

**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 Adjustment of its Natural Gas Rates )  
in the State of Kansas. )**

**Docket No. 24-KGSG-610-RTS**

**TESTIMONY IN SUPPORT OF  
UNANIMOUS SETTLEMENT AGREEMENT  
PREPARED BY  
CHAD UNREIN  
UTILITIES DIVISION  
KANSAS CORPORATION COMMISSION**

**August 9, 2024**

1 Q. Would you please state your name?

## 2 A. My name is Chad Unrein.

3 Q. What is your business address?

4 A. My business address is 1500 Southwest Arrowhead Road, Topeka, Kansas 66604.

5 Q. Are you the same Chad Unrein that filed direct testimony in this Docket on July 1,  
6 2024?

7 A. Yes.

8 Q. Plea

8 Q. Please identify the purpose of your testimony.

9 A. I am testifying on behalf of the Staff of the Kansas Corporation Commission  
10 (Commission) in support of the settlement of the issues outlined in the Unanimous  
11 Settlement Agreement (Agreement) between Staff; Kansas Gas Service, a Division of  
12 One Gas Inc. (KGS or Company); the Citizens' Utility Ratepayer Board (CURB); and  
13 WoodRiver Energy, LLC (WoodRiver), (collectively, the "Parties").<sup>1</sup>

14 My testimony will explain why the Commission should approve the Agreement as a  
15 reasonable resolution of the issues in this Docket. As detailed in the following analysis,  
16 the Agreement is in the public interest and will produce just and reasonable rates. My  
17 testimony provides the following:

- An informational review of the Docket;
- An overview and discussion of the Settlement Agreement;
- A discussion of the standard of review used to guide the Commission in its consideration of whether to accept the Agreement;<sup>2</sup> and
- A discussion of the evidence in the record that supports the Agreement

<sup>1</sup>Joint Motion to Approve Unanimous Settlement Agreement, Docket No. 24-KGSG-610-RTS (August, 2, 2024).

<sup>2</sup> Order Approving Contested Settlement Agreement, Docket No. 08-ATMG-280-RTS, pp. 4-6 (May 12, 2008).

1    **Background Information**

2    **Q. Please provide a brief background of this case.**

3    A. On March 1, 2024, KGS filed an Application seeking Commission approval to make  
4    certain changes in its rates and charges for natural gas service. KGS's Application  
5    indicated a gross revenue deficiency of \$93.1 million, based upon normalized operating  
6    results for the 12-months ending September 30, 2023, adjusted for known and measurable  
7    changes. After rebasing the amounts currently collected from customers through the Gas  
8    System Reliability Surcharge (GSRS), the net impact of GSRS' requested revenue  
9    requirement is an increase of \$58.1 million.<sup>3</sup>

10    The primary drivers behind KGS's rate case:<sup>4</sup>

- 11       ▪ An update of its capital investment in its distribution system since its last  
12       rate case resulting in changes to rate base, depreciation, proposed weighted  
13       average cost of capital, and Ad Valorem expense;
- 14       ▪ An increase in its operations and maintenance (O&M) expense, such as  
15       employee wages and benefits and costs for materials and supplies;
- 16       ▪ A request to set the Return on Equity (ROE) at 10.25% and the cost of debt  
17       at 4.3993%, which results in an overall rate of return (ROR) of 7.89% with  
18       KGS's actual capital structure of 40.42% debt and 59.58% equity;
- 19       ▪ Update new depreciation rates;

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<sup>3</sup> The \$58,073,667 net revenue increase (includes \$15,209,005 of Ad Valorem tax expense) is the result of offsetting the \$93,103,156 requested increase by \$35,029,489 already being recovered from ratepayers through the GSRS.

<sup>4</sup> See Direct Testimony of Janet Buchanan, p. 4, Chart 1, for a comprehensive breakdown of the cost drivers of KGS rate filing.

1        In KGS's Application, the Company also proposed: i.) an alternative performance-  
2        based ratemaking adjustment mechanism (APRA) that would provide for an annual  
3        review and adjustment of the company's cost of operations; ii.) a two-part A/B rate  
4        plan separating residential customers into two subclasses based on usage levels; iii.)  
5        the allowance of a portion of financially based executive and officer incentive  
6        compensation to be included in the cost of service; and iv.) the collection of \$15  
7        disconnect charge and \$20 reconnection charges that were suspended as part of the  
8        Knock and Collect Waiver Pilot Program.<sup>5</sup>

9        **Q. Please discuss Staff's rate case position filed in direct testimony and supporting  
10      exhibits.**

11      A. On July 1, 2024, Staff filed its direct testimony, including schedules and exhibits  
12      supporting a recommended base revenue requirement increase of \$66,717,969, which  
13      includes the rebasing of the GSRS revenue of \$35,029,489.<sup>6</sup> After accounting for the  
14      rebased GSRS revenue, Staff's filed revenue requirement totaled \$31,688,480 and would  
15      result in a net rate increase of 10% to Kansas ratepayers. For comparison purposes, Staff  
16      provided a table outlining the difference in KGS's rate request and Staff's filed positions  
17      in the rate case.<sup>7</sup>

Net Rate Impact		
Description	KGS	Staff
Base Revenue Requirement Increase	\$93,103,156	\$66,717,969
Percentage Increase in Base Rates	29.41%	21.07%
GSRS Rebased	\$35,029,489	\$35,029,489
Net Revenue Increase to Customers	\$58,073,667	\$31,688,480
Net Percentage Increase	18.34%	10.01%

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<sup>5</sup> The Knock & Collect pilot program was approved on June 19, 2020, in Docket No. 15-GIMX-344-GIV.

<sup>6</sup> Staff's filed rate case position results in a net revenue increase to customers of \$31,688,480 and includes \$15,209,005 of Ad Valorem tax expenses, which means that the Ad Valorem Tax Surcharge will ultimately be lower by \$15.2 million as a result of this rate case.

<sup>7</sup> See Direct Testimony of Katie Figgs, p. 10.

1        Staff witness Adam Gatewood addressed the cost of capital included in Staff's revenue  
2        requirement calculation.<sup>8</sup> Mr. Gatewood recommended the use of an ROR of 7.53%,  
3        which contained an ROE of 9.6% and a cost of debt of 4.40%. Mr. Gatewood updated  
4        KGS's actual capital structure calculation through the April 30, 2024, Staff update period,  
5        which resulted in 60.21% equity ratio and a 39.79% debt ratio.

