

****PUBLIC VERSION****

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

In the Matter of the Application of Freedom Pipeline,)
LLC, for Approval of Its Sales For Resale Customer) Docket No. 23-FRPG-⁴⁶¹ CON
Contracts.) -RTS

DIRECT TESTIMONY OF DAVID N. DITTEMORE
ON BEHALF OF FREEDOM PIPELINE, LLC

1 **Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS FOR**
2 **THE RECORD.**

3 **A.** My name is David N. Dittemore. I am a self-employed consultant working in the utility
4 regulatory sector. My business address is 609 Regent Park Drive, Mt. Juliet Tennessee.

5 **Q. PLEASE PROVIDE A SUMMARY OF YOUR BACKGROUND AND**
6 **PROFESSIONAL EXPERIENCE.**

7 **A.** I received a Bachelor of Science in Business Administration from the University of Central
8 Missouri in 1982. I am a Certified Public Accountant licensed in Oklahoma (#7562). I was
9 previously employed by the Kansas Corporation Commission ("KCC") in various
10 capacities, including Managing Auditor, Chief Auditor, and Director of the Utilities
11 Division. I was self-employed as a Utility Regulatory Consultant for approximately four
12 years, including the representation of the KCC Staff in regulatory matters before the
13 Commission. I also participated in proceedings in Georgia and Vermont, evaluating issues
14 involving electricity and telecommunications regulatory matters.

1 During this time, I also performed a consulting engagement for Kansas Gas Service
2 ("KGS"), my subsequent employer. For eleven years, I served as Manager and,
3 subsequently, Director of Regulatory Affairs for KGS. I joined the Tennessee Attorney
4 General's Office in September 2017 as a Financial Analyst. In July 2021, I began my
5 consulting practice. Overall, I have thirty years of experience in public utility regulation. I
6 have presented testimony as an expert witness on many occasions, including before the
7 KCC. Attached as Exhibit DND-1 is a detailed overview of my background.

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

9 **A.** The purpose of my testimony is to demonstrate that the current rates of Freedom Pipeline
10 LLC ("Freedom") are reasonable and should be adopted for any customer seeking service
11 from Freedom in the future. I will also explain how due to the Freedom ownership
12 structure, the Commission's review of Freedom's rate proposal does not need to be as
13 exhaustive as that of proposals made by investor-owned utilities.

14 **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

15 **A.** I will discuss the regulatory implications of the Freedom ownership structure as it relates
16 to this filing. Further, I am sponsoring the revenue requirement calculation of Freedom
17 using an operating ratio methodology, supporting five adjustments to operations and an
18 income tax expense component. I also support a slight modification to the existing Freedom
19 rate structure. I discuss unique aspects of Freedom 's operations that should be considered
20 in the KCC's review of this filing. I also calculate Freedom's 2021 per book Debt Service
21 Coverage ratio and its implications on the reasonableness of the Freedom rate proposal.
22 Finally, I will re-affirm Freedom's commitment to agree to provide wholesale service to
23 BH per the Settlement Agreement adopted in Docket 14-FRPG-599-COC.

1 **Q. WHAT SCHEDULES ARE YOU SPONSORING?**

2 **A.** I am sponsoring the following schedules:

3 Exhibit DND-1 Professional Background and Experience

4 Confidential Exhibit DND-2 Freedom Balance Sheet

5 Confidential Exhibit DND-3 Freedom Income Statement

6 Confidential Exhibit DND-4 Revenue Requirement Calculation

7 Confidential Exhibit DND-5 Proposed Rate Design

8 Confidential Exhibit DND-6 Debt Service Coverage Ratio

9

10 **Q. DO YOU HAVE ANY PRELIMINARY COMMENTS CONCERNING THE**
11 **COMMISSION'S REVIEW OF FREEDOM'S PROPOSED RATES?**

12 **A.** Yes. As discussed by Mr. Heger the customers of Freedom are also owners of Freedom,
13 similar to an electric coop ownership model, familiar to the Commission. The customers
14 of Freedom are the nonprofit utilities (NPU) described by Mr. Heger, who, in turn, is
15 owned by individual NPU customers. The Boards of Directors of the NPUs direct the
16 operation of Freedom and endorse the rates charged by Freedom to the NPUs. Thus, the
17 need to protect captive customers, as is the case with investor-owned utilities, does not
18 exist in the Freedom/NPU ownership structure. For these reasons, I do not believe the
19 Commission needs to apply the same rigor to the reasonableness of this proposal as it would
20 apply to rate increase proposals of investor-owned utilities. Further, Freedom is not seeking
21 to increase its current rates but instead proposes to maintain its existing overall revenue
22 requirement with a slight revenue-neutral modification to its rate structure, discussed later
23 in my testimony.

