BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

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

In the Matter of the Complaint Against TEXAS-KANSAS-OKLAHOMA GAS, LLC **Respondent**	)	
For an Order for Adjustment and Refund of Unfair, Unreasonable and Unjust rates for the Sale of Natural Gas for Irrigation based on Inaccurate and/or false pressure base measurements.	)	Docket No. 15-TKOG-236-COM
By Circle H. Farms, LLC, Richard L. Hanson, Rome Farms and Stegman Farms Partnership **Complainants**	)	

RESPONDENT'S RESPONSE TO COMPLAINANTS' AND
COMMISSION STAFF'S POST-HEARING BRIEFS

Respondent, Texas-Kansas-Oklahoma Gas, LLC ("TKO"), submits its Response Brief to Complainants' and Commission Staff's Post-Hearing Briefs as agreed to at the January 10-11, 2017 evidentiary hearing and pursuant to the Prehearing Officer's January 20, 2017 order.

I. Introduction

1. At its core, the question for the Commission is whether TKO's use of a pressure base of 13.45 has caused its rates to be "unreasonable, unfair, unjust, unjustly discriminatory or unduly preferential...," and if so, whether a refund of 9.5% of all of TKO's revenues is appropriate.[1] The Complainants simply fail to meet their burden.

2. As asserted by TKO throughout these proceedings and corroborated by the Complainants' Post-Hearing Brief, Complainants' allegations and theories are a moving target that lack legal support or foundation. Even after the evidentiary hearing, the Complainants are

[1] Complaint ¶6, Prayer for relief, Complainants' Post-Hearing Brief, p. 24.

still not consistent as to whether industry standard applies, what the standard or standards might be, what legal support they have for the application of a purported industry standard, and how precise matching is required under the statutory basis of their complaint—K.S.A. 66-1,205.

3. In short, the Complainants received all the gas they needed, of a quality that is not in dispute, and at a cost that was cheaper than most other suppliers in the area. They even admit they would have been willing to pay more. Now, they seek a refund, claiming the price they paid was unreasonable.

4. As shown herein, the controlling statute and general notions of fairness and justice bar such relief.

II. Analysis

A. The underlying fact question—use of 13.45—is not in dispute, but that does not resolve: (1) whether Complainants have proven unreasonableness under K.S.A. 66-1,205, or (2) whether Complainants' requested relief is just and reasonable under K.S.A. 66-1,206.

5. Complainants contend in their Post-Trial Brief that TKO "avoid[s] the fact question of whether TKO improperly billed its customers due to use of conflicting pressure bases…" and that "TKO has not offered any evidence that refutes the allegations of the Complaint."[2] But this is not true. In fact, it is undisputed, as TKO has acknowledged throughout these proceedings, that TKO uses 13.45 for calculating volumes. TKO has never disputed that fact and readily acknowledges it. Instead, TKO has consistently challenged Complainant's *legal conclusion* that its use of a 13.45 pressure base necessarily results in a billing error and is thus unreasonable. The uncontroverted evidence from TKO and Commission Staff shows TKO's prices with a 13.45 pressure base are cheaper than many of its competitors and well within the range of reasonableness, obviating any claims of overbilling.

[2] Complainants' Post-Hearing Brief, pp. 2, 20.

6. Complainants contend TKO's suppliers all use 14.73, a contention based on inadmissible hearsay and conjecture, which TKO objected to at the hearing and in its Post-Hearing Brief. But even taking Complainants' position as true—that the volume and BTU pressure bases do not match—that mismatch does ***not*** lead to the automatic conclusion that (1) a billing error occurred, and (2) TKO must pay refunds, as Complainants erroneously suggest.

7. Complainants argue that TKO is attempting to re-frame the scope of the complaint as a rate case,[3] but they are wrong. The complaint itself is grounded on statutory notions of reasonableness—for both a finding of unreasonableness and whether the Complainants' requested refund is just and reasonable. Simply because reasonableness principles apply to rate cases does not mean reasonableness principles do not also apply to this complaint case.

8. The Complainants continue to demand exact precision in the use of pressure bases even though they provide no legal support for their theory. In their Post-Hearing Brief, they state exact matching is "the scientific and universally accepted principle,"[4] and "[i]t is scientifically necessary…that the pressure base for both be the same,"[5] and "[a]ll existing industry standards and Commission rules recognize and impose the need for consistent and uniform pressure bases…,"[6] and "[i]t is unrefuted that a consistent and uniform pressure base is an industry standard…"[7] and a practice "which is universally and scientifically established."[8] Notably,

[3] Complainants' Post-Hearing Brief, p. 20-21.

[4] Complainants' Post-Hearing Brief, p. 11.

[5] Complainants' Post-Hearing Brief, p. 6.

[6] Complainants' Post-Hearing Brief, p. 19.

[7] Complainants' Post-Hearing Brief, p. 12.

Complainants offer no citations (legal or otherwise) for these grand statements of supposed universally applicable (and apparently required) standards. Presumably they offer no citations because their prefiled testimony revealed that their claim was *not* based on industry standard,[9] as did their testimony at the hearing, which confirmed there is no legal standard on which their claim is based.

> Commissioner Feist Albrecht: I'm trying to understand. Is it an industry standard? Is it a scientific rule?
>
> Mr. Hanson: It's scientific. You will learn that in chemistry.
>
> […]
>
> Commissioner Feist Albrecht: Is there any requirement or standard for TKO to use the same pressure base as the supplier?
>
> Mr. Hanson: No, there is no requirement.[10]

9. The Complainants want to narrowly focus on precision. But the standard of precision is simply not found in the governing statute, TKO's Certificate, or the underlying contracts.

10. Even if the Commission finds that Complainants have shown unreasonableness as to TKO's current billing practices, the inquiry is not over. Commission Staff's Post-Hearing brief aptly notes the Commission's broad authority. The underlying statutory structure directs the Commission to impose just, *reasonable*, and necessary rates or rules if it finds TKO acted unreasonably. *See* K.S.A. 66-1,206. Complainants ignore the statutory scheme. They contend that the Commission should find TKO liable and ***then*** decide how to impose their requested

---

[8] Complainants' Post-Hearing Brief, p. 22.

[9] Hanson Rebuttal 5:15-6:7.

[10] Tr. Vol. 1, 71:12-16; 73:25-74:4.

9.5% refund, but the Complainants should, nevertheless, be paid immediately. They suggest postponing to the future a Commission determination of how TKO's other customers would receive their refund *if at all*.[11] This logic is contrary to K.S.A. 66-1,206 for the following reasons.

