Columbia Gas of Pennsylvania, Inc.
2015 General Rate Case
Docket No. R-2015-2468056
Standard Filing Requirements
Testimony - ~~All~~ 8-4-15
~~Volume 10 of 10~~

COLUMBIA STATEMENT NO. 1

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	)	
	)	
vs.	)	Docket No. R-2015-2468056
	)	
Columbia Gas of Pennsylvania, Inc.	)	

DIRECT TESTIMONY OF
MARK R. KEMPIC
ON BEHALF OF
COLUMBIA GAS OF PENNSYLVANIA, INC.

March 19, 2015

Columbia Gas Stmt.
No. 1 HR 4 BV
R-2015-2468056 8/10/15

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I. INTRODUCTION

Q. Please state your name and business address.

A. Mark R. Kempic, 121 Champion Way, Suite 100, Canonsburg, PA 15317.

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

A. I am employed by Columbia Gas of Pennsylvania, Inc. ("Columbia" or the "Company") as its President.

Q. What are your responsibilities as Columbia's President?

A. I am the corporate officer responsible for the leadership of Columbia and its various departments, including Rates and Regulatory Policy, Governmental Affairs, Communications and Community Relations.

Q. What is your educational and professional background?

A. I hold an Associate Engineering Degree in Solar Heating and Cooling Technology from the Pennsylvania State University, a Bachelor's of Science Degree in Computer Science from the University of Pittsburgh and a Juris Doctor from the Capital University Law School in Columbus, Ohio. I held various positions within Columbia and its parent company from 1979 through 1992 including emergency service dispatcher, engineering technician, information systems analyst, gas supply and corporate planning analyst. From 1992 through 1994, I worked at a law firm where I represented the interests of industrial customers in utility regulatory proceedings before the Public Utilities Commission of Ohio and from 1994 until my return to Columbia, I worked as in-house state regulatory counsel for an electric company in Cleveland, Ohio. After rejoining Columbia in 1998 I initially served as an attorney, and was subsequently promoted to senior attorney and then assistant general counsel. In October of 2009, I was named Director of Rates and Regulatory Policy for Columbia. I assumed my current responsibilities when I was named President in June 2012.

Q. Have you ever testified before a regulatory Commission?

A. Yes, I have testified before both the Pennsylvania Public Utility Commission ("Commission") as well as the Maryland Public Service Commission. Most recently, I testified in Columbia's last four base rate cases before the Commission at Docket Nos. R-2009-2149262, R-2010-2215623, R-2012-2321748, and R-2014-2406274.

Q. Please describe the scope of your testimony in this proceeding.

A. Through my testimony, I will provide the Commission with an overview of this base rate filing, discuss the objectives that Columbia seeks to accomplish in this proceeding and discuss the Company's progress since the last rate proceeding. I will also address Columbia's quality of service in compliance with Section 523 of the Public Utility Code, and I will introduce Columbia's other witnesses who provide detailed testimony and supporting documentation for all revenues, expenses and rate base elements included in the fully forecasted rate year in this base rate filing.

Q. Please describe briefly the corporate history of Columbia and its relationship with its parent company, NiSource Inc. ("NiSource").

A. Columbia was incorporated on June 23, 1960 as a wholly-owned subsidiary of the Columbia Gas System, Inc., under the Act of May 29, 1885, P.L. 29 of the Commonwealth of Pennsylvania and commenced service as Columbia Gas of Pennsylvania, Inc., on January 1, 1962, when it acquired the Pennsylvania retail business of The Manufacturers Light and Heat Company, which was at that time another wholly-owned subsidiary of The Columbia Gas System, Inc. In 1998, the Columbia Gas System, Inc. became the Columbia Energy Group ("CEG"). In turn, CEG merged with NiSource in 2000, at which time Columbia became one of ten (10) natural gas distribution companies in the NiSource corporate family. Columbia is engaged in the business of furnishing natural gas service to approximately 419,000 residential, commercial, and industrial customers pursuant to certificates of public convenience and necessity issued by the Commission. Columbia has its principal office in Canonsburg, Pennsylvania and provides natural gas distribution service in portions of 26 counties in Pennsylvania, primarily in the western half of the state, as well as parts of Northwest, Southern and Central Pennsylvania.

NiSource, headquartered in Merrillville, Indiana, is an energy holding company whose subsidiaries provide natural gas, electricity and other products and services to approximately 3.8 million customers located within a corridor that runs from the Gulf Coast through the Midwest to New England. NiSource is the successor to an

Indiana corporation organized in 1987 under the name of NIPSCO Industries, Inc., which changed its name to NiSource Inc. on April 14, 1999. In connection with the acquisition of CEG on November 1, 2000, NiSource became a Delaware corporation registered under the Public Utility Holding Company Act of 1935 (now known as the Public Utility Holding Company Act of 2005). NiSource is also subject to the jurisdiction of the Securities and Exchange Commission and is traded on the New York Stock Exchange with the symbol "NI". The NiSource core operating companies engage in natural gas transmission, storage and distribution, as well as electric generation, transmission and distribution. NiSource's natural gas distribution operations serve at retail over 3.4 million residential, commercial and industrial customers with approximately 58,000 miles of pipeline in seven states (Indiana, Kentucky, Maryland, Massachusetts, Ohio, Pennsylvania, and Virginia). The NiSource gas distribution companies are: Bay State Gas Company dba Columbia Gas of Massachusetts, Columbia Gas of Kentucky, Columbia Gas of Maryland, Columbia Gas of Ohio, Columbia Gas of Pennsylvania, and Columbia Gas of Virginia.

Q. Could you please describe the separation announced by Columbia's parent company NiSource?

A. On September 28, 2014, NiSource announced that its Board of Directors approved, in principle, plans to separate its natural gas pipeline and related businesses into a stand-alone, publicly traded company, Columbia Pipeline Group ("CPG"). The separation remains on schedule to take place on July 1, 2015, with a preliminary Form 10 for CPG filed with the U.S. Securities & Exchange Commission on February 6, 2015. Key expected board members and executive team members for both companies were announced in late 2014 and early 2015. NiSource also entered into two $1.5 billion revolving credit facilities in December 2014 to support the liquidity needs of both NiSource and CPG following the separation. Both facilities will become effective at the time of the separation. The post-separation NiSource facility will amend and replace the company's existing $2.0 billion revolving credit agreement.

Q. *How does the separation impact this rate case?*

A. The transition does not impact Columbia's cost of service in this rate case. All costs directly related to the transition incurred to date have been recorded on the books of NiSource Inc. No portion of the expenses has been allocated to Columbia.

II. CASE OBJECTIVES

Q. Please summarize Columbia's major objectives in this proceeding.

A. First, Columbia seeks Commission approval to increase its base rates to recover the revenue requirement associated with the capital Columbia has invested, and will continue to invest, in its facilities as part of its accelerated pipeline replacement program. Second, Columbia seeks to recover the revenue requirement associated with its increased focus on training and pipeline safety standards, which is increasing Columbia's operating and maintenance costs. Approval of these objectives is necessary for Columbia to continue to provide safe and reliable natural gas service at the lowest reasonable price to its customers while providing the Company with a reasonable opportunity to recover its costs and to earn a fair rate of return. Further, approval of these objectives will demonstrate to the investment community that the Commission continues to support the need for intensified focus on pipeline safety matters as well as the need for reasonable and predictable earnings. My testimony will outline, at a high level, the objectives of Columbia's filing. Details and documentation supporting each of the objectives will be provided by Company witnesses that I will introduce later in my testimony.

a. <u>Proposed Rate Increase</u>

Q. Will you please explain Columbia's first objective?

A. Columbia first seeks recovery of, and an opportunity to earn a return on, the capital investments being made in its distribution system which are necessary to provide safe and reliable natural gas distribution service to its customers. In light of substantial capital investment Columbia has made since its last rate case, the large capital investments that will be made through the end of 2016, and the increasing operating and maintenance ("O&M") costs associated with increasing training and standards related to pipeline safety procedures, Columbia is filing this base rate case using the fully projected future rate year contemplated by 66 Pa. C.S.A. § 315

("Act 11") in order to provide itself with a reasonable opportunity to recover its investment in its distribution system and its O&M expenditures.

