

**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)	21-BHCG-418-RTS
the Commission to Make Certain Changes)	
in its Rates for Natural Gas Service)	

DIRECT TESTIMONY

PREPARED BY

JUSTIN T. GRADY

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

September 10, 2021

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1 **I. Introduction, Qualifications, Purpose of Testimony**

2
3 **Q. Please state your name and business address.**

4 A. My name is Justin T. Grady and my business address is 1500 Southwest Arrowhead
5 Road, Topeka, Kansas, 66604.

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

7 A. I am employed by the Kansas Corporation Commission (KCC or Commission) as the
8 Chief of Revenue Requirements, Cost of Service and Finance.

9 **Q. Please summarize your educational and employment background.**

10 A. I earned a Master of Business Administration degree, with a concentration in General
11 Finance which includes emphases in Corporate Finance and Investment Management, from
12 the University of Kansas in December of 2009. I also hold a Bachelor of Business
13 Administration degree with majors in Finance and Economics from Washburn University.
14 I have been employed by the KCC in various positions of increasing responsibility within
15 the Utilities Division since 2002. I have been a Section Head in the Utilities Division since
16 May of 2012, and have been employed in my current capacity since August 2020.

17 While employed with the Commission, I have participated in and directed the
18 review of various tariff/surcharge filings and rate case proceedings involving electric,
19 natural gas distribution, water distribution, and telecommunications utilities. In my current
20 position, I have supervisory responsibility for the activities of the Commission's Audit
21 section within the Utilities Division. In that capacity, I plan, manage, and perform audits
22 relating to utility rate cases, tariff/surcharge filings, fuel cost recovery mechanisms,
23 transmission delivery charges, alternative-ratemaking mechanisms, class cost of service

1 studies, and other utility filings that may have an impact on utility rates in Kansas including
2 mergers, acquisitions, and restructuring filings.

3 **Q. Have you previously submitted testimony before this Commission?**

4 A. Yes. I have submitted written and oral testimony before this Commission on multiple
5 occasions regarding various regulatory accounting and ratemaking issues. This work
6 includes testimony filings in 64 dockets, including this one. A list of the other dockets that
7 encompass this experience is available upon request.

8 **Q. What is the purpose of your testimony in the review of this Black Hills/Kansas Gas Utility
9 Company LLC (Black Hills) rate case docket before the Commission?**

10 A. In the testimony that follows, I will discuss Staff's review of the tariff revisions and
11 changes requested by Black Hills in this proceeding, as found in Section 18 of the
12 Company's Application and as discussed in the testimony of Black Hills witness Robert
13 W. Daniel. I will support several of the changes requested by Black Hills as Staff views
14 them to be in the public interest. I also recommend the Commission deny or revise some
15 of the requested tariff changes as they are either unsupported by the record, inconsistent
16 with the Commission's Billing Standards, or contrary to the public interest generally.

17 **II. Executive Summary**
18

19 **Q. Please provide an executive summary of your testimony.**

20 A. In the testimony that follows, I will present and support the following conclusions:

- 21 • The Commission should approve Black Hills' requested tariff changes pertaining to:
 - 22 ○ The elimination of the Small Volume Interruptible Service Rate Schedule;
 - 23 ○ The requested changes to Transportation Service Provisions, including:

- Requiring telemetry equipment for Large Volume Transportation Service (LVTS) and Large Volume Transportation Service – Aggregated (LVTS-A) customers;
 - Changing the monthly cash out charge to reflect the highest, lowest, or average daily price rather than the highest or lowest average weekly price;
 - Including availability of a final nomination cycle;
 - Eliminating Firm Standby Service, Return to Sales Service, Standby Service, Imbalance to Storage Balancing Option, and Aggregator Billing Service; and
 - Charging Non-Telemetered Daily Balancing Service Charge for all non-telemetered aggregators.
- Inclusion of clarifying language in Index No. 6 pertaining to the use of Customer Deposit funds and the potential consequences to the customer for inability to pay the Customer Deposit;
 - The removal of transaction fees associated with the use of credit cards on Index No. 7, Sheet 12 of 12, Section 4.3, Part 10;
 - The extension of payment due dates from 15 days to 20 days for non-residential customers, and the corresponding revision to the 1% late fee payment period, from 14 days to 9 days¹;

¹ This change does not change the total time period for non-residential customers to pay their bill, which remains at 29 days. The first 20 days are at no late fee, and the second nine days will now come with a late fee of 1%, whereas the arrangement used to be 15 days no late fee, additional 14 days for 1%.

