

**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 for Natural Gas Service.)
)
) Docket No. 25-BHCG-298-RTS
)
)

**CROSS-ANSWERING TESTIMONY OF KEVIN HEADRICK
VICE PRESIDENT, WEST SALES, SYMMETRY ENERGY SOLUTIONS, LLC**

MAY 23, 2025

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1 **I. BACKGROUND**

2 **Q. Please state your name and business address.**

3 A. My name is Kevin Headrick. My business address is 12000 Pecos St., Westminster, CO
4 80234.

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

6 A. I am employed by Symmetry Energy Solutions, LLC (“Symmetry”), a limited liability
7 company organized under the laws of the State of Delaware, primarily engaged in the
8 delivery of natural gas supply to large commercial and industrial customers. Symmetry
9 provides over 900 million cubic feet of natural gas to approximately 5,500 large C&I
10 customers in 34 states, including Kansas. I serve as Symmetry’s Vice President, West
11 Sales.

12 **Q. Please describe your educational and professional background.**

13 A. I have worked for Symmetry or its predecessor companies since October 2003. Prior to my
14 current role, I was the Director of West Region, Gas Supply and Sales for CenterPoint
15 Energy Services, Inc. (“CenterPoint”), which changed its name to Symmetry in 2020.
16 Before that role, I was a Senior Director of Trading for Continuum Energy Services, which
17 was acquired by CenterPoint in 2016. Prior to that, I was a trading manager for E Prime
18 Inc. I have a Bachelor of Science in Business Management with an emphasis in Marketing
19 from Colorado State University.

20 **Q. Have you previously testified before the Kansas Corporation Commission (“KCC” or**
21 **“Commission”), any other state utility regulatory body, or the Federal Energy**
22 **Regulatory Commission (“FERC”)?**

1 A. No.

2 **Q. What are your duties and responsibilities in your present position?**

3 A. In my capacity as Vice President, West Sales, for Symmetry, I am responsible for and
4 oversee gas sales and associated activities for our operating areas in the West region, which
5 includes, among the other 11 states, the state of Kansas. In that role, I manage a team that
6 buys and sells gas for delivery to Symmetry's customers in the West region.

7 **II. INTRODUCTION**

8 **Q. What is the purpose of your testimony?**

9 A. The purpose of my Cross-Answering Testimony is to respond to Staff's support for the
10 expansion of a daily imbalance charge and proposal to change the enrollment period for
11 transportation customers from monthly to annual enrollment in the Black Hills/Kansas Gas
12 Utility Company, LLC, d/b/a/ Black Hills Energy ("Black Hills Energy") in the above-
13 captioned docket.

14 **Q. Will you please provide a brief overview of Symmetry's operations?**

15 A. Symmetry is a leading retail natural gas marketer that markets natural gas and serves as an
16 agent of end-user customers. As a marketer of natural gas, Symmetry arranges purchases
17 and sales of natural gas to satisfy its customers' natural gas needs. Unlike pipelines such
18 as Southern Star or local distribution companies ("LDCs"), such as Black Hills Energy, a
19 marketer does not own physical assets commonly used in the supply of natural gas. Instead,
20 Symmetry purchases gas from suppliers and producers and contracts for the transport and
21 delivery of that gas with interstate pipelines and LDCs to its end-user customers, which
22 include hospitals, school systems, governmental agencies, large commercial and industrial
23 users, and the like. Gas marketers like Symmetry serve an important function for Kansas

1 customers, offering an alternative to regulated utilities because they provide a more cost-
2 effective option for facilitating the sale of gas from producers and suppliers to end users.
3 The competition and efficiencies that gas marketers bring to the natural gas market result
4 in lower prices for Kansas consumers. Symmetry competes with other marketers in the
5 industry, such as Constellation NewEnergy, Inc., Clearwater Enterprises, LLC, WoodRiver
6 Energy, LLC, and others.

7 **III. ANALYSIS**

8 **A. Symmetry's Response to Staff's Recommendation Regarding Black Hills Energy's**
9 **Daily Imbalance Charge Proposal**

10 **Q. Have you reviewed the Direct Testimony of KCC Staff witness Paul Owings with**
11 **respect to Black Hills Energy's daily imbalance charge proposal?**

12 A. Yes. Staff witness Paul Owing's testimony supports Black Hills Energy's proposal to
13 expand the use of daily imbalance charges.

14 **Q. What is Symmetry's position on Staff's support of Black Hills Energy's proposal to**
15 **expand the use of daily imbalance charges to its transportation customers?**

16 A. Symmetry is opposed to Staff's support of such a proposed change.

17 **Q. What is the basis of Symmetry's opposition to Staff's support?**

18 A. The approval of a new daily imbalance charge will increase costs for the customers of
19 Symmetry, including Freedom Pipeline, LLC, another intervenor in this docket, in a
20 manner that does not correspond to the costs that these customers are responsible for. As
21 noted in Mr. Krattenmaker's Direct Testimony, a transportation customer may nominate a
22 daily volume that falls within the proposed tolerance range—avoiding a daily balancing
23 charge—and through no fault of its own may not receive that amount due to the frequent
24 allocation of points located downstream of certain natural gas pipelines, such as Southern

1 Star.¹ The daily imbalance charges can be punitive, especially when paired with the
2 monthly cash-out penalties.

3 Mr. Heger describes this phenomenon in his Direct Testimony.² If a customer of
4 Symmetry's aims to correct a significant imbalance, it may increase its nominations during
5 the month to avoid facing a penalty for taking more gas than it nominates during the month.
6 These corrections may exceed the daily nomination limits, triggering a daily balancing
7 charge for a customer trying to avoid the monthly cash-out penalty. Thus, the daily
8 balancing charge can be harmful to customers that are trying to avoid existing penalties.

