

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of Golden Gas                     )  
Service Company for a Certificate of Convenience                     )  
and Necessity to Operate an Intrastate Natural Gas                     )  
Storage and Pipeline Facility in Kiowa County,                     )       Docket No. 25-GGSG-\_\_\_\_\_-COC  
Kansas and for Approval of Initial Terms and                     )  
Conditions for Services and Rates                     )

**DIRECT TESTIMONY OF ALAN R. STAAB**

**I.     INTRODUCTION**

1     **Q.     PLEASE STATE YOUR NAME AND BUSINESS ADDRESS AND DESCRIBE YOUR**  
2           **ROLE AT GOLDEN GAS SERVICE COMPANY.**

3     A.     My name is Alan R. Staab. My business address is 2505 E. 21<sup>st</sup> Street, Suite B, Tulsa,  
4           Oklahoma, 74114. I am President of Golden Gas Service Company (GGSC).

5     **Q.     PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL BACKGROUND.**

6     A.     I have a Bachelor of Science Degree in Chemical Engineering from Michigan State University.  
7           I have an MBA degree from the University of Oklahoma. I was an engineer at Mobil Oil  
8           Corporation and TXO Production Company. I was a bank loan officer for Continental National  
9           Bank. In 1989, I founded Golden Gas Production Company. In 1995, I founded Tag Team  
10          Resources and in 1997, founded GGSC.

11    **Q.     CAN YOU PROVIDE SOME GENERAL BACKGROUND REGARDING GGSC'S**  
12          **BUSINESS ACTIVITIES?**

13    A.     Yes. GGSC is an Oklahoma corporation. It has been authorized to do business in the state of  
14          Kansas since 2007. GGSC is engaged in the exploration, production and marketing of oil and

1 natural gas. GGSC has operated the West Alva Storage Fields, a natural gas storage facility  
2 as part of GGSC's enhanced oil recovery (EOR) project located in Woods County, Oklahoma  
3 for the past 15 years. GGSC is currently compliant with all Pipeline and Hazardous Materials  
4 Safety Administration (PHMSA) requirements for operation of its Oklahoma gas storage  
5 facility. GGSC's corporate documents are attached to the Application as **Exhibit C**.

6 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KANSAS CORPORATION**  
7 **COMMISSION (KCC)?**

8 A. I have not previously testified before the KCC.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A. The purpose of my testimony is to support the Application filed by GGSC to obtain authority  
11 and a certificate of convenience and necessity (CCN) from the KCC to construct, operate and  
12 maintain the proposed Joy Station gas storage and pipeline facilities to be located in Kiowa  
13 County, Kansas. I describe the proposed gas storage and pipeline facilities, the proposed time  
14 line for the proposed project and the current status of the development of the project, including  
15 the application filed with the Kansas Department of Health and Environment (KDHE) for a  
16 permit to construct and operate Joy Station. I summarize the technical expertise of GGSC to  
17 construct, operate and maintain the facilities. I set forth the engineering/design and project  
18 management support to be provided by GGSC and the outside firms that will be working with  
19 GGSC on the project. My testimony describes the financial strength of GGSC and the  
20 proposed financing of the proposed gas storage and pipeline facilities. I also describe the gas  
21 storage capacity that will be available from the proposed gas storage facility. I outline the open  
22 season process that GGSC plans to conduct and the need for the proposed gas storage service.

1 My testimony supports the market based rate structure that GGSC proposes to use, the  
2 comparison of GGSC's proposed rate structure with rates charged by other providers of gas  
3 storage services in Kansas and GGSC's proposed general terms and conditions of service.

4 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

5 A. Yes. I am sponsoring the following Exhibits attached to the Application or my testimony:

6 **Exhibit A.** Diagram of the proposed Joy Station Gas Storage Facility.

7 **Exhibit B.** Map showing the location of the Joy Station Gas Storage Facility.

8 **Exhibit B-1.** Legal Description of the location of the Joy Station Gas Storage Facility.

9 **Exhibit B-2.** Legal Description of the location of the proposed GGSC pipeline.

10 **Exhibit C.** GGSC Corporation Documents.

11 **Exhibit D.** Pro forma balance sheet and income statement showing the capital and  
12 operating costs relating to the construction and operation of the Joy Station Gas  
13 Storage and Pipeline Facilities.

14 **Exhibit E.** Description of the companies that GGSC is in the process of retaining to  
15 construct the Joy Station Gas Storage and Pipeline facilities.

