

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Kansas Gas)
Service, a Division of ONE Gas, Inc. for Approval)
of an Accounting Order to Track Expenses)
Associated with the Investigating, Testing,)
Monitoring, Remediating and Other Work)
Performed at the Manufactured Gas Plant Sites)
Managed by Kansas Gas Service.)

Docket No. 17-KGSG- 455 -ACT

DIRECT TESTIMONY

OF

MARK W. SMITH

ON BEHALF OF

KANSAS GAS SERVICE,
A DIVISION OF ONE GAS, INC.

DIRECT TESTIMONY
OF
MARK W. SMITH
KANSAS GAS SERVICE
DOCKET NO. 17-KGSG-___-ACT

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME.**

3 A. My name is Mark W. Smith.

4 **Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR BUSINESS ADDRESS?**

5 A. I am employed by ONE Gas, Inc. ("ONE Gas" or "Company"). My business address is 15
6 East Fifth Street, Tulsa, Oklahoma.

7 **Q. WHAT IS YOUR POSITION WITH ONE GAS?**

8 A. I am Vice President, Treasury.

9 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
10 **PROFESSIONAL EXPERIENCE.**

11 A. I have a Bachelor's of Science in Accounting from Oklahoma State University and a Master's
12 in Business Administration from Phillips University. I am also a CPA. I have worked for
13 ONE Gas, formerly ONEOK, Inc., ("ONEOK") for nearly 30 years in areas that include
14 Rates and Regulatory, Corporate Accounting, Budgeting, Corporate Development and
15 Treasury. I previously served on the Southern Gas Association Rate Committee, where I
16 taught a portion of its Regulatory 101 course.

17

1 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY TO THE KANSAS**
2 **CORPORATION COMMISSION ("COMMISSION" OR "KCC")?**

3 A. Yes, I have.

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

5 A. The purpose of my testimony is to provide an overview of the liability insurance coverage
6 provided by various insurance companies to the utility's predecessors and a discussion
7 regarding the possible recovery of MGP Costs (as that term is defined in the Application
8 filed in this case) incurred by the Company from those policies. My testimony also
9 includes: (1) a summary of (a) the MGP Costs that have been incurred between November
10 1, 1997 and December 31, 2016; and (b) the probable and reasonably measurable MGP Costs
11 that Kansas Gas Service expects to incur over the next several years; (2) a review of the
12 amount of proceeds that the Company has collected from insurance companies to date and
13 an explanation of how the Company accounted for these funds; (3) a review of the successes
14 other utility companies have experienced in pursuing insurance costs associated with MGP
15 site clean-up proceeds and the basis used for making those claims; (4) the identification of
16 the defenses raised by insurance companies to deny insurance coverage related to MGP
17 cleanup cost recovery; (5) background as to why the Company has been cautious in its efforts
18 to seek recovery from the insurance companies to this point; (6) a discussion regarding the
19 insurance companies' hesitancy to enter into partial settlements on these types of claims,
20 based on terms of the specific policies; and (7) an outline of the Company's strategy to move
21 forward with its efforts to make claims to secure proceeds from the insurance companies.

22 **Q. PLEASE PROVIDE A BRIEF SUMMARY OF THE HISTORY OF THE**
23 **COMPANY'S EFFORTS AS IT RELATES TO INSURANCE COVERAGE FOR**

1 **DAMAGES AND COSTS ASSOCIATED WITH THE MGP SITES MANAGED BY**
2 **THE COMPANY.**

3 A. During ONEOK’s acquisition of Western Resources, Inc.’s (“WRI”) gas properties in 1997,
4 ONEOK reviewed the insurance available from the prior owners. In addition, ONEOK
5 retained a legal firm and an archeological consultant to further review and prepare a report
6 in conjunction with WRI to develop a complete understanding of all the potential insurance
7 policies covering the MGP sites. The report identified insurance policies and associated
8 coverages related to the 12 MGP sites as presented in Exhibit MWS-1. This Exhibit lists
9 the potential insurance companies and is arranged to show which insurance companies had
10 policies on each MGP site. The progression of ownership of these MGP sites is as follows:

- 11 • On December 31, 1946, Gas Service Company purchased Kansas City Gas
12 Co., from Cities Services Co.;
- 13 • In 1954, Cities Services Co., sold its controlling interest in Gas Service
14 Company and Gas Service Company became a standalone company;
- 15 • In 1964, Gas Service Company purchased eight gas companies;
- 16 • In 1983, Kansas Power and Light “KPL” acquired Gas Service Company;
- 17 • In 1985, Gas Service Company operations were joined with KPL and KPL
18 policies started covering Gas Service Company;
- 19 • In 1992, KPL became Western Resources and then later Westar;
- 20 • In 1994, KPL sold its Missouri natural gas operation to Southern Union;
- 21 • In 1997, ONEOK purchased WRI’s gas properties;
- 22 • In 2002, Western Resources became Westar; and

- 1 • In 2014, ONEOK spun out ONE Gas, Inc., as a separate unaffiliated
2 company.

3 Confidential Exhibits MWS-2a through 2c were provided by the consultant and are
4 arranged in a manner to provide a quick reference of the time periods associated with the
5 policies, the name of the previous owners of the policies, and the level of insurance coverage
6 in the tower by year.

7 Confidential Exhibit MWS-2a shows policies in place for Gas Services Company for
8 the period of 1944 through 1996. This exhibit also shows which years the various policies
9 covered and the point at which the policies attached or became effective. The right side of
10 the chart denotes which policies have an attachment point or a deductible as high as \$25
11 million. There are also a few gaps where no information on coverage could be found and
12 policies with a red dot denoting where the insurer has become insolvent. The legend also
13 denotes any types of pollution exclusions that may be on the different policies.

