

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

In the Matter of the Application of )  
Evergy Kansas South, Inc. for )  
Approval of the Energy Supply ) Docket No. 24-EKSE-249-CON  
Agreement Between Evergy Kansas )  
South, Inc. and Occidental Chemical )  
Corporation. )

**DIRECT TESTIMONY OF  
BRENDA HARRIS  
ON BEHALF OF  
OCCIDENTAL CHEMICAL CORPORATION**

November 7, 2023

1                   **I.       STATEMENT OF QUALIFICATIONS**

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

3   **A.    My name is Brenda Harris. My business address is 5 Greenway Plaza, Suite 110,**  
4       Houston, TX 77046.

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

6   **A.    I am employed by Occidental Oil & Gas Corp. (Oxy Oil & Gas), a subsidiary of**  
7       Occidental Petroleum Corporation (Occidental), as Director of Power.

8   **Q.    Please describe your duties and responsibilities at Oxy Oil & Gas.**

9   **A.    I joined Occidental in June 2008 as the Director of Power. My primary**  
10       responsibilities include the management of the electrical needs for the Occidental  
11       Chemical Corporation (OxyChem) facilities across the U.S. including the Wichita  
12       facility in Kansas and an Occidental Vinyls Canada Co. facility in Ontario, Canada.  
13       In my position as Director of Power for these facilities, I oversee the electric  
14       regulatory matters at the State and Federal level and coordinate contract issues and  
15       related matters with the incumbent utilities providing electricity to the plants.

16   **Q.    On whose behalf are you testifying?**

17   **A.    I am testifying on behalf of OxyChem, which is a wholly-owned subsidiary of**  
18       Occidental.

19   **Q.    What is your educational background and professional experience?**

20   **A.    I earned my undergraduate Bachelor of Science degree from Southern Methodist**  
21       University (SMU) in 1977 and in 1982, I received a Doctor of Jurisprudence Degree  
22       from SMU School of Law.

1 I have over 30 years of experience in the energy business, which has  
2 included positions in natural gas marketing and natural gas transmission  
3 transportation, as well as my current position in electric regulatory strategy  
4 development and related issues.

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

6 **A.** Yes. In 2018, I submitted direct testimony in Docket No. 18-KG&E-303-CON,  
7 which approved the currently effective Energy Supply Agreement (“ESA”).  
8

## 9 II. INTRODUCTION

10 **Q. What is the purpose of your testimony?**

11 **A.** My testimony will provide support for the Joint Application filed by Evergy Kansas  
12 South, Inc. (“Evergy”) and OxyChem, which requests the Commission approve an  
13 Energy Supply Agreement between Evergy and OxyChem (the Agreement). The  
14 Energy Supply Agreement is attached as Exhibit A to the Joint Application. More  
15 specifically, I will comment on specific changes to the performance obligations in  
16 this Agreement from those that appear in the existing ESA and explain why the  
17 Agreement meets the Commission's standards for approval of "special contracts."

18 **Q. Are you familiar with the Commission's standards for approval of "special  
19 contracts"?**

20 **A.** Yes. In Docket No. 01-GIME-813-GIE, the Commission stated, “In order to be  
21 approved, the utility must show that the special contract provides a cost benefit to

1 the remaining core customers.”<sup>1</sup>

2 **Q. Does the Agreement meet this requirement?**

3 **A.** Yes. The Agreement provides a cost benefit to other customers by retaining  
4 OxyChem as a customer on the Evergy system. In addition, the Agreement  
5 provides other material system benefits to Evergy. Finally, the Agreement  
6 substantially benefits the economy of the state of Kansas by allowing the continued  
7 operation of OxyChem's Wichita facilities.

8

9

### III. ANALYSIS

10 **Q. Please describe OxyChem's Wichita operations.**

11 **A.** OxyChem's Wichita facilities include a chlorine production plant, a cogeneration  
12 plant, and several other operations. These operations employ several hundred  
13 positions with excellent compensation levels. A more detailed description of  
14 OxyChem and its Wichita operations can be found in the Direct Testimony of  
15 Thomas J. Payton, filed in Docket No. 13-KG&E-451-CON.<sup>2</sup>

16 **Q. Under what terms does OxyChem currently receive service from Evergy?**

17 **A.** OxyChem currently takes service from Evergy under an Energy Supply Agreement  
18 (ESA) initially approved by the Commission on May 24, 2013, in Docket No. 13-  
19 KG&E-457-CON. The Commission approved an amendment to the ESA in Docket  
20 No. 17-KG&E-352-CON (17-352 Docket). The Commission thereafter approved

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<sup>1</sup> Docket No. 01-GIME-813-GIE, Order Regarding the Filing Requirements and Procedures for the Review and Treatment of Special Contracts, October 3, 2001, p. 2, ¶ 6.

<sup>2</sup> Docket No. 13-KG&E-451-CON, Direct Testimony of Thomas J. Payton, January 9, 2013, pp. 5-7.