- Changing “his” to “their” in the General Rules, Regulations, Terms, and Conditions;
 - Changing “out of balance” to “imbalance” in the Transportation Services provisions;
 - Inclusion of all other applicable charges in each Transportation rate schedule to provide additional transparency for customers;
 - Inclusion of language in Index No. 28 to clarify that Balancing Services revenue will now be credited to customers through the Purchased Gas Adjustment (PGA) clause;
 - Several additional changes to Transportation Services provisions which were previously reviewed and approved by the Commission in Docket No. 21-BHCG-345-TAR; and
 - The proposed revisions to the WNA Rider as necessary to reflect the outcome of the heating sensitivity factors and weather stations used to determine the weather normalization adjustment in this case.
- The Commission should deny Black Hills’ requested tariff changes pertaining to:
 - Requested changes to Index 7 (Schedule GRR, Section 4.2-e, Sheet 11 of 12) that limit a customer’s right to receive a refund for over-billing to a period of two years. This would apply to instances in which an incorrect rate was billed, or an incorrect multiplier was used, a billing error, etc.
 - Requested changes to Index No. 8 (Schedule GRR, Section 5.2-c, Sheet 7 of 15) and Index No. 7 (Schedule GRR, Section 4.2-a, Sheet 6 of 12) that eliminate the provisions of “Knock and Collect” from the company’s tariffs. Specifically,

1 Black Hills requests to remove the tariff provision that requires a company
2 employee who is about to disconnect service to accept payment of all amounts
3 tendered to the employee in an effort by the customer to avert service
4 disconnection.

- 5 • The Commission should accept the following modifications to Black Hills tariff
6 changes, as these revisions will clarify what Staff believes the intent of the requested
7 changes were:

- 8 ○ On Index 7, Sheet 11 of 12, Section 4.2-e (2), in the last full sentence of the first
9 paragraph, replace the word “for” with the words “equal to”. The sentence will
10 then read: “The Customer will be allowed a payment arrangement equal to the
11 number of billings corrected.”

- 12 ○ On Index No. 37, Sheet 1 of 10, Paragraph 1, replace “per pool of Aggregators”
13 with “to an Aggregator, per pool of End-Users.” The sentence will then read:
14 An aggregation charge shall be charged to an Aggregator, per pool of End-
15 Users, when they form a pool for the purpose of nominating and balancing
16 transportation deliveries on a common pipeline and behind a town border
17 station.”

- 18 ○ On Index No. 36, Sheet 1 of 2, Paragraph 1, line 1, strike the word
19 “Aggregators.” This change is necessary to correct an oversight by the company
20 to eliminate this term for consistency with the rest of its tariff. Black Hills made
21 this change in all other Transportation Services tariffs, but forgot this one.

- 22 ○ On Index No. 12, Sheet 4 of 4, Section 9.2-e, in the last full sentence, replace
23 the word “for” with the words “equal to.” The sentence will then read: “The

Customer will be allowed a payment arrangement equal to the number of billings corrected.”

III. Black Hills’ requested elimination of Small Volume Interruptible (SVI) rate schedule

A. Black Hills’ Support to Eliminate SVI rate schedule

Q. Please describe what support Black Hills has provided for the elimination of the Small Volume Interruptible (SVI) rate schedule.