14 Confidential Exhibit MWS-2b shows policies in place for Kansas Gas & Electric for
15 the period of 1934 through 1993 and shows which years the various policies covered and the
16 points at which the policies attached or became effective. The right side of the chart in this
17 Exhibit, also notes which policies have an attachment point or deductible as high as \$25
18 million. There are also a few gaps noted in this document indicating where no information
19 on coverage could be found. The legend also denotes any types of pollution exclusions that
20 may exist on the different policies.

21 Confidential Exhibit MWS-2c shows policies in place for The Kansas Power and
22 Light Company for the period of 1947 through 1996 and identifies the years the various
23 policies covered and the point at which the policies attached or became effective. As in the

1 prior Exhibits, the right side of this chart also notes which policies have an attachment point
2 or deductible as high as \$25 million. There are also a few gaps where only partial policies
3 or broker's placement slips (a broker's placement slip is evidence of insurance before the
4 policy is issued) are available. The legend also denotes any types of pollution exclusions
5 that may exist on the different policies. Additionally, you will notice some policies with a
6 red dot denoting where the insurer has become insolvent.

7 The information contained in Exhibits MWS-1 through MWS-2c, coupled with the
8 fact that other companies have claims against some of these same policies, provides some
9 insight into the complexity involved in the claims process.

10 After the acquisition, ONEOK and WRI jointly filed claims against ten of the carriers
11 identified by the consultant. Because the parties were unable to reach agreement on the
12 settlement terms, on any of the ten claims filed with the various insurance carriers, it was
13 determined that legal action would most likely be required. As a result, the Company
14 decided to drop the pursuit of insurance settlements until additional site investigation and
15 work could be done to help the Company to better understand the nature and extent of
16 future site clean-up costs.

17 **Q. WHAT INFORMATION IS CONTAINED IN EXHIBIT MWS-3?**

18 A. Exhibit MWS-3 is a summary of all the costs, arranged by month and year, of all of the
19 related MGP Cost incurred by KGS through December 31, 2016. This schedule also
20 includes the insurance recoveries that have occurred over the years.

21 **Q. HAS THE COMPANY ESTABLISHED A RESERVE FOR FUTURE**
22 **ENVIRONMENTAL COSTS RELATED TO THESE MGP SITES?**

23 A. Yes. Under the current accounting standards (Accounting Standards Codification Topic 410-

1 30 Environmental Obligations), ONE Gas has established a reserve for the MGP sites of just
2 over \$5.9 million as of December 31, 2016. This reserve is continually reviewed and
3 updated as new information becomes available. Basically, under this accounting standard,
4 the Company must record a liability when a future obligation is probable and can be
5 reasonably estimated. The \$5.9 million represents the probable and reasonably estimated
6 or measured amount of MGP Costs that Kansas Gas Service expects to incur for items such
7 as the development of project plans and for other ongoing investigation and remediation
8 activities at these sites which typically involves the management of contaminated soils; the
9 possible removal of structures; and the monitoring and/or remediation of groundwater.
10 However, as explained by Mr. Haught in his testimony, the total remaining MGP Costs
11 cannot be calculated with any degree of certainty and is one of the main reasons why Kansas
12 Gas Service is seeking the regulatory treatment requested in this matter.

13 **Q. BASED ON YOUR KNOWLEDGE, HAVE UTILITY COMPANIES HAD ANY**
14 **SUCCESS IN SEEKING RECOVERY FROM INSURANCE COMPANIES FOR**
15 **REMEDATION WORK PERFORMED AT MGP SITES?**

16 A. Yes. Gas utilities have generally been successful in recovering portions of the MGP Costs
17 through insurance coverage based on the fact that the early comprehensive general liability
18 policies were written without any exclusions (1930s to 1950s) and some of the later policies
19 (1960s to 1970s) only had limited exclusions on gradual pollution and environmental issues.
20 However, starting in approximately 1972, almost all insurance policies were written to
21 exclude pollution and environmental issues, regardless of whether the pollution was sudden
22 or gradual in nature.

23

1 Q. PLEASE EXPLAIN THE GENERAL BASIS FOR MAKING CLAIMS AGAINST
2 THE VARIOUS INSURANCE COMPANIES.

3 A. Utility companies have generally been successful in collecting environmental liabilities from
4 comprehensive general liability policies by claiming the policies did not exclude
5 environmental coverage. The provisions in the early policies provided for broad liability
6 coverage and were marketed as such by the insurance industry. The basis for liability
7 coverage under the early policies is the policy provisions provide that the insurance company
8 will pay all sums for liability damages that occur during the policy period. The utilities
9 successful in obtaining coverage have alleged that contamination at MGP sites constitutes
10 liability damage and that such damage begins at the time the contamination starts and
11 continues until the contamination is remediated. Therefore, the coverage is triggered under
12 each policy in effect during that period of time.

13 Q. BASED ON YOUR KNOWLEDGE, WHAT ARE SOME OF THE MAJOR
14 CHALLENGES A UTILITY MIGHT FACE WHEN SEEKING RECOVERY OF
15 MGP COSTS UNDER THE INSURANCE POLICIES?