6        As presented in my direct testimony, Staff<sup>9</sup> recommended the Commission deny  
7        KGS's requested performance-based ratemaking mechanism and reject the APRA tariff.<sup>9</sup>  
8        While Staff had concerns regarding the scope of the APRA and timeline for review,  
9        Staff's primary concern regarding the APRA was the transfer of financial risks of rising  
10      capital investment and O&M from KGS shareholders to Kansas ratepayers.<sup>10</sup> While Staff  
11      recommended the Commission deny KGS's requested APRA mechanism, Staff included  
12      a recommendation that the Commission renew its Cyber Security tracker, the Pension  
13      and Other Post Employment Benefits (OPEB) tracker, and the Ad Valorem tax surcharge.

14      With regard to rate design, Staff witness Lana Ellis, Ph.D. opposed the adoption of  
15      KGS's A/B rate design and recommends retaining the traditional two-part for residential  
16      customers.<sup>11</sup> Staff's proposed rate design would retain the currently existing fixed  
17      service charge of \$18.18 and then add the GSRS monthly allocated residential customer  
18      charge of \$3.57, resulting in a new residential service charge of \$21.75.<sup>12</sup> In the event  
19      the Commission determines rate choice for residential customers is preferred, Staff  
20      offered an alternative A/B rate structure to be adopted.<sup>13</sup>

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<sup>8</sup> See Direct Testimony of Adam Gatewood, p. 4.

<sup>9</sup> See Direct Testimony of Chad Unrein, p. 6.

<sup>10</sup> See *id.*

<sup>11</sup> See Direct Testimony of Lana Ellis, Ph.D. p. 17.

<sup>12</sup> See *id.*, p.19.

<sup>13</sup> See *id.*, p.22.

1        In her testimony, Staff witness Katie Figgs addressed KGS's requested recovery of a  
2        portion of financial-based executive and officer incentive compensation to be included in  
3        the cost of service.<sup>14</sup> Ms. Figgs retained the historical treatment of Executive and Officer  
4        incentive compensation plans in accordance with prior Commission's Orders in  
5        disallowing incentive compensation that are focused on financial performance metrics.<sup>15</sup>  
6        As such, Ms. Figgs recommended removing 100% of KGS's Short-term Incentive Plan  
7        (STIP) for financial compensation for Executive and Officers. For the Long-term  
8        Incentive Plan (LTIP), Ms. Figgs recommended removing 50% of executive and officer  
9        compensation associated with restricted stock units and 100% of executive equity  
10        compensation expense associated with performance-based units.<sup>16</sup>

11        Finally, Staff witness Ian Campbell addressed Staff's position on the collection of  
12        disconnect and reconnection charges that were suspended as part of a temporary waiver  
13        requested by KGS with the Knock and Collect Waiver Pilot Program.<sup>17</sup> In his  
14        recommendation, Mr. Campbell agreed with KGS's request to end its involvement in the  
15        Pilot Program and reinstate a \$15 disconnect fee and a \$20 reconnection fee and added  
16        test-year revenues associated with the number of disconnect and reconnects KGS  
17        performed.<sup>18</sup>

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<sup>14</sup> See Direct Testimony of Katie Figgs, pp. 31 – 33.

<sup>15</sup> See *id.* p. 29 – 31.

<sup>16</sup> See *id.* p. 24.

<sup>17</sup> See Direct Testimony of Ian Campbell, pp. 12 – 14.

<sup>18</sup> See *id.* p. 13.

1     **Q. Please discuss CURB's filed rate case position presented in direct testimony and**  
2     **supporting exhibits.**

3     A. On July 1, 2024, CURB filed its direct testimony, including schedules and exhibits  
4     supporting a recommended base revenue requirement increase of \$45,799,794, which  
5     includes the rebasing of the GSRS revenue of \$35,029,489.<sup>19</sup> After accounting for the  
6     rebased GSRS revenue, CURB's filed revenue requirement totaled \$10,770,304 and  
7     would result in a net rate increase of 3.4% to Kansas ratepayers.<sup>20</sup> CURB filed position  
8     contained an overall cost of capital of 6.94%, which is composed of a 9.25% ROE, a  
9     4.40% Cost of Debt, and a hypothetical capital structure consisting of 52.45% common  
10    equity and 47.55% long-term debt.<sup>21</sup>

11    CURB recommended the Commission reject: i.) KGS's request to establish the APRA  
12    mechanism;<sup>22</sup> ii.) KGS's proposed A/B rate design structure;<sup>23</sup> iii.) KGS's inclusion of a  
13    portion of Incentive Compensation Plan driven by financial metrics;<sup>24</sup> and iv.) KGS's  
14    proposal to alter its disconnection/reconnection fees with a disconnection charge of \$15  
15    and reconnection charge of \$20.<sup>25</sup> With regard to the disconnection and reconnection  
16    charges, Mr. Frantz recommended the Commission address KGS's waiver from the pilot

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<sup>19</sup> See Direct Testimony of Andrea Crane, p. 9

<sup>20</sup> See *id.*

<sup>21</sup> See *id.* pp. 8 – 9. Ms. Crane cited the recommendation for cost of capital and hypothetical capital structure contained in Direct Testimony of CURB Witness Dr. Randall Woolridge.

<sup>22</sup> See *id.* p. 9.

<sup>23</sup> See Direct Testimony of Glenn Watkins, p. 47. Alternative, Mr. Watkins recommends that the current residential rate structure be maintained with the fixed monthly charge of \$18.18.

<sup>24</sup> See Direct Testimony of Andria Crane, p.35. Ms. Crane recommended that the Commission disallow KGS Incentive Compensation plan driven by financial metrics, which include 70% of the STIP and 100% of the LTIP.

<sup>25</sup> See Direct Testimony of Josh Frantz, p.12.

1 program in Docket No. 24-GIMG-453-GIG.<sup>26</sup> Alternatively Mr. Frantz recommended  
2 setting both the disconnection and reconnection charge at \$5.<sup>27</sup>

3 **Q. Please provide background on KGS rebuttal testimony and discuss how Staff uses**  
4 **the testimony and supporting exhibits.**

5 A. On July 22, 2024, KGS filed rebuttal testimony from various witnesses detailing a list of  
6 Staff and CURB rate base and income statement adjustments that KGS accepted and a  
7 list of adjustments KGS opposed via witness testimony.<sup>28</sup> Staff utilizes KGS rebuttal  
8 testimony to identify any errors or omission of any data in calculating its adjustments and  
9 reviews the arguments put forward from each witness against Staff's filed positions. Staff  
10 determines whether any revisions need to be made to Staff adjustments in evaluating its  
11 litigation risks and revenue requirement position presented in its direct testimony. Staff  
12 evaluates each adjustment on a case-by-case basis, using KGS's rebuttal testimony to  
13 prepare for Settlement discussions.