1 **Q. PLEASE TURN TO YOUR CALCULATION OF FREEDOM'S REVENUE**
2 **REQUIREMENT. BEGIN BY PROVIDING A GENERAL EXPLANATION OF**
3 **HOW YOU DETERMINED AN APPROPRIATE REVENUE REQUIREMENT**
4 **FOR FREEDOM.**

5 **A.** I relied upon the 2021 Balance Sheet and Income Statement of Freedom as the starting
6 point to calculate an appropriate revenue requirement, identified as Exhibits DND-2 and 3,
7 respectively. Exhibit DND-4 sets forth the calculation of the Freedom revenue requirement
8 based on 2021 Pro-forma operating results. As reflected on line 27, I support a revenue
9 requirement of \$1,064,916. I computed the revenue requirement by calculating five Pro-
10 forma adjustments to the 2021 per-book operating expenses and applying a 10% operating
11 ratio. From this balance, I also attributed an income tax component applicable to the NPUs
12 using the composite state/federal statutory tax rates. Exhibit DND-4 sets forth the
13 adjustments I am sponsoring.

14 **Q. PLEASE DESCRIBE THE FIRST ADJUSTMENT YOU ARE SPONSORING TO**
15 **THE COMPANY'S 2021 OPERATIONS.**

16 **A.** The first adjustment increases Pro-forma operating revenue \$24. This immaterial
17 adjustment is necessary to match the 2021 throughput with Freedom operating revenue
18 such that total volumes applied to the current contractual rate per MMBTU of \$.85 match
19 the test period revenue.

20 **Q. TURN TO THE SECOND ADJUSTMENT AND EXPLAIN THE PURPOSE OF**
21 **THE ADJUSTMENT.**

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1 **A.** The second adjustment reduces Interest Expense by \$18,321 by annualizing interest costs
2 based upon a recent query by Freedom. I calculated the annual interest expense based on
3 the daily interest costs accruing to the Company for its three outstanding loan issuances.

4 **Q. WHAT IS THE THIRD ADJUSTMENT YOU ARE SPONSORING?**

5 **A.** The third adjustment I am sponsoring increases Depreciation and Amortization Expense
6 by \$125,274. I am proposing that the Commission adopt a three-year amortization period
7 for Start-Up and organization costs based upon the outstanding balance, net of accumulated
8 amortization, on August 31, 2022.

9 **Q. WHAT IS THE CURRENT AMORTIZATION PERIOD FOR THIS INTANGIBLE**
10 **ASSET BALANCE?**

11 **A.** The Company is currently amortizing these costs over fifteen years. The remaining life of
12 this asset as of August 2022 is approximately 9.25 years.

13 **Q. WHAT IS THE RATIONALE FOR ACCELERATING THE AMORTIZATION OF**
14 **THESE COSTS?**

15 **A.** Freedom seeks authority from the Commission to amortize these costs over three years.
16 The annual operating results of Freedom are significantly driven by the level of
17 precipitation occurring throughout the year, with an emphasis on the summer months. The
18 Company wishes to avoid any possibility of a stranded asset situation regarding these costs
19 in the event of declining usage. I believe the Commission should provide the Company
20 some latitude in adopting this amortization period because Freedom is only serving
21 customer-owners at this time¹, which has the potential for declining usage in the future.
22 Further, the limitation on summer peaking capacity, as explained by Mr. Hanson, suggests

¹ Freedom does not plan to seek recovery of these costs from Black Hills in its pending contract negotiations.

1 it is unlikely that the accelerated amortization proposed by Freedom would significantly
2 impact third parties.

3 **Q. WHAT IS YOUR FOURTH ADJUSTMENT TO FREEDOM OPERATIONS.**

4 **A.** Adjustment No. 4 increases Amortization Expense by \$58,900 to reflect a three-year
5 amortization of the estimated costs associated with the pending filing. Freedom will track
6 the actual regulatory costs as the case progresses.