16 A. Some of the issues and arguments that insurance companies have asserted to reject or limit
17 claims for recovery of MGP site clean-up costs are as follows:

- 18 • Insurance companies have argued that multiple insureds had rights under the policies
19 and that prior insureds have entered into settlement agreements on these policies which
20 included buy back provisions. These provisions potentially extinguished any rights of
21 any potential future claims under the impacted policies. As a result of these settlement
22 agreements, the insurance companies allege the insurance policies no longer

- 1 exist. When successful, this argument may limit the number of insurance policies
2 available for recovery;
- 3 • Insurance carriers may have claimed insolvency. Therefore, coverage associated with
4 the issued insurance policies may not be available;
 - 5 • Some insurance companies have taken adverse or differing interpretation of case law in
6 Kansas and/or Missouri regarding the recoverability of costs, as well as the allocation of
7 costs to the various insurance policies;
 - 8 • Insurance companies may seek to settle claims in total by buying the policies back so
9 that no future claims can be made;
 - 10 • Some of the insurance policies have a very high attachment point (i.e. cost per site needs
11 to exceed \$10 million or higher);
 - 12 • Insurance companies have argued that government-mandated clean-up costs are not
13 "damages" as that term is defined in the insurance policy;
 - 14 • Insurance companies have also claimed that the liability damages did not occur during
15 the period in which their policies were in effect;
 - 16 • Insurance companies may contend that they should only have to pay a pro-rated share of
17 any loss. Specifically, they argue that the coverage should be limited based upon the
18 ratio of the length of time that their policies were in effect, divided by the total length of
19 time during which the damage has been occurring;
 - 20 • Insurance companies have also attempted to deny coverage under the owned-property
21 exclusion in the policy, which excludes liability damage for property owned or occupied
22 by the insured and under newer policies that exclude what the insurers refer to as gradual

1 contamination as opposed to sudden or accidental contamination; and

- 2 • Finally, insurance companies have sought to deny coverage on the grounds that the gas
3 utility expected or intended the property damage.

4 **Q. DOES ONE GAS HAVE A STRATEGY FOR RESPONDING TO THE INSURANCE**
5 **COMPANIES' OBJECTIONS AND DEFENSES?**

6 A. Yes, we do. ONE Gas believes it has rights under various insurance policies issued to
7 predecessor companies (Gas Services Company, KPL and Kansas Gas & Electric) between
8 the late 1930s through the mid-1990s. As a result, ONE Gas has initiated an effort to pursue
9 recovery from the historical comprehensive general liability insurance policies (that do not
10 contain environmental exclusions) to offset costs spent to date, and to cover the potential
11 future costs anticipated for the remaining cleanup of the twelve MGP sites. ONE Gas has
12 retained legal experts and insurance archeologist consultants to identify the policies and
13 possibility of insurance recovery.

14 ONE Gas is in the process of assessing the potential and extent to which we can
15 recover our cleanup costs from these insurance policies. Upon reaching the determination
16 that it is appropriate to proceed, ONE Gas will use the existing case law and policy language
17 to negotiate with the insurance carriers and other insured parties. Because some of these
18 policies could be over 70 years old, it is believed that the insurers will aggressively argue to
19 discount their liability. It is our belief that many of the insurance company's defenses are
20 not a legitimate basis for denial of claims for recovery on MGP site clean-up cost under the
21 insurance policies. It is our objective to make such arguments in an effort to secure
22 insurance proceeds to offset MGP costs incurred by the Company. These arguments are
23 similar to those previously accepted by the Courts in cases where the utilities prevailed in

1 requests for insurance recovery. Should it come to litigation, we have retained experts who
2 have extensive experience preparing claims for MGP costs and have been successful in
3 receiving favorable outcomes.

4 **Q. PLEASE EXPLAIN WHY PROCEEDS HAVE BEEN COLLECTED FROM SOME**
5 **OF THE INSURANCE COMPANIES AND WHY THE COMPANY PROCEEDED**
6 **WITH SETTLEMENTS OF THESE POLICIES?**

7 A. The proceeds the Company has collected to date have primarily come from London market
8 companies that have entered into receivership or “run-off” (a form of bankruptcy).
9 Effectively, they initiated a formal claim process to resolve all outstanding historical “long
10 tail” liability. It was not our choice to proceed with these settlements, but if we had not
11 initiated a claim under their established process we likely would not have received any
12 proceeds from those companies.

13 **Q. HOW DID THE COMPANY ACCOUNT FOR THESE INSURANCE**
14 **RECOVERIES?**

15 A. The Company booked these proceeds to the MGP reserve (liability). This is the same
16 account to which the MGP Costs were being booked. Therefore, no income or credits to
17 expense were recognized from the receipt of these insurance proceeds. It was basically a
18 reduction of the expense that had been booked to the reserve.

19 **Q. WHY HAS THE COMPANY BEEN HESITANT TO MAKE CLAIMS UNDER THE**
20 **INSURANCE POLICIES SET FORTH IN CONFIDENTIAL EXHIBIT MWS-1?**

21 A. Based on the initial attempts made by ONEOK and WRI in 2000 through 2001 that I
22 explained earlier, the Company has been hesitant to make claims against the insurance
23 policies for several reasons. First, based on the initial work, legal actions may be required

1 to be successful in some cases. Second, the uncertain nature of future costs associated with
2 the MGP sites make it difficult to establish a reasonable range of full settlement. Third, at
3 some point ONEOK felt that the original reserve might be enough to cover the future cost
4 and decided to look at insurance recoveries in the future at a time when more information
5 was available. Finally, the insurance companies, who hold these policies, are generally
6 unwilling to enter into partial settlements (but instead demand full release from any future
7 liability under the policy). Thus, the Company has taken a more deliberative approach that
8 includes analyzing our actual historical cost together with additional testing and monitoring
9 to provide us with information to assess future costs. Based on this analysis, it is now
10 apparent that future MGP site remediation cost will exceed the original reserve that was
11 established at the time of the acquisition. Given this assumption, ONE Gas now believes
12 that it is approaching the point when insurance claims should be raised again. Therefore,
13 we feel that now is the appropriate time to seek approval from the Commission for the
14 establishment of proper regulatory treatment and/or recovery mechanism for: (1) the future
15 MGP Costs incurred by Kansas Gas Service; and (2) the insurance proceeds ONE Gas is
16 able to secure relating to MGP Costs recovery.

