

BEFORE THE
KANSAS CORPORATION COMMISSION STATE CORPORATION COMMISSION

SEP 27 2006

 Docket
Room

In the Matter of the Application)
of Kansas Gas Service, a Division)
of ONEOK, Inc., For Adjustment)
of Its Natural Gas Rates in the State)
of Kansas.)

Docket No. 06-KGSG-1209-RTS

DIRECT TESTIMONY OF

BRIAN KALCIC

ON BEHALF OF
THE CITIZENS' UTILITY RATEPAYER BOARD

September 27, 2006

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

2 A. Brian Kalcic, 225 S. Meramec Avenue, St. Louis, Missouri 63105.

3

4 **Q. What is your occupation?**

5 A. I am an economist and consultant in the field of public utility regulation, and principal of
6 Excel Consulting. My qualifications are described in the Appendix to this testimony.

7

8 **Q. On whose behalf are you testifying in this case?**

9 A. I am testifying on behalf of the Citizens' Utility Ratepayer Board ("CURB").

10

11 **Q. What is the subject of your testimony?**

12 A. I will address Kansas Gas Service's ("KGS" or "Company") proposed changes to its
13 existing residential class ("RS") and general service class ("GS") rate structures. In
14 particular, I will critique the non-traditional Customer Choice Rate Design ("CCRD")
15 proposal offered by the Company, and sponsor an alternative RS and GS rate design to be
16 implemented at the conclusion of this proceeding.

17

18 **Q. Do you have any preliminary comments?**

19 A. Yes. I wish to note that my testimony in this proceeding makes certain references to KGS's
20 proposed RS and GS class revenue requirement levels. Such references are intended to
21 facilitate a comparison of alternative RS and GS rate designs, and should not be construed
22 as support for KGS's overall requested revenue requirement or proposed class revenue
23 distribution.

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Q. Please summarize your findings and recommendations.

A. Based upon my analysis of KGS's filing, I find that:

- the CCRD proposal is misleading, in that it would not offer RS and GS customers a real choice in how they pay for natural gas delivery service;
- the Company's proposed CCRD subgroup breakpoints are arbitrary;
- the Company's CCRD rate design would impose an undue rate increase on the Option A subgroups within the RS and GS rate classes;
- the CCRD proposal rests upon an invalid premise with respect to fixed cost recovery;
- the Company's CCRD rate design would tend to discourage conservation among the larger users within the RS and GS rate classes; and
- the ultimate goal of the Company's CCRD proposal can be achieved through a traditional rate design approach.

Moreover, based upon the above findings, I recommend that the Commission:

- reject the Company's CCRD proposal; and
- adopt CURB's recommended RS and GS rate design guidelines.

The specific details associated with CURB's findings and recommendations are discussed below.

1 **RS and GS Rate Design**

2 **Q. Mr. Kalcic, have you reviewed the Company's rate design proposals for the RS and**
3 **GS rate classes in this proceeding?**

4 A. Yes, I have.

5
6 **Q. Please provide a brief description of those rate design proposals.**

7 A. KGS has actually prepared two separate rate designs for each class: 1) a "traditional" rate
8 design comprised of a (common) two-part rate that would be applicable to all customers
9 within a given class; and 2) an alternative CCRD rate design proposal in which *separate*
10 two-part rates would apply to customers within a given class, depending upon their annual
11 usage levels.¹ The Company clearly states its desire for the KCC to approve its CCRD
12 proposal, having prepared the traditional RS and GS rate designs for use only in the event
13 that the KCC rejects its preferred CCRD approach.

14
15 **Q. What form would the Company's proposed RS and GS rate structures take using the**
16 **traditional rate design approach?**

17 A. The Company's traditional rate design proposals are shown in Schedule BK-1. The RS
18 class is depicted in columns 1-3, while the GS class is shown in columns 4-6. In both
19 cases, the Company's traditional rate design provides for a continuation of its existing rate
20 structure, wherein an across-the-board increase of approximately 37% is assigned to the
21 present fixed charge and present usage charge of each class.

22

1 **Q. Wouldn't all RS and GS customers receive an approximate 37% base rate increase**
2 **under the Company's traditional rate design approach?**

3 A. Yes, they would. This result follows from the fact that the Company applied an across-the-
4 board increase to all RS and GS tariff charges in developing its traditional rate design
5 proposal.

