

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the Matter of the Application of)	
Black Hills/Kansas Gas Utility Company, LLC,)	
d/b/a Black Hills Energy, for Approval of the)	Docket No. 25-BHCG-298 -RTS
Commission to Make Certain Changes in)	
its Rates for Natural Gas Service)	

DIRECT TESTIMONY

PREPARED BY

PAUL OWINGS

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

May 9, 2025

1 **Introduction and Qualifications**

2 **Q. Would you please state your name and business address?**

3 A. My name is Paul Owings. My business address is 1500 Southwest Arrowhead Road,
4 Topeka, Kansas, 66604.

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

6 A. I am employed by the Kansas Corporation Commission (Commission) as Chief Engineer of
7 the Operations and Pipeline Safety Section of the Utilities Division.

8 **Q. Please state your educational and employment background.**

9 A. I received Bachelor and Master of Science Degrees in Civil Engineering from Kansas State
10 University, Manhattan, Kansas. I have worked in various capacities as an engineer for the
11 past 12 years. I am licensed as a professional engineer in the states of Kansas and Missouri.
12 For the last year, I have assisted the Kansas Corporation Commission in matters dealing
13 with electric utility operations. I have also managed the pipeline safety program, overseen
14 open dockets related to utility operations, and administered and enforced the underground
15 utility damage prevention program. Prior to my work at the Commission, I was a Civil
16 Engineering consultant, where I handled design and construction contract administration for
17 various utility and development projects.

18 **Q. Have you previously testified before this Commission?**

19 A. Yes. I testified in dockets 24-GBEE-790-STG and 25-EKCE-207-PRE.

20 **Q. What is the overall purpose of your testimony?**

21 A. Black Hills/Kansas Gas Utility Company, LLC (“BHE” or the “Company”) is proposing to
22 amend its tariff for customers that are provided transportation service through third party

1 aggregators or marketers. My testimony provides Staff's perspective on the proposed
2 changes.

3 **Testimony Overview**

4 **Q. Can you provide a summary of the proposed tariff changes you will be addressing?**

5 **A.** Yes. BHE is proposing six amendments to its tariff that apply to customers or their shippers
6 that are eligible to purchase gas from transmission pipelines and transport it through BHE's
7 facilities to the customer meter.

8 **Q. Please provide a definition of an "aggregated customer"**

9 **A.** The tariff defines aggregation as the practice of combining more than one end-user delivery
10 point(s) served by a common pipeline and common aggregator for ease of nominating and
11 balancing. Aggregation is only allowed on a pipeline common to the group of customers,
12 and all of the customers in an aggregation pool are required to have the same type of
13 metering equipment used for reporting usage.¹

14 **Q. How are groups of aggregated customers developed?**

15 **A.** Typically, a gas marketing company ("marketer", "supplier", or "aggregator") will provide
16 a service that purchases gas and performs the administrative tasks associated with
17 nominating gas for an aggregated pool of end-users.

18 **Q. Please describe the six proposed tariff amendments.**

19 **A.** The following Table PCO-1 provides a synopsis of the current tariff provisions compared
20 to the proposed changes.

¹ See Index 30, sheet1 of the tariff for transportation services definitions

1

Table PCO-1

Tariff Term	Current Requirement	Proposed Change
Enrollment Period	SCTS-A and SVTS-A may enroll once per year on June 1; ITS-A may enroll twice per year; April 1 and November 1; LVTs-A may enroll monthly	All aggregated schedules may enroll once per year on June 1
Customer specific Operational Flow Orders (OFOs)	OFOs are system-wide or affected-area wide (not customer specific); apply only to undersupplies <5% of nomination.	Allows OFOs for both over and under supply outside the 5% nomination tolerance bandwidth (<5% or >5%); Allows OFOs to apply to individual customers
Daily imbalance charges	Pass through charge to transportation customers downstream of NNG, CIG and PEPL deliveries where daily receipts do not match the upstream pipeline's scheduling tolerance for daily deliveries.	Apply to all transportation customers (including deliveries from Southern Star and other pipelines). Upstream pipeline imbalance charges will continue to be passed through the PGA.
Receipt point assignment	Marketer arranges receipt point(s) to deliver gas to BHE system	BHE assigns number and location of receipt points to marketer
Non-telemetry daily balancing	Non-telemetered deliveries charged \$0.09 per Dth to the aggregator for BHE providing daily balancing service	Non-telemetered deliveries charged \$0.15 per dth to the aggregator for BHE providing daily balancing service.
Gas quality specifications	Customer-owned gas shall be of commercial quality; Company will not deliver gas with Btu lower than 800 Btu/ft ³	≤20 grains total sulfur/100 ft ³ ≤ ¹ / ₄ grain H ₂ S per 100 ft ³ ≤10 ppm O ₂ ≤1% CO ₂ ≤120 °F Free of particulate No bacteria 950<Btu/ft ³ <1200 ≤7 lbs/mmcft water vapor Company will not deliver gas with Btu lower than 800 Btu/ft ³
LVI Telemetry Requirement	LVI customers are currently not responsible for having telemetry.	LVI customers are required to have telemetry and cover the associated cost.