Q. Why is Columbia filing a base rate case instead of using the Distribution System Improvement Charge ("DSIC")?

A. As I stated, Columbia's revenue deficiency is driven by both the large capital investment that it continues to make in modernizing its distribution system as well as increases in O&M expenditures over and above the level built into current rates which will enable Columbia to implement its training and pipeline safety initiatives. Due to the scale of Columbia's investments in replacement pipe and training and pipeline safety standards, Columbia's requested overall distribution (i.e. exclusive of gas costs) revenue increase in this case is approximately 16%, which exceeds the current 5% cap on DSIC surcharges. In addition, the DSIC does not permit recovery of O&M costs. Thus, even if the 5% cap were increased, a rate case would be needed to recover the increases in O&M costs. This is not to say that Columbia will never use the DSIC. When Columbia's O&M costs do not make up a material portion of the revenue deficiency and when rate base grows to a point where the DSIC will provide adequate revenue to support the scale of Columbia's pipeline replacement program, Columbia anticipates that it will be able to use the DSIC instead of base rate proceedings.

Q. What is Columbia's proposed rate increase in the case and what are some of the primary drivers for the increase?

A. Based on the rates established in Columbia's last rate case and Columbia's existing and planned capital and O&M programs, Columbia will experience a revenue deficiency of approximately $46 million as detailed and supported in testimony of Company witness Miller (Columbia Statement No. 4). This revenue deficiency is driven by two primary factors. First, Columbia has made, and continues to make, substantial capital investments in its system. As detailed in Company witness Davidson's testimony (Columbia Statement No. 15), since Columbia started its accelerated pipeline replacement program in 2007, Columbia has replaced 3,416,498 feet (over 647 miles) of cast iron and bare steel pipe. In 2014 alone, Columbia replaced over 78 miles of cast iron and bare steel pipe. To put these numbers into context, as shown in Figures 1 and 2 below (based on information publicly available from the 2013 DOT reports), Columbia exceeded both the capital investment as well as the number of miles of pipe replaced by the other gas utilities in the Commonwealth. While this information is not intended to put Columbia in competition with the other gas utilities, it is provided to explain why Columbia is once again filing a base rate case when other gas utilities have not.

Figure 1

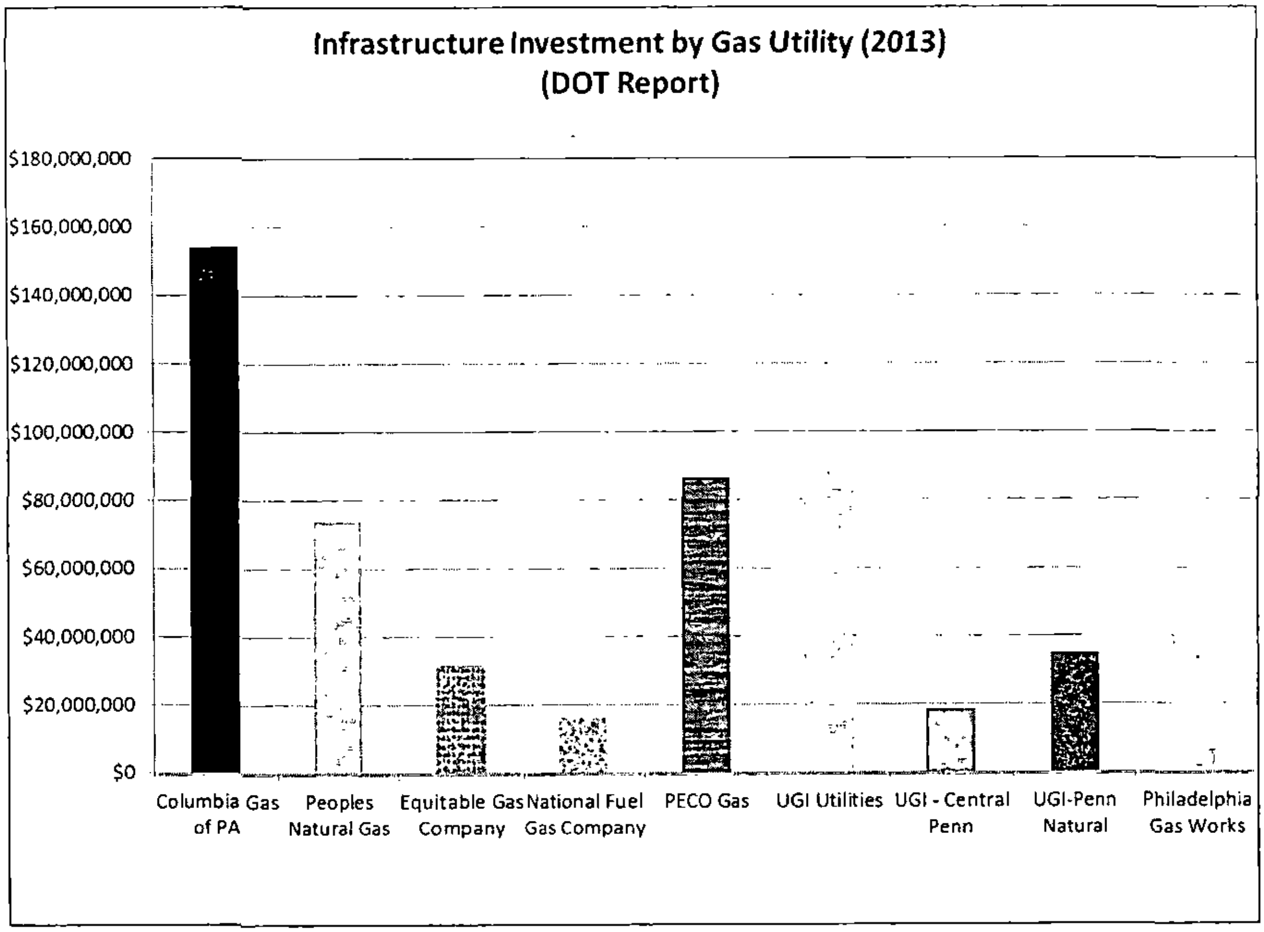
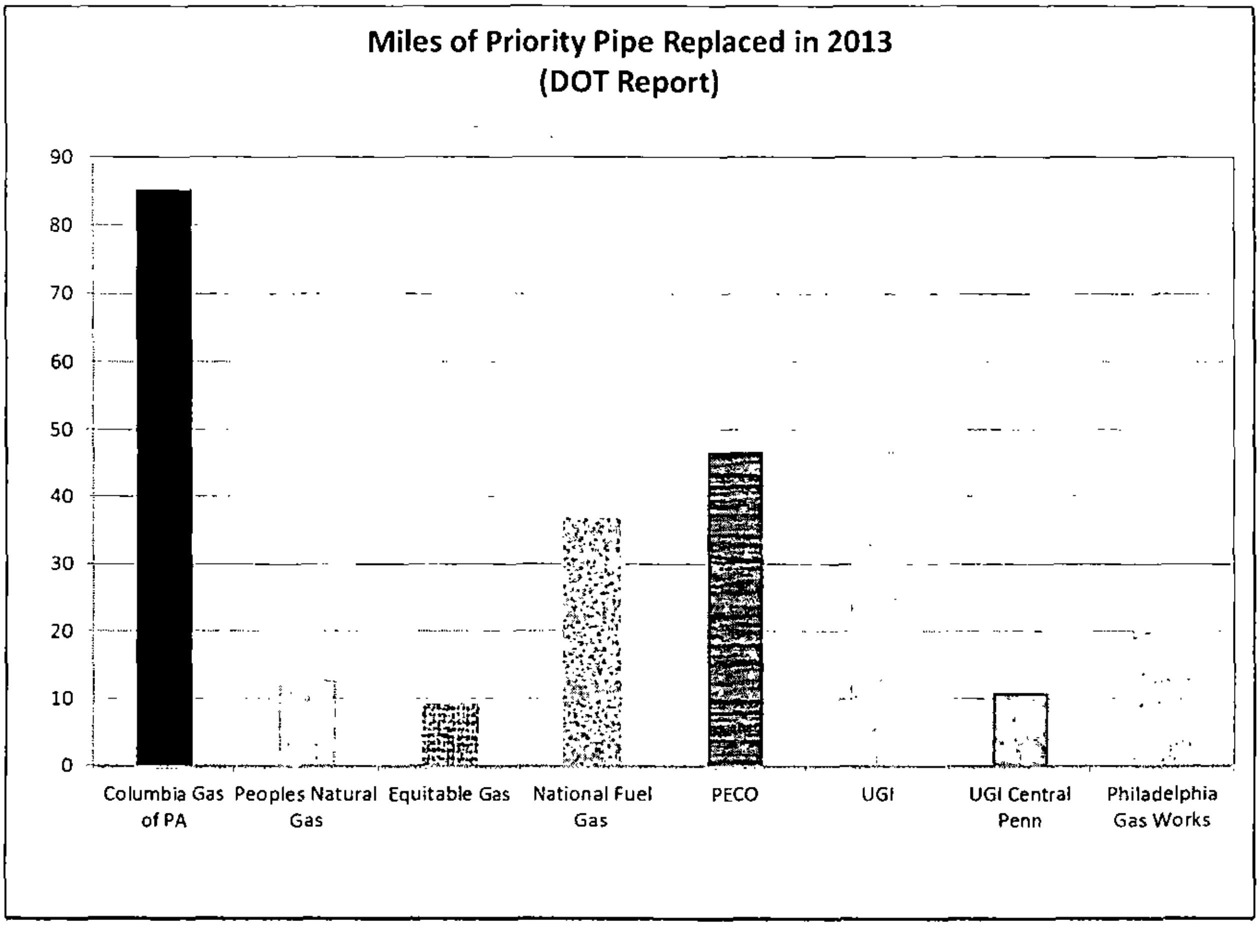