11. First, Complainants' have failed to show that the demand of a 9.5% refund of all revenues is the just and reasonable rate or rule that should be substituted if TKO's current practices are found to be unreasonable. This unsubstantiated request for exact precision is simply reflective of the Complainants' liability theory—exact precision that is not founded on any legal basis.

12. Second, seeking a finding of liability but pushing the nature and timing of a remedy to a future period, simply ignores the Complainants' position to date and would give the Complainants a second bite at the apple. They filed their complaint under K.S.A. 66-1,205, which has a clear directive: first, a finding of unreasonableness, and second, if such a finding can be made, the only relief that may be imposed is to substitute rates or rules that are just and reasonable.

13. Seeking to bifurcate the case so that the Complainants can evaluate what they think the appropriate nature and timing of any refund would be improper. There cannot be a finding of unreasonableness without also a showing of what reasonable rate or practice should be substituted. This is mandated by statute and common sense. Complainants offer no support that now, after the close of the Evidentiary Hearing, the case should be bifurcated. Their failure to support their requested refund at the Evidentiary Hearing is not grounds to give them a second shot to meet their burden.

[11] Complainants' Post-Hearing Brief, p. 23-24.

14. Third, granting refunds to the Complainants, but not to TKO's other customers not represented in this proceeding, is obviously discriminatory.

15. The Complainants' have not shown TKO's billing practice is unreasonable or that Complainants' requested relief would be a just and reasonable substitution; therefore, their complaint should be denied.

B. Complainants are incorrect when they allege TKO manipulates its bills. There cannot be "manipulation" if there has been no change to the pressure base since TKO commenced operations in Kansas and treats all customers the same.

16. The evidence is undisputed that TKO has used the same billing methodology since 2007 for all Kansas customers.[12]

17. Although TKO has not changed its billing methodology and treats all of its customers the same, Complainants contend TKO is using "sleight of hand" to manipulate its customer's bills. This is unfounded. Manipulation means to change by unfair means for one's advantage.[13]

18. TKO has not changed or adjusted anything to manipulate its customer's bill. Nothing requires TKO to precisely match the pressure base for volumes and BTUs. And TKO never changed the pressure base it has used since it began providing service in Kansas. There is no manipulation or "sleight of hand."

19. In the context of an unfair "rate," Complainants further rely on the precision theory on page 22 of their Post-Hearing brief. After jumping through a linguistic logic game, Complainants for the first time argue that the "unit" in the "price per unit" component of TKO's bills is not fair, just, or reasonable. They contend the "unit" is erroneously measured—although

[12] Complainants' Post-Hearing Brief, p.8 (¶30).

[13] Merriam Webster's Collegiate Dictionary 708 (10th ed. 1997).

all parties agree this is not a faulty meter issue.[14] Complainants also do not contend or provide any evidence they received less volume than they were charged. Or that they were charged a rate per unit contrary to their contracts.[15] The focus now on "unit" is simply a repackaging of the industry standard claim, which is unsupported and without merit.

20. Further, it is unclear how a billing practice that applies to the entirety of a customer base, without modification, and which at the bottom line results in a lower price than most of its competitors, is "an unfair and unjust practice" that would "make a mockery of the Commission's Orders and Certificates."[16] The argument is nonsense. If the Complainants desired a specific billing practice, they could have raised such a request in TKO's certificate-granting process or in their individually-negotiated contracts. But they didn't.

21. They can seek a change going forward by raising the issue now. Challenging TKO's billing practice to obtain *refunds*, however, is contrary to the statute and is at odds with public utility law that established rates and practices may only be changed by Commission Order *and* may only be changed prospectively.[17]

22. Complainants' strident attempts to portray TKO as deceitful are simply without basis. The proper focus is on the reasonableness of the total price, i.e., the end result, charged to the customers.[18] All evidence shows the total price was well within the reasonable range.

[14] Tr. Vol. 1, 78:3-5; Vol. 2, 280:9-12.

[15] Tr. Vol. 1, 11:5-12.

[16] Complainants' Post-Hearing Brief, p. 22.

[17] *Citizens' Utility Ratepayer Bd. v. State Corp. Comm'n*, 28 Kan. App. 2d 313 (2000); *Sunflower Pipeline Co. v. State Corp. Comm'n*, 5 Kan. App. 2d 715 (1981).

[18] *Kansas Gas & Elec. Co. v. Kansas Corp. Comm'n*, 239 Kan. 483, 488-89 (1986).

C. The Complainants have not been wronged or harmed, and they admit they would have been willing to pay more for gas. There is simply no support for a claim of overbilling or unreasonable rates.

23. The Complainants argue that they did not receive the "fruits of their contract," and the Commission must correct the "wrongs" the Complainants allegedly suffered.[19]

24. The Complainants, however, admit the Commission must evaluate whether "TKO's performance under its certificated contracts is fair, unjust or unreasonable."[20] This reasonableness standard flows from their complaint and the governing statutes, K.S.A. 66-1,201, et. seq. and is referenced in numerous places in the Complainants' Post-Trial Brief.

25. Yet, their requested relief is based on grounds of exact matching that is not found in the contracts, TKO's Certificate, or the applicable law. If the Complainants want exact matching, they should have raised the matter in their contract negotiations or during TKO's Certificate-granting process.

26. Complainants have not shown they were not given the benefit of their bargain or that they were somehow wronged. No Complainant testified that he paid an unreasonable price for the gas received. In fact, the Complainants agreed they did not see an increase in their bills when TKO began submitting invoices.[21] That is inconsistent with their claim that TKO was overcharging the Complainants by 9.5% since day one. The Complainants testified they reviewed their expenses as part of cost control practices, essential for farmers.[22] If they had been

[19] Complainants' Post-Hearing Brief, pp. 17, 20.

[20] Complainants' Post-Hearing Brief, p. 16.

[21] Tr. Vol. 1, 88:4-6; 95:10-21; 116:18-25; 133:4-7.

[22] Tr. Vol. 1, 103:17-104:6; 120:10-121:6; 134:25-135:17.

overbilled (or the expense increased by 9.5%), they surely would have noticed such an increase in their gas costs. But they didn't see any increases, because TKO did not overbill them.

27. More importantly, Complainants admit that they would have been willing to pay more to receive gas from another supplier, which is simply against their economic interest and against their general claim of "paying too much" for the gas received.