9 Furthermore, Staff has not provided evidence that adding daily imbalance charges
10 will protect retail customers or that applying these daily imbalance charges adheres to the
11 principle of cost causation.

12 **B. Symmetry's Response to Staff's Recommendation Regarding Black Hills Energy's**
13 **Proposal to Change the Monthly Enrollment Period for Aggregated Customers**

14 **Q. Have you reviewed the Direct Testimony of KCC Staff witness Paul Owings with**
15 **respect to Black Hills Energy's proposal to change the enrollment period for**
16 **aggregated customers?**

17 A. Yes. Staff witness Paul Owing's testimony supports Black Hills Energy's proposal to
18 change the monthly enrollment period for aggregated customers to an annual enrollment
19 period.

20 **Q. What is Symmetry's position on Staff's support of Black Hills Energy's proposal to**
21 **change the monthly enrollment period for aggregated customers to an annual**
22 **enrollment period?**

¹ Direct Testimony of Don Krattenmaker at 8.

² Direct Testimony of Kirk Heger at 3–4.

1 A. Symmetry is opposed to Staff's support of such a proposed change.

2 **Q. What is the basis of Symmetry's opposition?**

3 A. Staff does not adequately justify its support for Black Hills Energy's proposed amendment
4 to the enrollment period. Mr. Owings acknowledges that LVTS-A customers benefit from
5 the flexibility of a monthly enrollment period, as do marketers like Symmetry. Mr. Owings
6 notes that processing these changes is an administrative burden for Black Hills Energy.
7 While processing enrollments does involve some administrative effort, Staff does not
8 quantify this administrative burden or explain why it outweighs the value of flexibility for
9 end users or benefits to marketers.

10 As explained in Mr. Krattenmaker's Direct Testimony, Black Hills Energy
11 explained that only six customers have elected to switch from sales service to transport
12 service in the past 12 months.³ This number of changes is not a significant administrative
13 burden for Black Hills Energy to process. Furthermore, it is not clear why an annual
14 enrollment period will reduce the *overall* processing burden for Black Hills Energy. Either
15 the workload will be identical (though once a year) and the administrative benefits are *de*
16 *minimis*, or the workload will be reduced by fewer requests for changes from sales to
17 transport services, which demonstrates reduced flexibility for end users.

18 **C. Symmetry's Response to Staff's Recommendation Regarding LVTS-A Customers**

19 **Q. What is your response to Staff's recommendation for a tariff modification that LVTS-**
20 **A customers are provided one year after the date of tariff approval to align the**
21 **contract endpoints with the new annual enrollment period?**

³ Direct Testimony of Don Krattenmaker at 5.

1 A. Symmetry opposes Staff's recommendation for a modification. Symmetry acknowledges
2 that Staff's recommendation addresses the alignment of termination for existing
3 marketer/customer contracts with a future annual enrollment period. Irrespective of
4 contract alignment, an annual enrollment period does not provide benefits to Black Hills
5 Energy that outweigh the costs to marketers' ability to acquire new customers and end
6 users' flexibility to select between different marketers for service and reduce their costs.

7 **D. Symmetry's Response to Staff's Recommendation for Parties to Submit Preferred**
8 **Enrollment Period Dates**

9 **Q. What is your response to Staff's recommendation for the parties to submit preferred**
10 **enrollment period dates to reach a consensus on the date for an annual enrollment**
11 **period?**

12 A. Symmetry opposes this recommendation. As stated above, an annual enrollment period
13 hinders the flexibility of end users across the Black Hills Energy service territory,
14 potentially preventing reductions in their costs, and harms marketers' ability to attract new
15 customers.

16 **E. General Comments**

17 **Q. Do you have any other comments with respect to Staff's Direct Testimony?**

18 A. Yes. KCC Staff witness Chad Unrein notes Staff's support of Black Hills Energy's
19 proposal to increase its non-telemetered Daily Balancing Service Charge to \$0.150 per
20 Therm.⁴ This appears to be a scrivener's error, as the proposed change is to a charge of
21 \$0.0150 per Therm.⁵

⁴ See Direct Testimony of Chad Unrein at 56, 58.

⁵ See Black Hills Energy Application, Section 18: Proposed Tariff Sheets, Schedule OTC, Sixth Revised, Index No. 36.

1 **CONCLUSION**

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

3 **A. Yes, thank you.**

VERIFICATION

I, Kevin Headrick, do solemnly, sincerely and truly declare and affirm that I am a Vice President, West Sales for Symmetry Energy Solutions, LLC, that I have read the foregoing testimony and know the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge and belief, and this I do under the pains and penalties of perjury.

By: /s/ Kevin Headrick
Kevin Headrick

May 23, 2025

CERTIFICATE OF SERVICE
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