14 **Q. Please provide a brief background on the Settlement conference.**

15 A. In accordance with the procedural schedule in this Docket, the Parties met to discuss the  
16 possible settlement of issues via an in-person settlement conference held at the  
17 Commission office on July 31, 2024. The Settlement Agreement was finalized between  
18 the parties and filed with the Commission on August 2, 2024, which resolved all of the  
19 outstanding issues between the parties. Under the Commission regulation (K.A.R. 82-  
20 1—230a), the Settlement Agreement is considered to be a Unanimous Settlement as all  
21 of the parties signed the Agreement.

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<sup>26</sup> See *id.*

<sup>27</sup> See *id.*

<sup>28</sup> See Rebuttal Testimony of Lorna Eaton for KGS's list of Staff & CURB adjustments that KGS has accepted or opposed.

1    **Terms of the Settlement Agreement**

2    **Q. Please provide an overview of the Agreement.**

3    A. The Agreement establishes agreed upon overall revenue increase of \$70,000,000 in base  
4    rates, prior to rebasing \$35,029,458 million in GSRS revenues. Accounting for the  
5    rebasing of GSRS revenues, the Agreement contains a net revenue requirement increase  
6    of \$34,970,542. Unless directly stipulated in the provisions, the Agreement represents a  
7    “black box agreement” that addresses all of the remaining disputed issues presented in  
8    the case.<sup>29</sup>

9    **Q. Please discuss in detail the provisions of the Agreement.**

10   A. In the testimony below, Staff provides the provisions of the Agreement<sup>30</sup> contained in  
11   “Part II: Settlement Provisions” as follow:

12   B. Miscellaneous Issues

13   ▪ The Parties agree that Staff’s recommended depreciation rates proposed by  
14   Roxie McCullar provided in Appendix A of the Agreement are the accepted  
15   depreciation rates for Kansas and corporate divisions to be used to set  
16   depreciation expense.<sup>31</sup>

17   ▪ The Parties agree that nothing in the Agreement constitutes an Agreement by  
18   the parties to the capital structure proposals presented in the case and this

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<sup>29</sup> See Agreement, p. 3, Section A, ¶ 9.

<sup>30</sup> See Agreement, Part III for the Miscellaneous Provisions that discusses the Commission Rights, Parties Rights, Waiver of Cross-Examination and Post-hearing Briefs, Negotiated Settlement language, Interdependent Provisions, and Submission of Documents to the Commission or Staff.

<sup>31</sup> See Agreement, p. 3, Part II, Section B, ¶ 10. KGS is not agreeing to any policy recommendation made by Ms. McCullar and does not preclude KGS from advancing any positions and arguments in future rate filings that are contrary to the policies recommendations made by Ms. McCullar.

1       Agreement does not prevent the parties from challenging such proposals in the  
2       future.<sup>32</sup>

3       ▪ KGS agrees to withdraw, without prejudice, (1) its proposed APRA; and (2) its  
4       proposal to implement an A/B rate structure for residential customers.<sup>33</sup>

5       C. Accounting Matters

6       ▪ For purposes of KGS' annual Ad Valorem Surcharge Rider, the parties agree the  
7       Ad Valorem expenses embedded in base rates shall be \$36,353,632.<sup>34</sup>

8       ▪ Amortization Periods and/or expenses are established as follows:

9           (a) KGS's actual rate case expense – over a three-year amortization period;<sup>35</sup>

10           (b) KGS's cyber-security tracker – over a three-year amortization period;<sup>36</sup>

11           (c) KGS's Pension amortization of (\$5,280,403) and OPEB amortization of

12           (\$667,388) – over a three-year amortization period;<sup>37</sup>

13           (d) Amortization of deferred manufactured gas plant expense of \$902,293 per  
14           year as allowed under the order issued in Docket No. 17-KGSG-455-

15           ACT;<sup>38</sup>

16           (e) With respect to the Pension and OPEB amounts contained in 14(c), KGS  
17           shall have the right to recover any unamortized amount relating to Pension  
18           and OPEB deferrals.

19       ▪ For the purposes of calculating KGS's Pension tracker going forward, the parties  
20       agree that base rates agreed to in this Agreement include the following expenses:

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<sup>32</sup> See *id.*, ¶ 11.

<sup>33</sup> See *id.*, ¶ 12.

<sup>34</sup> See *id.*, p. 4, Part II, Section C, ¶ 13.

<sup>35</sup> See *id.*, ¶ 14(a).

<sup>36</sup> See *id.*, ¶ 14(b).

<sup>37</sup> See *id.*, ¶ 14(c).

<sup>38</sup> See *id.*, ¶ 14(d).

1 (a) KGS's Pension Expense of \$3,704,409;<sup>39</sup>

2 (b) KGS's OPEB Expense of \$0.00.<sup>40</sup>

- For the purposes of calculating KGS's GSRS, the parties agree that the carrying charge to be applied to recoverable investments in such filings shall be calculated using a carrying charge of 8.97% gross of tax, which is based on state and federal tax rates in effect as of the date of this Agreement.<sup>41</sup>
- For allocating costs among customer classes in a GSRS filing, such costs shall be allocated among KGS's classes of customers based on the rate allocation approved in this rate case.<sup>42</sup>

#### D. Class Cost of Service and Rate Design

- The Parties agree that nothing in this Agreement constitutes an agreement by the Parties to the Class Cost of Service Studies presented in this case and this Agreement does not prevent the Parties from challenging such studies in the future.<sup>43</sup>
- The Parties agree the rate increase shall be allocated among the respective classes of customers according to the amounts indicated for each class as shown in Appendix B attached to the Settlement Agreement.<sup>44</sup>

<sup>39</sup> See *id.* ¶ 15(a).

<sup>40</sup> See *id.* ¶ 15(b).

<sup>41</sup> See *id.* p. 5, ¶ 16. The parties agree that the carrying charge is solely for the purposes of subsequent GSRS filings and is not precedential for any other purpose. Should tax rates change between now and the next KGS general rate case, the carrying charge set forth shall be adjusted to reflect the change in the tax rates.

<sup>42</sup> See *id*, ¶ 17.

<sup>43</sup> See *id*, Part II, Section D, ¶ 18.