28. Complainants' claims of being wronged or not getting the gas they desired for a reasonable price are without merit.

D. The applicable statute of limitations is three years under K.S.A. 66-154c.

29. TKO contends that the time limits set forth in K.S.A. 66-154c controls these factual allegations. Complainants and Commission Staff contend there is no applicable statute of limitations. In support of its contention, Commission Staff relies on a 2004 Commission order from a complaint case against Southwestern Bell Telephone Company.[23] The Commission did not analyze the applicability of K.S.A. 66-154c, as this statutory provision is not referenced anywhere in the December 13, 2004 Order or in Southwestern Bell's pleadings. TKO cannot surmise the rationale as to why K.S.A. 66-154c was not raised. This prior docket and the cases cited therein are simply not applicable to TKO's limitations defense under K.S.A. 66-154c.

30. More to the point is the decision TKO cited in its Post-Trial Brief, a January 15, 2015 Commission Order finding a complaint against Anadarko would be barred under K.S.A. 66-154c ("Anadarko Order").[24] The Anadarko Order is attached hereto as Exhibit A.

[23] *In the Matter of the Complaint Against Southwestern Bell Telephone Company by Black and Veatch*, Docket No. 04-SWBT-879-COM (December 13, 2004).

[24] *In the Matter of the Complaint of SWKI-Seward West Central, Inc., and SWKI-Stevens Southeast, Inc. Against Anadarko Natural Gas Company*, Docket No. 14-ANGG-119-COM (January 15, 2015).

31. The Commission's analysis in the Anadarko Order is based on K.S.A. 66-154c, and the rationale applies to the instant matter. TKO is a common carrier. This is a complaint against TKO claiming the rates charged are "unreasonable, unfair, unjust, unjustly discriminatory or unduly preferential." Thus, any complaint must be brought within three years of the payment being complained of or it is otherwise barred.

32. The complaint here was filed December 4, 2014. Any complaint for payments made prior to December 4, 2011 is barred.

33. Complainants make a passing comment that TKO is not a common carrier because it does not transport natural gas—its only assets are meters and contracts.[25] This argument is simply contrary to all the facts of the case. Although TKO may not store gas, it buys and sells gas for resale to its customers. Complainants concede that TKO buys and sells gas in this state as noted in **bold** on page 7 of their Post-Hearing Brief.

34. By statutory definition, TKO is a public utility and a common carrier. Any claim for refund for a payment prior to December 4, 2011 is barred by K.S.A. 66-154c.

E. The 1961 Order and K.A.R. 82-3-101(a) do not require exact matching—the basis of the complaint.

35. In its Pretrial Brief and Post-Hearing Brief, TKO outlined the reasons why the 1961 Order is neither enforceable against TKO nor relevant to this complaint case. The arguments raised by the Complainants and Commission Staff merit a brief response.

36. Complainants contend the 1961 Order demonstrates the need to have established and uniform standards and that somehow the 1961 Order supports their claim of exact matching. Nothing in the current regulations or the 1961 Order even suggests exact matching is a regulatory requirement. If everyone is required to follow the 1961 Order or the regulations,

[25] Complainants' Post-Hearing Brief, p. 14.

which references a 14.65 pressure base, why do the Complainants contend other public utilities use 14.73? Are they all in direct violation of applicable regulations? To arbitrarily enforce the 1961 Order on TKO, but not other utilities, would not only be unfair, but unconstitutional.

37. Complainants contend a consistent and uniform pressure base is required. TKO uses a consistent and uniform pressure base—13.45 for volume for all customers, without change.

38. Commission Staff also adopts Complainants' flawed matching concept. They quote Mr. Haynos who testified any pressure base can be used, *provided* it applies to both the volume and BTU.[26] Again, neither the regulations nor the 1961 Order demand exact matching.

39. The Complainants' claims throughout this proceeding are founded on exact matching of the pressure base for volumes and BTUs. But nothing in the 1961 Order or K.A.R. 82-3-101(a) require exact matching. Accordingly, neither the 1961 Order nor the regulations are applicable to this case and thus not controlling.

III. Conclusion

40. The Evidentiary Hearing and related briefing has shown the Complainants' claims are built on legally unsupported claims of exact precision. The statutory basis requires Complainants to show TKO's final price to be unreasonable and then, if so, set forth the alternative reasonable rates or rules that should be substituted. Kansas case law further shows that exact precision is not required—the focus is on the end result, not the method employed.[27] Factually, the Complainants have failed to meet the legal burden that they set in their complaint. In effect, they have been hoisted on their own petard.

[26] Commission Staff's Post-Hearing Brief, ¶ 31.

[27] *Kansas Gas & Elec. Co. v. Kansas Corp. Comm'n*, 239 Kan. 483, 488-89 (1986), *citing Power Comm'n v. Hope Gas Co.*, 320 U.S. 591 (1944).

41. The evidence shows TKO is a public utility with reasonably-priced gas that is competing with many other gas distributors in the southwest Kansas area. Their billing practice has not changed since it commenced Kansas operations and is consistent amongst all of its customers. The Complainants received all the gas they requested and paid for it at reasonable rates over a seven-year period before filing their complaint. They admitted they would be willing to pay more. Nothing in the evidence shows the Complainants paid an unreasonable price for this gas. To the extent they disagree with the billing practice, the proper remedy is to initiate a change in practice going forward, which would be fully vetted by the Commission. Complainants' request for refunds based an alleged lack of a consistent billing practice is simply unfounded and should be denied.

WHEREFORE, for the reasons stated here and in its Post-Trial Brief, TKO requests the Commission:

A. Deny any refunds owed to TKO's irrigation customers on the grounds of purported overbilling because Complainants failed to meet the statutory requirements, and the claims are barred by applicable law;

B. Order TKO to refund TKO's residential customers based on the price in the Certificate compared to the price charged and modify the rate going forward to that in the Certificate;

C. Order TKO pay a civil penalty not in excess of $4,550;

D. Order TKO and Commission Staff to meet and confer concerning TKO's compliance filings and other regulatory matters and propose an agreement or otherwise report to the Commission on their progress within 120 days following entry of the Order in this case;

E. Order TKO to adjust its billing methodology going forward to match the volumetric pressure base and BTU pressure.

Respectfully submitted,

/s Jeremy L. Graber

C. Edward Watson, II - #23386
Jeremy L. Graber - #24064
FOULSTON SIEFKIN LLP
534 South Kansas Avenue, Suite 1400
Topeka, KS 66603-3436
785-354-9412 (office)
866-738-3155 (fax)
Attorneys for Texas-Kansas-Oklahoma Gas, LLC

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

Jeremy L. Graber, of lawful age, being first duly sworn, on oath deposes and states:

I am an attorney for Texas-Kansas-Oklahoma Gas, L.L.C. in the above referenced matter. I have read the above and foregoing document, know and understand the contents thereof, and verify that the statements and allegations contained therein are true and correct, according to my knowledge, information and belief.

