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January 13, 2025

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

RE: Docket No. 24-BHCG-652-ACQ
*Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy Motion to Extend
Statutory Deadline*

Dear Ms. Retz:

Enclosed for filing is a Motion to Extend Statutory Deadline filed on behalf of Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy.

Respectfully submitted,

/s/ Douglas J. Law

Douglas J. Law, KS Bar #29118
Associate General Counsel

DL:ce

cc: Service List
Rob Daniel
Nick Smith
Rami Aljannar

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

**IN THE MATTER OF THE APPLICATION OF)
BLACK HILLS/KANSAS GAS UTILITY)
COMPANY, LLC, D/B/A BLACK HILLS)
ENERGY, FOR APPROVAL OF ITS PURCHASE) Docket No. 24-BHCG-652-ACQ
OF FARM TAP DOMESTIC METER FACILITIES)
USED TO SERVICE CERTAIN CUSTOMERS)
FROM SOUTHERN STAR AND THE APPROVAL)
OF REVISIONS TO TARIFF LANGUAGE ON)
STORM URI CHARGES FOR NEW ACQUISITIONS)**

MOTION TO EXTEND STATUTORY DEADLINE

I. Motion

1. Pursuant to K.S.A. 66-131 (b), Black Hills/Kansas Gas Utility Company, LLC d/b/a Black Hills Energy (“Black Hills”) hereby agrees to and moves the State Corporation Commission of the State of Kansas ("Commission") for an Order extending the statutory deadline in this matter for sixty days, to allow the Black Hills to resolve a dispute related to the transfer of farm tap customers currently served by Kansas Gas Service, a division of ONE Gas, Inc., an Oklahoma corporation, (“KGS”) and to allow Commission Staff sufficient time to issue its Report and Recommendation to the Commission.

II. Background and Support For An Extension

2. On March 29, 2024, Black Hills/Kansas Gas Utility Company, LLC d/b/a Black Hills Energy (“Black Hills”) filed an Application for Acquisition and Tariff Revision pursuant to K.S.A 66-117, 66-131, 66-1,201, 66-1,207, 77-526 and K.A.R. 82-1-202, K.A.R. 82-11-6, and other applicable statutes and regulations.in the above-captioned proceeding (“Application”).

3. The primary purpose of the Application is to request the State Corporation Commission of the State of Kansas (“Commission”) to approve the transfer of certain assets, customers, and accounts related to farm taps from Southern Star Central Gas Pipeline, Inc.

(“Southern Star”) to Black Hills under an Asset Purchase Agreement (“APA”) executed between Black Hills and Southern Star and to issue customer-specific certificates of convenience and necessity for Black Hills to serve these farm tap customers.

4. Black Hills also requested that the Commission approve additional language within Black Hills tariff to exempt newly acquired farm tap customers, meeting certain criteria, from the Black Hills’ Storm Uri Gas Charge.

5. On April 1, 2024, the Citizens Utility Ratepayers Board (“CURB”) filed a Petition to Intervene and Motion for Protective Order, Discovery Order and Order Assessing Costs.¹ On May 17, 2024, Southern Star filed a Petition to Intervene.²

6. On February 28, 2024, in Federal Energy Regulatory (“FERC”) Docket Number CP24-22-000, Southern Star received FERC regulatory approval to abandon by sale approximately 273 Domestic Farm Tap Meters in the state of Kansas to Black Hills. These assets are being sold pursuant to APA.

7. Of the 273 Domestic Meters (i.e., Farm Tap Customers”), Black Hills expects to acquire, Southern Star currently serves forty-one (41) meters directly, Black Hills serves two (2) meters, Atmos Energy serves eleven (11) meters, and KGS serves two hundred nineteen (219) meters.

8. As stated within the Application of Black Hills in this proceeding, Southern Star will continue to transport natural gas to service the Domestic Meters during this Application process. After the sale is completed, Southern Star will transport the required gas under existing service agreements pending adjustments to the maximum daily transportation quantity and added delivery locations, as needed. This will ensure that each Domestic Meter customer receives

¹ The Commission granted CURB’s Petition and Motion on April 9, 2024.

² The Commission granted Southern Star’s Petition on October 22, 2024.

uninterrupted continuation of service. Black Hills will continue to coordinate with Atmos and KGS separately to transfer the retail service of these Domestic Meters to Black Hills.

9. The issue causing a need for this Motion is related to the transfer of Domestic Meters that are currently being served by KGS. Those customers will be served by Black Hills, if the Commission approves the transfer of those customers. The issue raised in this proceeding is that the Storm Uri charges approved by the Commission for KGS are recovered through a Commission-approved Securitization mechanism. Thus, KGS has requested that, after transfer of the farm tap customers, Black Hills continue to invoice the farm tap customers (i.e., customers currently served by KGS but after to be served by Black Hills) the KGS Storm Uri Securitization charge. KGS further proposes that Black Hills then remit those recovered Securitization payments collected by Black Hills to KGS.

10. Black Hills and KGS are currently negotiating an agreement to set forth the terms and conditions of the recovery of the KGS Storm Uri Securitization charges. To date, the parties have not reached agreement.

11. As the statutory deadline is approaching, Black Hills has determined that an extension of the statutory deadline in this proceeding will provide KGS and Black Hills to further and hopefully, finalize the remaining dispute in this proceeding.³ In addition, the Commission Staff is in the process of drafting its Report and Recommendation to the Commission in this proceeding. Therefore, extending the statutory deadline for sixty days will also permit Staff sufficient time to prepare and file that document.

³ The customers to be transferred by Southern Star and Atmos will have the same securitized Storm Uri surcharge issue and therefore, require a separate agreement similar to the Securitization arrangement ultimately agreed to with KGS.

12. Black Hills understands that Commission Staff, CURB, Atmos, KGS, and Southern Star either support or do not oppose an extension of the statutory deadline in this proceeding.

WHEREFORE, for the reasons set forth herein, Black Hills respectfully asks that the Commission issue an order extending the statutory deadline for sixty days, specifically from the current deadline of January 23, 2025 to the proposed new deadline of Monday, March 24, 2025.

January 13, 2025

Respectfully submitted,

/s/ Douglas Law

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Attorney for Black Hills Kansas Gas
Utility Company, LLC, d/b/a Black
Hills Energy

VERIFICATION

STATE OF NEBRASKA)
) **ss.**
COUNTY OF LANCASTER)

Douglas Law, of lawful age, being first duly sworn on oath, states:

That he is the attorney for Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy, named in the foregoing Motion To Extend Statutory Deadline and is duly authorized to make this affidavit; that he has read the foregoing and knows the contents thereof; and that the facts set forth therein are true and correct.

/s/ Douglas Law

SUBSCRIBED AND SWORN before me this 13th day of January 2025.

/s/Christina L. Ellis
Notary Public
State of Nebraska

My commission expires July 4, 2026.

CERTIFICATE OF SERVICE

24-BHCG-652-ACQ

I, the undersigned certify that a true and correct copy of the foregoing was served via electronic service this 13th day of January, 2025 to the following:

NICK SMITH MANAGER OF REGULATORY 601 N. IOWA STREET LAWRENCE, KS 66044-9643 (785) 691-5062 Nick.Smith@blackhillscorp.com	RAMI ALNAJJAR SENIOR REGULATORY ANALYST 2287 COLLEGE ROAD COUNCIL BLUFFS, IA 51503 (402) 677-5827 Ann.Stichler@blackhillscorp.com
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/s/ Douglas J. Law
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