

TAB 29

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

Direct Testimony of

Chrisley E. Scott

**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
CHRISLEY E. SCOTT
ON BEHALF OF COLUMBIA GAS OF KENTUCKY, INC.**

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May 20, 2026

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VERIFICATION OF CHRISLEY E. SCOTT


STATE OF OHIO)
)
COUNTY OF FRANKLIN)

Chrisley E. Scott, Senior Director Capital Planning and Support Services for NiSource Corporate Services Company, on behalf of Columbia Gas of Kentucky, Inc., being duly sworn, states that she 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 her knowledge, information and belief, formed after reasonable inquiry.


Chrisley E. Scott

The foregoing Verification was signed, acknowledged and sworn to before me this 13 day of May 2026, by Chrisley E. Scott.

Ashley G. LaRock
Attorney At Law
Notary Public, State of Ohio
My Commission has no expiration date
Sec. 147.03 R.C.


Notary Commission No. NA
Commission expiration: NA

PREPARED DIRECT TESTIMONY OF CHRISLEY E. SCOTT

1 I. INTRODUCTION

2 Q: Please state your name and business address.

3 A: My name is Chrisley E. Scott and my business address is 290 W. Nationwide
4 Blvd. Columbus, OH 43214.

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

6 A: I am employed by NiSource Corporate Services Company ("NCSC"), which
7 is a service company that serves Columbia Gas of Kentucky, Inc.
8 ("Columbia") as the Senior Director of Capital Program Oversight. In this
9 role, I have oversight over capital projects and programs for each of the
10 Columbia operating companies, including Columbia; the development,
11 initiation, and planning of major projects; and the Project Management Center
12 of Excellence.

13 Q: What is your educational background and professional experience?

14 A: After earning my bachelor's degree in business administration from Ohio
15 University, I began my professional career at a "Big Four" public
16 accounting firm within the audit practice. During my time at the firm, I
17 secured the required professional experience hours per The Ohio State
18 Accountancy Board to be awarded my CPA license. Since leaving public
19 accounting, I have held multiple finance roles throughout NiSource. My

1 career path at NiSource has provided me the opportunity to have
2 experiences in corporate financial planning and forecasting, utilities
3 segment planning and forecasting, and most recently Columbia operating
4 company capital planning and forecasting.

5 **Q: Have you previously testified before any regulatory commissions?**

6 A: I have prepared direct written testimony for Columbia Gas of Kentucky in
7 its last rate case, Case No. 2024-00092¹.

8 **Q: What is the purpose of your testimony?**

9 A: My testimony provides an overview of the process for setting a capital
10 budget of Columbia, including the method by which capital is allocated to
11 Columbia from NiSource.

12 **Q: What Filing Requirements will you be supporting?**

13 A: I will sponsor and support the following Filing Requirement:

Filing Requirement	Description	Tab
807 KAR 5:001 Section 16(7)(b)	The utility's most recent capital construction budget containing at a minimum a three (3) year forecast of construction expenditures.	33
807 KAR 5:001 Section 16(7)(c)	A complete description, which may be filed in written testimony form, of all 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).

	used in preparing the utility's forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.	
807 KAR 5:001 Section 16(7)(d)	The utility's annual and monthly budget for the twelve (12) months preceding the filing date, the base period, and forecasted period.	35
807 KAR 5:001 Section 16(7)(f)	For each major construction project that constitutes five (5) percent or more of the annual construction budget within the three (3) year forecast, the following information shall be filed: 1. The date the project was started or estimated starting date; 2. The estimated completion date; 3. The total estimated cost of construction by year exclusive and inclusive of allowance for funds used during construction ("AFUDC") or interest during construction credit; and 4. The most recent available total costs incurred exclusive and inclusive of AFUDC or interest during construction credit.	37
807 KAR 5:001 Section 16(7)(g)	For all construction projects that constitute less than five (5) percent of the annual construction budget within the three (3) year forecast, the utility shall file an aggregate of	38

	the information requested in paragraph (f) 3 and 4 of this subsection.	
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2 **Q. For the Filing Requirement that you are sponsoring, was it either**
3 **prepared by you, by someone at your direction, or did you review and concur**
4 **with the response?**

5 A: Yes.

6 **II. COLUMBIA'S CAPITAL PROGRAM**

7 **Q: What kinds of construction projects are included in Columbia's capital**
8 **program?**

9 A: Columbia's capital expenditures are categorized and allocated across the
10 following four business classes:

11 1. Growth (also referred to as "New Business"): expenses in this
12 category are used for any assets that are required to serve new
13 customers. Projects to address long-term market growth are also
14 included in this category.

