

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

Before Commissioners: Dwight D. Keen, Chair
 Shari Feist Albrecht
 Susan K. Duffy

In the Matter of the Application of American)
Energies Gas Service, LLC for a Certificate of)
Convenience and Authority to Transact the)
Business of a Natural Gas Public Utility in) Docket No. 20-AEGG-024-COC
portions of Harvey, Marion, and McPherson)
Counties, in the State of Kansas.)

ORDER GRANTING APPLICATION

NOW, the above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and decision. Having reviewed its pleadings and records and being duly advised in the premises, the Commission makes the following findings:

I. Background

1. On July 22, 2019, American Energies Gas Service, LLC (“American Energies”), filed an Application requesting to amend their Certificate of Convenience and Authority to bring up-to-date their customer-specific Certificate in portions of Marion and McPherson Counties, Kansas.¹ The Application also request Commission approval to add 37 additional customers to the Certificate.²

2. American Energies is a natural gas public utility company existing under and by virtue of the laws of the State of Kansas. In Docket 10-AEGG-499-COC (10-499 Docket), American Energies was granted a customer-specific Certificate of Convenience and Authority from the Commission to serve approximately 213 customers near Canton, Kansas.³

¹ Application of American Energies Gas Service, LLC (Jul. 22, 2019) (“Application”).

² *Id.*

³ *Id.*

3. American Energies requests the Commission grant an update to their customer-specific Certificate of Convenience and Authority in Kansas Gas Service (KGS) certified territory shown in the attached map.

4. On October 1, 2019, the Commission Staff (“Staff”) submitted a Report and Recommendation dated September 27, 2019, recommending the Commission grant American Energies’ request for a Certificate of Convenience and Authority in KGS certified territory described in the map attached to the report.⁴

II. Legal Standards and Discussion

5. Pursuant to K.S.A. 66-131, the Commission has jurisdiction to grant a Certificate to any public utility seeking to transact business in the State of Kansas. The standard for granting a certificate under K.S.A. 66-131 is that public convenience and necessity will be promoted by the granting of a certificate.

6. Currently, American Energies only has 207 active customers. Staff developed a map showing the locations of all American Energies’ customers and determined a total of 16 customers are located in KGS certified territory.⁵

7. American Energies is certificated to serve 14 of these customers from the 10-499 Docket. Two of the customers in KGS territory are presently being served by American Energies without certification. KGS has been notified and has not filed any objection to this proceeding.⁶

8. Staff notes the Order issued in the 10-499 Docket requires American Energies to request Commission approval to serve new customers *before* initiating service.⁷

⁴ *Id.* at 1.

⁵ *Id.* at 2.

⁶ *Id.*

⁷

9. American Energies' natural gas supply is provided by American Energies Pipeline (AEPL), a sister company of American Energies. Any change in the transportation charges by AEPL are subject to review and approval of the Commission.

10. Based on the foregoing information, and the absence of any objection, Staff recommends the Commission find that public convenience will be promoted by granting American Energies a Certificate of Convenience in KGS-certified territory.

III. Findings and Conclusion

11. The Commission finds pursuant to K.S.A. 66-131 public convenience and necessity will be promoted by granting American Energies' Application for an update to its customer-specific Certificate of Convenience to operate as a natural gas public utility in the area described in the map attached to this order.

12. American Energies will file an annual update of its active customer list with the Commission every year before March 1 beginning in 2020.

13. The Commission adopts Staff's Report and Recommendation dated September 27, 2019, which is attached hereto and made a part hereof by reference.