A. Beginning on page 3 of Mr. Daniel’s testimony, he describes the request to eliminate the SVI rate schedule. Mr. Daniel describes that the 80 customers on this rate schedule are individually metered, non-residential customers with annual consumption of greater than 500 MCF and less than 5,000 MCF. Mr. Daniel goes on to explain that several of the customers taking service on the SVI rate schedule have human needs or business essential services at their facilities and are not properly equipped to incur an interruption of service. Mr. Daniel also describes the relatively small size of these customers and that actually interrupting these customers would have an insignificant impact on the system overall. He also discusses that the company will avoid the administrative time and expense associated with vetting and monitoring the customers on this service and will not need to procure additional interstate transportation capacity in order to serve these customers under a firm sales service. Lastly, he describes that the SVI customers will be moved to the Small Volume Firm (SVF) rate schedule, which contains the same rates as SVI, but will have a higher PGA rate than what the SVI customers paid.

1 **B. Staff's Position on Elimination of SVI rate schedule**

2
3 **Q. Why does Staff agree with Black Hills' request to eliminate this rate schedule?**

4 A. For many of the reasons that Mr. Daniel describes in his testimony, Staff is supportive of
5 the request to eliminate this rate schedule. Staff is aware of instances during winter storm
6 URI in which customers that were on an interruptible service schedule (electric or gas)
7 were not actually prepared or equipped to have their service interrupted during an extreme
8 winter weather event. Mr. Daniel describes that several customers on the SVI rate schedule
9 would be similarly situated in a request for curtailment. It is Staff's opinion that customers
10 on an interruptible rate schedule should be sophisticated enough to be able to respond to a
11 call for interruption on a moment's notice, during the most extreme weather events, when
12 system capacity constraints are likely to be at their worst. Furthermore, the curtailment of
13 these customers should actually make a meaningful improvement in the capacity
14 constraints facing the system at the time. Based on Mr. Daniels' testimony that the
15 company will not have to procure additional upstream transportation capacity to serve these
16 SVI customers once they are switched over to firm service, Staff contends that there is little
17 if any system wide benefit to this class of customers being on an interruptible tariff.

18 **IV. Black Hills' requested changes to Transportation Services Tariffs**

19 **A. Black Hills' Request to Require Telemetry Equipment for Large**
20 **Volume Transport Customers**

21
22 **Q. Please describe what support Black Hills has provided for the requested change to**
23 **require telemetry equipment for Large Volume Transportation Service (LVTS) and**
24 **Large Volume Transportation Service-Aggregated (LVTS-A) customers.**

1 A. Beginning on page five of Mr. Daniel's testimony, he describes that there are significant
2 benefits for the Company and its customers in managing the pipeline system if all of its
3 large volume transport customers are required to have daily communicating telemetry
4 equipment. These benefits include allowing the Company and each transportation
5 customer more accurate visibility into each day's gas usage, instead of having to estimate
6 these figures. This allows Black Hills to better understand the impact that transportation
7 customers are having on the system, and it allows transportation customers to better
8 understand where they stand in terms of system daily balancing requirements, the
9 avoidance of unauthorized delivery charges, etc.

10 **B. Staff's Position on the Requirement that all LVTS and LVTS-A**
11 **Customers have Telemetry Equipment**
12

13 **Q. Why does Staff support Black Hills' request to require large volume transportation**
14 **customers to install telemetry equipment?**

15 A. Staff agrees with Black Hills that there is significant value to the Company to have daily
16 visibility into the gas usage activities of its transportation customers, especially customers
17 on the LVTS and LVTS-A rate schedule. These are customers whose annual gas usage is
18 expected to be between 5,000 to 9,000 Dth in the case of LVTS-A, or greater than 9,000 in
19 the case of LVTS. During times of extreme system stress such as experienced during
20 winter storm URI, it is imperative that system operators have a good understanding of the
21 amount of gas the large users on the system are consuming (versus what they are causing
22 to be delivered on the system). Because gas prices during times of extreme weather or
23 system stress can also be very high, it is also in the interest of the Company, and its
24 customers (both transportation and sales customers) to know exactly how much gas is being
25 consumed on a daily basis by transportation customers.