17 **Q. WHY HAVE THE INSURANCE COMPANIES BEEN HESITANT TO ENTER INTO**
18 **PARTIAL SETTLEMENTS ON CLAIMS RELATED TO THESE POLICIES?**

19 A. The insurance companies have been reluctant to enter into partial settlements based on their
20 interpretation of the terms contained in the early policies. To settle, they effectively want
21 to repurchase the policy to eliminate the risk of additional claims in the future.

22 **Q. WHAT IS THE COMPANY'S STRATEGY GOING FORWARD WITH REGARDS**
23 **TO RECOVERY UNDER THESE INSURANCE POLICIES?**

1 A. To be successful, the Company will work with the other potential insured parties (Westar
2 and Spire), update notice to the carriers, and work with our experts to develop a thoughtful
3 approach to pursue insurance recovery. In part, we will work to prioritize insurers who may
4 be willing to resolve claims quickly. In addition, we will assess the prospect of recovery
5 from each insurer and perform a cost/benefit evaluation that includes the analysis of
6 litigation risk and cost and the likelihood of insurance recovery. Then we would look to
7 determine which carriers may be harder to collect from and weigh the costs of potential law
8 suits against potential outcomes in pursuing recovery from each carrier. Many of the
9 policies may not be touched due to the high attachment point. The policies with the high
10 attachment point will provide some benefit should some unforeseen major cost occur in the
11 future.

12 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

13 A. Yes, it does.

VERIFICATION

STATE OF OKLAHOMA)
) ss:
COUNTY OF Tulsa)

Mark W. Smith, being duly sworn upon his oath, deposes and states that he is the Vice President of Treasury for ONE Gas, Inc.; that he has read and is familiar with the foregoing Testimony filed herewith; and that the statements made therein are true to the best of his knowledge, information, and belief.

Mark W. Smith

Mark W. Smith

SUBSCRIBED AND SWORN to before me this 4th day of April, 2017.



Commission/Appointment Expires:

October 25, 2017

Joanne C. Davis

Notary Public

INSURER BY SITE CHARTSAbilene

I.I.N.A.
INA
American Insurance Company
Lloyd's (Lloyd's Syndicates, Underwriters, and London Markets)
Home Insurance Company
Employer's Reinsurance Company
General Reinsurance Company
Royal Globe Insurance Company
Continental Casualty Insurance Company
American Reinsurance Company
AEGIS
Employers Insurance of Wausau
Republic Insurance Company
Safety Mutual Corporation
Twin City Fire Insurance Company
First State Insurance Company
Harbor Insurance Company
Admiral Insurance Company
Unigard Insurance Company
Columbia Casualty Insurance Company
Bellafonte Insurance Company
Cal Union Insurance Company
Lexington Insurance Company
Northbrook Insurance Company
Northbrook Excess & Surplus Insurance
Pacific Employers Insurance Company
Evanston Insurance Company
Great American Surplus Lines Insurance Company
Royal Indemnity Insurance Company
Aetna Casualty Insurance Company
Allianz Insurance Company
Allianz Underwriters
Cigna Insurance Company
Federal Insurance Company
Granite State Insurance Company
International Insurance Company
International Surplus Lines Insurance Company
Old Republic Insurance Company
Planet Insurance Company/Reliance Insurance Group
St. Paul Surplus Lines Insurance Company
Transport Indemnity Company
Utica Mutual Insurance Company
Zurich American Insurance Company
Energy Insurance Mutual
X.L. Insurance Company
Ranger Insurance Company
Transit Casualty Company
Southern American Insurance Company
Pine Top Insurance Company

Atchison

I.I.N.A.
INA
American Insurance Company
Lloyd's (Lloyd's Syndicates, Underwriters, and London Markets)
Home Insurance Company
Employer's Reinsurance Company
General Reinsurance Company
Royal Globe Insurance Company
Continental Casualty Insurance Company
American Reinsurance Company
AEGIS
Employers Insurance of Wausau
Republic Insurance Company
Safety Mutual Corporation
Twin City Fire Insurance Company
First State Insurance Company
Harbor Insurance Company
Admiral Insurance Company
Unigard Insurance Company
Columbia Casualty Insurance Company
Bellafonte Insurance Company
Cal Union Insurance Company
Lexington Insurance Company
Northbrook Insurance Company
Northbrook Excess & Surplus Insurance
Pacific Employers Insurance Company
Evanston Insurance Company
Great American Surplus Lines Insurance Company
Royal Indemnity Insurance Company
Aetna Casualty Insurance Company
Allianz Insurance Company
Allianz Underwriters
Cigna Insurance Company
Federal Insurance Company
Granite State Insurance Company
International Insurance Company
International Surplus Lines Insurance Company
Old Republic Insurance Company
Planet Insurance Company/Reliance Insurance Group
St. Paul Surplus Lines Insurance Company
Transport Indemnity Company
Utica Mutual Insurance Company
Zurich American Insurance Company
Energy Insurance Mutual
X.L. Insurance Company
Ranger Insurance Company
Transit Casualty Company
Southern American Insurance Company
Pine Top Insurance Company