16 **Exhibit F.** GGSC's proposed general terms and conditions and initial rate tariff.

17 **Exhibit G.** Project Development Team.

18 **Exhibit H.** Development and Construction Time Line.

19 **Exhibit I.** Current Development Progress.

20 **II. DESCRIPTION OF THE JOY STATION GAS STORAGE AND PIPELINE**  
21 **FACILITIES**

22 **Q. PLEASE PROVIDE A DESCRIPTION OF THE PROPOSED JOY STATION GAS**

1           **STORAGE AND PIPELINE FACILITIES.**

2           A.     GGSC has filed an application with the KDHE for a permit to construct, operate and maintain  
3           a new salt cavern natural gas storage project near Greensburg, Kansas in Kiowa County,  
4           Kansas, which is referred to as Joy Station. GGSC will utilize bedded salt cavern solution  
5           mining technology to create the storage facility. GGSC anticipates receiving a permit from  
6           KDHE by June 2025. The construction of the project is scheduled to be performed in four  
7           phases. Phase I will involve the drilling of two Class I disposal wells in the Arbuckle  
8           Formation, construction of a Leach Plant (a facility used to create underground caverns in salt  
9           formations by dissolving the salt with injected water and leaching the salt away to create a  
10          large storage space for natural gas), four (4) initial caverns located in the Hutchinson Salt  
11          Formation, and an approximately five-mile pipeline to connect the gas storage facilities to one  
12          or more natural gas pipelines. As shown in **Exhibit H** attached to my testimony, Phase I is  
13          scheduled to be completed and in operation by the end of the second quarter of 2029. Phases  
14          II-IV will involve fourteen (14) additional caverns located in the Hutchinson Salt Formation  
15          being added to the natural gas storage facility and completion of those phases will be based  
16          upon market conditions. **Exhibit A** to the Application is a diagram of the proposed Joy Station  
17          gas storage facility.

18                 The four initial caverns will have a working gas capacity (the gas that will move in and  
19                 out of the storage cavern) of 2.4 Bcf and cushion gas (the gas that will remain in the storage  
20                 cavern for pressure and other purposes) of 1.6 Bcf. The storage facility will be operated at a  
21                 maximum pressure of 1,482 psig and a minimum pressure of 588 psig. The Phase II-IV  
22                 caverns will have an additional working gas capacity of 7.2 Bcf and cushion gas of 4.8 Bcf.

1 The storage facility will be able to conduct twelve (12) injection/withdrawal cycles per year.  
2 Phase I maximum daily quantity will be 160,000 Mcf per day. The maximum daily quantity  
3 after the completion of Phase IV will be 640,000 Mcf per day.

4 Joy Station is located at the intersection of six (6) interstate pipelines and one (1)  
5 intrastate pipeline. Phase I of the project will include the construction of an approximately five  
6 (5) mile pipeline that will connect the gas storage facility to one or more of those pipelines.  
7 **Exhibit B** to the Application is a map showing the location of Joy Station in relation to the  
8 other pipelines in the area and the proposed location of the proposed GGSC pipeline that will  
9 connect Joy Station to one or more other pipelines in the area. **Exhibit B-1** to the Application  
10 sets forth the legal description of the location of the gas storage facility. **Exhibit B-2** to the  
11 Application sets forth the legal description of the location of the proposed GGSC pipeline.

12 **III. PROPOSED TIME LINE AND THE CURRENT STATUS OF THE DEVELOPMENT**  
13 **OF THE PROJECT**

14 **Q. WHAT IS THE PROPOSED TIME LINE FOR THE DEVELOPMENT OF THE**  
15 **PROJECT?**

16 A. **Exhibit H** attached to my testimony shows the current development time line and construction  
17 time line for Phase I of the Joy Station project. Construction of the facility and the drilling of  
18 the storage and saltwater disposal wells are scheduled to begin in the first and second quarters  
19 of 2026. The leaching process, which will take approximately three years, is scheduled to  
20 begin in early 2026. The start-up of Phase I of the gas storage and pipeline facilities is  
21 scheduled for the second quarter of 2029. Completion of Phases II-IV will be based upon  
22 market conditions.

