2017-06-07 16:27:52 Kansas Corporation Commission /s/ Lynn M. Retz

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:

Pat Apple, Chairman Shari Feist Albrecht Jay Scott Emler

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In the matter of the Notice of Denial of License Renewal Application for Agricultural Energy Services Docket No.: 17-CONS-3529-CMSC

CONSERVATION DIVISION

License No.: 34089

STAFF'S RESPONSE TO OPERATOR'S REQUEST FOR TRIAL OF ISSUES OF LAW

Agricultural Energy Services ("Operator") request for trial of issues of law should be denied because Kansas law does not provide a right to trial in a matter governed by the Kansas Administrative Procedure Act ("KAPA"). Operator has previously requested a hearing before the Commission which is sufficient under Kansas law to resolve the disputed license denial.

BACKGROUND & DISCUSSION

Operator timely submitted a license renewal application on March 21, 2017. Commission Staff denied Operator's license renewal application on March 24, 2017, due to Staff's belief that Operator is associated with First National Oil, Inc., License #6230 which is not in compliance with Commission statutes, regulations, and orders.¹ Operator filed a request for hearing on March 30, 2017. Operator subsequently filed a "request for trial of issues of law" on June 1, 2017.

¹ See, Notice of Denial of License Renewal Application, filed March 24, 2017.

Operator's request for a trial in addition to a Commission hearing should be denied. Commission regulations provide that a denial of a license renewal application is governed by KAPA.² Here, Operator seeks a "trial of issues of law" at the prehearing conference pursuant to K.A.R. 82-1-222 based on the mistaken belief that this matter is not subject to KAPA contrary to the language of the regulation which it cites.³

Wherefore, Staff respectfully requests the Commission deny Operator's Motion for a Trial of Issues of Law.

Respectfully submitted,

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² See, K.A.R. 82-3-120(i): "...[d]enial of a license application shall constitute a summary proceeding under K.S.A. 77-537, and amendments thereto."

³ K.A.R. 82-1-222 provides in pertinent part "In any matter pending before the commission and *not governed by the* KAPA[...]may be directed by the [C]omission[...]to consider[...]the trial of issues of law, the determination of which may eliminate or affect the trial of issues of fact." (emphasis added)

CERTIFICATE OF SERVICE

I certify that on $\frac{\lfloor \rho \rfloor}{\lfloor \gamma \rfloor}$, I caused a complete and accurate copy of this Response to be served via United States mail, with the postage prepaid and properly addressed to the following:

Karl F. Hirsch Hirsch, Heath & White, PLLC 901 Cedar Lake Boulevard Oklahoma City, OK 73114 *Attorney for Agricultural Energy Services*

Lee Thompson Thompson Law Firm, LLC 106 East 2nd Street N Wichita, KS 67202-2005 Attorney for Agricultural Energy Services

And delivered by email to: Michael Duenes, KCC Office of General Counsel

Paula J. Murray

Legal Assistant Kansas Corporation Commission