1 **Q. Do other Kansas natural gas utilities have similar provisions in their transportation**
2 **tariffs?**

3 A. Yes. The transportation tariffs of Atmos Energy require telemetry equipment in the form
4 of Electronic Flow Measurement (EFM) or Automated Meter Reading (AMR) for all non-
5 school transportation customers.² Additionally, the tariffs of Kansas Gas Service (KGS)
6 require that all transportation customers with peak-month usage greater than 1,500 MCF
7 be responsible for the costs of the installation and maintenance of EFM equipment.
8 Customers with peak-month usage less than 1,500 MCF must either agree to pay for the
9 installation and maintenance of EFM equipment or agree to deliver a predetermined
10 Required Daily Quantity (RDQ) during times of system stress such as an Operational Flow
11 Order (OFO) or Period of Curtailment (POC).³

12 **C. Black Hills' Request to Change the Monthly Cash Out Charges to**
13 **Reflect Highest/Lowest Daily Prices Instead of Highest/Lowest Average**
14 **Weekly Price**
15

16 **Q. What is Black Hills requesting with regard to the monthly cash out calculations?**

17 A. Mr. Daniel describes the changes that Black Hills is requesting on pages five and six of his
18 Direct Testimony. Mr. Daniel reasons that these changes are necessary to protect the
19 Company and its sales customers from cost shifts that can occur as a result of transportation
20 customer imbalances that occur during periods of extreme system stress and volatile prices.
21 Mr. Daniel also argues that this new pricing structure will give transportation customers
22 greater incentive to balance their deliveries by the end of the month in order to avoid cash

² See Atmos Energy, Schedule I Rules and Regulations, Section 12, Sheet 85 of 110.

³ See Kansas Gas Service GT&C, Section 11.05.03, and Electronic Flow Measurement Rider.

outs all together. These changes are contained within Index No. 37, Schedule OTC, Sheets 5 through 10 of Black Hills tariffs.

D. Staff position on Black Hills' Request to Change the Monthly Cash Out Charges to Reflect Highest/Lowest Daily Prices Instead of Highest/Lowest Average Weekly Price

Q. Why does Staff support Black Hills' request to change the Monthly Cash Out calculations to focus on the highest and lowest priced days, instead of weekly or monthly averages?

A. Staff agrees with these tariff changes because the wholesale natural gas price volatility that Kansas and many other states experienced during winter storm Uri exposed a weakness in the Monthly Cash Out provisions of many transportation tariffs, at least during times of extreme market stress like was experienced this last February. The Monthly Cash Out provisions essentially treat all transportation customer imbalances during the month the same, whether they occurred during a day in which wholesale natural gas cost \$600 an MMBtu or \$2.50 an MMBtu. While the issues of changes to the Monthly Cash Out tariff provisions will likely be the subject of review in the general investigation dockets opened as a result of winter storm URI, Staff contends that this is a reasonable change that should be made to Black Hills tariff in this Docket. Making this change in this Docket doesn't preclude the Commission from further evaluating this issue in the general investigation dockets as well.

E. Black Hills' Request to Establish a Final Nomination Cycle

Q. Please explain Staff's support for this request.

A. Black Hills witness Mr. Daniel describes on page six of his testimony that this change is in conformance with Black Hills current practice of supporting shippers downstream of

1 Northern Natural Gas Company, who allows this final nomination cycle. Staff sees no
2 harm in formalizing this arrangement that has apparently been ongoing.

3 **F. Black Hills' Request to Eliminate the Following Schedules: Firm**
4 **Standby Service, Standby Service, Imbalance to Storage Balancing Service,**
5 **and Aggregator Billing Service**
6

7 **Q. Please explain Staff's support for this request.**

8 A. Black Hills witness Mr. Daniel describes on page seven of his testimony that customers
9 have not relied on these optional services in many years, and are not expected to rely on
10 them in the near future. Given that these options are not being utilized by customers, and
11 haven't been utilized for some time, Staff sees no harm in eliminating them from the tariff.

12 **G. Black Hills' Request to Charge Non-Telemetered Daily Balancing**
13 **Service Charge for All Non-Telemetered Marketers Who Have Customers**
14 **That Are Not On Daily Balanced Pipelines**
15

16 **Q. Please explain Staff's support for this request.**

17 A. Black Hills witness Mr. Daniel describes on page seven of his testimony that currently this
18 charge is only charged to marketers who have non-telemetered customers downstream of
19 daily balanced pipelines. Mr. Daniel describes that Black Hills balances its entire system
20 every day, not just the areas of the system that connect to daily balanced pipelines. Staff
21 agrees that Black Hills is required to balance its system on a daily basis throughout the
22 state, and the absence of transportation customers using the system without telemetering
23 equipment exacerbates this requirement. As such, it is reasonable for this charge to be
24 billed to all marketers with non-telemetered customers.