Concordia

I.I.N.A.
INA
American Insurance Company
Lloyd's (Lloyd's Syndicates, Underwriters, and London Markets)
Home Insurance Company
Employer's Reinsurance Company
General Reinsurance Company
Royal Globe Insurance Company
Continental Casualty Insurance Company
American Reinsurance Company
AEGIS
Employers Insurance of Wausau
Republic Insurance Company
Safety Mutual Corporation
Twin City Fire Insurance Company
First State Insurance Company
Harbor Insurance Company
Admiral Insurance Company
Unigard Insurance Company
Columbia Casualty Insurance Company
Bellafonte Insurance Company
Cal Union Insurance Company
Lexington Insurance Company
Northbrook Insurance Company
Northbrook Excess & Surplus Insurance
Pacific Employers Insurance Company
Evanston Insurance Company
Great American Surplus Lines Insurance Company
Royal Indemnity Insurance Company
Aetna Casualty Insurance Company
Allianz Insurance Company
Allianz Underwriters
Cigna Insurance Company
Federal Insurance Company
Granite State Insurance Company
International Insurance Company
International Surplus Lines Insurance Company
Old Republic Insurance Company
Planet Insurance Company/Reliance Insurance Group
St. Paul Surplus Lines Insurance Company
Transport Indemnity Company
Utica Mutual Insurance Company
Zurich American Insurance Company
Energy Insurance Mutual
X.L. Insurance Company
Ranger Insurance Company
Transit Casualty Company
Southern American Insurance Company
Pine Top Insurance Company

Emporia

I.I.N.A.
INA
American Insurance Company
Lloyd's (Lloyd's Syndicates, Underwriters, and London Markets)
Home Insurance Company
Employer's Reinsurance Company
General Reinsurance Company
Royal Globe Insurance Company
Continental Casualty Insurance Company
American Reinsurance Company
AEGIS
Employers Insurance of Wausau
Republic Insurance Company
Safety Mutual Corporation
Twin City Fire Insurance Company
First State Insurance Company
Harbor Insurance Company
Admiral Insurance Company
Unigard Insurance Company
Columbia Casualty Insurance Company
Bellafonte Insurance Company
Cal Union Insurance Company
Lexington Insurance Company
Northbrook Insurance Company
Northbrook Excess & Surplus Insurance
Pacific Employers Insurance Company
Evanston Insurance Company
Great American Surplus Lines Insurance Company
Royal Indemnity Insurance Company
Aetna Casualty Insurance Company
Allianz Insurance Company
Allianz Underwriters
Cigna Insurance Company
Federal Insurance Company
Granite State Insurance Company
International Insurance Company
International Surplus Lines Insurance Company
Old Republic Insurance Company
Planet Insurance Company/Reliance Insurance Group
St. Paul Surplus Lines Insurance Company
Transport Indemnity Company
Utica Mutual Insurance Company
Zurich American Insurance Company
Energy Insurance Mutual
X.L. Insurance Company
Ranger Insurance Company
Transit Casualty Company
Southern American Insurance Company
Pine Top Insurance Company

Hutchinson

Lloyd's (Lloyd's Syndicates, Underwriters, and London Markets)
AEGIS
Royal Indemnity Insurance Company
International Insurance Company
Allianz Underwriters
Birmingham Fire Insurance Company
Northbrook Excess & Surplus Insurance Company
Mutual Marine Office/Employers Mutual Casualty Company
Energy Insurance Mutual
Integrity Insurance Company
Midland Insurance Company
Transit Casualty Insurance Company
American Centennial Insurance Company

Junction City

I.I.N.A.
INA
American Insurance Company
Lloyd's (Lloyd's Syndicates, Underwriters, and London Markets)
Home Insurance Company
Employer's Reinsurance Company
General Reinsurance Company
Royal Globe Insurance Company
Continental Casualty Insurance Company
American Reinsurance Company
AEGIS
Employers Insurance of Wausau
Republic Insurance Company
Safety Mutual Corporation
Twin City Fire Insurance Company
First State Insurance Company
Harbor Insurance Company
Admiral Insurance Company
Unigard Insurance Company
Columbia Casualty Insurance Company
Bellafonte Insurance Company
Cal Union Insurance Company
Lexington Insurance Company
Northbrook Insurance Company
Northbrook Excess & Surplus Insurance
Pacific Employers Insurance Company
Evanston Insurance Company
Great American Surplus Lines Insurance Company
Royal Indemnity Insurance Company
Aetna Casualty Insurance Company
Allianz Insurance Company
Allianz Underwriters
Cigna Insurance Company
Federal Insurance Company
Granite State Insurance Company
International Insurance Company
International Surplus Lines Insurance Company
Old Republic Insurance Company
Planet Insurance Company/Reliance Insurance Group
St. Paul Surplus Lines Insurance Company
Transport Indemnity Company
Utica Mutual Insurance Company
Zurich American Insurance Company
Energy Insurance Mutual
X.L. Insurance Company
Ranger Insurance Company
Transit Casualty Company
Southern American Insurance Company
Pine Top Insurance Company

Kansas City

Lloyd's (Lloyd's Syndicates, Underwriters, and London Markets)
AEGIS
Royal Indemnity Insurance Company
International Insurance Company
Allianz Underwriters
Birmingham Fire Insurance Company
Northbrook Excess & Surplus Insurance Company
Mutual Marine Office/Employers Mutual Casualty Company
Energy Insurance Mutual
Integrity Insurance Company
Midland Insurance Company
Transit Casualty Insurance Company
American Centennial Insurance Company