Infrastructure Investment by Gas Utility (2013)
(DOT Report)
$180,000,000
$160,000,000
$140,000,000
$120,000,000
$100,000,000
$80,000,000
$60,000,000
$40,000,000
$20,000,000
$0
Columbia Gas of PA
Peoples Natural Gas
Equitable Gas Company
National Fuel Gas Company
PECO Gas
UGI Utilities
UGI - Central Penn
UGI-Penn Natural
Philadelphia Gas Works

Figure 2



In addition to Columbia's past investments, Columbia intends to maintain the pace of its capital replacement program into the future. In Columbia's 2014 Rate Case, at Docket No. R-2014-2406274, Columbia forecasted that its 2014 and 2015 capital budgets for the replacement of cast iron and bare steel would be $145 million and $104 million, respectively. In reality, Columbia's 2014 actual investment for replacement pipe was $148.3 million and its age and condition capital budget for 2015 is $144.6 million. In addition, as detailed in the Company's response to GAS-

ROR-014, the Company intends to increase its capital investment after 2016 and to continue to invest at an aggressive level through 2019. I must note that Columbia's ability to increase its capital investment and maintain these unprecedented levels of investment is a result of Act 11's impact on reducing the regulatory lag that was previously associated with utility investment in Pennsylvania prior to the passage of Act 11.

Q. Why does Columbia want to increase its capital investment beyond current levels?

A. As shown in Figure 3 below, Columbia's distribution system contains more pipe than the other gas utilities in Pennsylvania.

Figure 3

NGDC	Miles of Pipe (2013)
Columbia Gas	7,410.9
PGW	3,024.0
PECO	6,761.0
UGI	5,486.6
UGI Central Penn	3,715.7
UGI Penn Natural Gas	2,522.2
Peoples Natural Gas	6,786.3
Equitable	3,523.3
National Fuel	4,826.5
Peoples TWP	2,624.0

The size of the Company's capital program is driven by the amount of pipe that needs to be maintained and ultimately replaced. However, this is not the sole reason for Columbia's proposal to increase its capital investment.

Q. Please explain.

A. Despite having more pipe than any other gas utility in Pennsylvania, Columbia has one of the lowest average numbers of customers per mile. The Company has approximately 56 customers per mile, which is substantially less than the average customer per mile for gas utilities located in more urban areas (i.e., PGW and PECO have approximately 169 and 74 customers per mile respectfully). Due to the large amount of pipe and the relative low number of customers per mile, the Company seeks to take advantage of the current low price of gas in Pennsylvania. That is, by increasing its investment in pipeline replacement now, while gas prices are low, Columbia seeks to replace as much pipe as possible in order to ameliorate the impact on customer's total bill. Indeed, Columbia has calculated that, even after the entire increase requested in this proceeding is added to an average customer's bill, after adjusting for inflation, the average customer will be paying a total bill in 2016 that is about 17 percent less than they were paying in 2006, which is immediately before the time that Columbia began its accelerated pipeline replacement program. Stated another way, since all of the bare steel and cast iron pipe needs to be replaced at some point, the ideal time to make this investment is now during a time of low gas costs so the impact to customers is minimized. Although gas prices may increase in the future, by increasing its capital investment now, while gas prices are low, the Company is attempting to reduce the need to increase capital spend during periods when gas prices are high.

b. Pipeline Safety Enhancements

Q. What is Columbia's second objective in this case?

A. In addition to the capital costs associated with Columbia's accelerated pipeline replacement effort, Columbia will be incurring increasing O&M costs. As explained in the Exhibits sponsored by Company witness Miller, Columbia's total O&M costs will increase from $168.5 million during the historic test year to $177.7 million during the fully forecasted rate year (Exhibit 104, Schedule 1, Page 4). These O&M increases are primarily driven by the enhanced training and pipeline safety efforts that Columbia continues to take on its system. As described in detail in Company witness Davidson's testimony, there are multiple Federal Pipeline Safety Rules and Advisories that continue to change the manner in which Columbia operates and require additional employees, employee training and new operating standards. As shown on Exhibit 104, Schedule 1, Page 4, major drivers of the O&M increases are Columbia's labor and the "NCSC – Shared NGD Operations" category, which includes costs associated with NiSource Corporate Services Company ("NCSC") services provided to Columbia such as Engineering, Pipeline Safety & Compliance, Technical Training, Rates and Regulatory Support, Call Center, etc. Therefore, Columbia's second objective in this case is to secure the revenue necessary to cover the incremental costs of the new employees, the costs associated with developing and implementing training programs and the costs associated with implementing the pipeline safety enhancements explained in Company witness Davidson's testimony.

c. Other Objectives

Q. Does Columbia have any other objectives in this proceeding?

A. Yes, Columbia is seeking several tariff changes to make it easier for customers to obtain gas service. While Columbia recently received approval to implement its New Area Service Rider which permits customers to spread a line extension deposit over 20 years instead of paying it up front as had been the convention, the fact remains that even under the New Area Service Rider, customers need to pay a deposit to obtain natural gas service. As explained in Columbia witness Waruszewski's testimony, Columbia seeks approval to change its tariff so that it can provide an allowance of up to 150 feet of main line extension to prospective customers without requiring a deposit.

