## BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of the Application of Black Hills/	)	
Kansas Gas Utility Company, LLC d/b/a Black	)	
Hills Energy, for Approval of the Commission to	)	Docket No. 25-BHCG-298-RTS
Make Certain Changes in its Rates of Natural	)	
Gas Service.	)	

## DIRECT TESTIMONY OF

#### **ASHLEY DUBLER**

On behalf of

Seaboard Energy Kansas, LLC

May 7, 2025

# BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of the Application of Black Hills/ Kansas Gas Utility Company, LLC d/b/a Black Hills Energy, for Approval of the Commission to Make Certain Changes in its Rates of Natural Gas Service.	Docket No. 25-BHC	G-298-RTS
STATE OF KANSAS ) ) ss: COUNTY OF JOHNSON )		
Affidavit of Ash	y Dubler	
Ashley Dubler, being first duly sworn, on he	oath states:	
1. My name is Ashley Dubler. I am the of Seaboard Energy, LLC and its subsidiaries.	vice President and Chief Fin	ancial Officer
2. Attached hereto and made a part here was prepared in written form for introduction into e Commission Docket No. 25-BHCG-298-RTS.		
3. I hereby swear and affirm that the te the matters and things that it purports to show.	imony is true and correct and	d that it shows
Ashley	2 5/9) Dubler	125
Subscribed and sworn to before me this $99$	_ day of May 2025.	
MELANIE APEL Notary Public, State of Kansas My Appointment Expires  Notary  Notary	Jane Of Public	

1	Intro	<u>oduction</u>
2	Q	PLEASE STATE YOUR NAME, YOUR EMPLOYER, AND YOUR
3		EMPLOYMENT POSITION.
4	A	My name is Ashley Dubler, and I am the Vice President and Chief Financial Officer of
5		Seaboard Energy, LLC and its subsidiaries.
6	Q	IN THIS DOCKET, ARE YOU OFFERING TESTIMONY ON BEHALF OF
7		SEABOARD ENERGY KANSAS, LLC ("SEABOARD")?
8	A	Yes.
9	Q	PLEASE DESCRIBE SEABOARD'S INTEREST IN THIS MATTER.
10	A	Seaboard is a direct retail, natural gas customer of Black Hills / Kansas Gas Utility
11		Company LLC ("Black Hills Energy"). Seaboard receives natural gas transportation
12		service from Black Hills Energy pursuant to a Large Volume Transportation Agreement
13		("LVTA") made effective on October 1, 2020. Black Hills Energy's proposed increases
14		will significantly impact Seaboard.
15	Q	PLEASE DESCRIBE THE HISTORY OF SEABOARD'S PLANT IN HUGOTON,
16		KANSAS.
17	A	The Hugoton plant was originally constructed in 2013 by Abengoa Bioenergy Biomass of
18		Kansas LLC ("Abengoa") as a cellulosic ethanol plant. Abengoa's operations began in
19		early 2015, but they were not successful. Abengoa laid off nearly all of its Hugoton
20		workforce and entered bankruptcy proceedings. It was acquired by Synata Bio Inc.
21		("Synata"). In early 2019, Seaboard acquired the Hugoton facility from Synata. Seaboard
22		promptly engaged in design and construction work to both convert and add on to the
23		Hugoton facility to produce renewable diesel fuel.

#### 1 Q PLEASE DESCRIBE SEABOARD'S CURRENT OPERATIONS AT THE 2 **HUGOTON PLANT.** 3 A We are currently producing renewable diesel fuel at the design capacity of the plant. 4 Today, we employ 110 persons in Hugoton, and we have an average of 20 contractors on 5 site on any given day. We are a major employer in the town of approximately 3,800 6 people. 7 Q PLEASE DESCRIBE THE RENEWABLE FUELS INDUSTRY AND THE 8 IMPACT OF THE PROPOSED UTILITY RATE INCREASE. 9 A The economics of producing renewable fuels is challenging. Depending on market 10 conditions, it is not uncommon for production plants to decide to temporarily suspend or 11 shut down operations. Seaboard does its best to operate in a highly efficient manner, with 12 close attention to all costs. To illustrate the impact of Black Hills Energy's proposed 13 increases, had they been effective in 2024, Seaboard would have incurred approximately 14 \$148,000 in increased charges for the year for this one utility expense – natural gas. That 15 is an increase of approximately 13%, substantially above the rate of inflation. If the cost 16 increase is approved, it is one that Seaboard will have to absorb, making our operations more expensive. 17 It is important that Seaboard be economically successful in Hugoton – not only for our 18 owners, but also for our 110 employees and the Hugoton community. As a part of the 19 20 agribusiness community in Kansas, Seaboard is not only a large employer in Hugoton, 21 but we also purchase supplies from local businesses, we pay local and state taxes, and we

22

support local charities.