1 **V. Black Hills’ Requested Miscellaneous Tariff Changes**

2 **Q. Are there other tariff changes that Black Hills requests and that Staff supports?**

3 A. Yes. Staff supports the following requested tariff changes:

- 4 • Inclusion of clarifying language in Index No. 6 pertaining to the use of Customer
5 Deposit funds and the potential consequences to the customer for inability to pay the
6 Customer Deposit;
- 7 • The removal of transaction fees associated with the use of credit cards on Index No. 7,
8 Sheet 12 of 12, Section 4.3, Part 10;
- 9 • The extension of payment due dates from 15 days to 20 days for non-residential
10 customers, and the corresponding revision to the 1% late fee payment period, from 14
11 days to 9 days;
- 12 • Changing “his” to “their” in the General Rules, Regulations, Terms, and Conditions;
- 13 • Changing “out of balance” to “imbalance” in the Transportation Services provisions;
- 14 • Inclusion of all other applicable charges in each Transportation rate schedule to provide
15 additional transparency for customers;
- 16 • Inclusion of language in Index No. 28 to clarify that Balancing Services revenue will
17 now be credited to customers through the Purchased Gas Adjustment (PGA) clause;
- 18 • Several additional changes to Transportation Services provisions which were
19 previously reviewed and approved by the Commission in Docket No. 21-BHCG-345-
20 TAR; and
- 21 • The proposed revisions to the WNA Rider as necessary to reflect the outcome of the
22 heating sensitivity factors and weather stations used to determine the weather
23 normalization adjustment in this case.

Staff has reviewed each of these tariff changes and agrees that these changes clarify or modernize the tariff language or make changes that are necessary to comport with other areas of Black Hills rate case that are likely to change as a result of this Docket.

VI. Black Hills' Requested Tariff Changes Opposed By Staff

Q. Are there other tariff changes that Black Hills requests that Staff opposes?

A. Yes. Staff opposes the following requested tariff changes:

- Requested changes to Index 7 (Schedule GRR, Section 4.2-e, Sheet 11 of 12) that limit a customer's right to receive a refund for over-billing to a period of two years. This would apply to instances in which an incorrect rate was billed, or an incorrect multiplier was used, a billing error, etc.
- Requested changes to Index No. 8 (Schedule GRR, Section 5.2-c, Sheet 7 of 15) and Index No. 7 (Schedule GRR, Section 4.2-a, Sheet 6 of 12) that eliminate the provisions of "Knock and Collect" from the company's tariffs. Specifically, Black Hills requests to remove the tariff provision that requires a company employee who is at a customer's residence to disconnect service, to accept payment of all amounts tendered to the employee in an effort by the customer to avert service disconnection.

A. Black Hills' Request to Limit Refunds for Billing Errors to Two Years

Q. Please describe Black Hills' request pertaining to limiting the period of billing error refunds.

A. On Index 7, Schedule GRR, Sheet 11 of 12, Black Hills has added a new section that reads as follows:

1 Measurement Errors: In the event of under-billing, (such as, but not limited
2 to, an incorrect multiplier, an incorrect rate, switched meters or a billing
3 error), the Company may charge for the period during which the under-
4 billing occurred, with such period not to exceed six months. The Customer
5 will be allowed a payment arrangement for the number of billings corrected.
6

7 In the event of over-billing, (such as but not limited to an incorrect
8 multiplier, an incorrect register, incorrect rate, switched meters or a billing
9 error), the Company shall refund for the period during which the over-
10 billing occurred, with such period not to exceed two years.
11

12 Mr. Daniel discusses this change at the bottom of page eight and the top of page nine of
13 his Direct Testimony. Aside from explaining what the change is, Mr. Daniel offers no
14 support for this change, offering that this proposal is to “clarify [Black Hills] procedures.”
15 It is the yellow highlighted text above that Staff objects to.