2

1 **Q. Which proposed tariff revisions are included in your testimony?**

2 **A.** I provide comments on the above list of proposed tariff revisions except the one dealing
3 with the price increase for non-telemetered deliveries. That particular revision is discussed
4 by Staff witness Chad Unrein.

5 **Revisions to Enrollment Period:**

6 **Q. Which groups of customers are affected by the proposed amendment to the enrollment**
7 **period for aggregated rate schedules?**

8 **A.** There are only two groups of customers that will be affected by the proposed change. They
9 are the aggregated large volume customers (LVTS-A)², and the aggregated irrigation
10 customers (ITS-A)³.

11 **Q. How will the proposed changes affect the LVTS-A customers?**

12 **A.** Presently, the LVTS-A customers may elect a different marketer on a monthly basis. While
13 this option provides flexibility to the end-user and the marketers soliciting new customers,
14 it also creates an administrative burden for BHE.

15 **Q. Would you expect LVTS-A customers to change marketers on a monthly frequency?**

16 **A.** No. Presumably, the customer would be tied to a contract term with the marketer for a
17 certain time period. Staff does not believe a marketer would typically allow customers to
18 receive service for only one month at a time. Most likely, the customer/marketer contract
19 term would be at least annual.

² LVTS-A refers to the aggregated group of non-residential customers that are not irrigators and are anticipated to use between 5,000 to 9,000 Decatherms (Dth) per year. A Dth is approximately 1,000 cubic feet or 1 mcf.

³ ITS-A refers to the aggregated group of non-residential customers using the gas for irrigation pumping. The delivery pool must 10,000 Dth per year.

1 **Q. Will a change in the enrollment period create a burden for the LVTS-A customer or**
2 **its marketer?**

3 **A.** There will be an adjustment period for the customer and its marketer in order to align the
4 customer/marketer contract start and end dates (endpoints) with the June 1 to May 31
5 contract endpoints proposed by BHE. If the tariff modification is allowed by the
6 Commission, Staff recommends allowing the LVTS-A customers one year after the date of
7 tariff approval to align the contract endpoints in order to allow marketers to adjust their
8 contract terms because there is no restriction on the BHE endpoints currently.

9 **Q. Does Staff support the proposed amendment for LVTS-A customers?**

10 **A.** Yes, with the above described condition.

11 **Q. How will the proposed amendment affect the ITS-A customers?**

12 **A.** As noted in Table PCO-1, the ITS-A customers are currently allowed to change their
13 enrollment twice per year with the new contract beginning on April 1 or November 1.

14 **Q. Do you know why the current ITS-A enrollment periods were chosen?**

15 **A.** No, but I would presume that the dates in the current tariff generally align with the Kansas
16 crop irrigation season. Specifically, the April 1 date likely enables an ITS-A customer to
17 finalize gas transportation enrollment near the beginning of the irrigation season, while the
18 November 1 date allows the customer to modify their enrollment at the end of the previous
19 irrigation season.

20 **Q. How will the proposed revision to a June 1 enrollment date for transportation services**
21 **affect ITS-A customers?**

22 **A.** I believe the effects of switching to an annual enrollment opportunity from a semiannual
23 enrollment opportunity will have minimal impact on ITS-A customers. However, the

1 proposed endpoints of June 1 to May 31 may be problematic for irrigation customers as it
2 would require any contract changes to occur during the irrigation season. There is a
3 possibility that any miscommunication regarding contract terms during the irrigation season
4 could result in financial penalties to the ITS-A customer, with the worst-case scenario being
5 the inability to receive gas resulting in crop failure.