Q. Does Columbia believe the New Area Service Rider is ineffective?

A. No, just the contrary. Columbia designed the New Area Service Rider to produce a significant increase in its new line extensions. Based on Columbia's experience before having the New Area Service Rider in place, Columbia received an average of just over $300,000 in customer deposits each year. Columbia designed the New Area Service Rider with a $1,000,000 cap on customer deposits that could flow through the New Area Service Rider, thereby supporting a 300% increase in the number of line extensions. Columbia expects this to translate into a total increase of $4 or $5 million in capital invested in new business construction. Since Columbia implemented the New Area Service Rider late in 2014, it has secured three New Area Service contracts accounting for 70 new customers. Based on discussions with the customers, 68 of the new customers would have been lost to propane if not but for the availability of the New Area Service Rider. In addition, the Company is working with other potential customers regarding their interest in the program and providing them with the information necessary to evaluate their options.

Q. If the New Service Area Rider is effective, why does Columbia seek approval for additional tariff changes?

A. As explained in the testimony of Company witness Waruszewski, certain parties in Columbia's New Area Service Rider proceeding, along with Commissioner Witmer, supported additional options for expanding natural gas service to underserved markets. The Company's proposal to provide a 150 foot extension without requiring a customer deposit will encourage expansion of the system. Adding nearby loads to Columbia's system provides the most benefit to the existing customer base given that the costs to extend facilities will be less due to the close proximity. Providing these nearby potential customers with the opportunity to receive a 150 foot extension without paying a deposit will also help focus the New Area Service Rider on more remote potential customers.

III. REVENUE REQUIREMENT

Q. How did Columbia determine the revenue requirement for this case?

A. As described in the testimony of Company witness Miller (Columbia Statement No. 4), Columbia reviewed its costs to serve its customers using a fully forecasted rate year ending December 31, 2016, pro forma and adjusted for known and measurable changes. Columbia then compared the costs determined for the fully forecasted rate year to the revenues at present rates calculated for the fully forecasted rate year. This analysis produced a revenue deficiency, from which Columbia calculated the corresponding revenue requirement that Columbia will require to make up this deficiency with a fair rate of return on the investment devoted to serving the public.

Q. Why is the proposed rate increase necessary to eliminate the revenue deficiency?

A. Columbia's current rates do not provide the opportunity for the Company to recover its costs to serve its customers, including a fair rate of return on the capital invested to provide distribution service to the public. The proposed rates have been developed to eliminate this deficiency and Company witness Moul (Columbia statement No. 8) will support Columbia's rate of return in his testimony.

Q. Without the increase requested in this case, what will Columbia's rate of return be?

A. Without the increase requested, Columbia's overall rate of return will drop to 6.06% in the Fully Forecasted Rate year as shown on Exhibit 102, Schedule 3, Page 3.

Q. What overall rate of return and return on equity does Columbia propose in this case?

A. Columbia proposes an overall rate of return of 8.14%. Columbia witness Moul demonstrates that Columbia should be granted an opportunity to earn a 10.95% rate of return on common equity.

IV. MANAGEMENT EFFECTIVENESS

Q. What evidence supports adjusting the Company's requested rate of return for management effectiveness?

A. In addition to Columbia's aggressive pipeline replacement program and pipeline safety enhancements detailed in the testimony of Columbia witness Davidson, which demonstrate the effectiveness of Columbia's management and its concern for excellence in customer service, I have obtained the most recent Management Performance Audit reports from the Commission's website for Columbia, Peoples Gas Company Philadelphia Gas Works, UGI, National Fuel Gas, Equitable Gas and PECO and analyzed them. The data appears as Exhibit MRK-1, which is attached to my testimony. Initially, I would observe that the Commission's auditors employ a ranking category system that ranges from "Meets Expected Performance" to "Major Improvement Necessary" and they assign one of those ranking categories to various aspects of a utility company's management performance. I have evaluated the number of rankings categories for each gas distribution company mentioned and determined the number of times the Commission's auditors assigned each of the various ranking categories to a gas distribution company.

Figure 4

Standard	CPA	Peoples	PGW	UGI	NFG	Equitable	PECO
Meets Expected Performance	50%	11%	0%	8%	13%	7%	20%
Minor Improvement Necessary	25%	44%	43%	42%	75%	47%	47%
Moderate Improvement Necessary	25%	22%	43%	33%	13%	33%	33%
Significant Improvement Necessary	0%	22%	14%	17%	0%	7%	0%
Major Improvement Necessary	0%	0%	0%	0%	0%	7%	0%
Total	100%	100%	100%	100%	100%	100%	100%

As Figure 4 illustrates, Columbia achieved the "Meets Expected Performance" ranking category in 50% of the categories evaluated by the auditors, more than twice as often as any of Columbia's peers. Also, Columbia was one of only three gas companies that did not receive any ranking of "Significant Improvement Necessary". A review of the information in Figure 4 and Exhibit MRK-1 shows that, based on the Commission's own auditors, Columbia's performance exceeds that of its peers. Based on the totality of the evidence, the Commission should grant an increased return on equity based on Columbia's superior performance.

Q. Please provide evidence concerning the performance of Columbia's management in providing quality service to its customers.

A. Recently, the Commission released its Annual Utility Consumer Activities Report and Evaluation (UCARE) for 2013. Based on the overall information contained in the report, which describes how well utilities handle consumer complaints, Columbia's performance was excellent. During 2013, Columbia's overall performance in handling Consumer Complaints was better than any gas or electric utility. Columbia's Complaint rate per 1,000 residential customers was .47 in 2013; only NFG had a lower rate of .46. However, in the second component of this measure-- Justified Consumer Complaints, Columbia's justified rate per 1,000 residential customers was .03, while NFG's was .08. None of the other electric or gas utilities had better aggregate rates than Columbia in any of these two measures during 2013.

In reviewing Company negotiated Payment Arrangement Requests (PARs) that are evaluated by the Commission, Columbia's PAR Complaint Rate per 1,000 Residential Customers was 2.68 in 2013, only Peoples Gas had a lower rate of 1.85. However, Columbia had the best Justified Payment Arrangement Request Rate of .02. None of the electric or gas utilities had a better rate than Columbia did in either of these combined measures in 2013. A low consumer complaint rate and justified rate are excellent indicators of Columbia's ability to work together with its customers to resolve matters reasonably. The last component of the Commission's UCARE report focuses on Compliance with Commission Regulations. In 2013, Columbia had an infraction rate of .01 per 1,000 residential customers. This infraction rate was better than any electric or gas utility during 2013. Looking at all three measures of this report: Consumer Complaints, Payment Arrangement Requests and Compliance, Columbia exceeded the performance of the other utilities in handling consumer issues in 2013.

