

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Annie Kuether

In the Matter of the Application of Jayhawk)
Pipeline, LLC Filing Tariff Revisions to) Docket No. 25-JYHP-443-TAR
Increase the Annual F.E.R.C. Index for 2025.)

ORDER APPROVING TARIFF REVISIONS

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) on the application of Jayhawk Pipeline, LLC (“Jayhawk”), requesting approval of new tariff filings to replace existing tariff filings. Having reviewed and being advised in the matter, the Commission makes the following findings and conclusions:

1. On May 28, 2025, Jayhawk submitted its application requesting approval of tariff revisions and an annual rate adjustment based on the Federal Energy Regulatory Commission’s (“FERC”) Index for 2025.¹ The adjustment would increase affected tariff rates by 1.9976%. or an estimated increase of \$264,622.² Jayhawk requests approval of the following tariff revisions:

Supplement #22 to KCC No. 79 (canceling Supplement #21);
Supplement #26 to KCC No. 80 (canceling Supplement #25);
Supplement #24 to KCC No. 81 (canceling Supplement #23);
Supplement #22 to KCC No. 82 (canceling Supplement #21); and
Supplement #21 to KCC No. 83 (canceling Supplement #20).³

2. Jayhawk is a liquids pipeline common carrier under the jurisdiction of the Commission that is engaged in the transportation of liquid hydrocarbons within the meaning of K.S.A. 66-105 and K.S.A. 66-1,215. Jayhawk operates an intrastate liquids pipeline system in the

¹ Application for Jayhawk Pipeline, LLC (May 28, 2025).

² Id. at 2 and Jayhawk Pipeline, LLC Aggregate Annual Increase and System Map (August 5, 2025).

³ Application at 2.

State of Kansas and transports petroleum products between various points throughout Kansas.

3. The Commission has full power, authority, and jurisdiction to control Jayhawk as a common carrier pursuant to K.S.A. 66-1,216. Tariffs and associated rates for liquid pipeline common carriers operating within the state are subject to the Commission's authority pursuant to K.S.A. 66-117, K.S.A. 66-1,217, K.S.A. 66-1,218 and K.A.R. 82-10-2.

4. On August 5, 2025, Commission Staff ("Staff") submitted its Report and Recommendation ("Report") regarding Jayhawk's proposed adjustments, attached here as Attachment A. After review, the Commission adopts Staff's Report as additional findings and finds that Jayhawk's proposed adjustments meet the required standards of review.

5. The Commission concludes that Jayhawk's proposed adjustments would result in just and reasonable rates that promote the efficient and sufficient service provided by Jayhawk.

THEREFORE, THE COMMISSION ORDERS:

A. Jayhawk's application, filed on May 28, 2025, and the requested tariff revisions are approved.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).⁴

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

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 08/14/2025



Celeste Chaney-Tucker
Executive Director

PJH

⁴ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

ATTACHMENT A

Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

Laura Kelly, Governor

REPORT AND RECOMMENDATION UTILITIES DIVISION

TO: Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

FROM: Pat Renner, Senior Research Analyst
Paul Owings, Chief Engineer
Justin Grady, Director of Utilities

DATE: August 5, 2025

SUBJECT: Docket No. 25-JYHP-443-TAR
In the Matter of the Application of Jayhawk Pipeline, L.L.C. Filing Tariff Revisions
to Increase the Annual FERC Index for 2025.

EXECUTIVE SUMMARY:

Jayhawk Pipeline L.L.C. (Jayhawk) is filing for approval to implement its annual rate adjustment utilizing the Federal Energy Regulatory Commission's (FERC) indexing methodology. The rate adjustment sought would increase general commodity rates by 1.9976%.

Jayhawk estimates that its Kansas intrastate revenues will increase by \$264,622 based on 2024 Kansas intrastate volumes and the proposed rate changes in this filing.

Because Jayhawk has met the two standards used to review liquid pipeline common carriers' tariffs in Kansas, Staff recommends Commission approval of the Application.

BACKGROUND:

Jayhawk is a liquids pipeline common carrier under the jurisdiction of the Commission that is engaged in the transportation of liquid hydrocarbons within the meaning of K.S.A. 66-105 and K.S.A. 66-1,215 (which references the 66-105 definition).¹ Jayhawk was originally certificated by the Commission in Docket No. 05-JYHP-467-CCN on December 16, 2004.