6 **Q. Do you have any suggestions regarding a more optimal enrollment period for ITS-A**
7 **customers?**

8 **A.** As noted earlier, I support an annual enrollment period. However, without knowing the
9 specific challenges that BHE, the marketers, and the ITS-A customers may face in
10 completing the enrollment process, I am not in a position to recommend specific start and
11 end dates. Therefore, I recommend that the Commission request the parties to submit their
12 preferred enrollment period dates, with the goal of reaching a consensus. A consensus-based
13 approach would help ensure the enrollment period is both practical and workable for all
14 stakeholders involved.

15 **Expansion of OFO Applicability:**

16 **Q. Please define the circumstances that lead to an Operational Flow Order (OFO) being**
17 **issued by the pipeline operator.**

18 **A.** To maintain a balance between receipts (gas delivered onto the pipeline) and deliveries (gas
19 withdrawn from the pipeline), the pipeline operator may issue an Operational Flow Order
20 (OFO) when it determines that the normal operation of the system is at risk. An OFO
21 requires customers to deliver or withdraw specified quantities of gas to or from the pipeline
22 in order to mitigate the operational threat. An OFO may apply either to a specific segment

1 of the pipeline—referred to as the affected area—or to the entire pipeline system, depending
2 on the nature and extent of the risk.

3 **Q. What are the current conditions in the tariff that allow BHE to issue an OFO?**

4 **A.** Currently, the BHE tariff only allows an OFO to be issued for affected areas that are
5 undersupplied. In other words, there is an insufficient supply of gas being received by the
6 pipeline when compared to the amount of gas being delivered to customers for the given
7 segment of pipeline.

8 **Q. How is BHE proposing to revise the terms related to its ability to call for an OFO?**

9 **A.** BHE is proposing to expand the applicability of Operational Flow Orders (OFOs) for an
10 affected segment of pipeline to include situations involving the oversupply of gas to that
11 area. The proposed revisions would also allow BHE to assess OFO penalties specifically
12 against the marketers or customers responsible for causing the over- or under-supply, rather
13 than applying the penalty to all customers on the affected pipeline segment.

14 **Q. Do you agree with BHE's proposal to expand OFO applicability to conditions of**
15 **oversupply of gas to a pipeline segment?**

16 **A.** Yes, I agree with the principle that a pipeline operator should be able to issue an OFO for
17 oversupply conditions. While it is difficult to envision circumstances in which a pipeline's
18 integrity or its customers' supply on a segment of pipeline would be at risk during
19 oversupply conditions, there would be additional costs to the pipeline operator in managing
20 gas receipts in order to allow the system to use the excess gas on the pipeline. For that
21 reason, I believe the ability to call an OFO for oversupply is warranted.

1 **Q. Please explain the proposed tariff revision to apply OFO penalties to specific**
2 **customers?**

3 **A.** Currently, the BHE tariff requires all transportation customers on the affected segment of
4 pipeline to keep in tolerance with their gas nominations or be subject to a penalty once an
5 OFO is called. By allowing BHE to apply an OFO to an individual customer, the proposed
6 revision allows BHE to issue OFOs for an individual customer whose over/under supply of
7 gas is threatening the integrity of BHE normal operations.

8 **Q. Does the issuance of an OFO automatically impose a penalty on the out of tolerance**
9 **customer?**

10 **A.** No. I view it as an initial warning notice to the customer to return to its nomination
11 tolerances or face a penalty.

12 **Q. What is your opinion of the tariff revision to apply OFO penalties to specific**
13 **customers?**

14 **A.** I believe the concept of being able to address an individual customer or aggregator's actions
15 aligns with the public utility regulation principle that a cost causer should be the cost payer.
16 Also, it is worth noting that OFO penalties only can be applied to customers that are out of
17 tolerance with their gas nominations, and an OFO can only be called when the company
18 deems such action is, "necessary to maintain system integrity and to assure continued
19 service"⁴, Under these restrictions, I believe the customer specific OFO penalties would
20 only apply to customers with egregious nomination imbalances.

⁴ Transportation Services Definitions, Index 30 Sheet 3 Black Hills Kansas Service Area tariff.