7 **Q. ADDRESS ADJUSTMENT NO. 5 TO FREEDOM'S OPERATING RESULTS**

8 **A.** Adjustment No. 5 increases Professional Service fees by \$30,000. This estimate reflects
9 the additional costs expected to be incurred relative to addressing upstream imbalance
10 charges from Freedom's natural gas supplier. Outside services are required to review,
11 evaluate, and make recommendations on how to remediate these costs since Freedom has
12 no employees. In addition, Freedom will incur the costs necessary to complete a special
13 contract with Black Hills to provide wholesale service to its Moscow interconnection point.

14 **Q. WHAT IS THE TOTAL PRO-FORMA LEVEL OF OPERATING EXPENSES YOU**
15 **ARE SUPPORTING IN THIS FILING?**

16 **A.** I am supporting total operating expenses of \$925,835 as reflected on Line 17 of Exhibit
17 DND-4.

18 **Q. ARE YOU SUPPORTING AN INCOME TAX EXPENSE COMPONENT WITHIN**
19 **THE FREEDOM REVENUE REQUIREMENT?**

20 **A.** Yes. I understand that the NPU's are subject to federal and state income taxes. I believe it's
21 appropriate then to reflect an income tax expense component within the Freedom revenue
22 requirement that reflects the pass-through obligation of Freedom income tax expense to its

1 NPU owners. I have calculated this on lines 20 – 27 in Exhibit DND-4, resulting in an
2 imputed Income Tax Expense of \$32,877.

3 **Q. HOW DID YOU CALCULATE THE OVERALL REVENUE REQUIREMENT OF**
4 **FREEDOM?**

5 **A.** I applied a 10% operating margin to the Pro-forma operating expenses of Freedom. Using
6 a 10% operating margin is reasonable to apply to a system such as Freedom designed to
7 serve its owner/customers. The targeted operating revenue before consideration of Income
8 Tax Expense is reflected on line 22 of Exhibit DND-4. The overall corporate composite
9 state/federal tax rates of the NPUs were calculated at 24.16% as shown on Exhibit 4. The
10 targeted operating margin of \$103,204 produces Income Tax Expense of \$32,877. The sum
11 of the pre-tax Operating revenue and the calculated Income Tax Expense produces total
12 target revenue of \$1,064,916. This revenue requirement is similar to the actual 2021 margin
13 revenue of \$1,071,790². This difference between actual revenue and targeted revenue is
14 immaterial. In my opinion, the revenue requirement analysis demonstrates that existing
15 rates are reasonable to charge any unaffiliated customer seeking service from Freedom in
16 the future.

17 **Q. ARE YOU PROPOSING A MODIFICATION TO THE EXISTING \$.85 DELIVERY**
18 **RATE PER MMBTU?**

19 **A.** Yes. I am supporting a two-part rate, including a customer charge of \$350/month. The
20 customer charge would, in small measure, reflect the recovery of Freedom's fixed costs.
21 Most of Freedom's costs are fixed in nature and unrelated to its amount of throughput.

² This level of net revenue is net of purchase gas revenue and expense given that Freedom provides service on a sale-for-resale basis and passed through its gas costs to its members at cost, with no markup.

Freedom's two large expense items - Interest Expense and Depreciation Expense - are fixed. The proposed Freedom customer charge is in line with that levied by Black Hills. The rate design is intended to be revenue neutral with the current rates of Freedom, incorporating a proposed volumetric rate of \$.8483/MMBTU, a reduction from the current \$.85/MMBTU rate. The application of the \$350/month proposed customer charge and the proposed \$.8483/MMBTU applied to the test period level of throughput equals the 2021 net revenue of \$1,071,814. The calculation in Exhibit DND-5 demonstrates the revenue-neutral Freedom rate design proposal.

Q. ARE THERE OTHER FACTORS YOU BELIEVE THE COMMISSION SHOULD CONSIDER IN EVALUATING THE REASONABLENESS OF FREEDOM'S PROPOSAL?

A. Yes. As the Commission is well aware, establishing a reasonable revenue requirement for a utility involves judgment in addition to the technical aspects of ratemaking. There are several ways in which the Freedom revenue requirement may be calculated, and there is certainly no single 'correct' Freedom revenue requirement. However, I recommend the Commission should provide some latitude to the management decisions of Freedom in establishing its rates, given the context in which Freedom operates.