Jeremy L. Graber - #24064

Subscribed and sworn to before me this 13th day of March, 2017.

Notary Public

My appointment expires: 1/25/2021

NOTARY PUBLIC - State of Kansas
TARA L. JACOBS
My Appt Expires 1·25·21

CERTIFICATE OF SERVICE

I hereby certify that on this the 13th day of March, 2017, a true and correct copy of the above and foregoing was filed electronically with the Kansas Corporation Commission and a copy served via email to:

Jake Fisher
j.fisher@kcc.ks.gov
Amber Smith
a.smith@kcc.ks.gov
Dustin Kirk
d.kirk@kcc.ks.gov
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-402

And

John R. Wine, Jr.
410 NE 43rd
Topeka, KS 66617
jwine2@cox.net

Lee Thompson
Thompson Law Firm, LLC
Occidental Plaza
106 E. 2nd Street
Wichita, KS 67202
lthompson@tslawfirm.com

Attorneys for Complainants

/s Jeremy L. Graber
Jeremy L. Graber - #24064
Attorney for Texas-Kansas-Oklahoma Gas, LLC

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

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

In the Matter of the Complaint of SWKI-Seward West Central, Inc., and SWKI-Stevens Southeast, Inc. Against Anadarko Natural Gas Company.	))))	Docket No. 14-ANGG-119-COM

ORDER GRANTING ANADARKO NATURAL GAS COMPANY'S MOTION TO DISMISS COMPLAINT WITH PREJUDICE AND GRANTING JOINT MOTION FOR APPROVAL OF STIPULATED SETTLEMENT AGREEMENT

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and record, the Commission finds:

1. On August 27, 2013, SWKI-Seward West Central, Inc. (SWKI-SWC) and SWKI-Stevens Southeast, Inc. (SWKI-SE) (collectively the SWKIs) filed a Complaint against Anadarko Natural Gas Company (Anadarko) alleging that the SWKIs overpaid for natural gas from Anadarko off the Hugoton Residue Delivery System (HRDS), and therefore are entitled to a refund.[1] In their Complaint, the SWKIs seek a finding that Anadarko violated K.S.A. 66-109 and K.S.A. 66-117 by failing to file two contracts with the Commission for approval and therefore, all rates charged by Anadarko in excess of the latest lawfully established, Commission-approved rate are unlawful, void, and subject to refund with interest.[2]

2. The contracts in question are a Gas Sales Agreement between Anadarko Energy Services Company (AES) and SWKI-SE, dated July 1, 1998 (1998 GSA) and a Gas Sales

[1] Complaint of SWKI-Seward West Central, Inc. and SWKI-Stevens Southeast, Inc. Against Anadarko Natural Gas Company, Aug. 27, 2013, ¶ 11.
[2] *Id.*, ¶ 14.

EXHIBIT A

Agreement between Anadarko and SWKI-SWC, dated June 1, 2002 (2002 GSA). In Docket No. 13-BHCG-509-ACQ (509 Docket), Commission Staff (Staff) filed a Report and Recommendation stating it "was unable to locate any Commission Orders approving contracts for six of the customers listed in Exhibit 1 of the Application."[3] The Gas Supply Agreements were two of the six contracts that could not be accounted for. Upon learning Staff could not locate any orders approving the contracts, the SWKIs filed their Complaint.

3. On October 7, 2013, Anadarko filed its Motion to Dismiss and Answer to Complaint, arguing: (1) the Complaint fails to state a claim upon which relief can be granted; and (2) any dispute arising out of, or relating to, the 1998 GSA and 2002 GSA must go to arbitration.[4] Anadarko contends the 1998 GSA was filed with the Commission no later than August 3, 2000, and thus deemed approved pursuant to K.S.A. 66-117 for at least thirteen years,[5] and the 2002 GSA was filed in 2002, and refiled in 2008 and 2013.[6]

4. On October 21, 2013, the SWKIs filed their Response to Anadarko's Motion to Dismiss. On November 4, 2013, Anadarko filed its Reply to the SWKIs' Responses to Anadarko's Motion to Dismiss.

5. On November 26, 2013, Staff filed its Report and Recommendation, explaining there are several Anadarko Petroleum Corporation affiliates engaged in the natural gas industry of Southwest Kansas.[7] Staff concludes that while the affiliates often conducted business as if

[3] Anadarko Natural Gas Company's Motion to Dismiss and Answer to Complaint, Oct. 7, 2013, p. 2.
[4] *Id.*, ¶ 21.
[5] *Id.*, ¶ 22.
[6] *Id.*, ¶ 29.
[7] Report and Recommendation, Nov. 26, 2013, p. 5.

they were a single entity, AES sold the gas to end users, including the SWKIs, through pipelines operated by Anadarko.[8]

6. Staff's Report & Recommendation concluded while Anadarko made a good faith effort to comply with the Commission's Order in Docket No. 00-ANGG-218-COC (218 Docket) by filing a contract between AES and SWKI-SE.[9] But since AES is not certified as a public utility in Kansas, Staff recommended assessing a $55,000 civil penalty against AES for conducting business as a public utility since July 1, 1998, without a certificate of convenience.[10] The Report and Recommendation also found Anadarko failed to file the 2002 GSA and recommended assessing a $41,100 civil penalty against Anadarko for failure to comply with the Commission's Order in the 218 Docket.[11] On January 15, 2014, Anadarko, AES, and Staff filed a Joint Motion for Approval of Stipulated Settlement Agreement. Under the terms of the Stipulated Settlement Agreement (SSA), Anadarko and AES would jointly pay $50,000 to settle the civil penalties recommended by Staff, while not admitting any violations.[12] On January 28, 2014, the SWKIs filed their objection to the Joint Motion for Approval of Stipulated Settlement, explaining they would be affected by the SSA as Staff is a material witness on the issue of whether the GSAs were filed with the Commission for approval, and approval of the SSA may impair Staff's prosecution of the SWKIs' Complaint.[13] On September 8, 2014, Anadarko renewed its motion to approve the SSA.