<sup>44</sup> See *id*, ¶ 19.

1        E. Weather Normalization Adjustment (WNA) Issues

2            ▪ For the purpose of calculating the WNA factor, the Parties agree to use Staff's  
3            Heating Sensitivity Factors and Staff's Heating Degree Day Normals.<sup>45</sup>

4        F. Excess Deferred Income Taxes (EDIT)

5            ▪ Based on the pre-filed Direct Testimony of Bill Baldry, KGS is permitted to do  
6            the following regarding EDIT:

7            (a) Begin amortizing Kansas State EDIT due to re-measurement over a 30-year  
8            amortization period;<sup>46</sup>

9            (b) Continue to amortize the balance of the protected portions of EDIT using  
10            the Average Rate Assumption Method (ARAM);<sup>47</sup>

11            (c) Amortize the State EDIT (due to the State of Kansas corporate income tax  
12            rate for utilities being reduced to zero in 2020), over a 30-year amortization  
13            period;<sup>48</sup>

14            (d) Recover from customers the \$247,046 excess EDIT refund over a three-  
15            year amortization period;<sup>49</sup>

16            (e) Amortize unprotected EDIT from February 2024 to the time new rates go  
17            into effect, over a 30-year amortization period;<sup>50</sup>

18            (f) Amortize the unprotected portion of the Return to Accrual True-up over a  
19            30-year period;<sup>51</sup> and

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<sup>45</sup> See *id.*, Part II, Section E, ¶ 20.

<sup>46</sup> See *id.*, ¶ 21(a).

<sup>47</sup> See *id.*, ¶ 21(b).

<sup>48</sup> See *id.*, p. 6, ¶ 21(c).

<sup>49</sup> See *id.*, ¶ 21(d).

<sup>50</sup> See *id.*, ¶ 21(e).

<sup>51</sup> See *id.*, ¶ 21(f).

(g) Amortize the protected EDIT portion of the Return to Accrual True-up using the ARAM methodology. (The unprotected EDIT portion from the previous rate case was fully amortized by February 2024).<sup>52</sup>

4 (h) The estimated cost of removal portion of EDIT that was included as a  
5 protected asset since December 31, 2017, the time the Tax Cut and Jobs  
6 Act (TCJA) went into effect should now be:

- i.) Accounted for as a separate component of KGS EDIT liability;
- ii.) Shown separately from depreciation expense used in ARAM calculation;
- iii.) Included as an “unprotected” EDIT asset;
- iv.) Amortized using the ARAM method of amortization; and
- v.) Amortized based on the same amortization period as the protected plant, so the portion of EDIT related to the Cost of Removal that was considered as protected since December 31, 2017, would be amortized using the same period as the protected plant is subject to the ARAM method of amortization.<sup>53</sup>

17 (i) Although KGS never recorded the EDIT Tracker on its books and the EDIT  
18 Tracker was never recorded as a regulatory asset or regulatory liability and  
19 KGS did not add any amortization into the present rate case, the EDIT  
20 Tracker and the amortization of any tracked balances shall be discontinued  
21 into the future to avoid any possible normalization violation.<sup>54</sup>

<sup>52</sup> See *id.* ¶ 21(g).

<sup>53</sup> See *id*, pp. 6 - 7, ¶ 21(h) (i.-v.).

<sup>54</sup> See *id*, p. 7, ¶ 21(i).

1 (j) Include the amortization of EDIT totaling a credit of \$3,821,173 as a  
2 component of KGS's cost of service. The amortization will be grossed up  
3 for taxes as part of the revenue component.<sup>55</sup>

#### **G. Disconnection and Reconnection Fees**

- KGS agrees to reinstate the disconnect and reconnect fees as specified in Index 12 of KGS's approved tariff and charge the actual cost of disconnection and reconnection to the customer if disconnection of service occurs at the main. Parties reserve the right to present arguments concerning disconnect and reconnect fees in Docket No. 24-GIMG-453-GIG. Other proposed changes included in Lorna Eaton's direct testimony shall be implemented.<sup>56</sup>

## H. Cyber Security Tracker

- The amount of the cyber-security costs included in base rates is \$1,046,538. KGS shall be allowed to continue to use the tracker to defer and recover cyber-security costs in future rate cases.<sup>57</sup>

## I. Brehm Storage Costs

- Costs associated with Brehm Storage shall be removed from base rates and collected through the Company's Cost of Gas Rider ("COGR").<sup>58</sup>

<sup>55</sup> See *id*, ¶ 21(j).

<sup>56</sup> See *id*, Section II, Part G, ¶ 22.

<sup>57</sup> See *id.* Section II, Part H, ¶ 23.

<sup>58</sup> See *id*, Section II, Part I, ¶ 24.

1       J. Revenues & Expenses associated with Servicing and Admin. Agreements with KGSSI

2           ■ KGS shall establish a regulatory liability relating to revenues and expenses  
3           incurred by KGS in servicing and administrating the agreements with KGSSI and  
4           shall account for same in KGS's next general rate case filing.<sup>59</sup>

5       **Commission Standards for Approving Settlement Agreements**

6       **Q. Has the Commission previously used factors or standards to review a settlement  
7           agreement?**

8       A. Yes. The Commission's Order in Docket No. 08-ATMG-280-RTS (08-280 Docket)  
9           discusses five factors, or standards, and multiple agreements have been reviewed by the  
10          Commission using the five factors since that Order.<sup>60</sup> However, subsequent Commission  
11          Orders noted that for unanimous settlement agreements, parties need not apply the  
12          historical five-factor test set forth in the 08-280 Docket.<sup>61</sup> Therefore, the evaluation under  
13          all five factors is unnecessary for this Settlement Agreement.

14      **Q. What standards does the Commission generally examine when considering a  
15           unanimous settlement agreement?**

16      A. The Commission may accept a unanimous settlement agreement so long as approval of  
17           the settlement is: (1) supported by substantial competent evidence in the record as a  
18           whole; (2) results in just and reasonable rates; and (3) is in the public interest.<sup>62,63</sup> Each  
19           of these factors is discussed individually below.

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<sup>59</sup> See *id*, Section II, Part J, ¶ 25.

<sup>60</sup> *Order Approving Contested Settlement Agreement*, 08-280 Docket, p. 5 (May 5, 2008).

<sup>61</sup> *Order on KCP&L's Application for Rate Change*, Docket No. 15-KCPE-116-RTS, ¶ 16, p. 6 (Sept. 10, 2015).

<sup>62</sup> *Ibid*, ¶ 15.

