

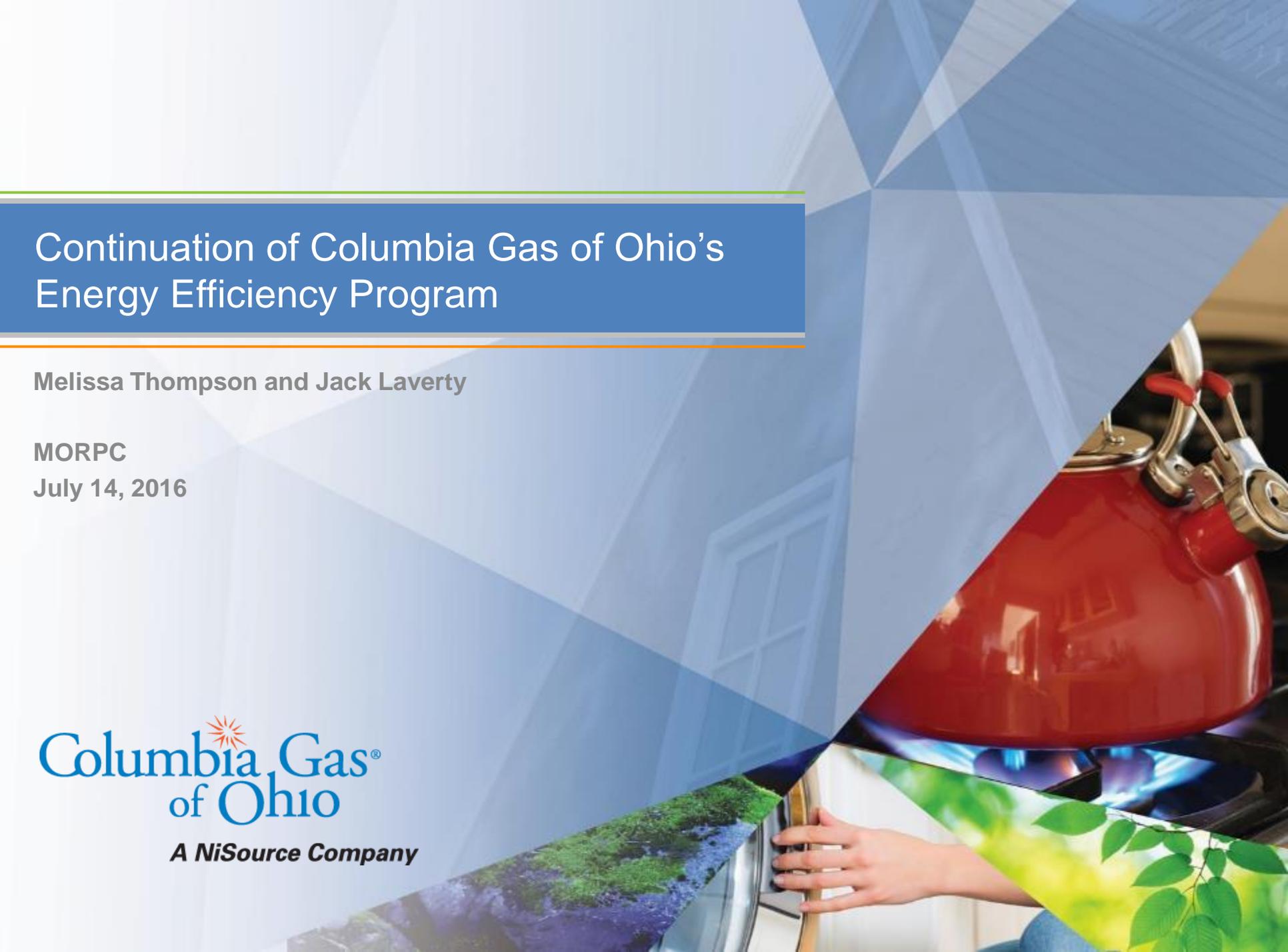
Continuation of Columbia Gas of Ohio's Energy Efficiency Program

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MORPC

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**Columbia Gas[®]
of Ohio**
A NiSource Company



Current Demand Side Management (“DSM”) Program



DSM History and Rider

Expanded DSM Program in Columbia’s last rate case in 2008

DSM Program supports Ohio jobs and local economic development

Columbia funds \$7.1 million annually with base rate dollars and \$23 million with the DSM Rider

Columbia’s current DSM Program started January 1, 2012 and ends December 31, 2016.

DSM Programs

Low-Income Weatherization

Home Energy Audits and Home Energy Reports

High Efficiency Furnace and Thermostat Rebates

Incentives for New Energy-Efficient Homes

Non-profit and Business Energy Audits and Rebates

Student & Customer Energy Efficiency Education



DSM Program: Columbia's Application

Minor Programmatic Changes

- Target Rental and Multi-Family Properties
- Include Rebates for Energy-Efficient Water Heaters & Learning Thermostats
- Integrate Preliminary Energy Audit into Non-Profit and Commercial Audit
- Enhance customer segmentation and targeting with Home Energy Reports

Non-Energy Benefits

- Columbia proposed recognizing non-energy benefits towards its shared savings goals: Avoided CO₂, Water/sewer Cost Savings, and Economic Benefits created directly by the DSM Program (e.g., wages)

Term

- Columbia requested a six-year extension of its DSM portfolio to align the DSM Program end date with Columbia's Infrastructure Replacement Program

DSM Program: Columbia's Application

Natural Gas Savings Target Increases

- Columbia proposed to double its Mcf Savings Targets

2012	2013	2014	2015	2016	
287,436	382,695	388,051	393,905	400,048	
2017	2018	2019	2020	2021	2022
722,245	734,481	746,040	753,946	759,227	764,910

Shared Savings and Proposed Cap

- With the increase in Mcf Savings targets, Columbia proposed to increase the percentage cap of shared savings from 8.5% for meeting 110% of Mcf Savings targets to 10% for meeting or exceeding 125% of Mcf Savings targets
- Columbia also proposed a cumulative \$10 million cap on shared savings over the six-year term of the DSM Program

DSM Program: Columbia's Application

Average Annual Budgets

- Even with Mcf target increases, the proposed budget remains relatively flat

2012	2013	2014	2015	2016	
\$20.3M	\$21.3M	\$22.0M	\$23.0M	\$24.2M	
2017	2018	2019	2020	2021	2022
\$25.2M	\$25.8M	\$26.3M	\$27.2M	\$27.9M	\$28.6M

Customer Bill Impact

- With the proposed budget, Columbia estimates a minimal bill impact for customers
- Over the proposed six-year term, Columbia estimates the Rider DSM rate (currently set at \$0.2220 per Mcf) to change from \$0.22 in 2017 to \$0.25 in 2022.

DSM Program: Collaboration and PUCO Proceeding

Columbia has been meeting with its DSM Stakeholder Group.



Mid-Ohio Regional Planning Commission



June 10, 2016

- Columbia filed its application to extend the DSM Program

June/July 2016

- Columbia is currently negotiating with the DSM Stakeholder Group to file a stipulation and settlement, if possible, of the Application

July 2016

- Columbia entered into a procedural schedule to file a stipulation of issues July 15, and its initial testimony on July 22