6
7 **Q. Why then do you show the results for Option A- and Option B-type customers within**
8 **each class in Schedule BK-1?**

9 A. The Option A and Option B designations will be discussed below in connection with
10 KGS's CCRD proposal. While it is not necessary to distinguish between the two customer
11 groups under the Company's traditional rate design, Schedule BK-1 does so in order to
12 facilitate a comparison of the rate increases that would be assigned to the Company's
13 proposed RS and GS customer subgroups under its alternative rate design proposals.

14
15 **Q. Please describe the Company's CCRD proposal in greater detail.**

16 A. The Company's proposed CCRD rate design would divide the RS and GS classes into two
17 (2) subgroups each, as summarized in Table 1 below.

18
19 Table 1
20 Proposed CCRD Subgroup Breakpoints
21

	<i>Residential - RS</i>	<i>General Service - GS</i>
Option A	Annual Usage <= 80 Mcf	Annual Usage <= 265 Mcf
Option B	Annual Usage > 80 Mcf	Annual Usage > 265 Mcf

22

¹ The Company's two-part rate design consists of: i) a fixed (or customer) charge; and ii) a single-block usage charge.

1 For each of the above subgroups, KGS developed a separate two-part tariff.² In
2 general, the two-part tariff applicable to the smaller (i.e., Option A) users within each class
3 would contain a lower fixed charge than the corresponding Option B charge. On the other
4 hand, the usage charge applicable to Option A customers would be greater than the usage
5 charge applicable to Option B customers.

6 Schedule BK-2 summarizes the Company’s proposed CCRD rates design for the RS
7 and GS subgroups, at KGS’s overall requested revenue requirement level. Note that the
8 Company’s total RS revenues at proposed CCRD rates would equal \$194.7 million (see
9 column 1, line 7 of Schedule BK-2), which is the same level of total RS revenues generated
10 under the Company’s traditional rate design approach (i.e., Schedule BK-1). The same
11 result holds for the total GS class, where total revenues at proposed rates would equal \$44.1
12 million under either rate design approach.

13
14 **Q. Would the rate increases applicable to the RS and GS subgroups be the same under**
15 **the traditional and CCRD rate design approaches?**

16 A. No. Table 2 below summarizes the proposed total and subgroup increases for RS and GS
17 customers under the two rate design scenarios.

18
19 Table 2
20 KGS Proposed Increases, by Subgroup
21

<i>Type of Rate Design</i>	<i>RS Total</i>	<i>RS Option A</i>	<i>RS Option B</i>	<i>GS Total</i>	<i>GS Option A</i>	<i>GS Option B</i>
Traditional	37.0%	37.0%	37.0%	37.2%	37.3%	37.2%
CCRD	37.0%	44.5%	28.8%	37.2%	55.1%	25.0%

22 Source: Schedules BK-1 and BK-2.

² In effect, the Company’s CCRD proposal would divide each of the RS and GS classes into two separate rate classes.

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As shown in Table 2, the Option A (Option B) subgroup of each class would receive an increase manifestly higher (lower) than the class average under the CCRD rate design scenario.

Q. Mr. Kalcic, what rationale does KGS give for introducing its CCRD rate design proposal in this proceeding?

A. On page 27 of his direct testimony, Mr. Raab offers two (2) reasons in support of the Company's CCRD proposal: 1) it responds to customers who have (allegedly) indicated a preference for choices in how they pay for natural gas delivery service; and 2) it begins a movement toward "more rational rate designs" for the Company's RS and GS rate classes.

Q. With respect to the Company's first argument concerning customer choice, does KGS provide any evidence pertaining to the number (or percentage) of RS and GS customers who have expressed a clear desire for a choice of rate designs?

A. To my knowledge, it has not.

Q. Do you agree with the underlying premise of KGS's proposal, i.e., that the Company's CCRD rate design would offer an RS or GS customer a meaningful "choice" or option with respect to the manner in which the customer pays for natural gas delivery service?

A. Certainly not.

Q. Why not?

1 A. Any “choice” inherent in the CCRD proposal will have been previously exercised by the
2 Company (on the customer’s “behalf”) when it decided on the level of the proposed CCRD
3 subgroup breakpoints shown in Table 1 above. In other words, all RS and GS customers
4 would have only one realistic option under the CCRD proposal, even though all customers
5 would be provided a “nominal” choice of two distinct sets of tariff charges.