<sup>63</sup> *Citizens' Util. Ratepayer Bd. v. State Corp. Comm'n of State of Kansas*, 28 Kan. App. 2d 313, 316 16 P.3d 319, 323 (2000).

1    **Support for the Settlement Agreement**

2    **Q. Please address whether the Agreement is supported by substantial competent**  
3    **evidence in the record as a whole.**

4    A. The Agreement is supported by substantial competent evidence in the record as a whole.

5       The Agreement is supported by KGS' Application, direct and rebuttal testimony, as well  
6       as the direct testimonies of several witnesses offering diverse and often conflicting  
7       perspectives about the issues presented in this case. Staff vigorously analyzed the  
8       Application and formed its own conclusions that were filed in direct testimony. In  
9       addition, CURB & WoodRiver reviewed the filing and stated their respective positions  
10      in direct testimony. These filed positions represent the body of evidence the Commission  
11      would rely on to make a determination of the issues presented by this case, if the case  
12      were to be fully litigated. The Parties also relied on this evidence in negotiations and  
13      eventually arrived at an agreed upon resolution of all of the issues in this case. It is Staff's  
14      position that the terms of this Agreement are commensurate with what could be expected  
15      if the case were to be fully litigated.

16    **Q. How was the net revenue requirement increase of \$34.9 million, after rebasing \$35**  
17    **million in GSRS to base rates, arrived at by the Parties?**

18    A. There is no specific calculation identified in the Agreement that supports the amount;  
19       therefore, each party may have a different understanding of the concessions agreed to in  
20       order to produce this result. Several elements of the Agreement specifically match those  
21       contained in Staff's filed position, such as the depreciation rates. In addition, the revenue  
22       requirement agreed to by the Parties necessarily requires the acceptance of most of Staff's  
23       corrected adjustments to the revenue requirement. From Staff's perspective, there are a

1 few main issues that explain the difference between its filed net revenue requirement  
2 increase of \$31.6 million, compared to the \$34.9 million base rate revenue requirement  
3 change contained in the Agreement.

4 In KGS rebuttal testimony KGS identified five Staff adjustments that required a  
5 correction. These errors resulted from either incorrect or omitted data being used in the  
6 calculation of the workpaper or a miscalculation contained in Staff's workpapers. With  
7 the data provided by KGS, Staff was able to verify that the five adjustments were  
8 miscalculated.<sup>64</sup> Upon verification, Staff calculated revenue requirement impact for each  
9 corrected adjustment by flowing the changes through Staff schedules.<sup>65</sup> In addition, Staff  
10 was provided three additional adjustments from KGS to update rate case expense and an  
11 adjustment to its payroll expense to remove a union payroll wage increase that had yet to  
12 be finalized at the time of the settlement proceeding, and an update to miscellaneous  
13 adjustment for travel, safety, and training expenses.

14 For the adjustments detailed above, Staff prepared the following table that details the  
15 revenue requirement impacts of the correction or updates to calculate a revised litigation  
16 position. In the table, Staff provided a description of the revised adjustment, the Staff  
17 and KGS rebuttal witnesses that covered the adjustment, the revised calculations  
18 contained in Staff schedules, and the revenue requirement impact of each adjustment.<sup>66</sup>

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<sup>64</sup> Staff's table include the impact of five corrections; however, Staff's adjustment for Ft. Riley gross plant that resulted in a revision to KGS's rate base and an impact to Depreciation & O&M expense that impact the Income Statement Adjustment.

<sup>65</sup> Staff would note that the revenue requirement impact was calculated using Staff's cost of capital and includes the impact on income taxes and changes to Staff's bad debt adjustment through a circular reference in the Schedules.

<sup>66</sup> In the table, Staff identified changes to its rate base and income statement adjustments separately. Staff Adjustment to Ft. Riley includes an adjustment to rate base to revise Gross Plant and a correction to O&M and depreciation expense related to the Ft. Riley adjustment.

Testimony in Support of Unanimous Settlement Agreement  
Docket No. 24-KGSG-610-RTS

KGS Witness	Staff Witness	Description of Adjustment	Staff Filed Adjustment	KGS Rebuttal Adjustment	Staff's Revised Adjustment	Change in Revenue Requirement <sup>1</sup>
<b>Staff's Filed Revenue Requirement</b>						<b>\$ 66,717,969</b>
<b>Rate Base</b>						
Eakens	Baldry	Staff correction to update EDIT for TCJA/State Income Taxes/NOL balances to 4/30/24	(1,667,556)	8,318,636	6,651,080	799,832
Simpson	Buller	Staff correction for Accumulated Depreciation for Not Used and Useful plant and CNG plant	3,940,980	(7,881,960)	(3,940,980)	757,847
Eaton	Buller	Staff correction to gross plant for Fort Riley to remove Accumulated Reserve and CWIP	8,805,502	516,573	9,322,075	49,668
<b>Total Revenue Requirement for Rate Base Adjustments</b>						<b>\$ 1,607,347</b>
<b>Income Statement</b>						
Eaton	Buller	Staff correction to Depreciation expense for Fort Riley Gross plant, Revenue and O&M Adjustment	799,100	985,125	972,156	179,229
Eaton	Figgs	Staff correction to Incentive Compensation to include non officer financial-based compensation metric and to remove additional 50% of long term performance based incentive	(1,673,613)	411,613	(1,262,000)	316,339
Eaton	Figgs	Staff's correction to Pension and OPEB forecasts from December 2024 to October 2024 and OPEB to reset new benchmark to zero	(1,587,519)	341,077	(1,246,442)	344,033
Eaton	Campbell/ Figgs	Staff update to Misc Adjustment - Travel/Safety/Training for KS Direct/Corporate	(510,260)	(55,712)	(424,656)	86,347
Eaton	Figgs	Staff update to Rate Case Expense	(168,357)	184,192	15,835	185,789
Settlement	Figgs	Staff Adjustment to remove union payroll adjustment yet to be finalized as of Settlement.	(609,834)	(464,552)	(1,074,386)	(468,579)
<b>Total Revenue Requirement for Income Statement Adjustments</b>						<b>\$ 643,158</b>
<b>Total Revenue Requirement with Corrections</b>						<b>\$ 68,968,475</b>
Notes:						

<sup>1</sup> Staff's calculated Revenue Requirement impact includes the tax impact of the adjustment and an adjustment to bad debt expense, which is circular referenced in the Revenue Requirement Schedules

1

2 The total revenue requirement impact for Rebuttal corrections to Staff's rate base  
 3 adjustments was \$1,607,347. The rate base adjustment included: (1) updating EDIT  
 4 balances for the TCJA/State Income Taxes/NOL balances through April 30, 2024, which  
 5 were inadvertently omitted from Staff's filing and resulted in a net revenue requirement  
 6 increase of \$799,832; (2) a correction to Accumulated Depreciation where Compressed  
 7 Natural gas plant and Not Used and Useful plant were added to the Accumulated  
 8 Depreciation balances rather than subtracted from the balances in the worksheet and  
 9 resulted in a net revenue requirement increase of \$757,847; (3) a correction to Ft. Riley  
 10 Plant in Service where balances for Net Plant were used rather than Gross Plant and

1 resulted in a net revenue requirement increase of \$49,668. The testimony from KGS's  
2 rebuttal witness that detailed each correction were included in Staff's table above.

