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July 21, 2022

Lynn M. Retz
Executive Director
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604

RE: Docket No. 22-GIMG-344-MIS

Dear Ms. Retz:

Enclosed for filing is an Application for Approval of a Tariff Change to Exempt Large Volume Interruptible Irrigation Customers from the Storm Uri Surcharge When Receiving Gas from Sale for Resale Gas Suppliers, Supplemental Testimony of Robert Daniel and Proposed and Clean Tariff.

Respectfully submitted,

/s/ Douglas J. Law

Douglas J. Law
Associate General Counsel

DL:ce

cc: Service List
Rob Daniel
Ann Stichler

**BEFORE THE STATE OF KANSAS
KANSAS CORPORATION COMMISSION**

In the Matter of the Investigation into) Black Hills/Kansas Gas Utility) Company, LLC, d/b/a Black Hills) Energy, Regarding the February) 2021 Winter Weather Events as) Contemplated by Docket No. 21-) GIMX-303-MIS)	Docket No. 21-BHCG-334-GIG
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**APPLICATION OF BLACK HILLS/KANSAS GAS UTILITY COMPANY, LLC, D/B/A
BLACK HILLS ENERGY, FOR APPROVAL OF AN EXEMPTION OF THE STORM URI
SURCHARGE TO LARGE VOLUME INTERRUPTIBLE SUPPLIERS SERVING
IRRIGATION END USERS CONSISTENT WITH THE SETTLEMENT AGREEMENT**

Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy (“Black Hills Energy”, the “Company”, or the “Applicant”), by its undersigned attorney, and pursuant to applicable Kansas statutes and Commission rules and regulations, submits this Application (“Application”) for approval by the Kansas Corporation Commission of the State of Kansas (“Commission”) to comply with the Settlement provision approved in the above-captioned proceeding to exempt certain Large Volume Interruptible (“LVI”) customers from paying the Storm Uri Surcharge currently applied to that rate schedule.

As set forth on page 6 of the Settlement, the exemption would apply only to LVI customers who receive natural gas supplies for purposes of sale for resale to irrigation end users. The reason for the exemption of this class of LVI customers is justified because their irrigation customers did not contribute to the Storm Uri gas costs.

The redlined and clean proposed tariffs implementing the exemption previously agreed to as part of the settlement in this proceeding are attached as Application Exhibit A.

In support of this Application, the Applicant states as follows:

I. BACKGROUND

1. **Name and Address of Applicant.** The Applicant is Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy. Black Hills Energy's principal office for natural gas operations in Kansas is located at 601 N. Iowa St., Lawrence, KS 66044.

2. **Name Under Which Applicant Will Provide Service.** Black Hills/Kansas Gas Utility Company, LLC provides service under Black Hills Energy. Black Hills Energy is its registered trade name on file with the Kansas Secretary of State's office.

3. **Black Hills Representatives.** In addition to the undersigned counsel, all inquiries regarding this Application should be directed to:

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4. **Description of Black Hills Energy's Existing Operations and Service Area.**

Black Hills Energy provides natural gas public utility service in numerous areas throughout the State of Kansas. Black Hills Energy has approximately 105,000 residential customers and 13,000 commercial or other nonresidential customers in its Kansas service area. Black Hills Energy has operations in sixty-six different communities that reach across the State of Kansas. A

full listing of Black Hills Energy's existing operations and service areas is set forth in Black Hills Energy's tariffs on file with the Commission.

II. REQUESTED APPROVALS

5. Through this Application, Black Hills Energy respectfully requests the Commission approve the Company's proposal to exclude certain current and potential future LVI customers from the allocation of 2021 Winter Storm Uri costs and any subsequent Storm Uri Gas Charges. Specifically, the Company has several LVI customers who operate as sale for resale customers. These customers only sell gas to Irrigation customers.

6. The basis for the exemption is that irrigation customers are not peak demand customers, and their usage is based on several factors including season, rainfall, and temperature. Winter Storm Uri Charges were based on the record cold temperatures in Kansas that extended from February 7, 2021, through February 19, 2021. During that 2021 winter period, there was no consumption of natural gas for irrigation purposes. Thus, those LVI irrigation customers did not cause extraordinary gas costs experienced during Winter Storm Uri.

7. As referenced above, in the Settlement Agreement filed in Commission Docket No. 21-BHCG-334-GIG on November 9, 2021, the Company, the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission" respectively), the Citizen's Utility Ratepayer Board ("CURB"), and Natural Gas Transportation Customer Coalition ("NGTCC") (collectively Joint Movants) agreed that Irrigation sales rate schedule customers would be excluded from the allocation of Winter Storm Uri costs and any subsequent charges.

8. The above information and additional evidence in support of the relief requested herein are contained in the Direct Testimonies and Exhibits of the following witnesses submitted herewith on behalf of the Company:

- Mr. Robert W. Daniel, Director – Regulatory & Finance for Arkansas and Kansas.

III. REQUESTED RELIEF

WHEREFORE, Black Hills Energy respectfully requests that the Commission: (1) deem this Application complete; (2) enter an order approving the Company’s proposed tariff to exclude certain current and potential future LVI customers from the allocation of 2021 Winter Storm Uri costs and any subsequent Storm Uri Gas Charges consistent with the Settlement approved in this proceeding; (3) approve the revised Storm Uri Gas Charge rate for LVI customers; 4) allow the Company to file its proposed Settlement tariffs related to this request as a compliance filing on not less than two days’ notice; and (5) to the extent necessary or appropriate, grant such waivers, conditions, approvals, or such other and further relief as it deems appropriate, consistent with this Application.

Date: July 21, 2022

Respectfully submitted,

/s/ Douglas J. Law

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via electronic mail this 21st day of July 2022, addressed to:

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