Q. Can you provide an overview of Columbia's 2014 Quality of Service Performance Report?

A. Yes, the "Quality of Service Performance Report" is organized in five general categories: Call Center Performance, Residential and Small Commercial Billing, Meter Reading, Dispute Reporting, and Customer Satisfaction. Columbia's performance for each of these categories is explained below.

a. Call Center Performance:

Despite the extreme and prolonged cold weather during the 2013/2014 winter heating season, Columbia's call center metrics remained fairly consistent with 2013's results. Although Columbia experienced a decrease in calls answered within 30 seconds, from 79% (2013) to 77% (2014), the call volume during 2014 was 11% more than during 2013, which accounts for the slight drop in calls answered in 30 seconds. Recognizing the impact that this could have had on the payment of residential customer bills, Columbia's management made the decision to delay collection activity during the first two weeks of April 2014 to afford customers the opportunity to negotiate a payment arrangement to maintain gas service. Columbia's busy-out rate of 0% was consistent with prior year's performance. Considering the 11% spike in the volume of customer calls, the abandonment rate barely increased from 2.23% to 2.33%.

To enhance customer satisfaction with the Interactive Voice Recognition ("IVR") phone system, Columbia implemented a change in 2014 that enables customers to opt out of the automated system sooner and speak directly to a live customer service representative. This change has resulted in Columbia receiving higher customer satisfaction marks from its customers.

b. Residential and Small Commercial Billing Data:

For the fourth consecutive year Columbia did not have any deferred billings for its residential or small commercial customers during 2014. In 2014, Columbia initiated a new program to assist with the investigation of billing abnormalities. Thus far, this program has been successful in reducing the number of service orders sent to the Company's field technicians to investigate billing consumption fluctuations, thereby increasing customer satisfaction and reducing costs to customers.

c. Meter Reading:

Columbia's meter reading performance in 2014 was consistent with 2013's results which were already very good. Since Columbia added Automated Meter Reading ("AMR") devices to all meters which enables the readings to be performed by driving a car down the street to capture a signal versus physically walking to each meter to visually read it, Columbia has been both successful at reducing the number of meter reading routes in its service territory at the same time it was able to move to actual monthly meter readings. This has resulted in a cost savings to the Company and has improved customer satisfaction since customers did not like having estimated meter readings.

d. Dispute Reporting:

During 2014, Columbia did not have any utility dispute report responses that went beyond the 30 day threshold prescribed in Section 56.151(5).

e. Customer Satisfaction:

Q. Are there metrics that Columbia utilizes to gauge its effectiveness in providing quality customer service to its customers and satisfaction?

A. Yes, in addition to performing a thorough review and analysis of the Commission's UCARE Report, the Universal Service and Collections Report and the Quality of Service Performance Report, Columbia uses three outside contractors to perform surveys to determine the customer satisfaction rating of its customers. Those contractors are Metrix/Matrix, Thoroughbred Research, and J.D. Powers. Metrix/Matrix is the independent firm that also performs and reports data to the Commission, relative to its "Customer Transaction Survey," which is part of the Quality of Service Performance Report. Besides using these three independent parties, Columbia's call center performs a random post call survey to determine the effectiveness of its call center representatives.

Q. Can you share the results of these surveys?

A. Based on the results of the Thoroughbred Survey, Columbia has exhibited a strong history of providing quality service to its customers. As you can see in the following figures, Columbia's Call Center Representatives continually reach the 90%+ satisfaction mark in gauging Courtesy and Knowledge. The Metrix/Matrix survey also shows that Columbia's Field Service Representatives easily reach the 90%+ satisfaction mark annually in these categories.

Customer Service Representative Results:

Figure 5

Columbia Gas of Pennsylvania	2007	2008	2009	2010	2011	2012	2013	2014
Thoroughbred CSR Attributes	12-month Average	12-month Average	12-month Average	12-month Average	12-month Average	12-month Average	12-month Average	12-month Average
Being Courteous and Professional	90	93	90	96	100	96	100	97
Treating as respected customer	90	93	90	96	90	95	100	96
Showing concern for situation	90	89	90	93	90	93	90	94
Displaying knowledge in job	90	93	90	95	90	95	90	95
Adequately answering questions	90	92	90	95	90	95	90	95
Understanding purpose for call	90	91	90	94	100	95	90	95
Having authority to make decision	90	87	90	92	90	91	90	92
Working quickly and efficiently	90	89	90	93	90	93	90	93

* Source document = Thoroughbred Survey website/Columbia Gas of PA/Monthly Flash Report

Field Representative Results:

Figure 6

2014	Columbia Gas Percent Satisfaction
Rep Handling Request	93.0
Timely Completion	84.0
Field Rep Response	86.0
Field Rep Courtesy	94.0
Field Rep Knowledge	99.0
Respect of Property	98.0
Field Rep Overall	97.0
Contact Overall	92.0

Source: Metrix/ Matrix Survey

Q. How well did Columbia perform on "First Call Resolution" in 2014 with its Customers?

A. The chart in Exhibit MRK-2, attached to my testimony, reflects first call resolution data for the past five years. Over the last five years, Columbia improved its first call resolution from 71% to 79%. This vital statistic confirms Columbia's success in satisfying its customers the first time they contact the company.

Q. How did Columbia perform in the 2014 J.D. Power Residential Customer Satisfaction Survey?

A. Columbia was ranked first in Customer Satisfaction among all midsize utilities in the east region. As well, Columbia was recognized as being 1 of the top 10 most improved utilities nationally in 2014. The J.D. Power survey is yet another indicator of Columbia's focus on meeting and exceeding customer expectations.

Q. What has been Columbia's success with implementing Chapter 14 Regulations?

A. Since deploying these collection tools at the beginning of 2005, Columbia has been successful in lowering its residential write-offs of uncollectible accounts. Indeed, based upon annual data filed with the Commission pursuant to Section 56.231 of the Public Utility Code, since 2004, Columbia has reduced its gross residential write-off ratio from 4.81% to 2.0% in 2013, and its net residential write-off ratio from 3.48% in 2004, to 1.34% in 2013 as show in Figure 7 below:

Figure 7

Year	Gross Residential Revenues	(1) Gross Residential Write-Offs	(1) Gross Res. Write-Offs Ratio	Residential Recoveries	(1) Net Residential Write-Offs	(1) Net Res. Write-Offs Ratio
2004	$ 334,443,294	$ 16,079,652	4.81%	$ 4,453,039	$ 11,626,613	3.48%
2005	$ 422,316,022	$ 17,178,358	4.07%	$ 5,406,680	$ 11,771,678	2.79%
2006	$ 418,132,074	$ 12,725,454	3.04%	$ 3,878,311	$ 8,847,143	2.12%
2007	$ 402,803,625	$ 10,505,925	2.61%	$ 3,960,158	$ 6,545,767	1.63%
2008	$ 481,827,700	$ 10,874,843	2.26%	$ 3,613,578	$ 7,261,265	1.51%
2009	$ 387,454,010	$ 12,039,187	3.11%	$ 5,097,312	$ 6,941,875	1.79%
2010	$ 359,493,889	$ 8,162,827	2.27%	$ 3,454,140	$ 4,708,687	1.31%
2011	$ 346,316,467	$ 9,761,318	2.82%	$ 3,151,779	$ 6,609,539	1.91%
2012	$ 268,796,602	$ 7,585,766	2.82%	$ 2,765,170	$ 4,820,596	1.79%
2013	$ 329,063,560	$ 6,630,828	2.02%	$ 2,217,422	$ 4,413,406	1.34%

In the Commission's recently issued 2013 Universal Services Program and Collections Report, Columbia experienced an 18.4% reduction in its total number of customers in debt in 2013 when compared to 2012. Additionally, Columbia's total percentage of customers with overdue balances dropped to 7.85% in 2013, from 11.40% in 2012.

