

THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

Before Commissioners: Shari Feist Albrecht, Chair  
Jay Scott Emler, Commissioner  
Pat Apple, Commissioner

In the Matter of the Application of Midwest Energy, Inc. for )  
Authority to Cease Transacting the Business of a Natural Gas ) 16-MDWG-064-CCS  
Public Utility in Certain Portions of Reno County, Kansas. )  
)

ORDER

NOW, the above-captioned matter comes on for consideration and determination by the State Corporation Commission of the State of Kansas ("Commission"). Having examined its files and records, and being fully advised in the premises, the Commission finds and concludes as follows:

1. On August 5, 2015, Midwest Energy, Inc. ("Applicant") filed an application seeking to cease operating as a natural gas public utility in a portion of Reno County, Kansas. Applicant is a natural gas public utility as defined by K.S.A. 2014 Supp. 66-104. A public hearing was neither requested nor held on this Application.

2. Specifically, Applicant requests permission to cease operating in the territory described as follows:

RENO COUNTY

Northwest Quarter (NW/4)  
Section 31, Township 24 South, Range 4 West  
West Half (W/2)  
Section 30, Township 24 South, Range 4 West  
Southwest Quarter (SW/4)  
Section 19, Township 24 South, Range 4 West  
All of Section 12  
Township 24 South, Range 5 West  
Southeast (SE/4)  
Section 24, Township 23 South, Range 5 West  
East Half (E/2)

Section 25, Township 23 South, Range 5 West  
Southeast Quarter (SE/4)  
Section 1, Township 24 South, Range 5 West

3. Public convenience will be promoted by allowing Applicant to cease operating as a natural gas public utility in the territory described in Finding No. 2 and granting Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy in Docket No. 16-BHCG-024-COC authority to serve as a natural gas public utility in that territory. This application, therefore, should be granted and an Order issued to Applicant to cease operation.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The application filed herein is granted and Midwest Energy, Inc. is permitted to cease operating as a natural gas public utility in the territory described in Finding No. 2 herein.

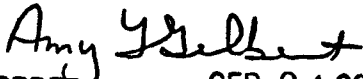
B. A party may file a petition for reconsideration of this Order within fifteen (15) days from the date of service of this Order. If service is by mail, service is complete upon mailing, and three (3) days shall be added to the above time frame. K.S.A. 66-118b; K.S.A. 2014 Supp. 77-529.

C. The Commission retains jurisdiction of the subject matter and parties for the purpose of entering such further order or orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: **SEP 03 2015**

  
**ORDER MAILED SEP 04 2015**  
Amy L. Gilbert  
Secretary to the Commission

gdd

**REPORT AND RECOMMENDATION  
UTILITIES DIVISION**

**TO:** Chair Shari Feist Albrecht  
Commissioner Jay Scott Emler  
Commissioner Pat Apple

**FROM:** Gary Dawdy, Utility Engineer II  
Leo Haynos, Chief Engineer  
Jeff McClanahan, Director of Utilities

**DATE:** August 27, 2015

**SUBJECT:** 16-BHCG-024-COC  
In the Matter of the Application of Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy, for a Certificate of Public Convenience and Authority to Transact the Business of a Natural Gas Public Utility in Certain Portions of Reno County, Kansas.

16-MDWG-064-CCS  
In the Matter of the Application of Midwest Energy, Inc. for Authority to Cease Transacting the Business of a Natural Gas Public Utility in Certain Portions of Reno County, Kansas.

**BACKGROUND:**

On July 16, 2015, Black Hills/Kansas Gas Utility Company, LLC, dba Black Hills Energy (Black Hills) filed an Application for Certificate in 16-BHCG-024-COC. On August 5, 2015, Midwest Energy, Inc. (Midwest) filed a companion Application to Cease Service in 16-MDWG-064-CCS.

**ANALYSIS:**

Pursuant to K.S.A. 2014 Supp. 66-131, the Commission has jurisdiction to grant a certificate to a public utility seeking to transact business in the State of Kansas.

The statutory standard of review in this matter is whether the "public convenience will be promoted by the transaction of said business and permitting said applicants to transact the business of a common carrier or public utility in this state." K.S.A. 2014 Supp. 66-131.

Black Hills is requesting a Certificate in ten sections of natural gas territory located in Reno County. This request is the result of an agreement between Black Hills and Midwest. A Memo of Understanding is attached to the Application as Exhibit B. Under the agreement, Midwest would install a new plastic pipeline to serve 12 customer accounts being transferred from Midwest to Black Hills. The assets would be transferred at zero cost to Black Hills. Under the

agreement, Black Hills would invest approximately \$20,000 on regulating stations at the time of customer transfer. A list of the customers is attached to the Application as Exhibit C.

Black Hills has provided an Affidavit of Mailing of a letter to each customer. The letter discusses the proposed transfer and informs the customers of the Application filed with the Commission. The customers notice letters advise the customers that they can contact the Commission. Also included with the notice letter was a comparison of Midwest's and Black Hills' rates. A draft of the notice letter and rate comparison is attached to the Application as Exhibit D.

Midwest Energy has filed a companion Cease Service Application. Under this Application, Midwest seeks authority to cease in three sections of the previously mentioned ten sections being requested by Black Hills.

In addition to the ten sections of new territory, Black Hills also requests an expansion of the Limited Certificate authority previously granted in two additional sections of territory under Docket No. 89,418-U. The Certificate issued April 22, 1970, in Docket No. 89,418-U, delineated and clarified the territory of the four natural gas suppliers operating in Reno County at that time. In these two sections, Black Hills' authority is limited to the sale of gas to existing customers and for industrial, commercial and wholesale for resale use when adequate capacity exists and where the point of consumption of gas is nearer the existing or extended pipelines of Black Hills than existing or extended pipelines of other certified companies. Black Hills requests that its Certificate authority in these two sections be expanded to full authority to serve all classes of customers.

Kansas Gas Service, A Division of ONE Gas (KGS), holds a Certificate and operates in a portion of the area being requested by Black Hills. Black Hills has conferred with KGS and KGS has no objection to Black Hills' request for a Certificate in this Application. Because KGS operates in the area, KGS is not seeking to cease its Certificate in this area.

Staff has received no objection or comment relative to the notice provided customers in the above-captioned Dockets.

Staff recommends that the Commission find that public convenience will be promoted by the granting of these Applications.

The Commission action date is January 12, 2016.

**RECOMMENDATION:**

Staff is recommending that Black Hills' Application for Certificate in 16-BHCG-024-COC and Midwest's Application to Cease Service in 16-MDWG-064-CCS both be granted.

SEP 03 2015

KANSAS CORPORATION COMMISSION  
AMY L. GILBERT, SECRETARY

DOCKET NO.: 16-MDWG-064-CCS

ORDER DATE:

NAME AND ADDRESS

NO. OF  
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ORDER MAILED SEP 04 2015

The Docket Room hereby certifies that on \_\_\_\_\_, a  
true and correct copy of the attached was deposited in the United States Mail, postage prepaid,  
addressed to the above persons.