7. At the January 6, 2014 prehearing conference, the parties agreed to address certain threshold issues in legal briefs to allow the Commission to determine whether it has

[8] *Id.*
[9] *Id.*
[10] *Id.*, pp. 5-6.
[11] *Id.*, p. 6.
[12] Joint Motion for Approval of Stipulated Settlement Agreement, Attachment A, Jan. 15, 2014, ¶¶ 6, 8.
[13] Objection of SWKI-Seward West Central, Inc. and SWKI-Stevens Southeast, Inc. to Joint Motion for Approval of Stipulated Settlement Agreement, Jan. 28, 2014, ¶ 34.

jurisdiction to hear this dispute. On January 21, 2014, SWKI and Anadarko filed their lists of threshold legal issues and proposed initial procedural schedules. Essentially, both parties broadly agree there are three threshold legal issues: (1) whether the Commission has jurisdiction to determine the merits of SWKIs' complaint against either Anadarko or AES; (2) whether the Commission has authority to order a refund or award damages; and (3) what is the legal effect of gas sales agreements that may not have been filed with or approved by the Commission.

8. On February 3, 2014, the Prehearing Officer issued an Order Setting Procedural Schedule, which requested briefing on the following issues:

> a) Does the Commission have jurisdiction to determine the merits of SWKIs' complaint?
>
> b) If the Commission has jurisdiction to determine the merits, is its jurisdiction limited to the last two years?
>
> c) Does the Commission have the authority to order a refund or award damages in SWKIs' complaint?
>
> d) What is the legal effect of Gas Sales Agreements if they have not been filed with or approved by the Commission?

9. On February 19, 2014, the parties filed their briefs addressing threshold legal issues. Anadarko claims the Commission lacks jurisdiction to hear this Complaint because: (1) there is no private cause of action for failure to comply with the Kansas public utility statutes. Instead, the proper remedy for failing to file an initial contract or rate is subjecting it to civil penalties, payable to the State Treasurer;[14] (2) a private cause of action must be brought in a civil court, rather than the Commission;[15] (3) the SWKIs have not alleged they have been charged an unfair, unjust, unreasonable, or unjustly discriminatory or unduly preferential rate;[16] (4) AES is

[14] Brief of Anadarko Natural Gas Company Addressing Threshold Legal Issues, Feb. 19, 2014, ¶ 32.
[15] *Id.*, ¶ 33.
[16] *Id.*, ¶ 34.

not a public utility, and thus is outside the scope of the Commission's jurisdiction;[17] (5) the 1998 GSA is not subject to the Commission's jurisdiction;[18] and (6) under the terms of the 2002 GSA, the SSA resolves any of the SWKIs' claims.[19] The SWKIs maintain the Commission has jurisdiction over all of the parties and the subject matter of their Complaint.[20] Specifically, the SWKIs cite K.S.A. 66-1,203, which requires every natural gas public utility doing business in Kansas to publish and file its rate schedules with the Commission.

10. On March 6, 2014, the parties filed their reply briefs. In their Reply brief, the SWKIs contend K.S.A. 66-154a is inapplicable as it covers the common carriers involved in the transportation of goods.[21] A review of the statutes does not support the SWKIs' position.

11. Common carriers are defined to include "all freight-line companies, equipment companies, pipe-line companies, and all persons and associations of persons, whether incorporated or not, operating such agencies for public use in the conveyance of persons or property within this state."[22] As the operator of the HRDS pipeline, Anadarko qualifies as a common carrier. Black's Law Dictionary defines goods as, "[t]angible or movable personal property".[23] Natural gas falls within the definition of goods. Therefore, contrary to the SWKIs' assertion, K.S.A. 66-154a applies, as the complaint is levied against a common carrier transporting goods.

---

[17] *Id.*, ¶ 35.
[18] *Id.*, ¶ 39.
[19] *Id.*, ¶ 41.
[20] Brief of SWKI-Seward West Central, Inc. and SWKI-Stevens Southeast, Inc. Addressing Threshold Legal Issues, Feb. 19, 2014, ¶¶ 12-13.
[21] Reply Brief of SWKI-Seward West Central, Inc. and SWKI-Stevens Southeast, Inc. Addressing Threshold Legal Issues, March 6, 2014, ¶ 60.
[22] K.S.A. 66-105.
[23] BLACK'S LAW DICTIONARY 714 (8th ed. 1999).

12. K.S.A. 66-154a provides:

> No common carrier shall charge, demand or receive from any person, company or corporation an unreasonable, unfair, unjust or unjustly discriminatory or unduly preferential rate or charge for the transportation of property, or for hauling or storing of freight, or for use of its cars, or for any service afforded by it in the transaction of its business as a common carrier…

13. Pursuant to K.S.A. 66-154a, the Commission is authorized to investigate a complaint and to establish a reasonable and just rate or charge for the services rendered "upon complaint in writing made to the corporation commission that an unfair, unjust, unreasonable or unjustly discriminatory or unduly preferential rate or charge has been exacted".[24] Therefore, before the Commission can investigate a complaint, the party seeking Commission action must file a complaint alleging an unfair, unjust, unreasonable or unjustly discriminatory or unduly preferential rate or charge has been exacted.

14. The SWKIs are caught in a Catch-22 of their own making. In their Objection to the Joint Motion for Approval of Stipulated Settlement Agreement, they characterize their Complaint as:

> not a contract dispute, where one party alleges that performance under the agreement was somehow deficient or incompetent, or the other party alleges that payment under the agreement was inadequate. The NPUs have recognized that both parties performed their obligations pursuant to the agreement – that is not the issue here. Rather the NPUs assert that because the agreements were not filed with and approved by the Commission as required by Kansas law and the 218 Order, the rates contained in the agreements are void, unlawful, and subject to refund.[25]

[24] K.S.A. 66-154a.
[25] Objection of SWKI-Seward West Central, Inc. and SWKI-Stevens Southeast, Inc. to Joint Motion for Approval of Stipulated Settlement Agreement, ¶ 27.