Q. Can you identify any data that contributes to Columbia's success in dealing with its low income customers?

A. Based on information contained in the 2013 Universal Service and Collections Report, Columbia had the most affordable CAP payment plan in the Commonwealth. In 2013, Columbia's monthly average CAP bill was $53.00. This was the lowest bill amount of all gas utilities in the industry.

Q. Can you describe any process improvements that Columbia has made to serve its customers better?

A. In 2013, Columbia implemented a new initiative to "Improve the Customer Experience." This is a company-wide review of all processes and procedures to determine which ones create value and efficiencies, and those which provide opportunities to improve customer service. In 2014 alone, Columbia deployed a number of new strategies identified by Columbia's "Improve the Customer Experience" effort with a focus on enhancing the Company's Web Self Service interface with customers. Some of these improvements include the following:

- Added a screen reader message to assist customers who are visually impaired.
- Added an option for auto pay customers to change bank information without having to cancel the existing auto payment, then having to re-enroll.
- Provided ability to schedule a payment for a future date for customers who owe only their current bill, even when the current bill due date has passed.

Previously, customers in this scenario were considered "past due" and therefore were not able to schedule a payment on a future date.

- Revised the Company's Direct E-Billing notification. A new header and graphics were added to the notification, making it easier for customers to manage their gas account.
- Added a post transactional customer satisfaction survey upon completion of a web transaction.
- Significantly decreased the length of time it takes for a customer to enroll in auto payment withdrawal, from 14 days to one day.
- Allow customers to enroll/cancel/modify in auto payment from their mobile devices.

Another interesting customer service improvement is Columbia's new "Ambassador Program". In August of 2014, Columbia introduced the "Ambassador Program" to all its employees. This program was designed to assist employees in responding to non-emergency questions or issues they receive from customers, where the employee may not have the knowledge or expertise to address the customer's concern. These inquiries are referred back to a specialized group of employees designated as "Ambassadors." The Ambassador is responsible for the follow-up of the issue and response to the customer. The timeframe for the response to the customer is 48 hours.

Also, in 2014 Columbia took steps to redesign its bill format. Customer panels were scheduled to engage and provide insight on the new bill prototype. We continue to refine the bill format based on customer input as well as potential changes resulting from the Commission's Retail Market Investigation. We anticipate the new bill will be in place sometime during 2015.

V. INTRODUCTION OF WITNESSES

Q. Please introduce Columbia's witnesses and describe their testimony.

A. Columbia presents the following witnesses:

- Columbia witness Amy Efland, the Senior Forecast Analyst for NCSC provides demand forecasting services for Columbia. In Columbia Statement No. 2, she explains how residential and commercial sales volumes are normalized for weather. The results of the normalization procedure are contained in Company witness Lai's testimony (Columbia Statement No. 3) and Exhibit 3 Schedule 4. Company witness Efland also explains the projection of the future test year and fully forecasted rate year customer and load growth and comments on the residential consumption per customer.
- Company witness Chun-Yi Lai is a Lead Regulatory Analyst for NCSC. She provides support for regulatory filings for Columbia. In Columbia Statement No. 3, Company witness Lai supports the Company's requested increase in base rates by providing detailed information on the Company's pro forma operating revenues for

the historical test year and for the twelve months ending December 31, 2016 (Fully Forecasted Rate Year).

- Company witness Kelley Miller is a Lead Regulatory Analyst for NCSC and provides regulatory accounting and strategy services to Columbia. In Columbia Statement No. 4, witness Miller presents Columbia's cost of service and quantifies the revenue deficiency based on operating costs and revenues, as adjusted. Company witness Miller supports Columbia's Cost of Service O&M expenses. In addition, she provides a comparison of actual O&M expenses for the twelve months ended November 30, 2014, to the projections that were included in the Company's last base rate proceeding, R-2014-2406274.
- Company witness John J. Spanos is a Senior Vice President in the Valuation and Rate Division of Gannett Fleming, Inc. In Columbia Statement No. 5, witness Spanos, supports the depreciation study Gannet Fleming prepared for gas plant of Columbia.
- Company witness Nicole Paloney is Director of Rates and Regulatory Affairs for Columbia. In Columbia Statement No. 6, she provides detail and support about the methods and assumptions used to develop the Historic Test Year, Future Test Year and the Fully Forecasted Rate Year rate base as presented in Exhibits 8 and 108.
- Company witness Brian E. Elliott is a Manager for Regulatory Strategy and Support for NCSC. In Columbia Statement No. 7, witness Elliott presents the Allocated

Class Cost of Service Studies by rate class at present and proposed rates, and an analysis supporting minimum charges for all rate schedules.

- Company witness Paul Moul is the Managing Consultant at the firm P. Moul & Associates, an independent financial and regulatory consulting firm. In Columbia Statement No. 8, Company witness Moul presents detailed testimony and documentation and a recommendation concerning the appropriate cost of common equity and overall rate of return that the Commission should recognize in the determination of the revenues that Columbia should be given an opportunity to earn as a result of this base rate case. His recommendation is supported by detailed financial data and an in-depth explanation of the application of the various financial models upon which he relies.
- Company witness Matthew T. Hanson is the Director of Financial Planning for NCSC and is responsible for the financial planning and budgeting process for the NiSource gas distribution business segment, which includes Columbia. In Columbia Statement No. 9, Company witness Hanson provides testimony in support of the budgeted O&M expenses for the Fully Forecasted Rate Year that are included in Columbia witness Miller's cost of service analysis.
- Company witness Panpilas W. Fischer is a Manager of Income Taxes at NCSC and she provides Tax Accounting services for Columbia. In Columbia Statement No. 10, Company witness Fischer supports Columbia's income tax and other tax expense included in the cost of service. She provides detail about both federal and state

income tax recovery, reduction of rate base for deferred income taxes, as well as a reduction to tax expense resulting from the Company's 2008 change in tax method of accounting for repairs.

- Company witness Mark Balmert is the Director of Regulatory Strategy & Support for NCSC which provides services and support to Columbia for its regulatory needs. In Company Statement No. 11, he testifies about Columbia's proposed revenue allocation among the various rate classes, discusses proposed customer charges, and discusses the proposed rate design that include both the proposed splitting of SGSS, SCD, SGDS and SDS volumetric charges and the merging of LGS volumetric charges with the SDS and LDS rate classes. He also testifies to the comparison of the Company's current and proposed rates.
- Company witness Nancy Krajovic is Columbia's Director of Rates and Regulatory Affairs. In Columbia Statement No. 12, she testifies about the calculation of the Rider Customer Choice adjustment ("Rider CC") and the Gas Procurement Charge ("GPC") included in this case. She also supports the Company's proposed Rider Choice Administration Charge ("Rider CAC") and discusses proposed changes to Columbia's Universal Service Programs.
- Company witness Shirley Bardes-Hasson is Manager, Regulatory Policy for Columbia and is responsible for managing regulatory activity before the Commission, including ensuring timely, accurate regulatory filings as well as monitoring regulatory cases making recommendations for Company participation

in those cases when warranted. In Columbia Statement No. 13, Company witness Bardes-Hasson explains and supports the tariff changes that the Company seeks to make in this proceeding.