Levenworth

I.I.N.A.
INA
American Insurance Company
Lloyd's (Lloyd's Syndicates, Underwriters, and London Markets)
Home Insurance Company
Employer's Reinsurance Company
General Reinsurance Company
Royal Globe Insurance Company
Continental Casualty Insurance Company
American Reinsurance Company
AEGIS
Employers Insurance of Wausau
Republic Insurance Company
Safety Mutual Corporation
Twin City Fire Insurance Company
First State Insurance Company
Harbor Insurance Company
Admiral Insurance Company
Unigard Insurance Company
Columbia Casualty Insurance Company
Bellafonte Insurance Company
Cal Union Insurance Company
Lexington Insurance Company
Northbrook Insurance Company
Northbrook Excess & Surplus Insurance
Pacific Employers Insurance Company
Evanston Insurance Company
Great American Surplus Lines Insurance Company
Royal Indemnity Insurance Company
Aetna Casualty Insurance Company
Allianz Insurance Company
Allianz Underwriters
Cigna Insurance Company
Federal Insurance Company
Granite State Insurance Company
International Insurance Company
International Surplus Lines Insurance Company
Old Republic Insurance Company
Planet Insurance Company/Reliance Insurance Group
St. Paul Surplus Lines Insurance Company
Transport Indemnity Company
Utica Mutual Insurance Company
Zurich American Insurance Company
Energy Insurance Mutual
X.L. Insurance Company
Ranger Insurance Company
Transit Casualty Company
Southern American Insurance Company
Pine Top Insurance Company

Manhattan

I.I.N.A.
INA
American Insurance Company
Lloyd's (Lloyd's Syndicates, Underwriters, and London Markets)
Home Insurance Company
Employer's Reinsurance Company
General Reinsurance Company
Royal Globe Insurance Company
Continental Casualty Insurance Company
American Reinsurance Company
AEGIS
Employers Insurance of Wausau
Republic Insurance Company
Safety Mutual Corporation
Twin City Fire Insurance Company
First State Insurance Company
Harbor Insurance Company
Admiral Insurance Company
Unigard Insurance Company
Columbia Casualty Insurance Company
Bellafonte Insurance Company
Cal Union Insurance Company
Lexington Insurance Company
Northbrook Insurance Company
Northbrook Excess & Surplus Insurance
Pacific Employers Insurance Company
Evanston Insurance Company
Great American Surplus Lines Insurance Company
Royal Indemnity Insurance Company
Aetna Casualty Insurance Company
Allianz Insurance Company
Allianz Underwriters
Cigna Insurance Company
Federal Insurance Company
Granite State Insurance Company
International Insurance Company
International Surplus Lines Insurance Company
Old Republic Insurance Company
Planet Insurance Company/Reliance Insurance Group
St. Paul Surplus Lines Insurance Company
Transport Indemnity Company
Utica Mutual Insurance Company
Zurich American Insurance Company
Energy Insurance Mutual
X.L. Insurance Company
Ranger Insurance Company
Transit Casualty Company
Southern American Insurance Company
Pine Top Insurance Company

Parsons

I.I.N.A.

INA

American Insurance Company

Lloyd's (Lloyd's Syndicates, Underwriters, and London Markets)

Home Insurance Company

Employer's Reinsurance Company

General Reinsurance Company

Royal Globe Insurance Company

Continental Casualty Insurance Company

American Reinsurance Company

AEGIS

Employers Insurance of Wausau

Republic Insurance Company

Safety Mutual Corporation

Twin City Fire Insurance Company

First State Insurance Company

Harbor Insurance Company

Admiral Insurance Company

Unigard Insurance Company

Columbia Casualty Insurance Company

Bellafonte Insurance Company

Cal Union Insurance Company

Lexington Insurance Company

Northbrook Insurance Company

Northbrook Excess & Surplus Insurance

Pacific Employers Insurance Company

Evanston Insurance Company

Great American Surplus Lines Insurance Company

Royal Indemnity Insurance Company

Aetna Casualty Insurance Company

Allianz Insurance Company

Allianz Underwriters

Cigna Insurance Company

Federal Insurance Company

Granite State Insurance Company

International Insurance Company

International Surplus Lines Insurance Company

Old Republic Insurance Company

Planet Insurance Company/Reliance Insurance Group

St. Paul Surplus Lines Insurance Company

Transport Indemnity Company

Utica Mutual Insurance Company

Zurich American Insurance Company

Energy Insurance Mutual

X.L. Insurance Company

Ranger Insurance Company

Transit Casualty Company

Southern American Insurance Company

Pine Top Insurance Company

Salina

Lloyd's (Lloyd's Syndicates, Underwriters, and London Markets)
AEGIS
Royal Indemnity Insurance Company
International Insurance Company
Allianz Underwriters
Birmingham Fire Insurance Company
Northbrook Excess & Surplus Insurance Company
Mutual Marine Office/Employers Mutual Casualty Company
Energy Insurance Mutual
Integrity Insurance Company
Midland Insurance Company
Transit Casualty Insurance Company
American Centennial Insurance Company

Topeka

Lloyd's (Lloyd's Syndicates, Underwriters, and London Markets)

AEGIS

Royal Indemnity Insurance Company

International Insurance Company

Allianz Underwriters

Birmingham Fire Insurance Company

Northbrook Excess & Surplus Insurance Company

Mutual Marine Office/Employers Mutual Casualty Company

Energy Insurance Mutual

Integrity Insurance Company

Midland Insurance Company

Transit Casualty Insurance Company

American Centennial Insurance Company

Confidential Settlement Document- Prepared For Settlement Purposes Only, At the Direction of Counsel.

