TAB 20

807 KAR 5:001 Section 16(7)(a)

Direct Testimony of

Donald P. Ayers

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:	)	
	)	
ELECTRONIC APPLICATION OF	)	Case No. 2026-00099
COLUMBIA GAS OF KENTUCKY, INC.	)	
FOR AN ADJUSTMENT OF RATES;	)	
APPROVAL OF DEPRECIATION STUDY;	)	
APPROVAL OF TARIFF REVISIONS; AND	)	
OTHER RELIEF	)	

PREPARED DIRECT TESTIMONY OF DONALD P. AYERS ON BEHALF OF COLUMBIA GAS OF KENTUCKY, INC.

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May 20, 2026

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BEFORE THE PUBLIC SERVICE COMMISSION

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VERIFICATION OF DONALD P. AYERS

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

Donald P. Ayers, Vice President of Operations for Columbia Gas of Kentucky, Inc., being duly sworn, states that he has drafted and/or supervised the preparation of testimony and certain standard filing requirements in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Donald P. Ayers

The foregoing Verification was signed, acknowledged and sworn to before me this 13th day of May 2026, by Donald P. Ayers.

Evelyn Long Durr

Notary Commission No. KYNP49615

Commission expiration: May 15, 2030

EVELYN LONG DURR
Notary Public
Commonwealth of Kentucky
Commission Number KYNP49615
My Commission Expires May 15, 2030

PREPARED DIRECT TESTIMONY OF DONALD P. AYERS

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is Donald P. Ayers and my business address is 2001 Mercer Rd. Lexington, KY 40511.

Q: What is your current position and what are your responsibilities?

A: I am the Vice President of Operations for Columbia Gas of Kentucky, Inc. ("Columbia" or "the Company"). My responsibilities include oversight over all of Columbia's operations to ensure the safe, reliable delivery of natural gas to all of Columbia's customers. Beyond these core responsibilities, I am also responsible for the safety and development of all field personnel, as well as their direct leadership.

Q: What is your educational background and professional experience?

A: I attended both Ohio State University and Franklin University. I have worked for or in service of several of the Columbia Gas Distribution Companies for 38 years. During that time, I have had an opportunity to work in many different positions at different levels in the organization from a front-line worker to my current position.

Q: Have you previously testified before any regulatory commissions?

A: I have provided written direct testimony before the Public Utilities Commission of Ohio. I also provided both written testimony and oral testimony at the hearing in Columbia's last rate case before the Commission in Case No. 2024-00092.[1]

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to provide a general overview of Columbia's operating territory and gas distribution system; discuss the history and make up of Columbia's distribution piping; describe Columbia's Distribution Integrity Management Plan ("DIMP") plan; and discuss Columbia's safety and efficiency enhancements.

Q: What Filing Requirements will you be supporting?

A: I will sponsor and support the following Filing Requirements:

Filing Requirement	Description	Tab
807 KAR 5:001 Section 16(7)(c)	A complete description, which may be filed in written testimony form, of all factors used in preparing the utility's forecast period. All econometric models, variables assumptions, escalation factors,	34

[1] *In the Matter of: Electronic Application of Columbia Gas of Kentucky, Inc., for an Adjustment of Rates; Approval of Depreciation Study; Approval of Tariff Revisions; and Other Relief*, Case No. 2024-00092, (Ky. P.S.C., May 23, 2024).

	contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.	

Q: For each of the documents included within the Filing Requirements that you are supporting, were they prepared by you or someone working under your direction and did you review each of the documents included within the Filing Requirements that you are co-sponsoring?

A: Yes.

II. COLUMBIA'S OPERATING TERRITORY AND GAS DISTRIBUTION SYSTEM

Q: Please provide an overview of Columbia's Operating Territory and describe Columbia's gas distribution system.

A: Columbia's predecessor company was incorporated in 1905. Columbia, as it stands today, is the product of consolidations of many companies over a period of time. The companies include Central Kentucky Natural Gas, Lexington Gas Company, Huntington Gas Company, Frankfort Kentucky Natural Gas Company, United Fuel Gas Company, Inland Gas Company, and Limestone Gas. As a result of these consolidations, Columbia's distribution system consists of many independent systems and various types of pipe.

Generally speaking, Columbia distributes natural gas to customers from as far west as Frankfort to the eastern State border with Lexington being the largest community served. In all, Columbia has natural gas facilities in 30 of Kentucky's 120 counties serving approximately 139,000 customers as of December 2025.