1     **Q.     WHAT PROGRESS HAS BEEN MADE IN THE DEVELOPMENT OF THE**  
2     **PROJECT?**

3     A.     **Exhibit I** attached to my testimony shows the progress that has been made to date on the  
4     development of the Joy Station project. GGSC has acquired the surface and mineral rights  
5     associated with the storage facility and has acquired the necessary water rights totaling in  
6     excess of 2,000 acre feet per year needed for the solution mining. GGSC has fully funded the  
7     engineering and development. It has completed detailed cost estimates for the cavern drilling,  
8     leaching, compression and construction contractors. It has applied for KDHE cavern storage  
9     well and saltwater disposal well permits that are on track to be completed in June 2025. It has  
10    identified preferred EPC contractors and expects executed contracts with them in the fourth  
11    quarter of 2025.

12   **IV.    COST AND FINANCING OF THE JOY STATION GAS STORAGE AND PIPELINE**  
13   **PROJECT**

14   **Q.     WHAT IS THE PROJECTED COST OF PHASE I OF THE JOY STATION GAS**  
15   **STORAGE AND PIPELINE PROJECT?**

16   A.     The Phase I cost of the Joy Station gas storage and pipeline facilities is projected to be \$94  
17   million.

18   **Q.     HOW WILL THE COST OF THE PROJECT BE FUNDED?**

19   A.     Approximately \$30 million of equity will be funded by Joy Station Storage Company, LLC,  
20   (JSSC), its affiliated entities and other investors. The balance will be funded by banking  
21   institutions and/or issuances of Kiowa County bonds. GGSC is the managing member of  
22   JSSC. JSSC will be the owner of the Joy Station gas storage and pipeline facilities. JSSC is

1 a Kansas liability company. GGSC will be the operator of the Joy Station gas storage and  
2 pipeline facilities, the public utility and holder of the CCN. GGSC and JSSC agree to comply  
3 with all affiliated interest statutes and regulations.

4 **Q. HAS GGSC PREPARED PRO FORMA FINANCIAL INFORMATION RELATING TO**  
5 **THE CONSTRUCTION AND OPERATION OF THE JOY STATION GAS STORAGE**  
6 **AND PIPELINE FACILITIES?**

7 A. Yes. A pro forma balance sheet and income statement and other financial information showing  
8 the capital and operating costs and revenues relating to the construction and operation of the  
9 Joy Station gas storage and pipeline facilities is attached to the Application as **Exhibit D**.

10 **V. TECHNICAL CAPABILITY OF APPLICANT TO CONSTRUCT, OPERATE AND**  
11 **MAINTAIN JOY STATION**

12 **Q. DOES GGSC HAVE THE TECHNICAL QUALIFICATIONS TO CONSTRUCT,**  
13 **OPERATE AND MAINTAIN JOY STATION?**

14 A. Yes. GGSC has the technical qualifications to construct, operate and maintain Joy Station and  
15 to provide the proposed gas storage and pipeline transportation services. GGSC has operated  
16 the West Alva Storage Fields as part of its enhanced oil recovery (EOR) project in Woods  
17 County, Oklahoma since 2010. GGSC is currently compliant with all Pipeline and Hazardous  
18 Materials Safety Administration (PHMSA) requirements for operation of its Oklahoma gas  
19 storage facility. The Project Development Team has extensive industry experience. President  
20 of GGSC, Alan Staab, and Lead Engineer, Ryan Ward, are the individuals responsible for  
21 oversight of construction and operation of the Joy Station facility. Both individuals have  
22 extensive experience in the oil and natural gas industry and the operation of GGSC's

Oklahoma storage facility over the past 15 years and knowledge of the natural gas industry in general. GGSC's Project Finance Director, Blaise Staab, who recently joined GGSC, has experience in securing financing for energy projects. A summary of each of their industry experience and educational backgrounds are included in **Exhibit G** attached to the Application.

**Q. DO THE COMPANIES THAT GGSC IS IN THE PROCESS OF RETAINING TO CONSTRUCT THE JOY STATION PROJECT HAVE THE TECHNICAL QUALIFICATIONS TO CONSTRUCT JOY STATION?**

A. Yes. GGSC is in the process of retaining several engineering, drilling and construction contractors to construct Joy Station. The names of each contractor and the specific element of the project that each contractor will be responsible for is set forth on page one of **Exhibit E**. A summary of the background of each contractor is set forth on page two of **Exhibit E**. GGSC is currently in discussions with each contractor and plans to have EPC contracts with the contractors completed by the end of 2025.