6
7 **Q. Why do you conclude that KGS’s CCRD rate design proposal would offer RS and GS**
8 **customers only one valid rate option?**

9 A. The conclusion follows from the fact that KGS specifically designed its CCRD rates to
10 provide: a) all RS and GS customers with annual usage below their respective subgroup
11 breakpoint with lower bills under Option A rates; and b) all RS and GS customers with
12 annual usage above their respective subgroup breakpoint with lower bills under Option B
13 rates. As a result, all RS and GS customers have a clear economic incentive to “choose”
14 one of the two CCRD rate designs over the other, which is the same as having no choice at
15 all.

16
17 **Q. Would RS and GS customer have an option to switch between Option A and Option B**
18 **rates from one season to the next?**

19 A. No. As Mr. Raab explains on page 39 of his direct testimony, the only restriction of the
20 proposed CCRD rate design is that “customers must remain on one rate structure or the
21 other for a full year.” Otherwise, customers could choose (to their advantage) the Option A
22 rates in the summer (when their usage is low) and the Option B rates in the winter (when
23 their usage is high), therefore saving money over the course of the year (at KGS’s expense).

1

2 **Q. Does Mr. Raab explain how he decided upon an RS subgroup breakpoint of 80 Mcf**
3 **per year and a GS breakpoint of 265 Mcf per year?**

4 A. No.

5

6 **Q. Could the Company have chosen alternate breakpoints for the two rate classes?**

7 A. Yes. However, an alternate breakpoint(s) would have necessitated a change in the
8 Company's filed Option A and/or Option B rates.³

9

10 **Q. Mr. Kalcic, please turn now to KGS's second reason for offering its CCRD rate design**
11 **proposal in this proceeding, i.e., to move toward a more rational rate design for the**
12 **Company's RS and GS rate classes. What does the Company mean by a "rational"**
13 **rate design?**

14 A. In the Company's view, it is inappropriate to recover customer- and/or demand-related (i.e.,
15 fixed) costs on a volumetric basis. Therefore, a rational rate design would be one that
16 recovers all of the Company's fixed costs in either customer and/or demand charges,
17 leaving only commodity related costs to be recovered from its volumetric charges.

18 While KGS is not proposing to set its rates on a strict fixed/variable cost basis in
19 this proceeding, the Company is proposing to move toward that goal by introducing its
20 CCRD proposal. As Mr. Raab states on page 26 of his direct testimony, the "customer
21 choice rate designs are a departure from existing rate designs in the sense that they attempt

³ If an alternate subgroup breakpoint were to have been chosen, a new CCRD rate design would need to be developed to prevent the migration of RS and GS customers between rate options.

1 to collect more of the fixed costs of providing natural gas distribution service in fixed
2 monthly charges to customers.”

3
4 **Q. How much of the Company’s current RS and GS base revenues is recovered via fixed**
5 **charges?**

6 A. On a combined basis, approximately \$71.9 million, or 41.3%, of KGS’s total current base
7 revenues of \$174.3 million is collected via a fixed charge.⁴ Note that this percentage would
8 remain unchanged under the Company’s traditional rate design proposal shown in Schedule
9 BK-1.

10
11 **Q. How much of the Company’s proposed RS and GS base revenues would be recovered**
12 **via fixed charges under its CCRD proposal?**

13 A. On a combined basis, the total would be \$133.6 million, or 55.9%, of KGS’s total proposed
14 base revenues of \$238.8 million.⁵

15
16 **Q. How does that percentage, i.e., 55.9%, compare with the fixed cost portion of the total**
17 **revenue requirement assigned to the RS and GS classes in KGS’s cost-of-service**
18 **study?**

19 A. According to Exhibit __ (PHR-6), approximately 81.2% of the total RS and GS revenue
20 requirement is fixed-cost related.⁶

21

⁴See Schedule BK-1, lines 10 and 14.

⁵See Schedule BK-2, lines 3 and 7.

1 **Q. Does the fact that the Company is proposing to collect “only” 55.9% of its total**
2 **proposed RS and GS revenue requirement via fixed charges (i.e., rather than 81.2%)**
3 **validate its CCRD rate structure proposal?**

4 A. In my opinion, it does not.

5
6 **Q. Why?**

7 A. The premise of the Company’s argument, and its proposed CCRD rate design, is that 81.2%
8 of the combined RS and GS revenue requirement should be recovered via fixed charges. I
9 disagree. I am unaware of any natural gas distribution company tariff that provides for a
10 one-to-one correspondence between the level of fixed charges and the level of the utility’s
11 fixed cost incurrence. Indeed, to do so would be tantamount to collecting natural gas
12 delivery costs via a “postage stamp” rate design.