As of January 1, 2026, Columbia owns, operates, and maintains approximately 2,650 miles of distribution mains. These facilities are comprised of approximately 1,618 miles of plastic (polyethylene), 772 miles of coated and cathodically protected steel, and approximately 260 miles of bare steel. Columbia also has approximately 57 miles of coated and cathodically protected steel transmission lines. Finally, Columbia has over 134,000 service lines that deliver natural gas to its customers. Of those service lines, approximately 116,000 are plastic, 14,000 are coated and cathodically protected steel and 4,600 are unprotected steel.

Q: What role does Columbia serve in delivering gas to its end use customers?

A: Columbia's distribution infrastructure is the final step in the delivery of natural gas to customers from the natural gas producing regions of the United States. Columbia distributes natural gas by taking it from points of delivery, also known as "city gates," along interstate and intrastate

pipelines then distributing it through the approximately 2,650 miles of distribution mains that network underground between and through cities, towns and neighborhoods. The natural gas is then delivered by way of customer service lines to meet the demands of Columbia's residential, commercial, and industrial end-use customers.

Columbia receives the natural gas commodity at the "city gate" where the transmission pressure of the gas is generally reduced to a lower pressure. An odorant known as mercaptan is often added to the natural gas at the city gate, or upstream by the supplier, before it is delivered into Columbia's distribution system. Once Columbia receives the gas, it then flows through Columbia's distribution system where additional pressure reduction typically occurs in a series of district regulator stations before being delivered to each customer.

Q: Why is it important to distinguish between the different types of pipe for main lines and services?

A: Over the decades since natural gas began to be distributed to end users, many types of pipe have been used to transport natural gas. This evolution of pipe material characteristics has steadily improved the longevity of natural gas distribution systems, as well as significantly reduced the occurrence of leakage.

Q: Please review the different types of pipe material and their characteristics that are present in Columbia's system?

A: The system is comprised of many different types of pipe. From the 1850s to the early 1900s, Columbia's predecessor companies installed cast iron pipe throughout the early distribution systems. Cast iron was among the first materials available, besides wood and wrought iron, and had the advantage in that it was relatively strong and was easy to install. However, it was vulnerable to breakage from ground movement. When the pipe was buried to typical depths of between two and five feet, it was susceptible to cracking if heavy pressure was applied from above or ground movements from frosts or slips occurred. Further, each pipe section was not easily joined, so joints were prone to leaks. Finally, it was determined that it was unsuitable for long-distance transportation of gas because it was unable to withstand high pressures.

By the early 1900s, the industry had generally adopted steel piping for mains. These were deemed to be stronger than cast iron and able to withstand greater pressure. During this time, bare steel began replacing cast iron pipe as the material of choice when building a natural gas distribution system. During the pre- and post-World War II construction

boom, gas utilities like Columbia, along with developers and customers, installed a significant amount of bare steel mains and services.

Bare steel is steel pipe that has no exterior coating and has no cathodic protection installed on the pipe. The use of bare steel was common until the 1950s and 1960s when the industry began to realize that, despite its strength, bare steel was subject to corrosion and, in order to increase long-term safety and reliability, coating and cathodic protection should be applied to all new piping systems. Both exterior coatings and cathodic protection were designed to inhibit corrosion. Columbia installed its last bare steel pipe in the 1960s. By 1970, the federal government prohibited the installation of bare steel for natural gas distribution system infrastructure.

The fact is that all metals corrode as a result of the natural process of chemical interactions with their physical environment, most commonly caused by moist soil (which creates an electrolyte) around the pipe. In these circumstances, direct electric current flows from the metal surface into the electrolyte and, as the metal ions leave the surface of the pipe, corrosion takes place. This current flows in the electrolyte to the site where oxygen or water is being reduced. This site is referred to as the cathode or cathodic site. In order to combat corrosion, natural gas distribution companies began using coated steel. Unprotected coated steel refers to steel pipe with

an exterior coating (intended to electrically isolate the steel from the surrounding electrolytes in the soil), but does not have cathodic protection.