The total revenue requirement impact for rebuttal corrections to Staff's income statement adjustments was \$643,158. The income statement adjustments include: (1) a correction to Staff's adjustment for Ft. Riley, revenue, O&M expenses, and depreciation expense and resulted in a net revenue requirement increase of \$179,229;<sup>67</sup> (2) Staff correction to incentive compensation to include non-officer compensation related to financial-based performance metrics and remove an additional 50% of long-term performance based incentive and resulted in a net revenue requirement increase of \$316,339, (3) a correction to Pension & OPEB to adjust forecasted from December of 2024, to when rates go into effect in October of 2024 and reset new benchmark to zero and resulted in a net revenue requirement impact of \$344,033; (4) Staff update to miscellaneous expense for travel, safety, and training expenses of \$86,347 identified in rebuttal; (5) Staff update to rate case expense for KGS, Staff, and CURB of \$185,789; and (6) Staff update to its payroll adjustment of (\$468,579) to remove a union wage increase that was not finalized as of the settlement proceed. Following the corrections and updates to Staff's direct testimony for items KGS identified in its rebuttal testimony, Staff's revised revenue requirement totaled \$68,968,475.

<sup>67</sup> Staff total adjustment to Ft. Riley to gross plant, revenue, O&M, and depreciation expenses resulted in a net revenue requirement impact of \$228,897, as compared to KGS rebuttal position of \$235,693 found in Lorna Eaton's testimony.

1   **Q. Did Staff prepare any additional analysis regarding other adjustments for possible**  
2   **litigation risk?**

3   A. Although all the specific concessions during the negotiations are not specifically  
4   delineated in the Agreement, Staff recognized additional litigation risk existed relative to  
5   certain positions taken by KGS for some of Staff's proposed adjustments in the case.

6       With regard to adjustments that Staff evaluated for litigation risk, Staff identified two  
7   different rate base adjustments in its analysis: (1) Construction Work in Progress and (2)  
8   Materials & Supplies and Prepayments. In its filed case, Staff included all known and  
9   measurable updates to plant in service through April 30, 2024, and retained a  
10   Construction Work in Progress balance of \$0. Staff has taken this position as it cannot  
11   determine with certainty, which outstanding KGS CWIP projects will meet the in-service  
12   date of September 30, 2024. In KGS's rebuttal, KGS included the projected CWIP  
13   projects that it expected to have in service through September 30, 2024. KGS  
14   incorporated these CWIP projects into Plant in Service and calculated depreciation  
15   expense on the plant additions with projected retirements. Staff's revised litigation  
16   position relied on KGS's rebuttal testimony that included \$3 million of projects that were  
17   placed into service following Staff's update period, and included them in rate base, which  
18   resulted in an increase to the revenue requirement of \$291,389. In addition, KGS  
19   contested Staff's materials and supplies and prepayment adjustments, which amounted to  
20   an \$111,460 difference between Staff's and KGS's filed positions.

21

1     **Q. Please discuss any additional risks or possibilities for negative outcomes that could**  
2     **occur if Staff chose to litigate the rate case?**

3     A. First, Staff would note that its updated positions for CWIP, rate case expense, and even  
4     its payroll adjustment could be subject to change in the event Staff were to pursue  
5     litigation. For instance, KGS was able to demonstrate that \$3 million of CWIP projects  
6     were placed into service between Staff's update period of April 30, 2024, and KGS's  
7     rebuttal testimony filed on July 22, 2024. These projects are known and measurable and  
8     meet the status for rate case inclusion pursuant to the K.S.A. 66-128(b). In addition, rate  
9     case expense is routinely updated for the actual costs incurred by KGS, Staff, and CURB  
10    to litigate a rate case. As such, rate case expense is likely to increase if the Parties pursued  
11    litigation of the rate case.

12    Second, Staff's revenue requirement calculations contained in the settlement analysis  
13    are supported by Staff's overall weighted average cost of capital, capital structure, ROE  
14    and debt costs. Due to the potential range of probable outcomes for any of these variables,  
15    it is difficult to provide a concrete rate impact, if a negative litigation outcome were to  
16    occur.

17    Based on the risks analyzed, Staff agreed to accept a \$628,676 increase to its revenue  
18    requirement, reflecting this litigation risk, in exchange for KGS reducing its revenue  
19    requirement request by \$23.1 million. Staff considers this result as well within the zone  
20    of reasonableness with regard to the Litigation positions on the record. The Agreement  
21    of \$70.0 million in the annual overall increase in KGS base revenues was accepted  
22    unanimously by all the Parties, as a reasonable resolution to the outstanding issues. As

1 previously stated, the Agreement results in a net increase of \$34.9 million with the  
2 rebasing the \$35.0 of GSRS revenues.

3 **Q. Did Staff and other intervening parties identify any potential benefits achieved via**  
4 **Settlement that have not been directly quantified?**

5 A. Yes, Staff and the other participating Parties received two significant concessions that  
6 involved high level policy issues that KGS included in its Application. Given the public  
7 feedback received through the Public hearing process, Staff viewed these policy  
8 concessions by KGS as significant benefits for Kansas customers.

9 With the settlement, KGS agreed to withdraw its proposed APRA and its A/B rate  
10 structure for residential customers in this Docket. The APRA would have introduced a  
11 performance-based ratemaking mechanism through an annual rate review. The APRA  
12 tariff would have been a fundamental departure from the traditional rate case structure  
13 that has been utilized in setting rates in Kansas, while replacing other alternative  
14 ratemaking mechanisms, such as the GSRS and Ad Valorem tax riders.