¹ Common Carriers are defined in K.S.A. 66-105, which states, "As used in this act, "common carriers" shall 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."

Tariffs and associated rates for liquids pipeline common carriers operating within the state are subject to the Commission's authority pursuant to K.S.A. 66-117, K.S.A. 66-1,217, K.S.A. 66-1,218, and K.A.R. 82-10-2.

Jayhawk operates as an intrastate liquids pipeline system in the State of Kansas and, under its current tariffs KCC Nos. 79-83 and supplements thereto, transports petroleum products between various points throughout Kansas.

On May 28, 2025, Jayhawk filed an Application with the Commission requesting approval of tariff revisions to implement an overall rate increase of 1.9976% utilizing FERC's annual indexing methodology. In implementing these rate increases, Jayhawk seeks to replace supplements to its tariffs as follows:

- Supplement #22 to KCC No. 79 (cancelling Supplement #21);
- Supplement #26 to KCC No. 80 (cancelling Supplement #25);
- Supplement #24 to KCC No. 81 (cancelling Supplement #23);
- Supplement #22 to KCC No. 82 (cancelling Supplement #21); and
- Supplement #21 to KCC No. 83 (cancelling Supplement #20).

ANALYSIS:

Standard of Review

There are two standards typically used to review liquids pipelines common carrier tariff applications in Kansas:²

1. Just and reasonable rates: rates with terms and conditions that are non-discriminatory and provide adequate recovery of costs to the suppliers (carriers);³ and

2. Efficient and sufficient service: as defined in Docket No. 02-MAPP-160-COM, efficient service acts to produce a minimum amount of waste or unnecessary effort in using the capacity on the pipelines and sufficient service furnishes adequate or enough public service to meet the needs of the shippers.⁴

Generally, in the absence of shipper complaints and/or protests, the Commission's practice has been to pattern its regulation of liquid pipeline rates and tariffs after the federal regulation of interstate service. Staff believes that the use of FERC's pricing methodology, with proper notice to customers, appropriately balances the consumers' interests with investors' interests and meets the two standards of review used for Kansas liquid pipeline ratemaking purposes.

Indexing Methodology

FERC's indexing methodology uses the Producer Price Index-Finished Goods (PPI-FG) plus .78% (PPI-FG + .78%) indexing factor. The annual average PPI-FG index factors were 254.6 for 2023 and 257.7 for 2024, thus the percent change in the annual average PPI-FG from 2023 to 2024 is

² Pursuant to K.S.A. 66-117 and 66-1,217.

³ See K.S.A. 66-1,217

⁴ Order, pp. 33 & 37, Docket No. 02-MAPP-160-COM (Jan. 31, 2005).

1.2176%.⁵ Adding the .78% indexing factor to the annual percentage change results in an increase of 1.9976%.⁶ Thus, oil pipelines multiply their July 1, 2024, through June 30, 2025, ceiling levels by 1.019976⁷ to compute their ceiling levels for July 1, 2025, through June 30, 2026.

In this filing, Jayhawk is proposing to increase its rates by 1.9976% to reflect the annual change in the PPI-FG plus indexing factor utilizing FERC's indexing methodology as described above. Staff has analyzed this Application and verified the correct application of the indexing factor to each rate. Jayhawk's proposed tariff increases its general commodity rates by 1.9976%.

Jayhawk estimates that its revenues will increase by \$264,622 based on its 2024 Kansas intrastate volumes and the proposed rate changes in this filing.

Notice

Jayhawk has notified all shippers and subscribers of the adjustments in writing. Also, Jayhawk's proposed tariffs are posted on its website⁸ for all interested parties to review. There have been no objections to these proposed rate increases, nor any complaints made or filed with the Commission to date.

RECOMMENDATION:

Because both of Kansas' standards of review for liquids pipelines common carrier tariff applications have been met, Staff recommends the Commission approve Jayhawk's request to increase the overall general commodity rates by 1.9976%, utilizing FERC's indexing methodology.

⁵ $(257.7-254.6)/254.6 = .012176$

⁶ $.012176 + .0078 = .019976$

⁷ $.019976 + 1 = 1.019976$

⁸ <https://www.chspipelines.com/tariffs>

CERTIFICATE OF SERVICE

25-JYHP-443-TAR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of first class mail and electronic service on 08/14/2025.

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/S/ KCC Docket Room

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