In doing so, the SWKIs admit their claim is based on a failure to file the agreements, rather than any allegation that the rates in those agreements are unfair, unjust, unreasonable, or unjustly discriminatory or unduly preferential rate. Absent such a claim, the SWKIs have no cause of action under K.S.A. 66-154a. And even if the SWKIs had complied with K.S.A. 66-154a by filing a complaint alleging Anadarko charged or received an unreasonable, unfair, unjust or unjustly discriminatory or unduly preferential rate, the remedy is not a full refund. Instead, the statute charges the Commission with determining "a reasonable and just rate or charge for the service rendered."[26]

15. K.S.A. 66-154c states that complaints filed under K.S.A. 66-154a seeking a determination of a reasonable and just rate or charge for the service rendered, must be brought within three years of the payment of the rates or charges being complained of.[27] Therefore, even if the SWKIs had filed a complaint alleging an unfair, unjust, unreasonable or unjustly discriminatory or unduly preferential rate or charge has been exacted, any and all payments made more than three years before the complaint was filed would be time-barred.

16. Even if K.S.A. 66-154a did not apply, K.S.A. 66-1,205 produces the same result. K.S.A. 66-1,205(a) provides:

> Upon a complaint in writing made against any natural gas public utility governed by this act that any rates or rules and regulations of such natural gas public utility are in any respect unreasonable, unfair, unjust, unjustly discriminatory or unduly preferential, or both, or that any rule and regulation, practice or act whatsoever affecting or relating to any service performed or to be performed by such natural gas public utility for the public, is in any respect unreasonable, unfair, unjust, unreasonably inefficient or insufficient, unjustly discriminatory or unduly preferential, or that any service performed or to be performed by such natural gas public utility for the public is unreasonably inadequate, inefficient,

[26] *See* K.S.A. 66-154a.
[27] K.S.A. 66-154c.

> unduly insufficient or cannot be obtained, the commission may proceed, with or without notice, to make such investigation as it deems necessary.[28]

17. Anadarko is a natural gas public utility,[29] so K.S.A. 66-1,205 applies. Absent a complaint that satisfies K.S.A. 66-1,205, the SWKIs have no cause of action. And even if the SWKIs complied with K.S.A. 66-1,205 by filing a complaint alleging Anadarko charged or received an unreasonable, unfair, unjust or unjustly discriminatory or unduly preferential rate, the remedy is not a full refund. Instead, the Commission is empowered to establish rates that are just and reasonable."[30] Granting the SWKIs' demand for a full refund of nearly twenty years of gas purchases would not result in just and reasonable rates. Instead, it would deny Anadarko any compensation for the natural gas it provided to the SWKIs since 1998.

18. While the Commission lacks the authority to alter the contractual obligations of the 1998 and 2002 GSAs, the Commission may still levy fines or penalties against Anadarko and AES for their failure to comply with Commission orders. In its Report and Recommendation (R&R), Staff alleged AES operated as a public utility without a Certificate of Convenience from 1998-2013.[31] Staff's R&R also found Anadarko failed to file the 2002 GSA from 2002-2013.[32]

19. While Anadarko denies each and every violation alleged in Staff's R&R,[33] a review of the Commission's record indicates AES did not have a certificate of convenience from 1998-2013, despite it providing retail gas sales to SWKI-SE. Accordingly, the Commission finds a penalty is in order for violating K.S.A. 66-131. K.S.A. 66-138(a)(2) authorizes the

---

[28] K.S.A. 66-1,205.
[29] *See* K.S.A. 66-104(a); K.S.A. 66-1,200(a); Reply Brief of SWKI-Seward West Central, Inc. and SWKI-Stevens Southeast, Inc. Addressing Threshold Legal Issues, March 6, 2014, pp. 22-25. And if Anadarko and AES are not public utilities, they would not be subject to the Commission's jurisdiction and the SWKIs' Complaint would be dismissed for lack of jurisdiction.
[30] *See* K.S.A. 66-1,204.
[31] Joint Motion for Approval of Stipulated Settlement Agreement, Jan. 15, 2014, ¶ 6.
[32] *Id.*, ¶ 7.
[33] *Id.*, ¶ 8.

Commission to assess a civil penalty ranging from $100 to $5,000 for each violation. Staff asserts that since AES transacted business without a certificate for 184 months under a contract that was renewable monthly, the Commission could assess a penalty ranging from $18,400 to $920,000.[34] Since Staff believes the violation was unintentional, it recommended limiting civil penalties to $300 per violation, for a total of $55,000.[35] Staff's R&R also alleges Anadarko failed to file the 2002 GSA. Staff believes the contract was in existence for 137 months.[36] Using the same approach it recommended to address AES failure to obtain a certificate, Staff concludes a civil penalty of $41,100 or $300 per violation is appropriate.[37]

20. On January 15, 2014, Anadarko, AES, and Staff filed a Joint Motion for Approval of Stipulated Settlement. Under the terms of the Settlement, Anadarko and AES would jointly pay $50,000 to settle the civil penalties recommended by Staff, while not admitting any violations.[38]

21. Since the SKWIs oppose the Stipulated Settlement Agreement, this is a non-unanimous settlement. When reviewing non-unanimous settlement agreements, the Commission may approve the agreement, provided the Commission makes an independent finding, supported by substantial evidence on the record as a whole which results in just and reasonable rates.[39]

22. Generally, Kansas law encourages settlement.[40] Settlements are beneficial when the parties agree upon a rate which is in the public interest, and without the expense of litigation.[41]

---

[34] Report and Recommendation, p. 6.
[35] *Id.*
[36] *Id.*
[37] *Id.*
[38] Joint Motion for Approval of Stipulated Settlement Agreement, Attachment A, Jan. 15, 2014, ¶¶ 6, 8.
[39] *Farmland Industries, Inc. v. Kansas Corp. Comm'n*, 24 Kan. App.2d 172, 186, *rev. denied*, 263 Kan. 885 (1997).
[40] *Bright v. LSI Corp.*, 254 Kan. 853, 858 (1994).
[41] *Farmland Industries*, 24 Kan. App.2d at 195.

23. The Commission must find that the settlement is supported by substantial, competent evidence based on the record as a whole. In Docket No. 08-ATMG-280-RTS, the Commission established a five factor test to evaluate proposed settlement agreements. The five factors are: (1) Did opposing parties have an opportunity to be heard and offer their grounds for opposition; (2) Is the stipulation supported by substantial, competent evidence; (3) Does the stipulation and agreement conform with applicable law; (4) Does the stipulation and agreement result in just and reasonable rates; and (5) Is the stipulation and agreement in the public interest.[42]

24. As to the first factor, the SWKIs, the only party opposing the settlement, filed its opposition to the Stipulated Settlement Agreement.[43] Therefore, the first factor is satisfied.

