

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

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

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

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

**PREFILED TESTIMONY IN RESPONSE TO OBJECTIONS TO  
THE STAFF REPORT  
OF  
JAMES G. ZELL**

**RATES AND ANALYSIS DEPARTMENT  
ACCOUNTING & FINANCE DIVISION**

STAFF EXHIBIT \_\_\_\_

**November 9, 2022**

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

2 A. My name is James G. Zell. My business address is 180 East Broad Street,  
3 Columbus, Ohio, 43215.

4  
5 2. Q. By whom are you employed and in what capacity?

6 A. I am employed by the Public Utilities Commission of Ohio (the Commis-  
7 sion or PUCO) as the administrator of the Financial Analysis section of the  
8 Rates and Analysis Department.

9  
10 3. Q. Please briefly describe your educational and professional background.

11 A. I received a Bachelor of Science Degree in Business Administration from  
12 Franklin University. I joined the PUCO in April of 2011 as a Utility  
13 Auditor in the Accounting and Electric Division of the Utilities Department  
14 where I reviewed various infrastructure rider filings and components of  
15 base rate case proceedings. Shortly after joining the PUCO, I attended  
16 several regulatory trainings and successfully completed multiple college  
17 accounting courses. I was promoted to my current position of administrator  
18 of the Financial Analysis section in September of 2013. I continued my  
19 finance and regulatory training by attending a number of regulatory finance  
20 trainings, conferences, forums and webinars. I was awarded the  
21 professional designation Certified Rate of Return Analyst (CRRA) by the  
22 Society of Utility and Regulatory Financial Analysts in 2015. The CRRA

1 designation is awarded based upon experience and successful completion of  
2 a written examination. More recently in September 2020, I became  
3 “Moody’s Certified” in Commercial Credit. This certification was earned  
4 by successfully completing course work and passing a proctored  
5 examination through Moody’s Analytics.

6  
7 4. Q. Please summarize your current work responsibilities.

8 A. I supervise the Financial Analysis section of the Rates and Analysis  
9 Department. Our section performs financial analysis and provides  
10 recommendations on matters such as: costs of capital; issuance of  
11 securities; mergers and acquisitions; and financial assessments of utilities  
12 as well as competitive retail energy suppliers and brokers.

13  
14 5. Q. What was your responsibility in this case?

15 A. As part of my administrative responsibilities, I oversaw the development  
16 of a reasonable rate of return in this case by another member of Staff on  
17 my team. As that member of Staff who performed the analysis and  
18 calculations has retired, I am supporting the recommendations pertaining  
19 to rate of return in this case.

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

2 A. The purpose of my testimony is to respond to objections raised regarding  
3 Staff's recommended rate of return by the Ohio Partners for Affordable  
4 Energy (OPAE).

5

6 **OPAE Objection**

7 7. Q. In OPAE's third objection to the Staff Report, OPAE asserts that the Staff  
8 Report erred in recommending a rate of return range of 6.88 percent to 7.39  
9 percent because Staff failed to reduce the rate of return range to sufficiently  
10 reflect the minimal risk faced by Columbia Gas of Ohio, Inc. (Columbia)  
11 for return on its investment. Do you agree?

12 A. No. As OPAE did not provide a quantification of how it measured minimal  
13 risk as part of its objection, Staff considers OPAE's objection to be vague  
14 and unclear. Staff calculated and recommended a rate of return range that  
15 was market-based and inclusive of financial and business risks faced by  
16 Columbia. Staff believes that its methodology produced a reasonable rate of  
17 return range.

18

19 8. Q. Does this conclude your testimony?

20 A. Yes, it does. However, I reserve the right to incorporate new information  
21 that may subsequently become available through outstanding discovery or  
22 otherwise.

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the **Prefiled Testimony of James G. Zell in response to Objections to the Staff Report** has been served upon the below-named counsel via electronic mail, this 9<sup>th</sup> day of November, 2022.

*/s/ Werner L. Margard*

**Werner L. Margard**

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**This foregoing document was electronically filed with the Public Utilities  
Commission of Ohio Docketing Information System on**

**11/9/2022 3:16:38 PM**

**in**

**Case No(s). 21-0637-GA-AIR, 21-0638-GA-ALT, 21-0639-GA-UNC, 21-0640-GA-  
AAM**

Summary: Testimony Of James G, Zell electronically filed by Ms. Tonnetta Y. Scott  
on behalf of PUC