1 **Q. Do you have any concerns about the expansion of OFOs to individual customers?**

2 **A.** Yes. The tariff phrase “necessary to maintain system integrity and assure continued service”
3 that triggers an OFO is subjective, and it gives BHE the unilateral ability to determine when
4 a OFO should be declared. While I believe such action is necessary for a pipeline operator
5 to have this type of control to maintain service, there is a possibility that the selection of
6 customers for OFO penalties could become unduly discriminatory. Under the current tariff
7 conditions, all customers out of tolerance with their nominations are subject to a penalty for
8 an OFO issued for a pipeline segment. Under the proposed revision, BHE could select which
9 out of tolerance customers on a given segment should be issued an OFO.

10 **Q. Do you have any recommendations regarding the proposed tariff provision?**

11 **A.** I recommend approval of the tariff revisions related to OFOs. The expansion of BHE
12 authority to issue OFOs to individual customers is an appropriate revision, which directs the
13 customer to take action should BHE provide notice of an OFO situation. If the customer
14 believes such notice is unduly discriminatory, it can address its concerns through the
15 Commission’s complaint process.⁵

16 **Addition of Daily Imbalance Charges:**

17 **Q. Please explain the concept of daily imbalance charges.**

18 **A.** An imbalance occurs when a customer’s nominations exceed the +/-5% tolerance band for
19 balancing its gas delivered to the pipeline (receipts) to its gas taken from the pipeline
20 (deliveries). When an aggregator or customer has an Imbalance, the Company has either
21 provided gas to the customer to meet an underage (deficiency), or stored gas for customer

⁵ See K.S.A. 66-1,205.

1 to meet an overage (excess). The charge is assessed monthly based on a calculation of any
2 daily imbalances.

3 **Q. Does BHE currently assess imbalance charges?**

4 **A.** Yes. Several interstate pipelines that deliver gas to the BHE system assess daily imbalance
5 charges.⁶ For BHE customers that deliver gas to BHE from these pipelines, BHE pays the
6 interstate pipeline charge and then assesses a charge equivalent to the upstream pipeline's
7 daily scheduling charge to the customers that nominate gas from the upstream pipeline. All
8 scheduling charges paid to the interstate line and all revenue for assessments to customers
9 for these charges are placed in the purchase gas adjustment (PGA).

10 **Q. Can you provide an example of an interstate pipeline scheduling charge?**

11 **A.** Yes. Exhibit PCO-1 provides pages from the current tariff of Northern Natural Gas
12 Company that are relevant to calculating the Daily Delivery Variance Charge (DDVC) for
13 that pipeline. From the attached, it appears the DDVC would range from \$0.3441/Dth to
14 \$0.8742/DTh depending on the time of year that that the imbalance occurred.

15 **Q. How many of BHE's transportation customers are served by pipelines that currently**
16 **assess a daily imbalance charge?**

17 **A.** Currently, 31% of BHE's transportation customers pay a daily imbalance charge based on
18 tariff provisions found in FERC approved tariffs.⁷

⁶ See Direct Testimony of Samuel Tobin, page 7, lines 1-6. BHE identifies Northern Natural Gas, Colorado Interstate Gas and Panhandle Eastern Pipeline as interstate pipelines that may assess daily scheduling charges.

⁷ See Response to Staff Data Request No. 221.

1 **Q. What is the magnitude of current imbalance charges paid by BHE?**

2 **A.** It appears that BHE incurs an average of \$417,000 per year of imbalance charges during
3 normal operating conditions and \$291,000 per year for imbalance charges during abnormal
4 conditions such as an OFO.⁸

5 **Q. Regarding imbalance charges, what are the tariff revisions proposed by BHE?**

6 **A.** BHE is proposing to create a daily imbalance charge that will be applicable to all its
7 transportation customers. It appears this charge will be in addition to any imbalancing or
8 scheduling charges which BHE currently passes through from the upstream pipelines.

9 **Q. What is the amount of the proposed tariff?**

10 **A.** BHE is proposing to adopt the same imbalance charges as found in the Northern Natural
11 Gas Company tariff (Exhibit PCO-1), which amounts to \$0.3441/Dth in the summer and
12 \$0.8742/Dth in the winter, applied to any amount outside the customer's 5% daily
13 nomination tolerance bandwidth.⁹

14 **Q. What is the purpose of the proposed addition of daily imbalance charges to the BHE**
15 **tariff?**

16 **A.** As stated in Mr. Tobin's testimony, the daily imbalance charge is intended to incent
17 transportation customers to manage their scheduling imbalances and to ensure BHE retail
18 customers are recovering all gas balancing charges from upstream pipelines.¹⁰ It will also
19 assist BHE in managing imbalances for transportation deliveries made across its distribution
20 system.¹¹

⁸ *Id.*

⁹ See BHE proposed tariff, index 36, sheets 1-2.

