

**Testimony
of
Ron Bridgewater**



BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

AUG 16 2013

by
State Corporation Commission
of Kansas

In the Matter of the Application of ONEOK, Inc. for)
An Order Authorizing its Plan of Reorganization)

Docket No. 14-KGSG-100-MIS

DIRECT TESTIMONY OF RONALD D. BRIDGEWATER

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Ronald D. Bridgewater. My business address is 100 West Fifth Street, Tulsa
4 Oklahoma 74103.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by ONEOK, Inc. as Vice President of Asset Management and Engineering.

7 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL
8 EXPERIENCE.**

9 A. I earned a Bachelors degree in Mechanical Engineering from the University of Missouri in
10 1988. Upon graduation I began employment with KPL Gas Service Company, the predecessor
11 to Kansas Gas Service, as a Distribution Engineer. Since then, my entire career has been
12 devoted to work in the natural gas industry. I have held several positions in the areas of
13 engineering, regulatory compliance, and operations management. I was named Vice President
14 of Asset Management and Engineering for ONEOK, Inc.'s distribution companies effective
15 January 1, 2013. Prior to that position, I was Vice President of Kansas Gas Service East
16 Region Operations.

17 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?**

1

2 A. Yes. I have testified before the Kansas Corporation Commission ("Commission") on
3 numerous occasions.

4 **Q. WHAT IS THE SCOPE OF YOUR TESTIMONY?**

5 A. I am providing testimony in support of ONEOK, Inc.'s ("ONEOK") request for the
6 Commission to issue an order authorizing ONEOK to implement its reorganization plan.
7 ONEOK is proposing to place its natural gas utility distribution business into a separate
8 corporation in order to create two independent publicly traded companies. The name of the
9 new corporation will be ONE Gas, Inc. ("ONE Gas"). In my testimony below, I explain how
10 the reorganization will allow Kansas Gas Service to continue to provide safe and reliable
11 service to its customers in Kansas.

12 **II. KANSAS GAS SERVICE'S OPERATIONS UNDER ONE GAS**

13 **Q. HOW WILL KANSAS GAS SERVICE CONDUCT ITS OPERATIONS IN KANSAS**
14 **FOLLOWING THE REORGANIZATION?**

15 A. Kansas Gas Service, as a division of ONE Gas, will conduct its operations in the same manner
16 as it did prior to the reorganization. The employees who provide natural gas transmission and
17 distribution service to customers in Kansas today will be the same employees who provide
18 natural gas transmission and distribution service after the reorganization. Kansas Gas Service
19 operations centers in Topeka, Overland Park, Wichita, Hutchinson, Salina, Leavenworth,
20 Pittsburg and other communities in Kansas will continue to provide natural gas distribution
21 services to our customers. Kansas Gas Service will continue to have its information center in
22 Topeka Kansas. Kansas Gas Service workers who are members of the International

1 Brotherhood of Electrical Workers (IBEW) and the United Steel Workers (USW) will
2 continue to provide natural gas service to our customers pursuant to our collective bargaining
3 agreements with the unions. Kansas Gas Service will continue to honor its franchise
4 agreements with all the communities in which it operates. Kansas Gas Service will continue
5 to buy natural gas for resale to its customers and will assume responsibility for all gas purchase
6 contracts and transportation agreements which Kansas Gas Service had entered to acquire
7 natural gas for delivery to its sales customers. Contracts which Kansas Gas Service had entered
8 with third party vendors to support our operational and construction activities will remain in
9 place with Kansas Gas Service after the reorganization. From an operational perspective,
10 Kansas Gas Service's customers in Kansas will see no difference in how our operations are
11 conducted. The telephone numbers to call for customer inquiries will be the same, the trucks
12 will be the same and the employee getting out of the truck to serve our customers and operate
13 our system will be the same.

14 **Q. HOW WILL CORPORATE SERVICES BE PROVIDED BY ONE GAS TO KANSAS**
15 **GAS SERVICE?**

16 A. The same services will continue to be provided by the ONE Gas corporate office as were
17 provided by the ONEOK corporate office before the reorganization. The ONE Gas corporate
18 office will continue to provide various services including human resources, legal, accounting,
19 tax, investor relations, communications, treasury and information technology. As discussed
20 in Mr. Dittmore's testimony, the cost of these services will be allocated among the Kansas,
21 Texas and Oklahoma utility divisions of ONE Gas pursuant to a Cost Allocation Manual
22 ("CAM"), which will be virtually the same as the CAM used by ONEOK and Kansas Gas

1 Service and currently on file with the Commission.

2 **Q. WILL KANSAS GAS SERVICE, A DIVISION OF ONE GAS, CONTINUE TO BE**
3 **SUBJECT TO THE COMMISSION'S JURISDICTION FOR MATTERS OF SAFETY**
4 **AND RELIABILITY?**

5 A. Yes. Kansas Gas Service/ONE Gas will adopt the Operation and Maintenance Manuals
6 currently in place for Kansas Gas Service/ONEOK. The procedures and practices set forth in
7 the manuals will continue to be the procedures and practices of Kansas Gas Service. As we
8 have in the past, the manuals will continue to be reviewed and analyzed to determine ways in
9 which our practices and procedures can be improved to enhance public safety and reliability.