**VI. THE REASONABLENESS OF GGSC'S MARKET BASED RATES AND PROPOSED GENERAL TERMS AND CONDITIONS OF SERVICE**

**Q. CAN YOU IDENTIFY EXHIBIT F TO THE APPLICATION?**

A. Yes. **Exhibit F** to the Application is a copy of GGSC's proposed general terms and conditions of service and initial rates. The general terms and conditions of service are similar to the terms and conditions of service offered by other gas storage and pipeline companies and consistent with standards developed and promoted by the North American Energy Standards Board (NAESB). The initial rate tariffs are structured similar to the way rate tariffs on file for the

1 other intrastate natural gas storage and pipeline regulated by the Commission are structured.  
2 As I understand it, Mid-Continent Market Center (MCMC) is a Kansas intrastate natural gas  
3 pipeline and storage company. Its tariffs are structured on a competitive market basis.  
4 MCMC's customers negotiate their individual rates with MCMC since there are competitive  
5 alternatives to MCMC and customers are sophisticated purchasers of service in the natural gas  
6 marketplace. Based upon my review of published gas storage rates charged for natural gas  
7 storage services in Kansas by companies like Southern Star Central Gas Pipeline, Inc.  
8 (Southern Star) and Northern Natural Gas, GGSC's initial rates in the proposed GGSC tariffs  
9 are developed based upon a competitive market basis. The initial rates will be similar to the  
10 rates currently being charged for natural gas storage service in Kansas by these other providers  
11 of gas storage service. There are no high capacity, multi-turn natural gas storage facilities  
12 currently operating in Kansas. GGSC's rates reflect the enhanced capabilities of the Joy  
13 Station natural gas storage facilities.

14 **VII. THE NEED FOR THE NATURAL GAS STORAGE SERVICES THAT WILL BE**  
15 **OFFERED BY GGSC AND THE BENEFITS THE PROJECT WILL PROVIDE TO**  
16 **THE PUBLIC**

17 **Q. IS THERE A NEED FOR THE NATURAL GAS STORAGE SERVICES THAT WILL**  
18 **BE OFFERED BY GGSC?**

19 A. Yes. GGSC is in the initial stages of conducting a pre-construction open-season process to  
20 confirm market interest in the gas storage services proposed by GGSC at Joy Station. GGSC  
21 will plan to provide the results of that process to the KCC and its Staff. In addition to the  
22 results of that open-season process, there is sufficient evidence in recent KCC dockets that  
23 shows additional gas storage capacity is currently needed by Kansas natural gas and electric

1 utilities in order to reduce their exposure to price spikes in the daily physical gas markets  
2 during extreme weather conditions and to provide additional flexibility with respect to their  
3 natural gas purchasing plans. GGSC has had conversations with several Kansas natural gas  
4 local distribution companies and electric utilities and those companies have expressed serious  
5 interest in the project.

6 **Q. WILL THE PROPOSED JOY STATION PROVIDE BENEFITS TO THE PUBLIC**  
7 **INTEREST?**

8 A. Yes. The increased natural gas storage capacity provided by the proposed Joy Station will  
9 allow Kansas natural gas and electric utilities and Kansas industrial customers to reduce their  
10 exposure to price spikes in the daily physical gas markets during extreme weather conditions.  
11 It will also provide more flexibility for those entities in developing their natural gas purchasing  
12 plans. The natural gas storage services offered by the proposed Joy Station will increase  
13 reliability of utility services to Kansas customers and business operations and will assist in  
14 promoting economic development benefits in Kansas.

15 **VIII. REQUESTS BEING MADE BY GGSC IN ITS APPLICATION**

16 **Q. CAN YOU SUMMARIZE WHAT GGSC IS REQUESTING FROM THE KCC IN ITS**  
17 **APPLICATION?**

18 A. Yes. GGSC seeks a CCN from the KCC that authorizes GGSC to construct, operate and  
19 maintain the Joy Station natural gas storage facility and the pipeline that will connect the gas  
20 storage facility to one or more pipelines and to operate as an intrastate gas storage facility and  
21 pipeline subject to the KCC's jurisdiction under the Kansas Public Utility Act (Chapter 66 of  
22 the Kansas Statutes Annotated). **Exhibit B-1** to the Application sets forth the legal description

1 of the location of the gas storage facility. **Exhibit B-2** to the Application sets forth the legal  
2 description of the location of the proposed GGSC pipeline.