- Company witness Robert C. Waruszewski is Columbia's Senior Regulatory Analyst. In Company Statement No. 14, he provides testimony concerning new proposals designed to expand the availability of natural gas service across Columbia's service territory.
- Company witness Michael Davidson is the Vice President and General Manager of Operations for Columbia. In Columbia Statement No. 15, Company witness Davidson provides an overview of Columbia's distribution system, discusses Columbia's ongoing replacement activities and provides testimony in support of Columbia's plant additions through the Fully Forecasted Future Rate Year ending December 2016. In addition, he discusses pipeline safety rules that impact pipeline safety strategy and operational execution, Columbia's historic operating performance, the strategic initiatives that the Company is undertaking to improve its overall safety and compliance efforts and the planned system enhancements to Columbia's operations. Finally, Company witness Davidson testifies regarding Columbia's DIMP, the status of the O&M activities that it has undertaken to improve its system and the additional O&M activities that it is planning to undertake.

Q. Are you sponsoring any exhibits in this proceeding?

A. Yes. In addition to the two exhibits attached to this testimony, I am sponsoring Exhibit No. 13, Schedule 3 which cross references the standard filing requirements with the corresponding Exhibits and Schedules in this filing for both the historic and future test years.

Q. Does this conclude your direct testimony?

A. Yes.

Exhibit I – 1
Columbia Gas of Pennsylvania, Inc.
Focused Management and Operations Audit
Functional Rating Summary

Functional Area	Meets Expected Performance Level	Minor Improvement Necessary	Moderate Improvement Necessary	Significant Improvement Necessary	Major Improvement Necessary
Corporate Governance		X			
Executive Management and Organizational Structure	X				
Affiliated Interests	X				
Financial Management		X			
Customer Service			X		
Gas Operations			X		
Emergency Preparedness	X				
Human Resources	X				

D. Benefits

Where possible, the Audit Staff attempts to quantify the potential savings that would be expected from effectively implementing the recommendations made in this report. However, for the majority of recommendations, it is not possible or practical to estimate quantitative benefits as their benefits are of a qualitative nature or there was insufficient data available to quantify the impact. For example, it is difficult to estimate the actual benefit where new management practices or procedures are recommended where such did not previously exist or was not fully functional. Similarly, changes in work flow processes or to implement good business practices will result in improved effectiveness and efficiency of a specific function but cannot be easily quantified.

The Company will have varying ways to implement the recommendations and as a result the Audit Staff has not estimated the cost of implementation for recommendations where no savings were quantified. However, it should be noted by the reader that the cost of implementing certain recommendations could be significant.

E. <u>Recommendation Summary</u>

Chapters III through X provide findings, conclusions, and recommendations for each function or area reviewed in-depth during this focused audit. Exhibit I-3 summarizes the recommendations with the following priority assessments for implementation:

Exhibit I – 1
The Peoples Natural Gas Company
Focused Management and Operations Audit
Functional Rating Summary

Functional Area	Meets Expected Performance Level	Minor Improvement Necessary	Moderate Improvement Necessary	Significant Improvement Necessary	Major Improvement Necessary
Corporate Governance	X				
Executive Management		X			
Affiliated Relationships		X			
Gas Operations				X	
Emergency Preparedness			X		
Customer Service				X	
Human Resources		X			
Materials Management		X			
Diversity & EEO			X		

D. Recommendation Summary

Chapters III through XI provide findings, conclusions, and recommendations for each function or area reviewed in-depth during this focused audit. Exhibit I-2 summarizes the recommendations with the following priority assessments for implementation:

- HIGH PRIORITY – Implementation of the recommendation would result in significant cost savings, major service improvements, and/or substantial improvements in management practices and performance. These recommendations should be implemented as soon as practical.

- MEDIUM PRIORITY – Implementation of the recommendation would result in important cost savings, service improvements, and/or meaningful improvements in management practices and performance. Implementation of these recommendations should begin within 12 months.

- LOW PRIORITY – Implementation of the recommendation could potentially enhance cost controls, service improvements, and/or management practices and performance. Implementation of these recommendations should begin within 18 months.

These priorities were assigned based on the Audit Staff's assessment of the potential impact of the recommendations and the Company's available resources.

however, each rating is utility specific; i.e., the rating of PGW cannot be directly compared with that of another utility.

Schumaker & Company's overall assessment of each work plan area is presented in the *Functional Evaluation Summary* shown in *Exhibit I-1* and *Exhibit I-2*, with the specific criteria used as follows:

- *Optimum* – The area is functioning more than adequately and no recommendations were made.
- *Minor improvement necessary* – The area is generally functioning adequately, but minor improvements are recommended.
- *Moderate improvement necessary* – The area is generally functioning adequately, but some substantial opportunities for improvement were recommended.
- *Significant improvement necessary* – The area is not functioning adequately and many recommendations, requiring considerable effort, need to be implemented to achieve adequate performance.
- *Major improvement necessary* – The area is not functioning effectively or efficiently and many recommendations need to be implemented to achieve adequate performance. Implementation of these recommendations will have a major effect on cost levels and performance for PGW.

Exhibit I-1
Functional Evaluation Summary
Phase I – Diagnostic Review

		Evaluative Ratings				
Chapter	**Function**	**Optimum**	**Minor Improvement Necessary**	**Moderate Improvement Necessary**	**Significant Improvement Necessary**	**Major Improvement Necessary**
II	Executive Management & Human Resources					
	Executive Management		X			
	External Relations		X			
	Human Resources			X		
III	Support Services					
	Information Technology		X			
	Transportation Management			X		
	Facilities Management		X			
	Procurement Services				X	
	Risk Management		X			
	Legal Services		X			

Exhibit I-2
Functional Evaluation Summary
Phase II – Pre-identified Issues Review

Chapter	Function	Evaluative Ratings				
		Optimum	Minor Improvement Necessary	Moderate Improvement Necessary	Significant Improvement Necessary	Major Improvement Necessary
IV	Corporate Governance			X		
V	Financial Management			X		
VI	Diversity and EEO			X		
VII	System Reliability Performance & Other Related Operations			X		
VIII	Customer Service				X	

D. Summary of Estimated Benefits

The audit produced 93 recommendations, which are contained in this report. A summary of the number of priority items, and estimated benefits, is grouped by phase. Following is a brief explanation of these categories of information.

Priority

To assist PGW management in developing implementation plans, each recommendation has been assigned a priority of "high," "medium," or "low" according to the following criteria:

- *High* – Designated recommendations are high priority because of their importance and urgency. These represent significant benefit potential, major improvements to service, or substantial improvements to methods or procedures.
- *Medium* – Designated recommendations are of medium priority. In some instances, the implementation of these recommendations is expected to provide moderate improvements in profitability of operations, or management methods and performance. In other instances, implementation may provide significant longer-term benefits which are less predictable.
- *Low* – Designated recommendations reflect a lower priority. In many instances, they should be studied further or implemented sometime during the next few years. Potential benefits are perceived to be either modest or difficult to measure.