1 the existing Energy Supply Agreement in KCC Docket No. 18-KG&E-802-CON  
2 on November 20, 2018. The primary terms of the current ESA are:

- 3 1) Agreed base energy rates with seasonal differentials;
- 4 2) In addition to base energy rates, OxyChem is charged all applicable  
5 surcharges and riders, and OxyChem's base rates increase with any general  
6 rate increase approved by the Commission;
- 7 3) Two tiers of interruptible power;
- 8 4) Discontinuance of the possible operation / standby status of the  
9 OxyChem cogeneration unit, and the payment of an additional  
10 \$540,000 per year by OxyChem under the Agreement to reflect the  
11 loss of value of the cogeneration unit (15,000 kW at \$3/kW.).
- 12 5) Terms allowing Evergy to request Occidental reduce its load;
- 13 6) Requirements for OxyChem to retain 90 percent of full-time jobs  
14 and continue investing substantial capital at its Wichita facilities;  
15 and
- 16 7) For the months of December, January, February, and March, the  
17 minimum load requirement of OxyChem was increased from 15,000  
18 to 20,000 kW. This increase, as reflected in the Energy Efficiency  
19 Demand Response Rider ("EEDR"), increased the annual cost to  
20 OxyChem by \$80,000 per year.

21 **Q. Why are OxyChem and Evergy requesting approval of a new Agreement?**

22 The current ESA expires on December 31, 2023. Evergy and OxyChem have  
23 requested an extension of the existing Agreement through June 30, 2024. The

1 Agreement does change the terms and conditions of the currently effective ESA  
2 and the annual rates paid by OxyChem are increased by \$620,000 per year to reflect  
3 those changes. The Agreement simply extends the current ESA for an additional  
4 five-year term. Evergy and OxyChem have entered into the Agreement to preserve  
5 and extend the economic benefits of the previous agreement.

6 **Q. Is the Agreement necessary?**

7 **A.** Yes. In KCC Docket Nos. 17-KG&E-352-CON and 18-KG&E-303-CON, the  
8 Commission found the ESA to be necessary, and the basic facts underlying that  
9 decision remain.<sup>3</sup> OxyChem's Wichita facilities require large volumes of  
10 electricity. The cost of electricity is the largest cost input in the OxyChem's  
11 production processes. Evergy's electric rates have increased materially over the  
12 last 10-15 years. Absent approval of the Agreement, OxyChem's Wichita facilities  
13 will be at a distinct rate disadvantage, compared to its plants – and its competitors'  
14 plants – in other states. In such a scenario, OxyChem would be forced to reexamine  
15 its level of ongoing operations at the Wichita facilities.

16 **Q. Does the Agreement provide a cost benefit to Evergy's other customers?**

17 **A.** Yes. In KCC Docket Nos. 17-KG&E-352-CON and 18-KG&E-303-CON, the  
18 Commission found the current ESA benefits Evergy's other retail customers.<sup>4</sup> The  
19 new Agreement preserves those benefits that the current ESA provides to Evergy

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<sup>3</sup> 17-352 Docket, Order Approving Amended Energy Supply Agreement, June 27, 2017, ¶ 8.

<sup>4</sup> 17-352 Docket, Order Approving Amended Energy Supply Agreement, June 27, 2017, ¶ 8.

1 and the Kansas economy. Therefore, the Agreement continues to provide a cost  
2 benefit to Evergy's other customers, in addition to these other material benefits.

3 **Q. Will Approval of the Agreement result in just and reasonable rates?**

4 **A.** Yes. The Agreement is a mutually-agreeable, negotiated contract between  
5 OxyChem and Evergy. In addition, the Agreement provides a cost benefit to other  
6 Evergy customers and provides other benefits to Evergy and the Kansas economy.  
7 For these reasons, approval of the Agreement will result in just and reasonable rates.

8 **Q. Does this conclude your testimony?**

9 **A.** Yes.

Respectfully submitted,

/s/ James P. Zakoura

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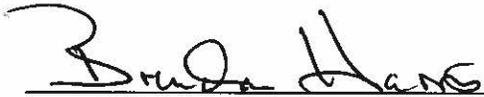
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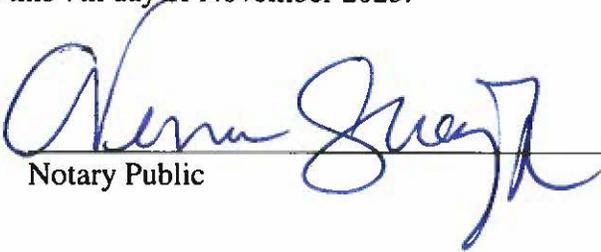
STATE OF TEXAS            )  
  ) ss.  
COUNTY OF HARRIS        )

**VERIFICATION**

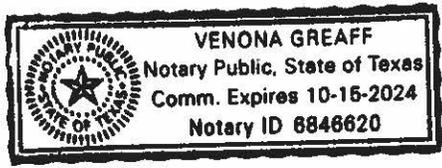
Brenda Harris, being duly sworn upon her oath deposes and states that she is Director of Power at Occidental Oil & Gas Corp., that she has read and is familiar with the foregoing *Direct Testimony*, and that the statements therein are true to the best of her knowledge, information and belief.

  
\_\_\_\_\_  
Brenda Harris  
Director of Power  
Occidental Oil & Gas Corp.

Subscribed and sworn to before me this 7th day of November 2023.

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

My Appointment Expires: 10/15/24



**CERTIFICATE OF SERVICE**

I hereby certify that on this 7th day of November 2023, the foregoing *Direct Testimony* was electronically filed with the Kansas Corporation Commission and that one copy was delivered electronically to all parties on the service list as follows:

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