25. Regarding the second factor, the parties exhaustively briefed the issues and the Commission thoroughly reviewed the record. The Commission believes the proposed SSA, when viewed in its entirety,[44] is supported by substantial, competent evidence.

26. The SSA conforms to applicable law, as the resulting, agreed-upon civil penalties are well within the parameters of K.S.A. 66-138(a)(2).

27. Since no rates are being set in this docket, the fourth factor does not apply.

28. Finally, the SSA is in the public interest. The Commission must enforce its rules and regulations. Here, the SSA assesses a reasonable civil penalty upon Anadarko and AES for

[42] Order Approving Contested Settlement Agreement, Docket No. 08-ATMG-280-RTS, May 12, 2008, ¶ 11.
[43] Objection of SWKI-Seward West Central, Inc. and SWKI-Stevens Southeast, Inc. to Joint Motion for Approval of Stipulated Settlement Agreement, Jan. 28, 2014; SWKI-Seward West Central, Inc. and SWKI-Stevens Southeast, Inc. Reply to Staff and Anadarko's Responses to Objection to Joint Motion for Approval of Stipulated Settlement Agreement, Feb. 11, 2014; and SWKI-Seward West Central, Inc. and SWKI-Stevens Southeast, Inc. Response to September 8, 2014 Motion and Request for Hearing on the Stipulated Settlement Agreement, Sept. 18, 2014.
[44] In applying the substantial, competent evidence standard, the Commission does not address the individual terms of the proposed SSA, instead the Commission reviewed the SSA, as a whole.

their failure to comply with K.S.A. 66-131, while at the same time avoids a costly and time-consuming fully-litigated hearing.

29. For the reasons stated above, the Commission finds the proposed SSA is in the public interest and should be approved.

THEREFORE, THE COMMISSION ORDERS:

A. Based on the SWKIs' failure to state a claim upon which relief may be granted, Anadarko's Motion to Dismiss the Complaint with Prejudice is granted.

B. The Joint Motion for Approval of Stipulated Settlement Agreement is granted and the terms of the attached Stipulated Settlement Agreement are incorporated by reference.

C. The parties have 15 days from the date of electronic service to petition for reconsideration.[45]

D. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it deems necessary.

BY THE COMMISSION IT IS SO ORDERED:

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: JAN 15 2015

Order Mailed Date JAN 15 2015

Neysa Thomas
Acting Secretary

BGF

[45] K.S.A. 66-118b; K.S.A. 77-529(a)(1).

Attachment "A"

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of the Complaint of SWKI-Seward West Central, Inc. and SWKI-Stevens Southeast, Inc. Against Anadarko Natural Gas Company.	)))	Docket No. 14-ANGG-119-COM

STIPULATED SETTLEMENT AGREEMENT

This Stipulated Settlement Agreement is entered into by and between the Commission Staff ("Staff") of the Corporation Commission of the State of Kansas ("KCC" or "Commission"), Anadarko Natural Gas Company ("ANGC"), and Anadarko Energy Services Company ("AESC").[1]

I. BACKGROUND

1. On November 26, 2013, Staff filed its Report and Recommendation ("R&R") in the above entitled Docket. In its R&R, Staff alleged, in part, that AESC operated as a public utility in the state of Kansas, during the period 1998 through 2013, without a requisite Certificate of Convenience issued by the Commission. Staff recommended a civil penalty against AESC in the amount of $55,000, for violation of K.S.A. 66-131.

2. Staff's R&R further alleged a violation of the Limited Certificate issued to Anadarko Natural Gas Company, in KCC Docket No. 00-ANGG-218-COC, dated May 19, 2000, to wit: a failure to file a Gas Sales Agreement dated June 1, 2002, between ANGC and SWKI-Seward West Central, Inc., for the period 2002 through 2013. Staff recommended a civil penalty against ANGC in the amount of $41,100 for a violation of K.S.A. 66-115.

[1] AESC contends that it is not, and has at no time been, a public utility or any entity subject to the jurisdiction of the Commission. AESC does not own, control, operate or manage any pipelines in the state of Kansas and is not engaged in the general commercial supply of oil or natural gas in the state of Kansas. AESC makes a special and expressly limited appearance as a party to this Stipulated Settlement Agreement for the sole purpose of resolving any and all contended matters related to Chapter 66 of the Kansas Statutes Annotated that may be investigated, prosecuted, or brought by or on behalf of the State of Kansas or the KCC and specifically any contended, alleged violations and contended and alleged civil penalties that have been or may be alleged regarding the gathering system or public utility statutes of the State of Kansas, including but not limited to K.S.A. 66-131 and K.S.A. 66-138.

3. ANGC and AESC deny each and every violation alleged in Staff's R&R.

4. In its R&R, Staff found that the SWKI contracts in question:

- Were signed by each party to the contract;
- Until the subject complaint was filed, no complaint regarding services provided by an Anadarko company has been received from the NPUs; and
- The contracts allow for either party to terminate the agreement within 30 days of giving notice. The failure of the NPUs over the last 19 years for SWKI-SWC and for the last 11 years for SWKI-SE indicates their agreement to the terms of their respective contracts.

5. The parties met informally to discuss the allegations made in the Staff's R&R, specifically whether AESC was or could in any manner be subject to the jurisdiction of the Commission, and whether ANGC filed the 2002 Gas Sales Agreement between ANGC and SWKI-SWC.

II. TERMS OF THE STIPULATED SETTLEMENT AGREEMENT

6. In consideration of a joint payment by ANGC and AESC of $50,000 ("Settlement Amount"), the parties agree as follows:

a. This Stipulated Settlement Agreement is in the public interest and will mitigate the costs and uncertainty inherent in litigation.

b. During the period of July 1, 1998, through November 1, 2013, ANGC and AESC have either: (a) submitted to the Commission any contracts for the sale of natural gas from the Hugoton Residue Delivery System ("HRDS")[2]; or (b) that any such contract(s) that were not submitted for filing to the Commission have been executed by