THEREFORE, THE COMMISSION ORDERS:

- A. American Energies' Application is granted pursuant to K.S.A. 66-131.
- B. American Energies shall file an annual update of its active customer list with Staff before March 1 of each year beginning in 2020.
- C. 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).⁸

⁸ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

D. The Commission retains jurisdiction over 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.

Keen, Chair; Albrecht, Commissioner; Duffy, Commissioner

Dated: 10/08/2019



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Shari Feist Albrecht, Commissioner
Susan K. Duffy, Commissioner

Laura Kelly, Governor

REPORT AND RECOMMENDATION UTILITIES DIVISION

TO: Chair Dwight D. Keen
Commissioner Shari Feist Albrecht
Commissioner Susan K. Duffy

FROM: Jason Kerr, Electric Utility Engineering Technician
Leo Haynos, Chief Engineer
Jeff McClanahan, Director of Utilities

DATE: September 27, 2019

SUBJECT: 20-AEGG-024-COC
In the Matter of the Application of American Energies Gas Service, LLC for a Certificate of Convenience and Authority to Transact the Business of a Natural Gas Public utility in Portions of Harvey, Marion and McPherson Counties, in the State of Kansas.

EXECUTIVE SUMMARY:

In Docket 20-AEGG-024-COC, American Energies Gas Service, LLC. (American Energies) filed the above-captioned Application requesting to amend their Certificate of Convenience and Authority to bring up-to-date their customer-location-specific Certificate in portions of Marion and McPherson Counties, Kansas. The Application also requests Commission approval to add 37 additional customers to the Certificate. A total of 16 existing customer locations contained in the Application are located within the certificated area of Kansas Gas Service (KGS). KGS has been notified of Application and has not filed any objection to the proceeding.

Staff recommends that the Commission grant this Application.

BACKGROUND:

In Docket 10-AEGG-499-COC (10-499 Docket), American Energies was granted a customer-specific Certificate to serve approximately 213 customers in the vicinity of Canton, Kansas. On July 22, 2019, American Energies filed an Application in the subject Docket requesting to add 37 residential customers to its Certificate. During the review of the Application, Commission Staff (Staff) determined that American Energies has lost and gained several customers since its last

Application filed in the 10-499 Docket. At this time, American Energies has 207 active customers. Working with American Energies, Staff developed a map showing the locations of all American Energies' customers and determined a total of 16 customers are located in territory certified to KGS. American Energies is certificated to serve 14 of these customers from the 10-499 Docket. The remaining two customers in KGS territory are presently being served by American Energies but are not certificated to them. These two customers are included in the subject Application. As noted above, KGS was provided notice of this Application and did not contest American Energies serving these customers. Exhibit A of American Energies' Application contains the list of customers not included in the 10-499 Docket and the legal location of each customer. This exhibit also includes the location of the new customers requesting service.

American Energies' customers are supplied with natural gas through a gas gathering pipeline system owned and operated by American Energies Pipeline (AEPL), which is a sister company of American Energies. As a public utility, American Energies retains the obligation to serve its current customers. Because the gathering system is the conduit connecting gas supply with the customers' meter, it remains an essential part of the customers' service. The Settlement Agreement approved in the 10-499 Docket includes a gas sales contract between AEPL and American Energies that guarantees a supply of gas for as long as American Energies or its successor is obliged to serve its retail customers. Any change in the transportation charges by AEPL are subject to review and approval of the Commission.

ANALYSIS:

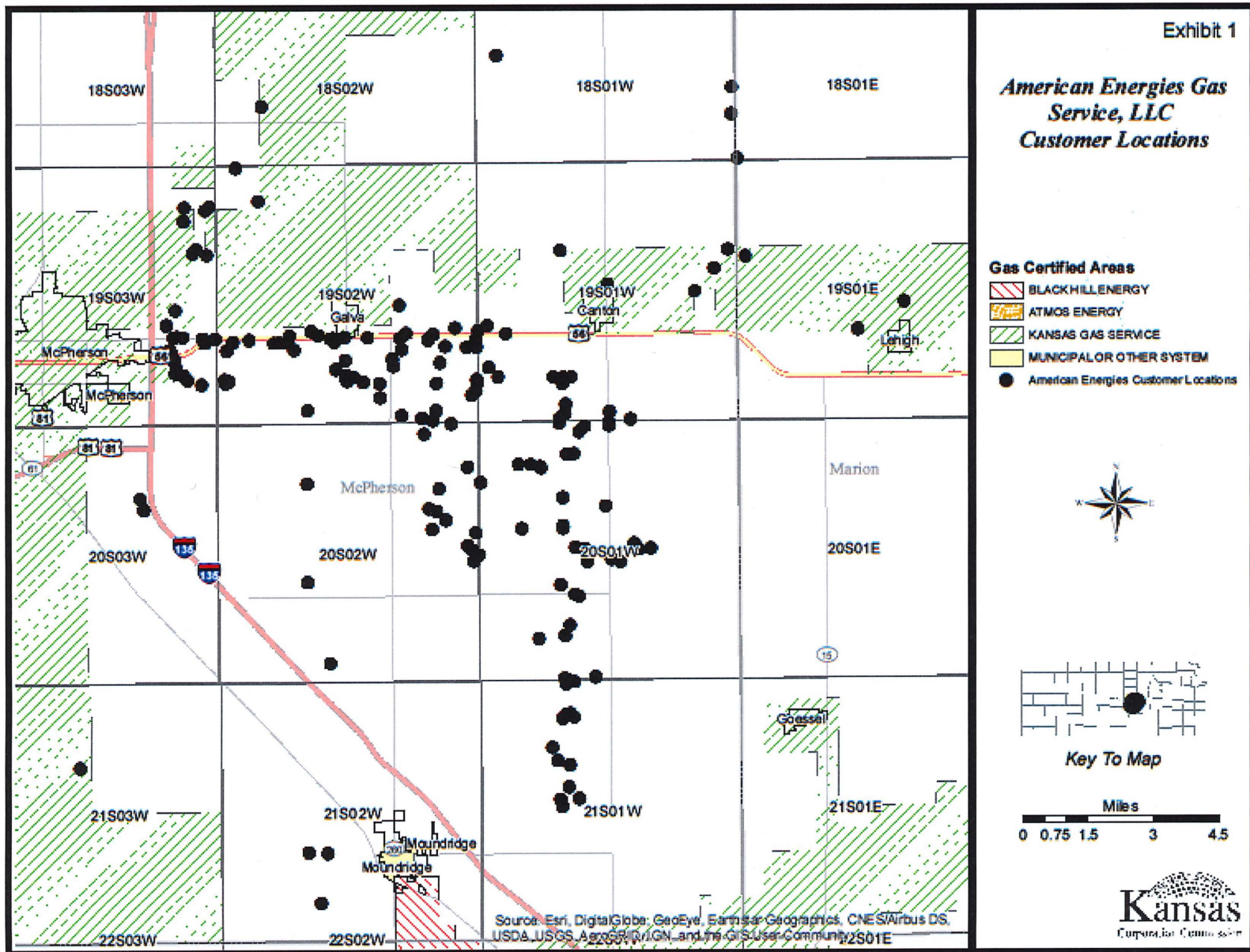
As noted in the subject Application, American Energies has had additional requests from the public for natural gas service in Marion and McPherson Counties since the approval of the 10-499 Docket. Since that time, they have established service for 37 customers. The customers are identified in Exhibit A of their above-captioned Application. American Energies requests that its customer-specific Certificate of Convenience and Authority be expanded to cover these customers. Staff notes the Order issued in the 10-499 Docket requires American Energies to request Commission approval to serve new customers *before* initiating such service.

Staff reached out to American Energies requesting a complete list of current customer locations. From the list received, Staff reviewed locations and created a map showing locations of the 207 active customers (See Exhibit 1 to this Report). Staff determined that the majority of these customers are being provided gas service in geographical areas not currently certified to any natural gas supplier. Of these customers, 16 are located in the certified territory of Kansas Gas Service, a Division of ONE Gas, Inc. (KGS). KGS was provided notice of this Application; Staff has not received any concerns from KGS regarding service to the two customers.

The Commission action date is January 17, 2020.

RECOMMENDATION:

Staff is recommending that the Application in Docket No. 20-AEGG-024-COC be granted and a Certificate be issued granting customer-specific authority at the locations identified in Exhibit A in the above-captioned Application. Staff recommends the Commission also require American Energies to file with Staff an annual update of its active customer list. We recommend the list be filed by March 1 of each year beginning with 2020.



CERTIFICATE OF SERVICE

20-AEGG-024-COC

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 10/08/2019.

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/S/ DeeAnn Shupe

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