#### 1 Q ARE THERE SPECIFIC PARTS OF THIS DOCKET THAT SEABOARD

#### 2 WOULD LIKE TO ADDRESS?

Black Hills Energy seeks to lower the daily balancing provision of its tariff in a manner
that Seaboard deems to be unreasonable. Seaboard purchases supply on the pipeline
system of Panhandle Eastern Pipe Line ("PEPL"). Currently, the PEPL system has a 10%
daily balancing provision, and it makes both engineering and operational sense for the
transport (PEPL) and distribution system (Black Hills Energy) to match daily balancing
to be symmetrical. I would add that the Black Hills Energy's sales function will not be
held to a 5% daily balancing amount on its sales volumes purchases on PEPL.

#### 10 Q DOES THIS COMPLETE YOUR TESTIMONY?

11 A Yes it does. Thank you.

## **CERTIFICATE OF SERVICE**

I hereby certify that on this 9th day of May 2025, the above and foregoing was electronically filed with the Kansas Corporation Commission and that one copy was delivered electronically to all parties on the service list and by U.S. Mail as follows:

	Ţ
JAMES G. FLAHERTY, ATTORNEY	JEFF AUSTIN
ANDERSON & BYRD, L.L.P.	AUSTIN LAW P.A.
216 S HICKORY	7111 W. 151st ST.
PO BOX 17	SUITE 315
OTTAWA, KS 66067-0017	OVERLAND PARK, KS 66223
jflaherty@andersonbyrd.com	jeff@austinlawpa.com
NICK SMITH, MANAGER -	JEFFREY DANGEAU, ASSOCIATE
REGULATORY & FINANCE	GENERAL COUNSEL
BLACK HILLS/KANSAS GAS UTILITY	BLACK HILLS/KANSAS GAS UTILITY
COMPANY LLC D/B/A Black Hills Energy	COMPANY, LLC D/B/A BLACK HILLS
601 NORTH IOWA STREET	ENERGY
LAWRENCE, KS 66044	655 EAST MILLSAP DRIVE, STE. 104
Nick.Smith@blackhillscorp.com	PO BOX 13288
	FAYETTEVILLE, AR 72703-1002
	Jeff.dangeau@blackhillscorp.com
ROB DANIEL, DIRECTOR OF	DOUGLAS LAW, ASSOCIATE GENERAL
REGULATORY	COUNSEL
BLACK HILLS/KANSAS GAS UTILITY	BLACK HILLS/KANSAS GAS UTILITY
COMPANY, LLC D/B/A BLACK HILLS	COMPANY, LLC D/B/A BLACK HILLS
ENERGY	ENERGY
2287 COLLEGE ROAD	2287 COLLEGE ROAD
COUNCIL BLUFFS, IA 51503	COUNCIL BLUFFS, IA 51503
rob.daniel@blackhillscorp.com	douglas.law@blackhillscorp.com
JOSEPH R. ASTRAB, CONSUMER	TODD E. LOVE, ATTORNEY
COUNSEL	CITIZENS' UTILITY RATEPAYER
CITIZENS' UTILITY RATEPAYER	BOARD
BOARD	1500 SW ARROWHEAD RD
1500 SW ARROWHEAD RD	TOPEKA, KS 66604
TOPEKA, KS 66604	Todd.Love@ks.gov
Joseph.Astrab@ks.gov	

SHONDA RABB CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Shonda.Rabb@ks.gov  ALEX GOLDBERG, ATTORNEY	DELLA SMITH CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Della.Smith@ks.gov  AARON BAILEY, ASSISTANT GENERAL
EVERSHEDS SUTHERLAND (US) LLP 1196 S MONROE STREET DENVER, CO 80210 alexgoldberg@eversheds-sutherland.com	COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 aaron.bailey@ks.gov
PATRICK HURLEY, CHIEF LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 patrick.hurley@ks.gov	PAUL MAHLBERG, GENERAL MANAGER KANSAS MUNICIPAL ENERGY AGENCY 6300 W 95TH ST OVERLAND PARK, KS 66212-1431 mahlberg@kmea.com
TERRI J PEMBERTON, GENERAL COUNSEL KANSAS MUNICIPAL ENERGY AGENCY 6300 W 95TH ST OVERLAND PARK, KS 66212-1431 pemberton@kmea.com	DARREN PRINCE, MANAGER, REGULATORY & RATES KANSAS MUNICIPAL ENERGY AGENCY 6300 W 95TH ST OVERLAND PARK, KS 66212-1431 prince@kmea.com
DIXIE RIEDEL DIRECTOR OF NATURAL GAS, KMGA KANSAS MUNICIPAL ENERGY AGENCY 6300 W 95TH ST OVERLAND PARK, KS 66212-1431 riedel@kmea.com	PHOENIX Z. ANSHUTZ, ATTORNEY PENNER LOWE LAW GROUP, LLC 245 N WACO STREET, STE 125 WICHITA, KS 67202 panshutz@pennerlowe.com
FRANK A. CARO, ATTORNEY POLSINELLI PC 900 W 48TH PLACE STE 900 KANSAS CITY, MO 64112 fcaro@polsinelli.com	JARED R. JEVONS, ATTORNEY POLSINELLI PC 900 W 48TH PLACE STE 900 KANSAS CITY, MO 64112 jjevons@polsinelli.com