**ONEOK, Inc
Gas Service Company
Liability Insurance 1944-1996**

CONFIDENTIAL
17-KGSG-_____-ACT
Exhibit MSW-2a

<1>

REDACTED

Western Resources, Inc./Kansas Gas Service

Kansas Gas & Electric

CONFIDENTIAL
17-KGSG-_____-ACT
Exhibit MSW-2b

REDACTED

Confidential Settlement Document- Prepared For Settlement Purposes Only, At the Direction of Counsel.

CONFIDENTIAL
17-KGSG-_____-ACT
Exhibit MSW-2c

ONEOK, Inc
Kansas Power & Light Company
Liability Insurance 1947-1996

REDACTED

Kansas Gas Service

MGP Costs and Insurance Recoveries 1997 - 2016

Month	Year	Total Expenses	Insurance
January	1998	\$ - \$	-
February	1998	-	-
March	1998	-	-
April	1998	-	-
May	1998	-	-
June	1998	-	-
July	1998	-	-
August	1998	-	-
September	1998	-	-
October	1998	-	-
November	1998	25,618.70	-
December	1998	621,166.79	-
Folder Invoices	1998	342,787.56	-
Total		\$ 989,573.05 \$	-

Month	Year	Total Expenses	Insurance
January	1999	\$ 13,357.78 \$	-
February	1999	8,682.40	-
March	1999	-	-
April	1999	4,428.41	-
May	1999	-	-
June	1999	17,985.39	-
July	1999	6,861.22	-
August	1999	368.00	-
September	1999	9,324.27	-
October	1999	12,318.53	-
November	1999	19,476.30	-
December	1999	193,370.57	-
Total		\$ 286,172.87 \$	-

Month	Year	Total Expenses	Insurance
January	2000	\$ 12,234.28 \$	-
February	2000	5,486.35	-
March	2000	-	-
April	2000	120,000.00	-
May	2000	-	-
June	2000	-	-
July	2000	-	-
August	2000	-	-
September	2000	-	-
October	2000	-	-
November	2000	-	-
December	2000	-	-
Total		\$ 137,720.63 \$	-

Kansas Gas Service

MGP Costs and Insurance Recoveries 1997 - 2016

Month	Year	Total Expenses	Insurance
January	2001	\$ - \$	-
February	2001		-
March	2001		-
April	2001		-
May	2001	-	-
June	2001	-	-
July	2001	14,154.67	-
August	2001	178,422.91	-
September	2001	5,980.80	-
October	2001	26.91	-
November	2001	8,548.80	-
December	2000	27,993.39	-
Total		\$ 235,127.48 \$	-

Month	Year	Total Expenses	Insurance
January	2002	\$ 2,391.40 \$	-
February	2002	2,887.11	-
March	2002	69.98	-
April	2002	2,545.31	-
May	2002	4,753.24	-
June	2002	196,009.47	-
July	2002	770.99	-
August	2002	9,101.99	-
September	2002	15,866.70	-
October	2002	133,507.63	-
November	2002	30,507.92	-
December	2002	520,364.24	-
Total		\$ 918,775.98 \$	-

Month	Year	Total Expenses	Insurance
January	2003	\$ 63,308.27 \$	-
February	2003	101,411.82	-
March	2003	18,456.43	-
April	2003	81,608.75	-
May	2003	3,377.78	-
June	2003	4,483.06	-
July	2003	18,773.72	-
August	2003	34,077.50	-
September	2003	19,492.01	-
October	2003	73,686.84	-
November	2003	84,904.34	-
December	2003	127,592.56	-
Total		\$ 631,173.08 \$	-

Kansas Gas Service

MGP Costs and Insurance Recoveries 1997 - 2016

Month	Year	Total Expenses	Insurance
January	2004	\$ 10,665.66	\$ -
February	2004	25,732.51	-
March	2004	57,516.59	-
April	2004	64,407.80	-
May	2004	52,623.10	-
June	2004	70,087.69	-
July	2004	39,101.68	-
August	2004	76,634.63	(81,585.92)
September	2004	35,308.56	-
October	2004	85,149.27	-
November	2004	296,418.35	-
December	2004	109,352.55	-
Total		\$ 922,998.39	\$ (81,585.92)

Month	Year	Total Expenses	Insurance
January	2005	\$ 45,332.71	\$ -
February	2005	107,348.32	-
March	2005	109,670.41	-
April	2005	102,505.46	(17,505.77)
May	2005	17,545.00	-
June	2005	55,695.14	-
July	2005	58,565.46	(21,186.03)
August	2005	48,344.82	-
September	2005	48,564.78	-
October	2005	34,183.12	-
November	2005	50,398.61	(528,415.97)
December	2005	34,040.46	-
Total		\$ 712,194.29	\$ (567,107.77)

Month	Year	Total Expenses	Insurance
January	2006	\$ 70,622.53	\$ -
February	2006	687,912.01	(746.84)
March	2006	21,942.51	(11,407.89)
April	2006	27,891.37	(79,264.34)
May	2006	54,769.07	-
June	2006	7,173.43	-
July	2006	12,518.61	-
August	2006	20,508.53	(65.08)
September	2006	9,879.02	-
October	2006	59,601.82	-
November	2006	19,676.96	-
December	2000	64,107.95	(3,125.88)
Total		\$ 1,056,603.81	\$ (94,610.03)

Kansas Gas Service
MGP Costs and Insurance Recoveries 1997 - 2016

17-KGSG-_____ -ACT
 Exhibit MSW-3

Month	Year	Total Expenses	Insurance
January	2007	\$ 367,922.99	\$ -
February	2007	212,774.54	-
March	2007	80,453.10	-
April	2007	66,755.59	-
May	2007	22,349.12	-
June	2007	47,062.68	-
July	2007	6,698.98	-
August	2007	96,328.58	-
September	2007	10,511.80	(126,033.35)
October	2007	48,704.88	-
November	2007	38,433.10	(9,783.72)
December	2007	28,812.64	-
Total		\$ 1,026,808.00	\$ (135,817.07)