10 **Q. WILL KANSAS GAS SERVICE CONTINUE ITS PROGRAM TO REPLACE 10,000**
11 **BARE STEEL SERVICE LINES PER YEAR AS ADDRESSED IN DOCKET NO.**
12 **11-KGSG-177-TAR?**

13 A. Yes, Kansas Gas Service will continue its bare steel service line replacement program as
14 addressed in that docket.

15 **Q. WILL KANSAS GAS SERVICE CONTINUE ITS PROGRAM TO REPLACE CAST**
16 **IRON PIPE AS ADDRESSED IN DOCKET NO. 12-KGSG-721-TAR?**

17 A. Yes, Kansas Gas Service will continue its cast iron replacement program. The program has
18 been proceeding well and we expect that by the end of this calendar year, only 87 miles of cast
19 iron pipe will remain in operation compared to the 108 miles in operation when the docket was
20 filed in the spring of 2012. Executing on all of our safety programs is a core principal of
21 Kansas Gas Service and ONEOK, and it will be the same for ONE Gas. Safety will not be
22 compromised as a result of the reorganization.

1 **Q. WILL KANSAS GAS SERVICE CONTINUE ITS INTEGRITY MANAGEMENT**
2 **PROGRAMS TO ADDRESS DISTRIBUTION PIPELINE AND TRANSMISSION**
3 **PIPELINE INTEGRITY MANAGEMENT?**

4 A. Yes. Kansas Gas Service will continue to address pipeline integrity through adherence to the
5 existing distribution integrity management plan (DIMP) and existing transmission integrity
6 management plan (IMP) included in Kansas Gas Service's Operation and Maintenance
7 Manuals. These programs will be continued without change due to the reorganization.

8 **Q. WILL KANSAS GAS SERVICE CONTINUE ITS CONTROL ROOM**
9 **MANAGEMENT PROGRAM?**

10 A. Yes. Kansas Gas Service will continue its control room management practices through
11 adherence to the existing Kansas Gas Service Control Room Management Plan included in
12 Kansas Gas Service's Operations and Maintenance Manuals. The program will not change due
13 to the reorganization.

14 **Q. MR. BRIDGEWATER, DO YOU HAVE ANY OTHER COMMENTS THAT YOU**
15 **WOULD LIKE TO MAKE TO THE COMMISSION REGARDING THE PROPOSED**
16 **REORGANIZATION AND COMMISSION OVERSIGHT OF KANSAS GAS**
17 **SERVICE, A DIVISION OF ONE GAS?**

18 A. The most important thing the Commission should know is that from an operational standpoint,
19 the reorganization will not change Kansas Gas Service's commitment to provide safe, reliable
20 and efficient natural gas service. The people the Commission contacted the day before the
21 transaction closes will be the same people the Commission will engage the day after the
22 transaction closes. With this transaction, the Commission is not dealing with a new, unknown,

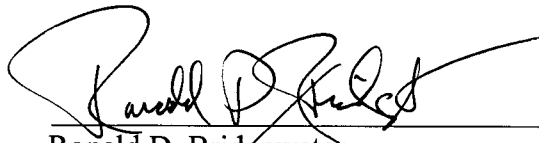
1 outside buyer who may be unfamiliar with the day to day operations of Kansas Gas Service.
2 If the Commission Pipeline Safety Staff has operational questions, they will contact the same
3 people they call today. There is no new buyer and therefore no learning curve associated with
4 this transaction. The people of Kansas Gas Service and ONE Gas are steeped in a long
5 tradition of operating our physical plant in Kansas in a safe and efficient manner and we intend
6 to continue that tradition after the reorganization is complete.

7 **Q. THANK YOU.**

VERIFICATION

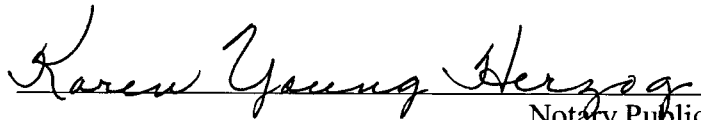
STATE OF OKLAHOMA)
) ss:
COUNTY OF TULSA)

Ronald D. Bridgewater, being duly sworn upon his oath, deposes and states that he is Vice President of Asset Management and Engineering, for ONEOK, Inc.; that he has read and is familiar with the foregoing Direct Testimony filed herewith; and that the statements made therein are true and correct.



Ronald D. Bridgewater

SUBSCRIBED AND SWORN to before me this 14th day of August, 2013.



Notary Public

Appointment/Commission Expires: 2/27/17

