

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

In the Matter of the Application of KanOK ) Docket No. 22-CONS-3473-CMSC  
Energy, LLC (Operator) for an Operator's )  
License Renewal. ) CONSERVATION DIVISION  
 )  
 ) License No. 35428  
\_\_\_\_\_ )

**PRE-FILED DIRECT TESTIMONY OF**

**NANCY BORST**

**ON BEHALF OF COMMISSION STAFF**

**AUGUST 26, 2022**

1   **Q. What is your name and business address?**

2   A. Nancy D. Borst, 266 N. Main St., Suite 220, Wichita, KS 67202

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

4   A. I am employed by the Conservation Division of the Kansas Corporation Commission as an  
5   Administrative Specialist in the Licensing and Legal Departments.

6   **Q. Would you please briefly describe your background and work experience?**

7   A. I worked as the Communications Coordinator and Public Information Officer for Kingman  
8   County from 2013 to 2017. Prior to that I was the managing editor of the Kingman Leader-  
9   Courier newspaper. I have worked in various roles in journalism for the past forty-three years  
10   and continue to own a freelance journalism business. I have a Bachelor of Science degree  
11   from the University of Kansas. I have worked for the Kansas Corporation Commission since  
12   February 2018 as an Administrative Specialist. My primary duties include processing and  
13   reviewing license applications, processing open records requests, and processing legal filings.

14   **Q. Have you previously testified before this Commission?**

15   A. Yes.

16   **Q. What is the purpose of your testimony in this matter?**

17   A. The purpose of my testimony is to discuss the evidence supporting the Commission's findings  
18   relating to the Order Denying Application for License issued to KanOK Energy, LLC  
19   (Operator) in Docket 22-CONS-3473-CMSC (Docket 22-3473). Specifically, my testimony  
20   will discuss Operator's license.

21   **Q. Please provide a brief overview of the facts in this docket.**

22   A. The Commission denied Operator's application for license renewal because Operator's  
23   application did not meet the requirements of K.S.A. 55-155(c)(4) and K.A.R. 82-3-120(g)(2).

Operator's application did not meet the requirements because Operator was suspended for non-compliance with two Commission penalty orders, Docket 22-CONS-3292-CPEN (Docket 22-3292) and Docket 22-CONS-3418-CPEN (Docket 22-3418).

**Q. Will you please explain the requirements of K.S.A. 55-155(c) and K.A.R. 82-3-120(g)(2)?**

A. K.S.A. 55-155(c)(4) and K.A.R. 82-3-120(g)(2) provide that for an applicant not registered with the Securities and Exchange Commission, no license application or renewal application shall be approved until the applicant has demonstrated to the Commission's satisfaction that the following individuals comply with all requirements of Chapter 55 of the Kansas Statutes Annotated and amendments thereto, all rules and regulations adopted thereunder, and all Commission orders and enforcement agreements: (1) the applicant; (2) any officer, director, partner, or member of the applicant; (3) any stockholder owning in the aggregate more than 5% of the stock of the applicant; and (4) any spouse, parent, brother, sister, child, parent-in-law, brother-in-law, or sister-in-law of the foregoing.

**Q. When did Operator submit its license renewal?**

A. Operator submitted its license renewal on March 24, 2022.

**Q. Why were you unable to process Operator's license renewal?**

A. I was unable to process Operator's license renewal because at the time, Operator's license was suspended for non-compliance with the Commission's Penalty Order in Docket 22-3292, as well as non-compliance with the Commission's Penalty Order in Docket 22-CONS-3198-CPEN (Docket 22-3198).

1 **Q. Did Staff send a letter to Operator regarding its application not meeting the**  
2 **requirements of K.S.A. 55-155(c) and K.A.R. 82-3-120?**

3 A. Yes. Legal Staff sent a letter to Operator on March 25, 2022, stating that Staff would  
4 recommend denial of Operator's application if the underlying issues were not resolved by  
5 April 25, 2022 (the letter is attached to the Docket 22-3473 Order as Exhibit A).

6 **Q. To your knowledge, is Operator's license still suspended?**

7 A. Yes, Operator's license is still suspended. Staff unsuspended Operator's license in Docket  
8 22-3198 on March 31, 2022, and unsuspended Operator's license in Docket 22-3292 on  
9 August 17, 2022. However, Staff suspended Operator's license on June 21, 2022, in Docket  
10 22-3418. Operator's license currently remains suspended in Docket 22-3418.

11 **Q. Did you have any communications with Operator regarding its license renewal?**

12 A. No.

13 **Q. Please summarize your recommendations.**

14 A. I recommend that the Commission affirm the Order Denying Application for License.  
15 Operator failed to address the underlying issues resulting in the suspension of its license by  
16 the deadline provided in Staff's letter; therefore, Commission rules and regulations prevent  
17 the renewal of Operator's license.

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

19 A. Yes.

## **CERTIFICATE OF SERVICE**

22-CONS-3473-CMSC

I, the undersigned, certify that a true and correct copy of the attached Prefiled Direct Testimony of Nancy Borst has been served to the following by means of electronic service on August 26, 2022.

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/s/ Paula J. Murray  
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