¹⁰ See Tobin Direct, Page 7, lines 11-16.

¹¹ *Id.* Page 8, lines 4-7.

1 **Q. Do you support the addition of an imbalance charge for all BHE transportation**
2 **customers?**

3 **A.** Yes, I do. To be clear, I do not view the imbalance charge as an additional cost for the
4 aggregator or the transportation customer because there will be no charge if the
5 aggregator/end user stays within the 5% daily scheduling tolerance. Similar to my support
6 for the customer specific OFO charges, my support for this tariff change is mainly based on
7 the principle that the cost causer should be the cost payer. I also note that FERC approved
8 tariffs demonstrate that daily imbalance charges are an acceptable practice for gas
9 transmission pipelines. Therefore, the extension of this practice to BHE transmission
10 customers is a reasonable request, and it will protect retail customers from absorbing the
11 costs incurred by BHE to manage supply from upstream pipelines with different balancing
12 requirements.

13 **Revision to Receipt Point Assignment:**

14 **Q. Please describe the term “receipt point”.**

15 **A.** In the tariff, the receipt point is indirectly defined as the point (interconnection with an
16 upstream pipeline) at which the aggregator or end-user delivers gas to the BHE system. The
17 current tariff appears to allow the customer to negotiate the points in the BHE system that
18 it will use to deliver gas.¹²

19 **Q. Please describe the proposed revisions to the tariff regarding this term.**

20 **A.** In areas where BHE has multiple points of interconnection into its system, BHE is proposing
21 that the tariff allow BHE unilateral authority to assign specific receipt points to the
22 transportation customer.

¹² See Index 38, sheet 6, paragraph 9 titled, Gas Supply. The phrase, “...shall arrange for...the Delivery of such gas to a Company Receipt Point..” indicates the customer will negotiate with the Company for gas delivery at a given point.

1 **Q. What is BHE’s rationale for the proposed tariff change?**

2 **A.**BHE argues the proposed tariff language will allow it to optimize the use of its system to
3 ensure the gas physically supplied by a transportation customer can be consumed by that
4 customer.¹³

5 **Q. Does the tariff still allow the customer to negotiate receipt points with BHE?**

6 **A.**Presumably there is still room for negotiation between the parties. The proposed tariff
7 amendment states that it will allow secondary receipt points subject to an availability
8 determination by BHE.

9 **Q. Does BHE provide any insight into how it will determine receipt point availability?**

10 **A.**The tariff does not define this subjective term. However, in response to data requests, BHE
11 outlined its current methodology as using its engineering team’s hydraulic models to ensure
12 the receipt to delivery path granted to transportation customers is optimized from an
13 operations point of view.¹⁴

14 **Q. Do you agree that the proposed tariff revisions are reasonable?**

15 **A.**Yes. I believe it is reasonable to assign receipt points that are hydraulically connected to the
16 delivery point. However, I also believe secondary receipt points should be allowed if BHE’s
17 study shows the additional points do not cause system operations problems.

18 **Q. Do you have any concerns with the proposed revision?**

19 **A.**As noted earlier in my testimony, some tariff terms are necessarily subjective and that is the
20 case in this revision as well. In my opinion, any subjective term such as “subject to
21 availability” may provide a risk of the term being applied in an unduly discriminatory

¹³ See Tobin Direct Testimony, page 8-9.

¹⁴ See response to Staff Data Request 222.

1 manner. Again, if a marketer or end-use customer feels this provision is applied in an
2 inappropriate manner, they may file a complaint with the Commission.

3 **Additional Gas Quality Specifications:**

4 **Q. Please discuss the proposed revisions to the gas quality provisions in the pipeline.**

5 **A.** The current tariff requires any gas delivered to the pipeline to be of “commercial quality”
6 and “merchantable”, and it provides a few general guidelines to assist the shipper in meeting
7 these conditions. The proposed revisions to the gas quality specifications provide additional
8 clarity to help define the commercial quality of gas that BHE is willing to accept.

9 **Q. Will any of the additional quality specifications place a burden on shippers, or gas**
10 **gathering companies that are currently shipping gas on the BHE system?**

11 **A.** I do not believe so. All of the nine conditions listed in the gas quality specifications¹⁵ are
12 common quality criteria found throughout the industry. For the most part, the listed criteria
13 and their maximum contaminant levels are selected to minimize corrosion of steel piping
14 and appliances, which provides a sound argument for protecting the pipeline system and the
15 gas consumers.