STACY WILLIAMS, SVP, General Counsel SYMMETRY ENERGY, LLC 1111 Louisiana St. Houston, TX 77002 stacy.williams@symmetryenergy.com	DON KRATTENMAKER, Vice President WOODRIVER ENERGY, LLC 633 17th STREET, STE. 1410 DENVER, CO 80202 don.krattenmaker@woodriverenergy.com
MOLLY E MORGAN, ATTORNEY FOULSTON SIEFKIN LLP 1551 N. WATERFRONT PARKWAY SUITE 100 WICHITA, KS 67206 mmorgan@foulston.com	JAMES P ZAKOURA, ATTORNEY FOULSTON SIEFKIN LLP 7500 COLLEGE BOULEVARD, STE 1400 OVERLAND PARK, KS 66201-4041 jzakoura@foulston.com
DAVID N DITTEMORE FREEDOM PIPELINE, LLC 609 REGENT PARK DRIVE MT. JULIET, TN 37122-6391 d.dittemore28@gmail.com	MONTGOMERY ESCUE, CONSULTANT FREEDOM PIPELINE, LLC 3054 KINGFISHER POINT CHULUOTA, FL 32766 montgomery@escue.com
KIRK HEGER FREEDOM PIPELINE, LLC 1901 UNIVERSITY DRIVE LAWRENCE, KS 66044 kirkheger@gmail.com	AARON BAILEY, ASSISTANT GENERAL COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 aaron.bailey@ks.gov
PATRICK HURLEY, CHIEF LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Patrick.Hurley@ks.gov	PAUL MAHLBERG, GENERAL MANAGER KANSAS MUNICIPAL ENERGY AGENCY 6300 W 95TH ST OVERLAND PARK, KS 66212-1431 mahlberg@kmea.com
GLENDA CAFER, MORRIS LAING LAW FIRM MORRIS LAING EVANS BROCK & KENNEDY CHTD 800 SW JACKSON STE 1310 TOPEKA, KS 66612-1216 gcafer@morrislaing.com	LUKE A. SOBBA, ATTORNEY MORRIS LAING EVANS BROCK & KENNEDY CHTD 800 SW JACKSON STE 1310 TOPEKA, KS 66612-1216 LSOBBA@MORRISLAING.COM

WILL B. WOHLFORD, ATTORNEY	RICHARD L. HANSON
,	
MORRIS LAING EVANS BROCK &	RICHARD L. HANSON
KENNEDY CHTD	16171 ROAD I
300 N MEAD STE 200	LIBERAL, KS 67901
WICHITA, KS 67202-2745	rlhanson@wbsnet.org
wwohlford@morrislaing.com	-
LAURA PFLUMM CEREZO, ATTORNEY	JENNIFER CHARNO NELSON, ATTORNEY
SEABOARD ENERGY KANSAS,	SEABOARD ENERGY KANSAS,
LLC D/B/A SEABOARD FOODS LLC	LLC D/B/A SEABOARD FOODS LLC
9000 W 67TH STREET	9000 W 67TH STREET
STE 200	STE 200
MERRIAM, KS 66202	MERRIAM, KS 66202
LAURA.CEREZO@SEABOARDCORP.COM	JENNIFER.NELSON@SEABOARDFOODS.COM

#### Respectfully submitted,

#### /s/ James P. Zakoura

James P. Zakoura, KS 07644 Molly E. Morgan, KS 29683 FOULSTON SIEFKIN LLP 7500 College Boulevard, Suite 1400 Overland Park, KS 66210-4041 Telephone: 913-253-2142

Email: jzakoura@foulston.com mmorgan@foulston.com

## /s/ Jennifer Charno Nelson

Jennifer Charno Nelson, KS 18130 SEABOARD FOODS LLC 9000 W. 67th Street, Suite 200 Merriam, KS 66202 jennifer.nelson@seaboardfoods.com

## /s/ Laura Pflumm Cerezo

Laura Pflumm Cerezo, KS 28768 SEABOARD CORPORATION 9000 W. 67th Street, Suite 200 Merriam, KS 66202 laura.cerezo@seaboardcorp.com

Attorneys for Seaboard Energy Kansas, LLC