35 tion Agency ENERGY STAR® Partner of the Year - Sustained Excellence
36 award for Energy Efficiency Program Delivery in 2021.

37
38 Columbia worked with Bidgely to implement the Home Energy (Efficiency)
39 Reports program. The Home Energy (Efficiency) Report is an engaging,

1 user-friendly customer experience tool that anonymously compares cus-
2 tomers' energy usage to that of their neighbors of similar size homes and
3 demographics, tapping into the behavioral science insight that social pres-
4 sure is a driving factor in motivating behavioral change around energy us-
5 age. The program provides customers with their energy usage information,
6 a comparison of their usage with similar homes, and energy saving tips to
7 help them take actions to reduce their natural gas usage. The program pro-
8 vided reports to over 520,000 randomly selected customers in 2021.

9
10 The Innovative Energy Solutions program provides funding for energy au-
11 dits; rebates for energy efficiency improvements; funding for building com-
12 missioning; research and demonstration projects; and evaluation, measure-
13 ment and verification projects for commercial and industrial buildings, in-
14 cluding those owned by not-for-profits and religious institutions. In 2021,
15 Columbia contracted with CLEAResult to provide implementation services
16 for the program. Eight audits were funded in 2021, and rebates were pro-
17 vided for 130 energy efficiency improvement measures.

18
19 In 2021, Columbia contracted with CLEAResult to operate its Energy De-
20 sign Solutions program. The Energy Design Solutions program, branded
21 the Small Commercial Construction program, provides education and
22 training to building industry professionals and owners on the benefits of
23 building energy efficient small buildings. During 2021, the program pro-
24 vided incentives for 104 energy efficiency measures through the program.

25
26 During 2021, Columbia contracted with Accelerated Innovations to develop
27 an Automated Benchmarking tool for commercial and industrial buildings
28 to track natural gas consumption over time and compare consumption of
29 their building with that of similar building types to identify energy saving
30 opportunities. Columbia soft launched the tool in 2021 and 35 buildings
31 were actively being benchmarked as of December 31, 2021. Columbia
32 worked with the Ohio Hospital Association to provide monthly natural gas
33 usage data to enable the benchmarking of its members' hospital buildings.

34
35 Finally, in 2021 Columbia continued to offer its Home Energy Checkup pro-
36 gram, a simple, easy-to-use on-line energy audit for customers who want
37 to determine how efficient their homes are without an energy auditor visit-
38 ing their home. The on-line energy audit provides information on low-cost

1 actions as well as DSM programs that are appropriate for customers to participate in. During 2021, 6,967 households used the Home Energy Checkup.
2
3

4 **Q. Did Columbia pursue any other efforts in 2021?**

5 A. Columbia received a 2021 ENERGY STAR® Certified Homes Market Leader
6 Award and a 2021 EPA ENERGY STAR Partner of the Year - Sustained Excellence in Energy Efficiency Program Delivery award.
7
8

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

10 A. Columbia invested approximately \$22.3 million in its DSM programs in
11 2021 versus the \$27.8 million in the DSM Action Plan budget.
12

13 **Q. What are Columbia's plans for the DSM funds not invested in 2021?**

14 A. Columbia will carry forward un-invested DSM funding from 2021 for possible use in 2022.
15
16

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

18 A. The schedules included in Columbia's Notice of Intent contained nine
19 months actual and three months estimated calendar year 2021 data. The
20 schedules filed February 25, 2022 contain twelve months of actual calendar
21 year 2021 data.
22
23
24

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

26 A. No. My testimony supports the actual data filed in this proceeding on February 25, 2022, because the actual data is what supports the Rider DSM rate
27 calculated on Schedule DSM-6 that will ultimately be billed to customers.
28
29

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

31 A. Expenses incurred in the development, implementation, and administration of the comprehensive energy efficiency programs are deferred using
32 actual costs as incurred. In addition, carrying costs were deferred as actual
33 costs and calculated using Columbia's actual weighted cost of debt rate. The
34 Commission Orders in Case Nos. 08-0833-GA-UNC, 11-5028-GA-UNC, and
35 16-1309-GA-UNC authorize the inclusion of carrying costs.
36

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

2 A. Deferred expenses incurred through December 31, 2021 have been included
3 in the DSM revenue requirement.
4

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

7 A. Pursuant to the Commission's Order in Case No. 08-0833-GA-UNC, the
8 DSM program costs will be recovered from those customer classes primar-
9 ily eligible to participate – Small General Service customers. The total reve-
10 nue requirement calculated on Schedule DSM-1 is divided by the projected
11 annual throughput of Small General Service customers for the twelve
12 months rates will be in effect and the resulting rate will be billed volumet-
13 rically.
14

15 **Q. What is the basis for including all of the items described in the para-
16 graphs above in the development of the DSM revenue requirement?**

17 A. Each item included in the revenue requirement is a reasonable, necessary,
18 business-related expense directly resulting from the development, admin-
19 istration, and implementation of the DSM program.
20

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

22 A. Generally, the information came from either the General Ledger or the sup-
23 porting sub-ledgers of Columbia. When data came from another source, it
24 was indicated on the appropriate schedule or elsewhere in this testimony.
25

26 **Q. Did Columbia retain shared savings from its DSM programs in 2021?**

27 A. No. While Columbia exceeded 125% of its annual natural gas savings target,
28 Columbia adjusted its shared savings included in schedule DSM-5 to \$0
29 based on the cap over the term of the DSM Program ending on December
30 31, 2022 of \$4.5 million and grossed up for taxes.
31

32 **EXPLANATION OF REMAINING SCHEDULES**

33

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

35 A. Attachment A sets forth the proposed combined volumetric Rider DSM rate
36 for each rate schedule. It also sets forth the monthly Rider IRP rate, which
37 Columbia witness Thompson is also sponsoring. Attachment B details the
38 rate schedules to which Rider DSM applies. Attachment C is a typical bill

1 comparison which provides for the quantification of the impact of Colum-
2 bia's proposed DSM and IRP rates on customers' bills at various consump-
3 tion levels.
4

5 **REASONABLENESS OF REQUESTED INCREASE AND BENEFITS TO**
6 **CUSTOMERS AND THE PUBLIC INTEREST**
7

8 **Q. Does the revenue requirement detailed on Schedule DSM-1 exceed what**
9 **was presented in Columbia's Notice of Intent filed in this docket on No-**
10 **ember 24, 2021?**

11 A. No. Columbia is proposing a revenue requirement of \$24,467,960 in the
12 schedules supported by my testimony. This does not exceed the combined
13 annualized revenue requirement of \$29,343,233 estimated on November 24,
14 2021.
15

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

18 A. Yes. I believe Columbia's request to adjust its Rider DSM is fair and reason-
19 able. These are necessary business expenses incurred in the day-to-day op-
20 erations of the DSM Program.
21

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

23 A. Yes. The DSM programs will provide all Columbia customers easy access
24 to energy saving measures, which will directly reduce natural gas usage,
25 improving the affordability of natural gas service. Beyond the value of en-
26 ergy savings, DSM programs provide other benefits such as improved
27 safety, reduced greenhouse gas emissions, a lower carbon footprint, and
28 reduced water and electricity consumption.
29

30 **Q. Does this complete your Prepared Direct Testimony?**

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

CERTIFICATE OF SERVICE

The Public Utilities Commission of Ohio's e-filing system will electronically serve notice of the filing of this document on the parties referenced on the service list of the docket card who have electronically subscribed to the case. In addition, the undersigned hereby certifies that a copy of the foregoing document is also being served via electronic mail on the 25th day of February, 2022 upon the parties listed below.

/s/ John R. Ryan

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