Exhibit I – 1
UGI Utilities, Inc.
UGI Central Penn Gas, Inc.
UGI Penn Natural Gas, Inc.
Focused Management and Operations Audit
Functional Rating Summary

Functional Area	Meets Expected Performance Level	Minor Improvement Necessary	Moderate Improvement Necessary	Significant Improvement Necessary	Major Improvement Necessary
Executive Management and Organizational Structure		X			
Corporate Governance	X				
Affiliated Interests and Cost Allocations			X		
Financial Management		X			
Gas Operations				X	
Electric Operations			X		
Emergency Preparedness			X		
Materials Management				X	
Customer Service		X			
Fleet Management		X			
Human Resources and Safety Programs		X			
Diversity			X		

D. Recommendation Summary

Chapters III through XIV provide findings, conclusions, and recommendations for each function or area reviewed in-depth during this focused audit. Effective implementation of the recommendations would result in cost savings, service improvements, and/or improvements in management practices and performance. Exhibit I–2 summarizes the recommendations with the following priority assessments for implementation:

- HIGH PRIORITY – Implementation of these recommendations should begin within six months and be completed as soon as practical.
- MEDIUM PRIORITY – Implementation of these recommendations should begin within 12 months.
- LOW PRIORITY – Implementation of the recommendations should begin within 18 months.

Exhibit I-1
National Fuel Gas Distribution Corporation
Focused Management and Operations Audit
Functional Rating Summary

Functional Area	Meets Expected Performance Level	Minor Improvement Necessary	Moderate Improvement Necessary	Significant Improvement Necessary	Major Improvement Necessary
Executive Management & Organizational Structure		X			
Corporate Governance		X			
Affiliated Interests			X		
Financial Management		X			
Emergency Preparedness		X			
Diversity & EEO		X			
Customer Service		X			
Gas Operations	X				

D. Recommendation Summary

Chapters III through X provide findings, conclusions, and recommendations for each function or area reviewed in-depth during this focused audit. Exhibit I-2 summarizes the recommendations with the following priority assessments for implementation:

- HIGH PRIORITY – Implementation of the recommendation would result in significant cost savings, major service improvements, and/or substantial improvements in management practices and performance. These recommendations should be implemented as soon as practical.

- MEDIUM PRIORITY – Implementation of the recommendation would result in important cost savings, service improvements, and/or meaningful improvements in management practices and performance. Implementation of these recommendations should begin within 12 months.

- LOW PRIORITY – Implementation of the recommendation could potentially enhance cost controls, service improvements, and/or management practices and performances. Implementation of these recommendations should begin within 18 months.

These priorities were assigned based on the Audit Staff's assessment of the potential impact of the recommendations and the Companies' available resources.

Exhibit I-2
Functional Evaluation Summary
Phase I – Diagnostic Review

Chapter	Function	Evaluative Ratings: Optimum	Minor Improvement Necessary	Moderate Improvement Necessary	Significant Improvement Necessary	Major Improvement Necessary
II	Executive Management & Human Resources					
	Executive Management			X		
	Human Resources			X		
III	Financial Management		X			
IV	Support Services					
	Information Technology			X		
	Transportation Management		X			
	Facilities Management		X			
	Procurement Services		X			
	Risk Management		X			
	Legal Services		X			
V	Gas Supply & Operations			X		

Exhibit I-3
Functional Evaluation Summary
Phase II – Pre-identified Issues Review

Chapter	Function	Evaluative Ratings: Optimum	Minor Improvement Necessary	Moderate Improvement Necessary	Significant Improvement Necessary	Major Improvement Necessary
VI	Corporate Governance		X			
VII	Affiliate Interests					X
VIII	Operational Performance				X	
IX	Customer Service	X				
X	Diversity & EEO			X		

Exhibit I-1
PECO Energy Company
Focused Management and Operations Audit
Functional Rating Summary

Functional Area	Meets Expected Performance Level	Minor Improvement Necessary	Moderate Improvement Necessary	Significant Improvement Necessary	Major Improvement Necessary
Executive Management and Organizational Structure			X		
Corporate Governance		X			
Affiliated Interest and Cost Allocations		X			
Financial Management		X			
Electric Operations			X		
Gas Operations			X		
Emergency Preparedness		X			
Materials Management			X		
Customer Service			X		
Information Technology	X				
Fleet Management		X			
Facilities Management	X				
Risk Management	X				
Legal		X			
Human Resources and Diversity		X			

D. <u>Benefits</u>

Where possible, the Audit Staff attempts to quantify the potential savings that would be expected from effectively implementing the recommendations made in this report. The audit report contains identifiable potential quantifiable cost savings of approximately $2,933,000 to $5,667,000 in annual savings and $2,200,000 to $3,110,000 in one-time savings from effective implementation of the recommendations. We try to identify, whenever it is reasonably practical, the potential savings net of the projected costs for implementation. Some of these savings could be considered an actual reduction in costs, avoided costs or increased revenues; whereas others would result from better deployment and/or use of existing resources. These quantifications require some judgment and may require efforts beyond the scope of the audit for further refinement. Therefore the actual benefits from effective implementation of the recommendations are subject to some degree of uncertainty, and could be higher or lower than the amounts estimated by the Audit Staff. An overall summary of the annual and one-time cost savings quantified in the audit report are shown in Exhibit I-2.

Columbia Gas of Pennsylvania, Inc.

Customer Satisfaction and First Call Resolution Statistical History

2010				2011				2012				2013				2014		
Cust. Sat.	1st Call Res.	Ease of Conducting Business	2011	Cust. Sat.	1st Call Res.	Ease of Conducting Business	2012	Cust. Sat.	1st Call Res.	Ease of Conducting Business	2013	Cust. Sat.	1st Call Res.	Ease of Conducting Business	2014	Cust. Sat.	1st Call Res.	Ease of Conducting Business
95%	82%	85%	Jan	94%	74%	96%	Jan	100%	88%	98%	Jan	93%	81%	90%	Jan	98%	78%	97%
94%	71%	97%	Feb	96%	76%	86%	Feb	97%	79%	82%	Feb	93%	83%	91%	Feb	100%	81%	95%
96%	61%	94%	Mar	93%	90%	94%	Mar	96%	88%	97%	Mar	96%	80%	94%	Mar	94%	84%	96%
95%	74%	97%	Apr	96%	94%	97%	Apr	96%	79%	88%	Apr	100%	84%	97%	Apr	98%	69%	96%
98%	69%	95%	May	97%	86%	94%	May	95%	83%	85%	May	95%	70%	95%	May	99%	76%	99%
91%	65%	91%	Jun	95%	75%	86%	Jun	93%	69%	85%	Jun	93%	67%	86%	Jun	98%	84%	88%
94%	67%	79%	Jul	93%	72%	87%	Jul	90%	80%	89%	Jul	89%	79%	91%	Jul	97%	75%	93%
97%	68%	92%	Aug	93%	79%	72%	Aug	98%	80%	72%	Aug	99%	85%	85%	Aug	99%	82%	98%
97%	77%	87%	Sep	90%	84%	88%	Sep	97%	70%	74%	Sep	97%	75%	88%	Sep	94%	78%	91%
95%	73%	90%	Oct	93%	85%	80%	Oct	98%	79%	89%	Oct	96%	79%	88%	Oct	94%	81%	90%
95%	71%	92%	Nov	93%	69%	96%	Nov	93%	79%	93%	Nov	88%	77%	92%	Nov	96%	72%	91%
89%	72%	97%	Dec	97%	78%	91%	Dec	100%	88%	92%	Dec	91%	70%	91%	Dec	96%	81%	92%
94%	71%	91%	YTD	94%	80%	88%	YTD	96%	80%	87%	YTD	94%	77%	91%	YTD	97%	79%	94%
91%	69%	86%	Target	91%	69%	87%	Target	92%	70%	88%	Target	93%	75%	89%	Target	93%	75%	89%
94%	71%	91%	12 Month Avg	94%	80%	88%	12 Month Avg	96%	80%	87%	12 Month Avg	94%	77%	91%	12 Month Avg	97%	79%	94%