THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:

Shari Feist Albrecht, Chair

Jay Scott Emler Pat Apple

In the Matter of Black Hills/Kansas Gas)
Utility Company, LLC, d/b/a Black Hills) Docket No. 05-AQLG-616-HED
Energy ("Black Hills") Gas Hedge Program.)

ORDER GRANTING MOTION TO DISCONTINUE CUSTOMER MONTHLY GAS HEDGE CHARGE FOR THE MONTHS OF AUGUST, SEPTEMBER, AND OCTOBER, 2014

The above captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and record, and being duly advised in the premises, the Commission makes the following findings:

- 1. On July 10, 2014, Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy (Black Hills), filed a Motion requesting a Commission Order allowing Black Hills to discontinue billing its customers the monthly charge under the company's Gas Hedge Program, effective with the August 1, 2014 billing, through the end of the recovery period, October 31, 2014.
- 2. On July 15, 2014, the Commission Staff (Staff) filed a Response to Black Hills' Motion stating that Staff and Citizens' Utility Ratepayer Board, the only other parties to this docket, have no objection to the Commission granting Black Hills' request.
- 3. Pursuant to the Commission's Order issued in this matter on June 14, 2005, Black Hills recovers its Gas Hedge Program costs from all its sales customers (excepting irrigation customers) on a volumetric basis through a separate line item on the company's monthly Purchase Gas Adjustment (PGA) filings during the months of April through October. Black Hills states that it has determined the amount collected by the company through May 31, 2014

will be sufficient to cover the cost of its Gas Hedge Program for the winter period of 2014-2015. Therefore, Black Hills requests permission to discontinue billing its customers the monthly gas hedge charge for the months of August, September, and October, 2014. Black Hills indicates that revised costs for the company's Gas Hedge Program for the 2014-2015 winter season is estimated at \$1,000,000 to \$1,300,000. As of May 31, 2014, Black Hills states that it has collected approximately \$1,350,000, a sufficient amount to cover the cost of its Gas Hedge Program for the upcoming winter period. Consequently, Black Hills is requesting that it be allowed to discontinue billing its customers the gas hedge charge for the remaining three months of the recovery period, which includes the months of August, September, and October, 2014. Motion at ¶s 1 and 2.

4. The Commission, having reviewed Black Hills' Motion and Staff's Response, finds that Black Hills' request to discontinue billing its customers the monthly gas hedge charge for the three remaining months in the Hedge Program recovery period is reasonable, in the public interest, and should be granted. Staff and CURB, the only other parties to this docket, have no objection to Black Hills' request.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

- (A) The Motion filed July 10, 2014 by Black Hills/Kansas Gas Utility Company, LLC d/b/a Black Hills Energy, requesting to discontinue billing its customers the monthly Gas Hedge Program charge through the remainder of the recovery period, which includes the months of August, September, and October, 2014, is hereby granted.
- (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.

(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 and proper.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Com.; Apple, Com.

Dated: JUL 1 7 2014

ORDER MAILED JUL 7 8 2014

Thomas A. Day

Acting Executive Director

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PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NO. CERT. COPIES NO. PLAIN COPIES

NAME AND ADDRESS

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ORDER MAILED JUL 1 8 2014

The Docket Room hereby certified that on this day of , 20 , it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.