16 **Q. Do you agree with the proposed revisions to the gas quality requirements?**

17 **A.** Yes.

18 **Large Volume Interruptible (LVI) Telemetry Requirement:**

19 **Q. Please summarize the proposed tariff revisions relating to LVI telemetry equipment**
20 **requirements.**

21 **A.** The proposed revision relates to non-residential customers who have an annual consumption
22 of natural gas greater than 5,000 Dth (large volume) on interruptible service terms. The tariff

¹⁵ See Index 38, sheets 3 and 4 of the proposed tariff.

1 revision requires the installation of telemetry equipment so that gas consumption can be
2 remotely monitored by BHE. The tariff revision requires LVI customers to pay for the
3 telemetry equipment.

4 **Q. How does an LVI customer compare with a Large Volume Firm Service (LVF)**
5 **customer?**

6 **A.** LVI customers are exposed to service interruptions during certain instances such as
7 interconnected pipeline system capacity constraints. Therefore, the gas cost for LVI
8 customers does not include the Demand Component of BHE's Purchased Gas Cost
9 Adjustment. LVF customers have a firm gas supply and are therefore not exposed to service
10 interruptions. However, LVF customers must pay the Demand Component of BHE's
11 Purchased Gas Cost Adjustment to account for the additional reliability.

12 **Q. Please describe what support BHE has provided for the requirement of telemetry on**
13 **LVI customers.**

14 **A.** Beginning on page 6 of Nicholas W. Smith's Direct Testimony, he describes the LVI
15 telemetry requirements and various justifications for the installation of the equipment. Mr.
16 Smith indicates that by knowing precisely if and when LVI customers are using gas, BHE
17 can better manage their pipeline systems, increasing reliability for all customers. Mr. Smith
18 goes on to explain that telemetry data will allow BHE to properly assign the cost of gas
19 consumed and better understand the LVI customer's gas requirements.

20 **Q. Does Staff support the installation of telemetry equipment on LVI customers?**

21 **A.** Yes. LVI customers benefit from lower gas costs associated with interruptible service terms.
22 If BHE requests an interruption on an LVI customer's service, the telemetry equipment
23 allows BHE to verify whether the LVI consumer discontinued use of gas. If the LVI

1 customer continues to utilize gas during an interruption, they could negatively affect LVI
2 customers who pay a premium for firm supply. Without the telemetry equipment, it would
3 not be practical for BHE to assess whether the LVI customer interrupted gas service at an
4 appropriate time. Monitoring the gas consumption of the LVI customers is necessary to
5 fairly administer the terms of the tariff. For these reasons and the justification that Mr.
6 Smith describes in his testimony, Staff is supportive of the request to require telemetry
7 equipment on LVI customers.

8 **Conclusion**

9 **Q. Please summarize your testimony.**

10 A. BHE is requesting approval of six revisions to its gas transportation tariff. I have reviewed
11 five of the proposed revisions in my testimony while the provision related to the charge for
12 non-telemetry meters is discussed in the direct testimony of Staff witness Chad Unrein.

13 **Q. Which group of customers are affected by the proposed revisions?**

14 A. The provision dealing with the transportation tariff enrollment period only applies to end
15 use customers that participate in an aggregated pool of customers. The remaining provisions
16 apply to all transportation customers.

17 **Q. Do you support the five proposed tariff revisions that you have reviewed?**

18 A. Yes. The proposed tariff revisions tend to protect retail gas customers from paying charges
19 that are associated with shipper transportation activity on the BHE system. In that regard, I
20 support the proposed revisions primarily because they promote the principle of the cost
21 causer being the cost payer, by requiring the shipper to pay closer attention to its obligations
22 when nominating gas or monitoring the quality of gas placed on the system. At the same
23 time, I have noted that many of the tariff terms are subjective with BHE being the final

1 arbiter of how to apply a given term. I caution BHE to avoid any unduly discriminatory
2 interpretation of the tariff rules and remind the customer that it may have recourse to the
3 Commission to arbitrate any application of conditions that it believes are inappropriate.

4 **Recommendations**

5 **Q. Do you have any recommendations for the Commission's consideration regarding the**
6 **LVTs-A enrollment period?**

7 **A. Yes.** Because there is no restriction on the BHE endpoints of the enrollment period
8 currently, I recommend allowing the LVTs-A customers one year after the date of tariff
9 approval to align the contract endpoints in order to allow marketers to adjust their contract
10 terms.