3 As indicated in the Application, GGSC's request specifically excludes any right to  
4 provide retail distribution or wholesale natural gas service so the CCN relating to the pipeline  
5 should be limited to transmission rights only.

6 Also as indicated in the Application, GGSC plans to request a Natural Gas Act (NGA)  
7 exemption under Section 7 of the NGA from the Federal Energy Regulatory Commission  
8 (FERC) that will exempt its facilities from FERC regulation. As I understand it, in order to  
9 qualify for the exemption, the JSSC facility operated by GGSC must (1) all be located within  
10 one state, (2) receive all of its gas at or within the boundaries of that state, (3) have all of its  
11 gas supplies consumed within that state and (4) be regulated by the relevant state commission.  
12 GGSC's proposed tariff requires that all gas supplies injected and withdrawn from its gas  
13 storage facility be consumed within the state of Kansas (Kansas natural gas distribution  
14 companies and natural gas municipalities and cooperatives, who supply natural gas to their  
15 retail customers; Kansas electric utilities, including electric municipalities and cooperatives,  
16 who use natural gas to fuel their electric generation facilities located in Kansas; and Kansas  
17 industrial and commercial customers and/or their gas marketing agents, who use natural gas  
18 at their Kansas facilities). Dedicating the Joy Station natural gas storage capacity to serve only  
19 Kansas customers will be beneficial to those specific Kansas customers and to the State of  
20 Kansas in general.

21 GGSC also seeks approval from the KCC of its general terms and conditions of service  
22 and initial rate tariffs. The general terms and conditions of service are similar to the terms and

1 conditions of service offered by other gas storage and pipeline companies and consistent with  
2 standards developed and promoted by NAESB. The initial rate tariffs are structured similar  
3 to the way rate tariffs on file for the other intrastate natural gas storage and pipeline regulated  
4 by the Commission are structured. GGSC's tariffs will be structured on a competitive market  
5 basis. GGSC's customers will negotiate their individual rates with GGSC since there are  
6 competitive alternatives to GGSC and customers are sophisticated purchasers of service in the  
7 natural gas marketplace. The initial rates in the proposed GGSC tariffs will be determined  
8 upon a competitive market basis. The initial rates are similar to the rates currently being  
9 charged for natural gas storage service in Kansas by other providers of gas storage service.

10 **IX. CONCLUSION**

11 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

12 **A.** Yes, it does.

**VERIFICATION**

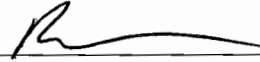
STATE OF OKLAHOMA  
COUNTY OF TULSA, ss:

I, Alan R. Staab, being first duly sworn on oath, depose and state that I am the witness identified in the foregoing Direct Testimony; that I have read the testimony and am familiar with its contents; and that the facts set forth therein are true and correct.



\_\_\_\_\_  
Alan R. Staab

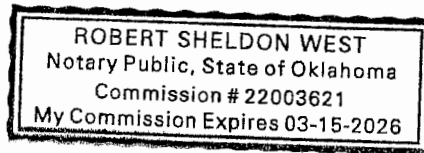
SUBSCRIBED AND SWORN to before me this 29 day of May, 2025.



\_\_\_\_\_  
Notary Public

Appointment/Commission Expires:

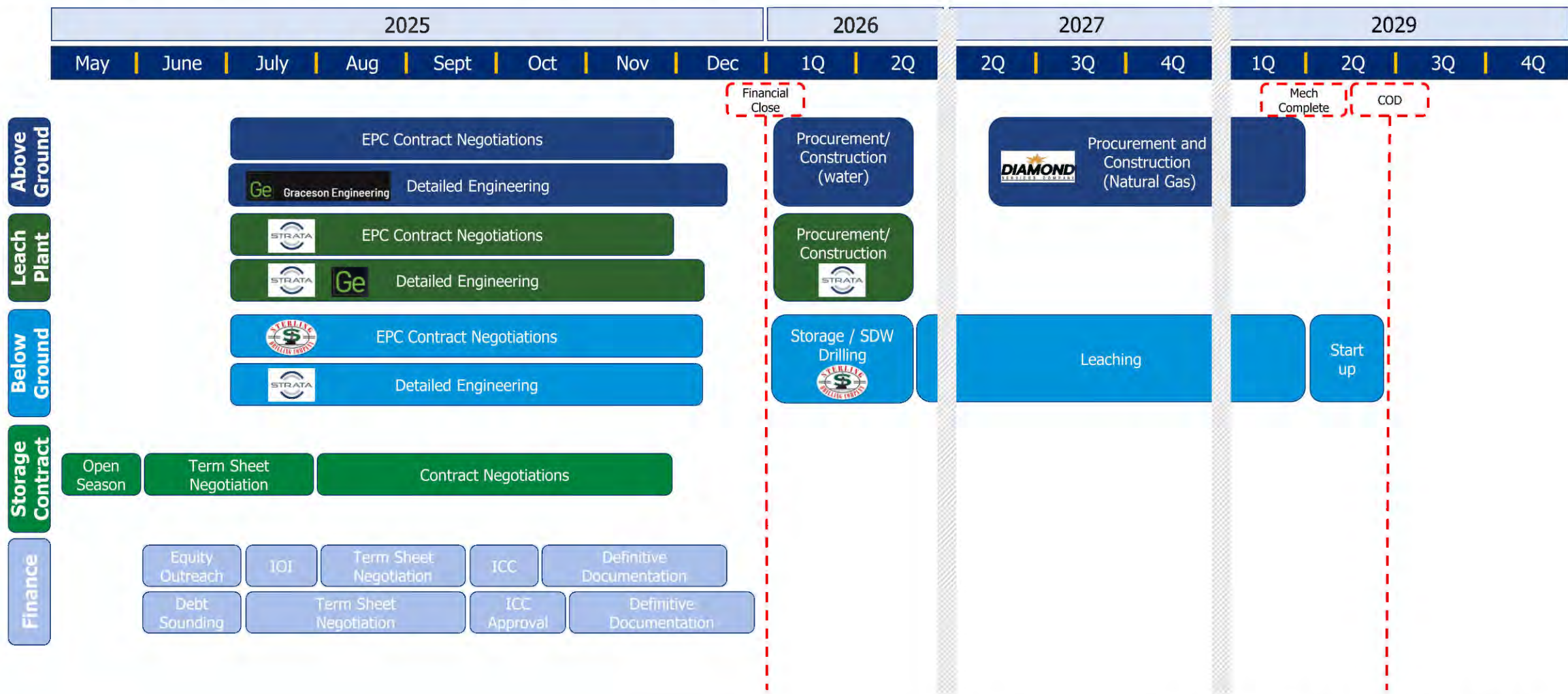
3-15-2026



# EXHIBIT H

Development and Construction Time Line

# JOY STATION DEVELOPMENT AND CONSTRUCTION TIMELINE



KDHE saltwater disposal and storage well permits expected to be awarded June 2025

# EXHIBIT I

Current Development Progress

# JOY STATION CURRENT DEVELOPMENT PROGRESS

## EXHIBIT I

*Anticipated development costs of \$[2]mm by final investment decision. Includes land, water rights, mineral rights, feasibility study, permitting, FEED, site preparation infrastructure. Approx. \$1mm spent to date.*

Key Project Elements	
Engineering and Construction	<ul style="list-style-type: none"><li>Fully funded engineering and development</li><li>Detailed cost estimates completed for cavern drilling, leaching, compression and pipeline facilities</li><li>Seeking turnkey construction contracts with respective (see above bullet) construction contractors</li></ul>
KDHE and KCC Permitting	<ul style="list-style-type: none"><li>Kansas Department of Health and Environment (KDHE) cavern storage well and saltwater disposal well permits on track to be completed June 2025</li><li>Kansas Corporation Commission (KCC) Certificate of Convenience and Public Necessity application to be submitted and competed by December 2025</li><li>Strata is lead environmental permitting contractor</li></ul>
EPC Schedule	<ul style="list-style-type: none"><li>Preferred EPC contractors selected</li><li>Currently in detailed engineering with fixed price and cost-plus delivery expected 4Q 2025</li></ul>
Water Rights	<ul style="list-style-type: none"><li>Water rights for solution mining owned by Voskuhl Staab Family Farms totaling in excess of 2,000 acre-feet per year</li></ul>
Storage and Capacity	<ul style="list-style-type: none"><li>Maximum Storage Quantity from 2.4 – 9.6 BCF</li><li>12 turns per year</li><li>Maximum Daily Quantity from [160] – [640] mmcfd</li><li>Max / Min Pressure: 592 - 1482 psia</li></ul>