Although we now know unprotected coated steel will still corrode without cathodic protection, early unprotected coated steel was considered an advancement over bare steel. But for the period from the 1940s through the 1960s, as the industry assessed its options, it was one of just a few alternative piping materials available to meet the public demand for service. By 1970, Columbia laid its last non-cathodically protected coated steel segment. Further, since that time Columbia retrofitted all of its unprotected coated steel facilities with cathodic protection systems. Coated steel pipe continues to be used, but it is cathodically protected with an electric current. Cathodically protected steel has all the advantages of steel in terms of strength and, because of its impressed electrical current, is highly corrosion resistant. However, it is more costly to purchase and install, and requires more ongoing maintenance than the next generation pipe – plastic.

Plastic pipe was developed in the late 1960's and has been the primary type of material found in gas distribution systems ever since. The 1st generation plastic pipe has, over time, become brittle and prone to cracking. Several incidents resulting from the cracking of 1st generation

plastic have resulted in some state commissions forcing the accelerated replacement. Plastic pipe currently being used has proven to be very good for distribution-level pressures. It has strength and flexibility, and, as a result, is generally immune to the stress of ground movement. Plastic is also less costly to purchase and easier to join and install than steel pipe. In addition, plastic does not corrode and therefore, does not require cathodic protection.

Q: What progress has Columbia made to eliminate bare steel pipe that is still in use?

A: In 2008, Columbia began to implement its "Accelerated Mainline Replacement Program," which was originally intended to replace 525 miles of mains considered to be "Priority Pipe," as well as associated service lines and appurtenances. As explained in the last case, 2024-00092, the current pace of priority pipe replacement points to achieving the 2008 goal in the year 2043. This program is currently referred to as Safety Modification and Replacement Program ("SMRP").

III. COLUMBIA'S DIMP PLAN AND SAFETY & EFFICIENCY ENHANCEMENTS

Q: Does Columbia have a Distribution Integrity Management Plan ("DIMP")?

A: Yes. Columbia has a DIMP plan which is updated and approved by me on an annual basis and reviewed monthly.

Q: Have there been any changes to Columbia's DIMP model since the last rate case?

A: Yes. As contemplated in Columbia's last rate case, Columbia transitioned to a Quantitative/ Probabilistic model at the beginning of 2026. This model measures risk by focusing on construction, operations, maintenance, and environmental data to identify risk. The model is used to inform Columbia's DIMP program.

Q: How has Columbia expanded risk management over the last several years?

A: Columbia has established a Safety Management System (or "SMS") which is utilized to identify, investigate, and mitigate risks.

Q: How has SMS improved Columbia's decision-making and outcomes?

A: The Company uses its SMS process to collectively evaluate the risks to its system and to prioritize expenditures in the following areas:

1.) Safety Modification and Replacement Program: Columbia uses a risk-informed process to select distribution mains and services for capital replacement through its SMRP program. This has resulted in a reduction of overall system leakage by 48% on leak prone pipe since the inception of

the program;

2.) Maximum Allowable Operating Pressure ("MAOP") Reconfirmation: Validation of MAOP on transmission class pipelines located in high consequence areas ("HCA") and Columbia's points of delivery ("PODs"); and

3.) Operational Performance: Columbia implemented operational and technology improvements that resulted in increased system reliability. Specifically, Columbia has installed SCADA capabilities on approximately 70% of the regulating stations for improved system. This resulted in greater real time visibility of PODs and district regulator stations. SCADA visibility gives the Company advance knowledge when equipment has issues e.g. station heaters going offline which allows technicians to respond more quickly.

Q: Has Columbia investigated opportunities to gain efficiencies on O&M and capital tasks?

A: Yes, there are several opportunities Columbia has implemented to gain efficiencies, including the following examples. Columbia has made changes to its 811 line locating program by implementing a risk model which has streamlined the locating process resulting in a combined O&M annual savings of approximately $700,000 and these savings have already been

incorporated into the forecasted test year. Moreover, Columbia is taking steps to insource work that has traditionally been performed by outside contractors. Columbia employees have gained efficiencies in their everyday work, allowing them to take on work previously completed by contractors. These savings have resulted in operations crews doing more work in the capital program, which will make additional capital dollars available for other projects. As a result of technology improvements, Columbia is increasing the footage of pipeline that is installed by directional boring to reduce restoration costs and improve customer satisfaction. Columbia has also made changes in daily work practices to put strict guidelines in place to minimize overtime not related to emergency work or emergency response. Columbia has built these efficiencies into its Forecasted Test Period.

Q: Does this complete your Prepared Direct Testimony?

A: Yes.