As discussed by Mr. Heger, the rates proposed in this docket would be charged to the existing NPU customers of Freedom as well as any prospective unaffiliated Freedom customer. Therefore, the Commission is assured that rates charged to any unaffiliated entity will be done on a non-discriminatory basis since the rates would be identical to those charged to Freedom's existing customer-owners.

1 Evidence provided by Mr. Hanson also supports the argument that Freedom should
2 be allowed some latitude in establishing its rates. Mr. Heger identifies the factors that may
3 impact the operating margin of Freedom, including variations in precipitation, reduced
4 commodity costs, and increases in fertilizer costs. I believe the Commission should
5 recognize the factors that may impact the cash-flow needs of Freedom in its consideration
6 of this case. Freedom believes the proposed rate structure is necessary to accommodate
7 these potential risks going forward.

8 Freedom does not have a diverse customer base, and its throughput is subject to
9 precipitation variations. Both of these factors suggest that annual operating revenue may
10 vary significantly. As discussed previously, Freedom does not have a profit motive, as do
11 investor-owned utilities. For these reasons, I believe the Commission should provide
12 deference to the management of Freedom when evaluating this proposal and find that the
13 proposed rates are within a reasonable range to apply to potential third parties that may
14 seek service.

15 **Q. WHAT OTHER DATA POINTS SHOULD THE COMMISSION CONSIDER IN**
16 **ASSESSING THE REASONABLENESS OF FREEDOM'S PROPOSED RATE?**

17 A. The Commission can use a Debt Service Coverage ("DSC") ratio analysis as a
18 reasonableness check on the proposed rates.

19 **Q. WHAT IS A DEBT SERVICE COVERAGE RATIO?**

20 A. The ratio is a measure of an organizations' ability to make its debt service payments. The
21 cash-flow margin embedded in the ratio implies that to be financially sound an organization
22 needs a cash flow surplus above its debt service obligations. The ratio is calculated by

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determining an entity's cash flow from Net Income (excluding charges for Depreciation and Interest) divided by its total debt service obligations.

Q. HAS THE COMMISSION ENDORSED A PARTICULAR DSC RATIO IN ANOTHER CASE?

A. My understanding is that the Commission has adopted a target DSC ratio of 1.6 in the review of the rates of Southern Pioneer Electric Company ("SPEC") in Docket No. 21-SPEE-411-RTS.

Q. WHAT IS THE 2021 DSC RATIO OF FREEDOM?

A. As reflected in Exhibit DND-6, I have calculated the Freedom DSC ratio at 1.39 based upon its 2021 operations. Applying the SPEC approved DSC ratio of 1.6 demonstrates a revenue shortfall of over \$127,000. The calculation of the DSC ratio based upon 2021 results further demonstrates the reasonableness of Freedom's request.

Q. CAN YOU PROVIDE THE STATUS OF THE FREEDOM COMMITMENT TO PROVIDE SERVICE TO BLACK HILLS?

A. Yes. Discussions with Black Hills have been initiated to provide wholesale service to Black Hills at its interconnect near Moscow. It is uncertain when an agreement may be reached and when such service may commence. Upon agreement of the parties, Freedom will submit the contract to the Commission for review and approval.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

David Dittmore

Experience

Areas of Specialization

Approximately thirty-years experience in evaluating and preparing regulatory analysis, including revenue requirements, mergers and acquisitions, utility accounting and finance issues and public policy aspects of utility regulation. Presented testimony on behalf of my employers and clients in natural gas, electric, telecommunication and transportation matters covering a variety of issues.

Self-Employed; **Consultant July 1 - Current**; Responsible for providing evaluation of utility ratemaking issues on behalf of clients. Prepare analysis and expert witness testimony.

Tennessee Attorney General's Office; **Financial Analyst September, 2017 – June 2021**; Responsible for evaluation of utility proposals on behalf of the Attorney General's office including water, wastewater and natural gas utility filings. Prepare analysis and expert witness testimony documenting findings and recommendations.