15 As part of the Agreement, KGS withdrew its A/B rate structure with two usage-level  
16 rate options for residential customers. Customers with lower usage levels would be  
17 charged a lower fixed customer charge and a higher volumetric rate, while higher usage  
18 customers are charged a higher fixed customers and lower volumetric charge.

19 Staff recommended the Commission reject KGS's requested APRA mechanism and  
20 its proposed A/B rate structure for residential customers. Staff supported the renewal of  
21 KGS's existing ratemaking mechanisms, the GSRS, Ad Valorem Tax Surcharge, and the  
22 Pension and OPEB and Cyber-security trackers.<sup>68</sup> Staff also proposed a more traditional

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<sup>68</sup> See Direct Testimony of Chad Unrein, pp. 56 – 58.

1       class revenue allocation and rate design, which served as a general basis for the rates  
2       supported in the Proof of Revenue included in Appendix B.<sup>69</sup>

3       **Q. Please discuss any adjustments that were made to rate allocations or rate design in**  
4       **the proposed Agreement.**

5       A. As stated, Staff's rate design proposal served as the primary basis for the Revenue  
6       Allocation and Proof of Revenue contained in Appendix B of the settlement agreement.  
7       In the Agreement, the Parties agreed to make a minor change to Staff's filed rate design  
8       through an adjustment to the revenue allocation that resulted in residential service moving  
9       from a 72.7% current base revenue allocation and 71.3% of GSRS revenue allocations to  
10       a 75% allocation.<sup>70</sup> With the change in the rate design for the residential revenue  
11       allocation, the Parties agreed to use a pro-rata allocation of the revenue differences and  
12       proportionally allocate the revenues through to the other customer classes.

13       The Parties agreed to Staff's fixed monthly service charge of \$21.75 for residential  
14       customers. Staff proposed the \$21.75 monthly customer charge for residential customers,  
15       incorporating the existing monthly customer charge of \$18.18 and the fixed GSRS charge  
16       of \$3.57.<sup>71</sup> The residential volumetric delivery charge would increase from \$2.3485 per  
17       Mcf to \$2.9769 per Mcf.

18       For comparison purposes, KGS's proposed Rate A: Low usage residential customers  
19       would have resulted in a \$20.00 monthly customer charge and a volumetric delivery  
20       charge of \$4.3818 per Mcf.<sup>72</sup> KGS's proposed Rate B: High usage customers would have

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<sup>69</sup> See Direct Testimony of Lana Ellis, Ph.D. p. 19. Staff's recommended rate design methodology and proof of revenue served as a basis for the Settlement

<sup>70</sup> See *id.* p. 15.

<sup>71</sup> <sup>71</sup> See *id.* p. 19.

<sup>72</sup> See Direct Testimony of Paul Rabb, p.45.

resulted in a \$35 monthly customer charge and a volumetric delivery charge of \$1.9160 per Mcf.<sup>73</sup>

3            Staff detailed the changes in the residential customer and delivery charges due to the  
4            change in revenue allocation; however, the remaining rate class impacts are detailed in  
5            the Rates and Proof of Revenue contained in Attachment B. If the Commission has any  
6            direct questions related to the class cost of service, rate design and revenue allocation  
7            contained in the Rates/Proof of Revenue in Attachment B to the Agreement, Staff can  
8            have its class cost of service and rate design witnesses available to answer any questions  
9            at the Settlement Hearing.

10 Q. What is the estimated impact of the Agreement on the average residential customer?

11 A. Net of rebasing of the GSRS, the average residential customer will experience an increase  
12 of approximately \$3.83 per month or \$46.02 per year, based on average annual residential  
13 usage of 72.23 Mcfs. Based on the average residential customer usage and gas cost,  
14 residential customers will experience a net increase of approximately 4.5%.<sup>74</sup>

15 Q. Please discuss how the GSRS carrying charge of 8.97% is calculated.

16 A. KGS's GSRS carrying charge represents a Pre-Tax ROR of 8.97% and is a negotiated  
17 amount in the Settlement Agreement. Each party to the Agreement will likely have a  
18 different perspective on what capital structure and ROE is represented by the pre-tax  
19 ROR. To illustrate how different capital structures and ROE scenarios can result in  
20 different pre-tax RORs, Staff offers the following examples. Each example below results  
21 in the same pre-tax ROR, but with significantly different capital structure and ROE  
22 assumptions.

<sup>73</sup> See *id.*

<sup>74</sup> The resulting percentage for the base rate increase was 11.8%.

1	KGS's Filed Capital Structure				
2	Description	Capitalization Ratio	Related Costs	Weighted Cost of Capital	Pre-Tax ROR (Weighted Cost)
3	Long-Term Debt	40.42%	4.40%	1.78%	1.78%
4	Common Equity	59.58%	9.54%	5.68%	<u>7.19%</u>
5		100.00%		7.46%	8.97%
6	Staff's Filed Capital Structure				
7	Description	Capitalization Ratio	Related Costs	Weighted Cost of Capital	Pre-Tax ROR (Weighted Cost)
8	Long-Term Debt	39.79%	4.40%	1.75%	1.75%
9	Common Equity	60.20%	9.47%	5.70%	<u>7.22%</u>
10		100.00%		7.45%	8.97%
11	CURB's Filed Capital Structure				
12	Description	Capitalization Ratio	Related Costs	Weighted Cost of Capital	Pre-Tax ROR (Weighted Cost)
13	Long-Term Debt	47.55%	4.40%	2.09%	2.09%
14	Common Equity	52.45%	10.36%	5.43%	<u>7.22%</u>
15		100.00%		7.53%	8.97%
16	Hypothetical Capital Structure (40/60)				
17	Description	Capitalization Ratio	Related Costs	Weighted Cost of Capital	Pre-Tax ROR (Weighted Cost)
18	Long-Term Debt	40.00%	4.40%	1.76%	1.76%
19	Common Equity	60.00%	9.50%	5.70%	<u>7.21%</u>
20		100.00%		7.46%	8.97%

21        As the Commission can see, depending on your assumed capital structure and cost of  
 22        debt, the agreed-upon pre-tax ROR contains an ROE between 9.47% and 10.36%. On the  
 23        other hand, for a given ROE, you can back into an assumed capital structure. The Pre-  
 24        tax ROR of 8.97% will apply to the carrying charge on qualifying GSRS projects.<sup>75</sup>

<sup>75</sup> For comparison purposes, Staff filed pre-tax ROR was 9.07%.