16 **B. Staff’s Objection to Limit Refunds for Billing Errors to Two Years**
17

18 **Q. Please explain Staff’s objection to this tariff change.**

19 A. Staff objects to this tariff change for the following reasons:

- 20 • Black Hills has provided no supporting rationale or testimony to support this change;
- 21 • This provision is inconsistent with the filed rate doctrine generally, and K.S.A 66-109
22 specifically;
- 23 • This provision is fraught with implementation complexity and concerns.

24 **Q. Please expound on Staff’s concern that this tariff provision is inconsistent with the**
25 **filed rate doctrine, codified as K.S.A 66-109.**

26 A. The filed rate doctrine is a general regulatory theory doctrine that requires a regulated
27 public utility to charge the rates that it has on file with the agency responsible for its
28 economic regulation, no more, no less. The filed rate doctrine provides both utility

1 management and ratepayers with certainty that the rates charged by them or to them will
2 be found in a filed set of tariffs that have been approved by a regulatory agency, and that
3 any changes to those rates will be prospective in nature only. In Kansas, the filed rate
4 doctrine is codified as K.S.A. 66-109, which reads as follows:

5 **66-109. Variations from schedule of rates.** No common carrier or public
6 utility governed by the provisions of this act shall, knowingly or willfully,
7 charge, demand, collect or receive a greater or less compensation for the
8 same class of service performed by it within the state, or for any service in
9 connection therewith, than is specified in the printed schedules or
10 classifications, including schedules of joint rates; or demand, collect or
11 receive any rate, joint rate, toll, fare or charge not specified in such schedule
12 or classification: *Provided*, That rates different from those specified in the
13 printed schedule or classification of rates may be charged by any public
14 utility, street or interurban railway, by agreement with the customer, in
15 cases of charity, emergency, festivity or public
16 entertainment: *Provided*, That any utility governed by the provisions of this
17 act may grant to the officers, employees and agents of such utilities free or
18 reduced rates or service upon like terms and in the same manner as is now
19 provided by law relating to common carriers.
20

21 Staff views the proposal to limit refunds due to charging an incorrect rate as inconsistent
22 with the filed rate doctrine and K.S.A 66-109. If a customer has been billed an incorrect
23 rate for three years, all three years of that incorrect rate should be refunded because the
24 utility was charging an illegal, unauthorized rate for all three years. There is no provision
25 in the filed rate doctrine or K.S.A. 66-109 that would allow for this time limitation as Black
26 Hills proposes.

27 **Q. Why does Staff not object to the Company's request to include tariff language that**
28 **limits back billing for under-charges to six months?**

29 A. The right to charge the correct authorized rate, as approved by the Commission, is the
30 utility's right that it is free to surrender. Also, K.S.A 66-109 allows a utility to charge less

1 than the filed rate in cases of charity or festivity provided that the customer agrees. If Black
2 Hills wants to provide this certainty and limit customer exposure to incorrect billings to a
3 period of six months, Staff will not object to this change.

4 **C. Black Hills Request to Eliminate Knock and Collect**
5

6 **Q. Please describe Black Hills' request to eliminate Knock and Collect from its tariffs.**

7 A. Black Hills has requested changes to Index No. 8 (Schedule GRR, Section 5.2-c, Sheet 7
8 of 15) and Index No. 7 (Schedule GRR, Section 4.2-a, Sheet 6 of 12) that eliminate the
9 provisions of "Knock and Collect" from the company's tariffs. Specifically, Black Hills
10 requests to remove the tariff provision that requires a company employee who is at a
11 customer's residence to disconnect service, to accept payment of all amounts tendered to
12 the employee in an effort by the customer to avert service disconnection.