Month	Year	Total Expenses	Insurance
January	2008	\$ 14,743.14	\$ -
February	2008	66,832.74	(53,966.70)
March	2008	179,096.90	(42.53)
April	2008	141,997.40	-
May	2008	22,201.91	(12,235.94)
June	2008	79,596.11	-
July	2008	32,328.46	-
August	2008	13,192.18	-
September	2008	225,818.11	(17,733.01)
October	2008	38,638.23	-
November	2008	8,982.51	-
December	2008	19,696.22	-
Total		\$ 843,123.91	\$ (83,978.18)

Month	Year	Total Expenses	Insurance
January	2009	\$ 15,242.47	\$ -
February	2009	11,403.26	(654.92)
March	2009	30,807.97	-
April	2009	15,515.56	-
May	2009	53,694.21	-
June	2009	18,277.79	-
July	2009	93,533.59	-
August	2009	36,663.99	-
September	2009	14,030.65	-
October	2009	85,084.73	-
November	2009	41,260.77	(8,368.98)
December	2009	54,836.60	-
Total		\$ 470,351.59	\$ (9,023.90)

Kansas Gas Service
MGP Costs and Insurance Recoveries 1997 - 2016

17-KGSG-_____ -ACT
 Exhibit MSW-3

Month	Year	Total Expenses		Insurance
January	2010	\$	25,254.97	\$ (3,057.41)
February	2010		31,409.79	-
March	2010		41,761.05	-
April	2010		30,715.37	-
May	2010		17,121.28	-
June	2010		19,855.57	-
July	2010		24,030.32	-
August	2010		14,537.09	-
September	2010		31,028.33	(12,568.54)
October	2010		39,966.07	-
November	2010		89,796.46	-
December	2010		41,224.59	-
Total		\$	406,700.89	\$ (15,625.95)

Month	Year	Total Expenses		Insurance
January	2011	\$	14,335.02	\$ (1,082.00)
February	2011		17,917.08	-
March	2011		25,445.91	-
April	2011		28,690.74	-
May	2011		17,137.17	-
June	2011		13,339.84	-
July	2011		38,319.06	(75,000.00)
August	2011		46,809.37	-
September	2011		15,357.66	-
October	2011		40,803.05	-
November	2011		11,783.00	-
December	2011		72,420.36	-
Total		\$	342,358.26	\$ (76,082.00)

Month	Year	Total Expenses		Insurance
January	2012	\$	8,833.71	\$ (8,392.04)
February	2012		15,535.87	-
March	2012		13,536.50	-
April	2012		9,414.05	-
May	2012		12,344.00	-
June	2012		30,779.94	(70,000.00)
July	2012		31,686.26	-
August	2012		24,724.99	-
September	2012		31,737.28	-
October	2012		27,882.99	-
November	2012		15,101.85	(92,486.87)
December	2012		45,248.88	(17,148.77)
Total		\$	266,826.32	\$ (188,027.68)

Kansas Gas Service

MGP Costs and Insurance Recoveries 1997 - 2016

Month	Year	Total Expenses	Insurance
January	2013	\$ 23,866.94	\$ -
February	2013	33,092.15	-
March	2013	11,028.64	-
April	2013	9,706.07	-
May	2013	51,462.62	-
June	2013	15,271.41	(222.66)
July	2013	27,821.73	-
August	2013	16,395.17	-
September	2013	15,200.57	-
October	2013	36,039.12	-
November	2013	35,652.36	-
December	2013	20,205.33	-
Total		\$ 295,742.11	\$ (222.66)

Month	Year	Total Expenses	Insurance
January	2014	\$ 9,274.05	\$ -
February	2014	81,934.83	-
March	2014	5,415.33	(9,453.45)
April	2014	14,384.70	-
May	2014	7,089.46	-
June	2014	24,976.45	-
July	2014	5,926.78	-
August	2014	6,882.31	-
September	2014	22,504.75	-
October	2014	3,774.00	-
November	2014	2,669.60	-
December	2014	19,682.63	-
Total		\$ 204,514.89	\$ (9,453.45)

Month	Year	Total Expenses	Insurance
January	2015	\$ 4,673.45	\$ -
February	2015	4,662.42	-
March	2015	33,523.38	-
April	2015	10,512.60	-
May	2015	10,307.81	-
June	2015	11,831.18	-
July	2015	6,938.33	-
August	2015	10,426.66	-
September	2015	14,442.85	-
October	2015	5,400.00	-
November	2015	20,874.59	-
December	2015	11,408.53	-
Total		\$ 145,001.80	\$ -

Kansas Gas Service
MGP Costs and Insurance Recoveries 1997 - 2016

Month	Year	Total Expenses		Insurance
January	2016	\$	5,562.00	\$ (2,800.00)
February	2016		14,156.26	-
March	2016		5,562.00	-
April	2016		88,343.26	-
May	2016		14,360.54	-
June	2016		5,689.11	-
July	2016		270,959.67	-
August	2016		100,274.64	-
September	2016		73,230.92	-
October	2016		30,480.04	-
November	2016		163,560.35	-
December	2016		86,752.99	-
Total		\$	858,931.78	\$ (2,800.00)
Grand Total		\$	10,750,699.13	\$ (1,264,334.61)

Net Costs unrecovered from Insurance proceeds **\$9,486,365**