1   **Q. Does the Agreement result in just and reasonable rates?**

2   A. Yes. Staff contends this Agreement results in rates that fall within the “zone of  
3   reasonableness” described by the Kansas courts in which the result is balanced between  
4   the interests of investors versus ratepayers, present versus future ratepayers, and is in the  
5   public interest generally. This opinion is supported by the fact that revenue requirement  
6   agreed to in the settlement is closer to Staff’s filed position than KGS requested increase  
7   of \$58.1 million.

8           Staff’s direct testimony was filed with the intention of balancing all of the interests  
9   represented in this case, and the agreed upon total revenue increase is a substantial  
10   adjustment in rates from KGS’s filed position. This agreed upon revenue requirement  
11   increase strikes the proper balance between the Company’s desire to have a reasonable  
12   assurance that it will earn sufficient revenues and cash flows to meet its financial  
13   obligations and the need to keep rates as low as possible for the customers, while  
14   providing reliable natural gas distribution service. In short, the level of cost recovery  
15   afforded under this settlement reflects KGS’s cost of providing reasonably sufficient and  
16   efficient service.<sup>76</sup>

17           The presence of professional expert witnesses and attorneys helps ensure that any  
18   unreasonable position(s) taken by any party are eliminated by opposing parties through  
19   the settlement process. More specifically, while an unreasonable position(s) may or may  
20   not be discussed explicitly in settlement, each party is generally unwilling to make  
21   concessions to unreasonable position(s) and will exclude such unreasonable position(s)  
22   from their respective settlement positions. Simply put, a settlement that is able to satisfy

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<sup>76</sup> See K.S.A. 66-101b.

1       each of these very diverse and competing interests is not easy to accomplish. The fact  
2       that the Parties in this case, with diverse and often competing interests, have found  
3       common ground for resolving their respective issues strongly supports Staff's contention  
4       that the Agreement in this case will result in just and reasonable rates that are in the public  
5       interest.

6       **Q. Are you aware of the balancing test set forth by the Kansas Supreme Court for**  
7       **determining whether rates are “just and reasonable”?**

8       A. Yes, the Kansas Supreme Court has stated:

9               The leading cases in this area clearly indicate that the goal should be a rate fixed  
10              within the “zone of reasonableness” after the application of a balancing test in  
11              which the interests of all concerned parties are considered. In rate-making  
12              cases, the parties whose interests must be considered and balanced are these:  
13              (1) the utility’s investors vs. the ratepayers; (2) the present ratepayers vs. the  
14              future ratepayers; and (3) the public interest.<sup>77</sup>

15       **Q. What evidence in this case should be considered when performing the balancing test**  
16       **set forth by the Kansas Supreme Court?**

17       A. Staff's contention is the Agreement before the Commission easily passes the balancing  
18       test set forth by the Kansas Supreme Court. The following supports this assertion:  
19              (1) the agreed-upon revenue requirement balances the interests of the utility’s  
20              investors and the ratepayers because it is a substantial reduction from KGS’s  
21              filed position of \$58.1 million, without jeopardizing the ability of KGS to  
22              provide efficient and sufficient natural gas distribution service;

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<sup>77</sup> *Kan. Gas and Electric Co. v. State Corp Comm'n*, 239 Kan. 483, 488 (1986).

1 (2) Staff has strived to eliminate any intergenerational inequity in our filed  
2 position (specifically with regard to our depreciation rate recommendations,  
3 EDIT amortization periods, and other normalization adjustments) and the  
4 settlement and, therefore, the Agreement provides a fair balance between  
5 present and future ratepayers; and

6 (3) the fact that both of the two factors above have been met is itself an  
7 indication that the Agreement is in the public interest generally. I will discuss  
8 this in greater detail below.

9 Q. Does Staff believe the results of the Agreement are in the public interest?

10 A. Yes. There were multiple interests represented by the parties involved in the negotiations:  
11 CURB representing the interests of residential and small commercial ratepayers; KGS  
12 representing the interest of its management and shareholders; and WoodRiver  
13 representing the interests of a gas marketing firm and its transportation customers. Staff  
14 was attempting to balance each of those interests while representing the interests of the  
15 public generally. The fact that these varied interests were able to collaborate and present  
16 a unanimous resolution of the issues in this case strongly indicates the public interest  
17 standard has been met.

18        Generally speaking, the public interest is served when ratepayers are protected from  
19        unnecessarily high prices, discriminatory prices and/or unreliable service. More  
20        specifically, it is Staff's opinion that the Agreement meets the public interest because:

- It provides KGS with sufficient revenues and cash flows to meet its financial obligations and provide reliable service;
- It allows KGS to continue to utilize the GSRS mechanism (as authorized in K.S.A. 66-2202 *et seq.*) to continue replacing its aging infrastructure in the state;
- In settlement negotiations, each of the parties represented their respective interests by putting time, thought, and professional analysis into deriving a settlement position it found reasonable;
- The stipulated revenue requirement increase was based on the record and is a reasonable compromise among the Parties based on each party's own analysis of a reasonable outcome; and
- If this Agreement is approved, the Parties would avoid the costly and time consuming process of a fully-litigated hearing. It is in the public interest to avoid these costs if possible, and this Agreement accomplishes this result.

14 Q. Should the Commission accept the Agreement as a reasonable resolution of the  
15 issues in this Docket?

16 A. Yes, the Agreement represents a reasonable resolution of the issues in this Docket, results  
17 in just and reasonable rates, is in the public interest, and is supported by substantial  
18 competent evidence in the record.

19 Q. Does this conclude your testimony?

20 A. Yes, thank you.

STATE OF KANSAS )  
COUNTY OF SHAWNEE ) ss.  
 )

**VERIFICATION**

Chad Unrein, being duly sworn upon his oath deposes and states that he is Chief of Accounting and Financial Analysis for the Utilities Division of the Kansas Corporation Commission of the State of Kansas, that he has read and is familiar with the foregoing *Testimony*, and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.

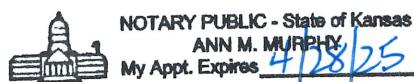


Chad Unrein  
Chief of Accounting and Financial Analysis  
State Corporation Commission of the  
State of Kansas

Subscribed and sworn to before me this 6 day of August, 2024.

  
Notary Public

My Appointment Expires: 4/28/25



## **CERTIFICATE OF SERVICE**

24-KGSG-610-RTS

I, the undersigned, certify that a true and correct copy of the above and foregoing Testimony in Support of Settlement Agreement was served via electronic service this 9th day of August, 2024, to the following:

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24-KGSG-610-RTS

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