[2] *See* Reply of Anadarko Natural Gas Company to the Response of SWKI-Seward West Central, Inc. and SWKI-Stevens South East, Inc. to Anadarko's Motion to Dismiss and Answer to Complaint, Docket No. 14-ANGG-119-COM, Exhibit A

the contracting parties thereto, and performance thereunder has either been (i) in compliance with the terms of the applicable contracts, or (ii) performance under the contracts has taken place without complaint to the Commission, except as filed in the above entitled Docket on July 27, 2013. Staff agrees not to recommend or advocate any further penalty against ANGC and AESC for violations of public utilities statutes regarding the sale and/or transportation of natural gas in question, for the period July 1, 1998 through November 1, 2013, in any KCC Docket, state or federal court, or arbitration or mediation proceeding. Staff and ANGC agree that this provision is contingent upon ANGC filing with the Commission all currently effective ANGC customer specific contracts for the sale and/or transportation of natural gas on the HRDS within 60 days of the date of an Order approving this Stipulated Settlement Agreement.[3] ANGC states that there are a total of four customer specific ANGC contracts for the sale and/or transportation of natural gas on the HRDS. ANGC agrees that these contracts are executed in its own name. ANGC does not admit that any or all of the four currently effective ANGC customer specific contracts are otherwise required to be filed with the Commission.

c. ANGC and AESC shall pay the Settlement Amount within 30 days of the date of an Order approving this Stipulated Settlement Agreement. The Settlement Amount shall be made payable to the Kansas Corporation Commission and either directed to the Fiscal Office, Kansas Corporation Commission, 1500 SW Arrowhead Road, Topeka, Kansas 66604-4027 or made by wire transfer to the State Treasurer's office in accordance with the policies of the KCC.

[3] To the extent that the term of any currently effective ANGC contract is subject to an evergreen provision (i.e., is automatically renewed at the expiration of the then current term) ANGC is only required to file the initial contract. ANGC is not required to refile a contract for Commission approval solely upon renewal under an evergreen provision.

d. ANGC and AESC's payment of the Settlement Amount and this Stipulated Settlement Agreement are not an admission of any liability under or violation of the Kansas Public Utility Act or any federal, state, or local law or regulation on the part of ANGC and AESC, and that ANGC and AESC expressly deny any and all violations. ANGC and AESC specifically deny that either ANGC or AESC owes or is responsible in any manner to pay any refunds, credits, or other financial considerations to any purchasers of natural gas from AESC and ANGC for the period July 1, 1998, through November 1, 2013.

e. ANGC and AESC understand that failure to pay the Settlement Amount could result in a default order pursuant to K.S.A. 77-520, in the suspension of their authority without further notice, and that the Commission could submit the matter for judicial enforcement or enforcement through the Kansas Attorney General's Office.

III. RESERVATIONS

7. This Stipulated Settlement Agreement fully resolves issues specifically addressed in this document between the parties. The terms of this Stipulated Settlement Agreement constitute a fair and reasonable resolution of the issues addressed herein.

8. The terms and provisions of this Stipulated Settlement Agreement have resulted from negotiations between the signatories and are interdependent. In the event the Commission does not approve and adopt the terms of the Stipulated Settlement Agreement in total, any party has the option to terminate this Stipulated Settlement Agreement and, if so terminated, none of the signatories hereto shall be bound by, prejudiced, or in any way affected by any of the agreements or provisions hereof, unless otherwise provided herein.

9. Unless (and only to the extent) otherwise specified in this Stipulated Settlement Agreement, the signatories to this Stipulated Settlement Agreement shall not be prejudiced, bound

by, or affected in any way by the terms of the Stipulated Settlement Agreement: (1) in any future Commission or court proceeding; (2) in any proceeding currently pending under a separate docket; and/or (3) in this proceeding, if the Commission decides not to approve this Stipulated Settlement Agreement in total or in any way conditions its approval of the same. This paragraph is not meant to limit future enforcement of this agreement, should either party fail to fulfill all terms of the agreement.

10. Except as otherwise provided herein, this Stipulated Settlement Agreement does not prejudice or waive any party's legal rights, positions, claims, assertions or arguments in any remaining, non-settled portions of this docket, or any other proceeding before this Commission or in any court.

11. If the Commission accepts this Stipulated Settlement Agreement in its entirety and incorporates the same into its final order in this docket, the parties are bound by its terms and the Commission's order incorporating its terms as to all issues addressed herein, and will not appeal the Commission's order on those issues.

12. This Stipulated Settlement Agreement shall be binding on all parties upon signing.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHERETO, the parties have executed and approved this Stipulated Settlement Agreement, effective by subscribing their signatures below.

Respectfully Submitted,

Samuel Feather, #25475
Litigation Counsel
Amber Smith, #23911
Litigation Counsel
Kansas Corporation Commission
1500 S.W. Arrowhead Road
Topeka, KS 66604
Phone: (785) 271-3240
Fax: (785) 271-3167

FOR COMMISSION STAFF

James P. Zakoura, KS Bar #7644
Carson M. Hinderks, KS Bar #25079
750 Commerce Plaza II
7400 West 110th Street
Overland Park, KS 66210-2362
Telephone: (913) 661-9800
Facsimile: (913) 661-9863
Email: jim@smizak-law.com
carson@smizak-law.com

ATTORNEYS FOR ANADARKO NATURAL GAS COMPANY AND ANADARKO ENERGY SERVICES COMPANY

CERTIFICATE OF SERVICE

14-ANGG-119-COM

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Order Granting Anadarko Natural Gas Company's Motion to Dismiss Complaint with Prejudice and Granting Joint Motion for Approval of Stipulated Settlement Agreement was served by electronic mail this 15 day of January, 2015, to the following parties who have waived receipt of follow-up hard copies:

SAMUEL FEATHER, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
Fax: 785-271-3167
s.feather@kcc.ks.gov

BRIAN G. FEDOTIN, ASSISTANT GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
Fax: 785-271-3314
b.fedotin@kcc.ks.gov

AMBER SMITH, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
Fax: 785-271-3167
a.smith@kcc.ks.gov

ANNE E. CALLENBACH, ATTORNEY
POLSINELLI PC
6201 COLLEGE BOULEVARD
SUITE 500
OVERLAND PARK, KS 66211
Fax: 913-451-6205
acallenbach@polsinelli.com

FRANK A. CARO, JR., ATTORNEY
POLSINELLI PC
6201 COLLEGE BOULEVARD
SUITE 500
OVERLAND PARK, KS 66211
Fax: 913-451-6205
fcaro@polsinelli.com

CARSON M. HINDERKS, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7400 W 110TH ST STE 750
OVERLAND PARK, KS 66210-2362
Fax: 913-661-9863
carson@smizak-law.com

JAMES P. ZAKOURA, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7400 W 110TH ST STE 750
OVERLAND PARK, KS 66210-2362
Fax: 913-661-9863
jim@smizak-law.com

Sheryl L. Sparks
Administrative Specialist

Order Mailed Date JAN 15 2015