13 **D. Staff Opposition to Black Hills Request to Eliminate Knock and Collect**
14

15 **Q. Please explain Staff's objection to Black Hills' request to eliminate Knock and Collect**
16 **from its tariffs.**

17 A. The requirement for a utility employee to collect in person payment in an attempt to avert
18 disconnection, commonly referred to as "Knock and Collect", is a requirement of the
19 Commission's Billing Standards.⁴ Recently the Commission completed a general
20 investigation and pilot program in which the Commission evaluated the reasonableness of
21 eliminating the provisions of Knock and Collect for utilities with the ability to remotely
22 disconnect customers.⁵ After several years of study and data collection, the Commission

⁴ See Commission Billing Standards, available at: https://kcc.ks.gov/images/PDFs/pi/billing_2012.pdf

⁵ See Docket No. 15-GIMX-344-GIV.

1 authorized utilities with remote disconnection capabilities to remove the provisions of
2 Knock and Collect from their tariffs, in exchange for enhanced notice and additional
3 communication attempts. Additionally, the Commission explicitly denied the removal of
4 Knock and Collect provisions from the tariffs of utilities that do not have remote
5 disconnection capabilities, instead opting to evaluate this option in a future general
6 investigation or pilot program. Until the Commission approves, through a general
7 investigation, the removal of Knock and Collect provisions from the tariffs of utilities
8 without the ability of remote disconnection, Black Hills requested tariff change is
9 premature.

10 **Q. Was this tariff change explained in the Direct Testimony of any Black Hills witness**
11 **to this case?**

12 A. No. There was no mention of this requested change to Black Hills tariffs in any Direct
13 Testimony in this Docket.

14 **VII. Staff Recommended Tariff Modifications for Clarification**

15 **Q. Are there changes that Staff recommends to Black Hills tariffs that you believe clarify**
16 **the original intent?**

17 A. Yes. In my review of Black Hills' requested tariff changes, I uncovered several areas that
18 I think would benefit from minor wording changes or clarifications. Those changes are as
19 follows:

- 20 • On Index 7, Sheet 11 of 12, Section 4.2-e (2), in the last full sentence of the first
21 paragraph, replace the word "for" with the words "equal to". The sentence will then

1 read: “The Customer will be allowed a payment arrangement equal to the number of
2 billings corrected.”⁶

- 3 • On Index No. 37, Sheet 1 of 10, Paragraph 1, replace “per pool of Aggregators” with
4 “to an Aggregator, per pool of End-Users.” The sentence will then read: An
5 aggregation charge shall be charged to an Aggregator, per pool of End-Users when they
6 form a pool for the purpose of nominating and balancing transportation deliveries on a
7 common pipeline and behind a town border station.”
- 8 • On Index No. 36, Sheet 1 of 2, Paragraph 1, line 1, strike the word “Aggregators.” This
9 change is necessary to correct an oversight by the company to eliminate this term for
10 consistency with the rest of its tariff. Black Hills made this change in all other
11 Transportation Services tariffs, but forgot this one.
- 12 • On Index No. 12, Sheet 4 of 4, Section 9.2-e, in the last full sentence, replace the word
13 “for” with the words “equal to.” The sentence will then read: “The Customer will be
14 allowed a payment arrangement equal to the number of billings corrected.”

15 **VIII. Conclusion**

16 **Q. Does that conclude your testimony?**

17 **A.** Yes.

⁶ While I believe this was the original intent of Black Hill’s proposed tariff language, this clarifies that the Commission’s longstanding practice has been to allow for a payment arrangement equal to the period of billing error/correction.

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

VERIFICATION

Justin T. Grady, being duly sworn upon his oath deposes and states that he is Chief of Revenue Requirements, Cost of Service and Finance for the Utilities Division of the Kansas Corporation Commission of the State of Kansas, that he has read and is familiar with the foregoing *Direct Testimony*, and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.

Justin Grady

Justin T. Grady
Chief of Revenue Requirements,
Cost of Service and Finance
State Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 8 day of September, 2021.

Ann M. Murphy

Notary Public

My Appointment Expires: 4/28/25



NOTARY PUBLIC - State of Kansas
ANN M. MURPHY
My Appt. Expires 4/28/25

CERTIFICATE OF SERVICE

21-BHCG-418-RTS

I, the undersigned, certify that a true and correct copy of the above and foregoing testimony was sent by electronic mail this 10th day of September, 2021, to the following:

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