13 More generally, fixed delivery charges may be based upon the (customer-related)
14 costs associated with meters, service lines and monthly billing expenses. I note that such
15 “direct” customer-related costs are not quantified in Exhibit ___(PHR-6). However, one
16 may expect that KGS’s direct customer costs would be significantly less than the total level
17 of customer-related costs shown in Exhibit ___(PHR-6), since the latter figure includes the
18 customer-related portion of KGS’s distribution mains.

19
20 **Q. Mr. Kalcic, is CURB opposed to the Company collecting a greater percentage of its**
21 **total RS and GS revenue requirement via fixed charges at the conclusion of this**
22 **proceeding?**

⁶ The Company’s total proposed RS and GS revenue requirement is \$243.2 million, of which \$134.5 million is

1 A. Conceptually, no. However, CURB is opposed to increasing the percentage of RS and GS
2 revenues collected via fixed costs from 41.3% to 55.9% in a single rate proceeding.

3

4 **Q. Is it necessary to implement the Company's CCRD proposal in order to effectuate a**
5 **reasonable increase in the percentage of fixed costs recovered via RS and GS fixed**
6 **charges?**

7 A. Certainly not. Such an outcome could be achieved by simply applying a greater percentage
8 increase to the current RS and GS fixed charges shown in Schedule BK-1.

9

10 **Q. Should the KCC approve the Company's CCRD proposal?**

11 A. No, for all of the following reasons. First, the CCRD proposal is misleading in that it
12 would not offer RS and GS customers a valid choice in how they pay for natural gas
13 delivery service. Second, the Company's proposed CCRD subgroup breakpoints are
14 arbitrary. Third, the Company's CCRD rate design would impose an undue rate increase
15 upon the Option A subgroups within the RS and GS classes. Fourth, the CCRD proposal
16 rests upon an invalid premise regarding fixed cost recovery. And, finally, the CCRD
17 proposal is unnecessary, in that the same goal (i.e., collecting a higher percentage of RS and
18 GS base rate revenues through fixed charges) can be achieved via traditional rate design
19 approaches.

20

21 **Q. Do you have any other comments on the Company's CCRD proposal?**

1 A. Yes. On page 42 of his direct testimony, Mr. Raab describes how the CCRD would lessen
2 the Company's risk of collecting the level of revenues it needs in order to earn its
3 authorized return. Counsel informs me that the Company already benefits from a Weather
4 Normalization Adjustment. To the extent that the CCRD would further reduce the
5 Company's risk by lessening its exposure to the "vagaries of usage declines," the
6 Commission should recognize that benefit and implement an appropriate reduction to
7 KGS's allowed return on equity if the CCRD is approved.

8
9 **Q. On page 50 of his direct testimony, Mr. Raab states that rate structures like the**
10 **CCRD "provide a stronger incentive for utilities to promote conservation because**
11 **they 'decouple' the utility's volumetric sales from its profitability. Thus, the utility is**
12 **not penalized in the form of decreased earnings for encouraging the efficient use of**
13 **natural gas." Do you have any comment?**

14 A. Yes. I find it ironic that the Company should seek to append the conservation label to the
15 CCRD in an attempt win Commission approval. As Schedule BK-2 demonstrates, the
16 CCRD rate structure would, in fact, *lower* current usage charges for its larger users in the
17 RS and GS rate classes by 13% to 40%. All else equal, such lower usage charges would
18 tend to discourage conservation.

19
20 **Q. Mr. Kalcic, do you have a recommendation regarding an alternative to KGS's CCRD**
21 **proposal?**

22 A. Yes, I do. In the event that the Commission decides to approve an increase in the relative
23 amount of total revenues collected via the fixed monthly charges paid by RS and GS

1 customers, I recommend that the Commission: a) approve the fixed charge levels shown on
2 line 2 of Schedule BK-1, independent of the level of the final increase awarded the
3 Company; and b) order the Company to scale back the RS and GS usage charges shown on
4 Schedule BK-1, line 5, as necessary, in order to achieve the Commission's approved
5 revenue requirement levels for these two rate classes.