Kansas Gas Service; **Director Regulatory Affairs 2014 - 2017; Manager Regulatory Affairs, 2007 - 2014**

Responsible for directing the regulatory activity of Kansas Gas Service (KOS), a division of ONE Gas, serving approximately 625,000 customers throughout central and eastern Kansas. In this capacity I have formulated strategic regulatory objectives for KOS, formulated strategic legislative options for KOS and led a Kansas inter-utility task force to discuss those options, participated in ONE Gas financial planning meetings, hired and trained new employees and provided recommendations on operational procedures designed to reduce regulatory risk. Responsible for the overall management and processing of base rate cases (2012 and 2016). I also played an active role, including leading negotiations on behalf of ONE Gas in its Separation application from its former parent, ONEOK, before the Kansas Corporation Commission. I have monitored regulatory earnings, and continually determine potential ratemaking outcomes in the event of a rate case filing. I ensure that all required regulatory filings, including surcharges are submitted on a timely and accurate basis, I also am responsible for monitoring all electric utility rate filings to evaluate competitive impacts from rate design proposals.

Strategic Regulatory Solutions; 2003 -2007

Principal; Serving clients regarding revenue requirement and regulatory policy issues in the natural gas, electric and telecommunication sectors

Williams Energy Marketing and Trading; 2000-2003

Manager Regulatory Affairs; Monitored and researched a variety of state and federal electric regulatory issues. Participated in due diligence efforts in targeting investor owned electric utilities for full requirement power contracts. Researched key state and federal rules to identify potential advantages/disadvantages of entering a given market.

MCI WorldCom; 1999 - 2000

Manager, Wholesale Billing Resolution; Manage a group of professionals responsible for resolving Wholesale Billing Disputes greater than \$50K. During my tenure, completed disputes increased by over 100%, rising to \$150M per year.

Kansas Corporation Commission; 1984- 1999

Utilities Division Director - 1997 - 1999; Responsible for managing employees with the goal of providing timely, quality recommendations to the Commission covering all aspects of natural gas, telecommunications and electric utility regulation; respond to legislative inquiries as requested; sponsor expert witness testimony before the Commission on selected key regulatory issues; provide testimony before the Kansas legislature on behalf of the KCC regarding proposed utility legislation; manage a budget in excess of \$2 Million; recruit professional staff; monitor trends, current issues and new legislation in all three major industries; address personnel issues as necessary to ensure that the goals of the agency are being met; negotiate and reach agreement where possible with utility personnel on major issues pending before the Commission including mergers and acquisitions; consult with attorneys on a daily basis to ensure that Utilities Division objectives are being met.

Asst. Division Director - 1996 - 1997; Perform duties as assigned by Division Director.
Chief of Accounting 1990 - 1995; Responsible for the direct supervision of 9 employees within the accounting section; areas of responsibility included providing expert witness testimony on a variety of revenue requirement topics; hired and provided hands-on training for new employees; coordinated and managed consulting contracts on major staff projects such as merger requests and rate increase proposals;

Managing Regulatory Auditor, Senior Auditor, Regulatory Auditor 1984 - 1990; Performed audits and analysis as directed; provided expert witness testimony on numerous occasions before the KCC; trained and directed less experienced auditors on-site during regulatory reviews.

Amoco Production Company 1982 - 1984

Accountant Responsible for revenue reporting and royalty payments for natural gas liquids at several large processing plants.

Education

- B.S.B.A. (Accounting) Central Missouri State University
- Passed CPA exam; (Oklahoma certificate # 7562) - Not a license to practice

FREEDOM PIPELINE, LLC
STATEMENT OF ASSETS, LIABILITIES, AND MEMBERS' EQUITY
 December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash		
Accounts receivable		
TOTAL CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT, at cost, less accumulated depreciation		
OTHER ASSETS		
Start up costs, at cost, less accumulated amortization		
Organizational costs, at cost, less accumulated amortization		
TOTAL OTHER ASSETS		
TOTAL ASSETS		
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable		
Accrued interest payable		
Deferred accounting change		
TOTAL CURRENT LIABILITIES		
NOTES PAYABLE		
TOTAL LIABILITIES		
MEMBERS' EQUITY		
Retained earnings		
Members' equity		
Net income		
TOTAL MEMBERS' EQUITY		
TOTAL LIABILITIES AND MEMBERS' EQUITY		

No assurance is provided on the accompanying financial statements.
 The financial statements omit substantially all disclosures and the statement of cash flows
 required by accounting principles generally accepted in the United States of America.

