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March 19, 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's
Motion to Withdraw*

Dear Ms. Retz:

Enclosed for filing is a Motion to Withdraw 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 Alnajjar

**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 WITHDRAW APPLICATION WITHOUT PREJUDICE

I. Motion

1. Black Hills/Kansas Gas Utility Company, LLC d/b/a Black Hills Energy (“Black Hills”) hereby requests the State Corporation Commission of the State of Kansas (“Commission”) for an Order to allow the Black Hills to withdraw without prejudice its application filed in this matter. In support of its motion, Empire states as follows.

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 January 13, 2025, Black Hills filed a Motion to Extend the Statutory Deadline in the above-captioned proceeding.

7. On January 23, the Commission granted an extension of the statutory deadline in for issuing an order in this docket to March 24, 2025.

8. 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.

9. Of the 273 Domestic Meters (i.e., Farm Tap Customers"), Black Hills initially expected 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.

10. As noted in the Motion to Extend the Statutory Deadline filed by Black Hills in this Proceeding, Black Hills explained that a significant issue that arose after filing its application is related to the transfer of Domestic Meters that are currently in the service area of KGS and Atmos Energy. Those customers were intended to be served by Black Hills, if the Commission approved

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.

the transfer of those customers. However, the deal-breaking issue raised after the filing of Black Hills' Application in this proceeding is that the Storm Uri charges approved by the Commission for KGS and Atmos are recovered through a Commission-approved Securitization mechanism. KGS requested that Black Hills enter into an agreement, to become effective after transfer of the farm tap customers, wherein Black Hills invoice the newly acquired farm tap customers (i.e., customers currently served by KGS but after to be served by Black Hills) for services rendered by Black Hills. However, KGS and Atmos would continue to bill those customers for their respective Storm Uri Securitization Charges. In addition, would need to invoke a customer demand for payment or disconnection process for customers who failed to pay the Storm Uri Securitization Charges KGS or for Atmos.

11. The same arrangement would also need to be executed with Atmos Energy.

12. After several different discussions between Black Hills, KGS, and Southern Star, along with many more meetings internal to Black Hills, the Parties have now determined that such an arrangement is unduly burdensome, confusing to the newly acquired customers, and potentially expensive for Black Hills to comply with because of this requirement. Black Hills informally consulted with Commission Staff to alert Staff of the complications that this issue presented to Black Hills.

13. Black Hills, KGS, and Southern Star attempted to negotiate an agreement to set forth the terms and conditions of the recovery of the KGS Storm Uri Securitization charges. Unfortunately, the parties have determined that no agreement reasonably acceptable to all parties could be achieved.

14. As the statutory deadline is approaching, Black Hills has ultimately determined that an additional extension of the statutory deadline is unnecessary in this proceeding. Instead, Black

Hills has determined that any continuing obligation imposed through a post-closing agreement with KGS or the Commission to either interrupt or disconnect natural gas services to customers related to non-payment of either the KGS or Atmos Securitization Charges will impose an unreasonable administrative burden and potentially additional costs and expenses on Black Hills. Accordingly, the most administratively efficient action at this point is for Black Hills to withdraw its application, without prejudice.

15. Black Hills is authorized to state that Southern Star either supports or does not oppose Black Hills withdrawal of its application, without prejudice in this proceeding.

WHEREFORE, for the reasons set forth herein, Black Hills respectfully asks that the Commission issue an order granting Black Hills' request to withdraw without prejudice its application filed in the above-captioned docket and that any further actions in this proceeding are terminated.

Dated: March 19, 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 Hill/Kansas Gas Utility Company, LLC, d/b/a Black HillsEnergy, named in the foregoing Motion To Withdraw 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 19th day of March 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 19th day of March, 2025 to the following:

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/s/ Douglas J. Law
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