6

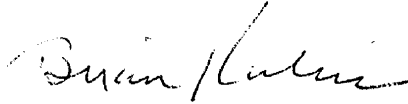
7 **Q. Does this conclude your direct testimony?**

8 A. Yes.

VERIFICATION

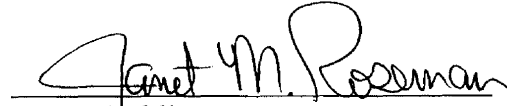
STATE OF)
COUNTY OF) ss:

Brian Kalcic, being fully sworn upon his oath, deposes and states that he is a consultant for the Citizens' Utility Ratepayer Board, that he has read and is familiar with the foregoing testimony, and that the statements made herein are true to the best of his knowledge, information and belief..



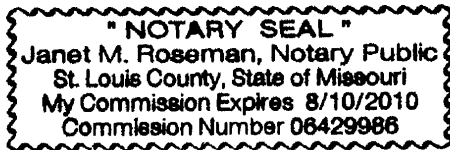
Brian Kalcic

SUBSCRIBED AND SWORN to before me this 26th day of September, 2006.



Notary Public

My Commission expires:



APPENDIX

Qualifications of Brian Kalcic

Mr. Kalcic graduated from Benedictine University with a Bachelor of Arts degree in Economics in December, 1974. In May, 1977 he received a Master of Arts degree in Economics from Washington University, St. Louis. In addition, he has completed all course requirements at Washington University for a Ph.D. in Economics.

From 1977 to 1982, Mr. Kalcic taught courses in economics at both Washington University and Webster University, including such subjects as Microeconomic and Macroeconomic Theory, Labor Economics and Public Finance.

During 1980 and 1981, Mr. Kalcic was a consultant to the Equal Employment Opportunity Commission, St. Louis District Office. His responsibilities included data collection and organization, statistical analysis and trial testimony.

From 1982 to 1996, Mr. Kalcic joined the firm of Cook, Eisdorfer & Associates, Inc. During that time, he participated in the analysis of electric, gas and water utility rate case filings. His primary responsibilities included cost-of-service and economic analysis, model building, and statistical analysis.

In 1996, Mr. Kalcic founded Excel Consulting, a consulting practice which offers business and regulatory services.

Mr. Kalcic has previously testified before the state regulatory commissions of Delaware, Kansas, Kentucky, Maine, Massachusetts, Minnesota, Missouri, New Jersey, New York, Ohio, Oregon, Pennsylvania, Texas, and the Bonneville Power Administration.

KANSAS GAS SERVICE

Schedule BK-1

Summary of RS and GS Base Rates and Revenues
Basis: KGS Traditional Rate Design

	Residential - RS			General Service - GS			
	Total	Option A (Usage <= 80 Mcf)	Option B (Usage > 80 Mcf)	Total	Option A (Usage <= 265 Mcf)	Option B (Usage > 265 Mcf)	
	(1)	(2)	(3)	(4)	(5)	(6)	
<i>Traditional Proposed Rates</i>							
1	No. of Bills	6,873,528	4,200,984	2,672,544	613,889	438,360	175,529
2	Fixed Charge	<u>\$12.25</u>	<u>\$12.25</u>	<u>\$12.25</u>	<u>\$23.35</u>	<u>\$23.35</u>	<u>\$23.35</u>
3	Fixed Revenue	\$ 84,200,718	\$ 51,462,054	\$ 32,738,664	\$ 14,334,317	\$ 10,235,706	\$ 4,098,611
4	Volumes	46,156,292	20,756,976	25,399,316	13,439,163	3,464,889	9,974,274
5	Usage Charge	<u>\$2.3932</u>	<u>\$2.3932</u>	<u>\$2.3932</u>	<u>\$2.2166</u>	<u>\$2.2166</u>	<u>\$2.2166</u>
6	Usage Revenue	\$ 110,461,238	\$ 49,675,595	\$ 60,785,643	\$ 29,789,248	\$ 7,680,272	\$ 22,108,976
7	Total Revenues	\$ 194,661,956	\$ 101,137,649	\$ 93,524,307	\$ 44,123,565	\$ 17,915,978	\$ 26,207,587
<i>Present Rates</i>							
8	No. of Bills	6,873,528	4,200,984	2,672,544	613,889	438,360	175,529
9	Fixed Charge	<u>\$8.95</u>	<u>\$8.95</u>	<u>\$8.95</u>	<u>\$17.00</u>	<u>\$17.00</u>	<u>\$17.00</u>
10	Fixed Revenue	\$ 61,518,076	\$ 37,598,807	\$ 23,919,269	\$ 10,436,120	\$ 7,452,120	\$ 2,984,000
11	Volumes	46,156,292	20,756,976	25,399,316	13,439,163	3,464,889	9,974,274
12	Usage Charge	<u>\$1.7465</u>	<u>\$1.7465</u>	<u>\$1.7465</u>	<u>\$1.6163</u>	<u>\$1.6163</u>	<u>\$1.6163</u>
13	Usage Revenue	\$ 80,611,964	\$ 36,252,059	\$ 44,359,905	\$ 21,721,719	\$ 5,600,299	\$ 16,121,420
14	Total Revenues	\$ 142,130,040	\$ 73,850,866	\$ 68,279,174	\$ 32,157,839	\$ 13,052,419	\$ 19,105,420
15	Prop. Increase	\$ 52,531,916	\$ 27,286,783	\$ 25,245,133	\$ 11,965,726	\$ 4,863,559	\$ 7,102,167
16	%	36.96%	36.95%	36.97%	37.21%	37.26%	37.17%