FREEDOM PIPELINE, LLC
STATEMENT OF INCOME AND EXPENSE
 For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>INCOME</u>		
SALES		
COST OF SALES		
 TOTAL OPERATING INCOME		
<u>EXPENSE</u>		
OPERATING EXPENSES		
Bank charges		
Depreciation		
Licenses and permits		
Insurance		
Interest		
Operating		
Professional fees		
Repairs		
Supplies		
Taxes - Other		
Telephone		
Utilities		
 TOTAL OPERATING EXPENSES		
 OTHER INCOME		
 NET INCOME		

No assurance is provided on the accompanying financial statements.
 The financial statements omit substantially all disclosures and the statement of cash flows
 required by accounting principles generally accepted in the United States of America.

Public

Freedom Pipeline
Calculation of FPL Revenue Requirement

Exhibit DND-4

Line No.	Category
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Adjustment No.	1	2	3	4	5		
	To Synchronize Volumes and Pro-Forma Revenue	To Reflect a Pro-Forma level of Interest Expense	To Accelerate Amortization of Start-up Costs	To Reflect Amortization of Regulatory Costs	To Reflect Increased Professional Service Fees	Total Pro-Forma Adjustments	Total Pro-Forma Operations
Amount							

1	Sales						
2	Cost of Sales						
3	Total Operating Income						
4	Operating Expenses						
5	Bank Charges						
6	Depreciation						
7	Licenses and permits						
8	Insurance						
9	Interest						
10	Operating Expenses						
11	Professional Fees						
12	Repairs						
13	Supplies						
14	Taxes-Other						
15	Telephone						
16	Utilities						
17	Total Operating Expenses						
18	Other Income						
19	Net Income						

Calculation of FPL Revenue Requirement	
20	Pro-Forma Operating Expenses
21	Divided by: Reciprocal Operating Margin
22	Operating Revenue Subtotal
23	Plus: Income Tax Expense
24	Taxable Net Income (Required Operating Income less Pro-Forma Expenses)
25	Divided by Reciprocal Tax Factor (100% - 24.16%)
26	Income Tax Expense
27	Total Revenue Required at 10% Operating Margin

Calculation of Composite Tax Rate	
Income Subject to tax	100%
Less: State Tax	4%
Income Subject to Federal Tax	96%
Federal Rate	21%
Effective Federal Tax	20.16%
Plus State Tax	4%
Effective Composite Tax Rate	24.16%
Reciprocal Rate	75.84%

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Freedom Pipeline Company

Exhibit DND-5

Rate Design Proposal

Line No.

- 1 Revenue Requirement
- 2 Volumes
- 3 Effective Overall Rate per MMBTU
- 4 **Proposed Customer Charge/Month**
- 5 Applied to 6 Customer/Owners
- 6 Monthly Revenue through Customer Charge
- 7 Annual Customer Charge Revenue
- 8 Residual Revenue to be Collected through
volumetric charge
- 9 Annual Throughput
- 10 Proposed Rate per MMBTU

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**Freedom Pipeline
Calculation of Debt Service Ratio**

Exhibit DND-6

Line No.	Item	Amount		Source
		2021 Actual	Pro-Forma	
1	Net Operating Income 2021			
2	Plus:			
3	Interest Expense			
4	Depreciation			
5	Less: Unamortized Regulatory Costs			
6	Cash Available for Debt Service			
7	Divided By the Sum Of:			
8	Principal Payment (if paid 11/2/22)			
9	Annualized Interest			
10	Subtotal Debt Obligations			
11	Debt Service Coverage Ratio			
12	Target DSC Ratio			
13	Cash Necessary to Achieve Desired DSC Ratio			
14	Cash Shortfall to Achieve 1.6 DSC Ratio			

VERIFICATION

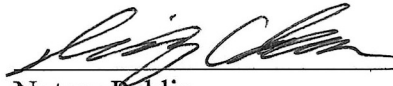
STATE OF Tennessee)
) ss
COUNTY OF Wilson)

The undersigned, David Dittmore, upon oath first duly sworn, states that he is an outside consultant for Freedom Pipeline, LLC, that he has reviewed the foregoing *Direct Testimony*, that he is familiar with the contents thereof, and that the statements contained therein are true and correct to the best of his knowledge and belief.



David Dittmore

Subscribed and sworn to before me this 8 day of November 2022.



Notary Public

My appointment expires: 05/09/2026



CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a true and correct copy of the foregoing *Direct Testimony* was electronically served this 14th day of November, 2022 to:

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/s/ Glenda Cafer

Glenda Cafer