11 **Q. Do you have any recommendations for the Commission's consideration regarding the**
12 **ITS-A enrollment period?**

13 **A. Yes.** In the provision dealing with the enrollment period for ITS-A shippers, I recommend
14 the Commission request BHE and any interested intervenors in this Docket propose for the
15 Commission's consideration endpoints for the annual enrollment time period of ITS-A
16 service in order to minimize contracted supply disruptions during the irrigation season.

17 **Q. Does this complete your testimony?**

18 **A. Yes.**

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

VERIFICATION

Paul Owings, being duly sworn upon his oath deposes and states that he is Chief Engineer of the Kansas Corporation Commission of the State of Kansas, that he has read and is familiar with the foregoing *Testimony*, and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.



Paul Owings, P.E.
Chief Engineer
State Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 30 day of April, 2025.



Notary Public

My Appointment Expires: 4/28/29



NOTARY PUBLIC - State of Kansas
ANN M. MURPHY
My Appt. Expires 4/28/29

CERTIFICATE OF SERVICE

25-BHCG-298-RTS

I, the undersigned, certify that a true and correct copy of the above and foregoing Direct Testimony was served via electronic service this 9th day of May, 2025, to the following:

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 S HICKORY
PO BOX 17
OTTAWA, KS 66067-0017
jflaherty@andersonbyrd.com

JEFF AUSTIN
AUSTIN LAW P.A.
7111 W. 151st ST.
SUITE 315
OVERLAND PARK, KS 66223
jeff@austinlawpa.com

NICK SMITH, MANAGER - REGULATORY & FINANCE
BLACK HILLS/KANSAS GAS UTILITY COMPANY LLC
D/B/A Black Hills Energy
601 NORTH IOWA STREET
LAWRENCE, KS 66044
nick.smith@blackhillscorp.com

JEFFREY DANGEAU, ASSOCIATE GENERAL COUNSEL
BLACK HILLS/KANSAS GAS UTILITY COMPANY, LLC
D/B/A BLACK HILLS ENERGY
655 EAST MILLSAP DRIVE, STE. 104
PO BOX 13288
FAYETTEVILLE, AR 72703-1002
jeff.dangeau@blackhillscorp.com

ROB DANIEL, DIRECTOR OF REGULATORY
BLACK HILLS/KANSAS GAS UTILITY COMPANY, LLC
D/B/A BLACK HILLS ENERGY
2287 COLLEGE ROAD
COUNCIL BLUFFS, IA 51503
rob.daniel@blackhillscorp.com

DOUGLAS LAW, ASSOCIATE GENERAL COUNSEL
BLACK HILLS/KANSAS GAS UTILITY COMPANY, LLC
D/B/A BLACK HILLS ENERGY
2287 COLLEGE ROAD
COUNCIL BLUFFS, IA 51503
douglas.law@blackhillscorp.com

JOSEPH R. ASTRAB, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
joseph.astrab@ks.gov

TODD E. LOVE, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
todd.love@ks.gov

SHONDA RABB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
shonda.rabb@ks.gov

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
della.smith@ks.gov

CERTIFICATE OF SERVICE

25-BHCG-298-RTS

ALEX GOLDBERG, ATTORNEY
EVERSHEDS SUTHERLAND (US) LLP
1196 S MONROE STREET
DENVER, CO 80210
alexgoldberg@eversheds-sutherland.com

MOLLY E MORGAN, ATTORNEY
FOULSTON SIEFKIN LLP
1551 N. Waterfront Parkway
Suite 100
Wichita, KS 67206
mmorgan@foulston.com

JAMES P ZAKOURA, ATTORNEY
FOULSTON SIEFKIN LLP
7500 COLLEGE BOULEVARD, STE 1400
OVERLAND PARK, KS 66201-4041
jzakoura@foulston.com

DAVID N DITTEMORE
FREEDOM PIPELINE, LLC
609 REGENT PARK DRIVE
MT. JULIET, TN 37122-6391
d.dittemore28@gmail.com

MONTGOMERY ESCUE, CONSULTANT
FREEDOM PIPELINE, LLC
3054 KINGFISHER POINT
CHULUOTA, FL 32766
montgomery@escue.com