Source: Exh.__(PHR-6), p.1.

KANSAS GAS SERVICE

Schedule BK-2

Summary of RS and GS Base Rates and Revenues
Basis: KGS Customer Choice Rate Design

	Residential - RS			General Service - GS			
	Total	Option A (Usage <= 80 Mcf)	Option B (Usage > 80 Mcf)	Total	Option A (Usage <= 265 Mcf)	Option B (Usage > 265 Mcf)	
	(1)	(2)	(3)	(4)	(5)	(6)	
<i>Optional Proposed Rates</i>							
1	No. of Bills	6,873,528	4,200,984	2,672,544	613,889	438,360	175,529
2	Fixed Charge		<u>\$12.25</u>	<u>\$23.20</u>		<u>\$23.35</u>	<u>\$56.05</u>
3	Fixed Revenue	\$ 113,465,075	\$ 51,462,054	\$ 62,003,021	\$ 20,074,129	\$ 10,235,706	\$ 9,838,423
4	Volumes	46,156,292	20,756,976	25,399,316	13,439,163	3,464,889	9,974,274
5	Usage Charge		<u>\$2.6631</u>	<u>\$1.0205</u>		<u>\$2.8885</u>	<u>\$1.4078</u>
6	Usage Revenue	\$ 81,197,905	\$ 55,277,903	\$ 25,920,002	\$ 24,050,113	\$ 10,008,330	\$ 14,041,783
7	Total Revenues	\$ 194,662,980	\$ 106,739,957	\$ 87,923,023	\$ 44,124,242	\$ 20,244,036	\$ 23,880,206
<i>Present Rates</i>							
8	No. of Bills	6,873,528	4,200,984	2,672,544	613,889	438,360	175,529
9	Fixed Charge	<u>\$8.95</u>	<u>\$8.95</u>	<u>\$8.95</u>	<u>\$17.00</u>	<u>\$17.00</u>	<u>\$17.00</u>
10	Fixed Revenue	\$ 61,518,076	\$ 37,598,807	\$ 23,919,269	\$ 10,436,120	\$ 7,452,120	\$ 2,984,000
11	Volumes	46,156,292	20,756,976	25,399,316	13,439,163	3,464,889	9,974,274
12	Usage Charge	<u>\$1.7465</u>	<u>\$1.7465</u>	<u>\$1.7465</u>	<u>\$1.6163</u>	<u>\$1.6163</u>	<u>\$1.6163</u>
13	Usage Revenue	\$ 80,611,964	\$ 36,252,059	\$ 44,359,905	\$ 21,721,719	\$ 5,600,299	\$ 16,121,420
14	Total Revenues	\$ 142,130,040	\$ 73,850,866	\$ 68,279,174	\$ 32,157,839	\$ 13,052,419	\$ 19,105,420
15	Prop. Increase	\$ 52,532,940	\$ 32,889,091	\$ 19,643,849	\$ 11,966,403	\$ 7,191,617	\$ 4,774,786
16	%	36.96%	44.53%	28.77%	37.21%	55.10%	24.99%

Source: Exh.__(PHR-10), p.1.

CERTIFICATE OF SERVICE

06-KGSG-1209-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing docket was placed in the United States mail, postage prepaid, or hand-delivered this 27th day of September, 2006, to the following:

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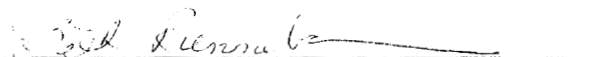
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