15 2. Betterment expenses in this category are broken into two different
16 subcategories:

- 1 • Capacity or Compliance: assets that are required to improve
2 system reliability or provide additional capacity for existing
3 customers;
- 4 • Public Improvement: (also referred to as “Mandatory
5 Relocation”); any assets that must be relocated or altered to
6 meet municipality requirements; and
- 7 • Support Services: capital expenditures that are not directly
8 related to the installation of distribution facilities. This
9 includes expenditures for capitalized tools/equipment,
10 telemetry, remote control, and other distribution
11 communication equipment.

12 3. Replacement (also referred to as “Age and Condition” and
13 includes SMRP): expenses in this category are for any assets that
14 must be replaced due to damage or physical deterioration in
15 situations where repair is not cost effective.

16 4. Shared Services: expenses in this category include capital
17 investments in information technology, facilities, real estate, and
18 security that is allocated as NiSource corporate expenditures and
19 managed by NiSource Corporate IT with assistance from applicable
20 operating company personnel.

1 **Q: Please describe Columbia’s capital planning and allocation process.**

2 A: Columbia’s capital planning process is integral to its overall success. In
3 order to ensure the effectiveness of this process, the capital program
4 oversight team, which I lead, serves as the primary administrator for the
5 capital budget. This team facilitates consistent capital planning and
6 allocation across NiSource, optimizes capital spending, monitors and
7 forecasts capital expenditure, and communicates capital information to key
8 internal departments and stakeholders. When looking at capital spending
9 and optimization across NiSource, the team considers both rate of return as
10 well as timing of spend compared to return. Therefore, the ROE for
11 Columbia is considered when reviewing all available capital at the
12 NiSource level, and how that capital is disbursed for budgeting and
13 planning purposes. A greater ROE allows for Columbia to secure capital
14 necessary to continue to make required investments in the portfolio, and
15 allows for lower borrowing rates which in turn benefits our customer base.

16 The capital budgeting and planning process for NiSource is a
17 continual management process. Columbia’s utility capital planning process
18 is a series of collaborative working sessions with the President, other
19 members of the Columbia leadership team, as well as the Finance,
20 Operations, Engineering & Planning Departments. The Columbia

1 leadership team along with Operations, Engineering & Planning are
2 primarily responsible for identifying the capital investment needs for
3 public safety and reliability, compliance requirements, customer service
4 levels, and for identifying capital plan recommendations, which are
5 reviewed with the NiSource Financial Planning Department. The output of
6 these collaborative working sessions is a draft multi-year capital investment
7 plan.

8 As part of the annual budgeting process, Columbia's formal request
9 for capital is approved by the President prior to being presented to
10 NiSource executive management. Executive management finalizes the
11 capital budget for the next fiscal year and submits it to NiSource Board of
12 Directors for approval. The approval of the annual NiSource capital
13 program constitutes approval of the allocation to Columbia's capital
14 budget.

15 **Q: Does your team also oversee the development of budgets for Safety**
16 **Modification and Replacement Program ("SMRP") investments?**

17 **A:** SMRP capital planning and oversight follows the process detailed above.
18 The current best estimate for the 2027 SMRP capital is \$61.5 million, which
19 is not included in this rate case. Columbia will further refine this budget

1 estimate when the 2027 construction projects are developed and include it
2 in the annual SMRP update filing to be submitted in October 2026.

3 **Q: What is Columbia’s capital program budget for the forecasted test period**
4 **ending December 2027?**

5 A: For the forecasted test period ending December 2027, Columbia intends to
6 spend approximately \$102.9 million in capital, inclusive of anticipated
7 SMRP spend of \$61.5 million.

8 **Q: What is the capital requirement that is included in the forecasted test**
9 **period ending December 2027?**

10 A: For the forecasted test period ending December 2027, Columbia intends to
11 spend approximately \$41.4 million in capital.

12 **Q: Can the forecasted capital budget be broken down into the categories**
13 **listed above?**

14 A: Growth: \$11.6 million
15 Betterment: \$23.3 million
16 Shared Services: \$6.5 million
17 Anticipated SMRP: \$61.5 million

18 **Q: Does this complete your Prepared Direct Testimony?**

19 A: Yes.