KIRK HEGER
FREEDOM PIPELINE, LLC
1901 UNIVERSITY DRIVE
LAWRENCE, KS 66044
kirkheger@gmail.com

AARON BAILEY, ASSISTANT GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
aaron.bailey@ks.gov

PATRICK HURLEY, CHIEF LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
patrick.hurley@ks.gov

PAUL MAHLBERG, GENERAL MANAGER
KANSAS MUNICIPAL ENERGY AGENCY
6300 W 95TH ST
OVERLAND PARK, KS 66212-1431
mahlberg@kmea.com

TERRI J PEMBERTON, GENERAL COUNSEL
KANSAS MUNICIPAL ENERGY AGENCY
6300 W 95TH ST
OVERLAND PARK, KS 66212-1431
pemberton@kmea.com

DARREN PRINCE, MANAGER, REGULATORY & RATES
KANSAS MUNICIPAL ENERGY AGENCY
6300 W 95TH ST
OVERLAND PARK, KS 66212-1431
prince@kmea.com

DIXIE RIEDEL, DIRECTOR OF NATURAL GAS, KMGA
KANSAS MUNICIPAL ENERGY AGENCY
6300 W 95TH ST
OVERLAND PARK, KS 66212-1431
riedel@kmea.com

CERTIFICATE OF SERVICE

25-BHCG-298-RTS

GLEND A. CAFER, MORRIS LAING LAW FIRM
MORRIS LAING EVANS BROCK & KENNEDY CHTD
800 SW JACKSON STE 1310
TOPEKA, KS 66612-1216
gcafer@morrislaing.com

LUKE A. SOBBA, ATTORNEY
MORRIS LAING EVANS BROCK & KENNEDY CHTD
800 SW JACKSON STE 1310
TOPEKA, KS 66612-1216
lsobba@morrislaing.com

WILL B. WOHLFORD, ATTORNEY
MORRIS LAING EVANS BROCK & KENNEDY CHTD
300 N MEAD STE 200
WICHITA, KS 67202-2745
wwohlford@morrislaing.com

PHOENIX Z. ANSHUTZ, ATTORNEY
PENNER LOWE LAW GROUP, LLC
245 N WACO STREET, STE 125
WICHITA, KS 67202
panshutz@pennerlowe.com

FRANK A. CARO, JR., ATTORNEY
POL SINELLI PC
900 W 48TH PLACE STE 900
KANSAS CITY, MO 64112
fcaro@polsinelli.com

JARED R. JEVONS, ATTORNEY
POL SINELLI PC
900 W 48TH PLACE STE 900
KANSAS CITY, MO 64112
jjevons@polsinelli.com

RICHARD L. HANSON
RICHARD L. HANSON
16171 ROAD I
LIBERAL, KS 67901
rlhanson@wbsnet.org

LAURA PFLUMM CEREZO, ATTORNEY
SEABOARD ENERGY KANSAS, LLC
D/B/A SEABOARD CORPORATION
9000 W 67TH STREET
STE 200
MERRIAM, KS 66202
laura.cerezo@seaboardcorp.com

LAURA PFLUMM CEREZO, ATTORNEY
SEABOARD ENERGY KANSAS, LLC
D/B/A SEABOARD FOODS LLC
9000 W 67TH STREET
STE 200
MERRIAM, KS 66202
laura.cerezo@seaboardcorp.com

JENNIFER CHARNO NELSON, ATTORNEY
SEABOARD ENERGY KANSAS, LLC
D/B/A SEABOARD CORPORATION
9000 W 67TH STREET
STE 200
MERRIAM, KS 66202
jennifer.nelson@seaboardfoods.com

JENNIFER CHARNO NELSON, ATTORNEY
SEABOARD ENERGY KANSAS, LLC
D/B/A SEABOARD FOODS LLC
9000 W 67TH STREET
STE 200
MERRIAM, KS 66202
jennifer.nelson@seaboardfoods.com

STACY WILLIAMS, SVP, GENERAL COUNSEL
SYMMETRY ENERGY, LLC
1111 Louisiana St.
Houston, TX 77002
stacy.williams@symmetryenergy.com

CERTIFICATE OF SERVICE

25-BHCG-298-RTS

DON KRATTENMAKER, VICE PRESIDENT
WOODRIVER ENERGY, LLC
633 17th STREET, STE. 1410
DENVER, CO 80202
don.krattenmaker@woodriverenergy.com

Ann Murphy

Ann Murphy