

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

Before the Commissioners: Andrew J. French, Chairperson
Dwight D. Keen
Annie Kuether

In the Matter of a General Investigation)
Updating the Certificates of Convenience and)
Necessity Issued to Kansas Gas Service, a)
Division of ONE Gas, Inc. and BHE/Kansas)
Gas Utility Company, LLC d/b/a BHE Energy) Docket No. 25-GIMG-114-GIG
in Cowley, Sedgwick, Sumner, Reno, and Rice)
Counties to Provide Retail Natural Gas Service.)
)

ORDER GRANTING JOINT MOTION TO STAY PROCEEDINGS

This matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and decision. Having reviewed the pleadings and record and being duly advised, the Commission makes the following findings and conclusions:

1. On March 21, 2024, BHE/Kansas Gas Utility Company, LLC, d/b/a BHE Energy (“BHE”) and Kansas Gas Service, a Division of ONE Gas, Inc. (“KGS”) (collectively, the “Parties”) met with Commission Staff (“Staff”) to discuss a dispute over their respective service territories in and around the City of Goddard in Sedgwick County.¹ It was Staff’s understanding that the dispute between BHE and KGS related to a proposed residential housing development to be located on land annexed by Goddard in 2009 (“Goddard Area”).²

2. On August 12, 2024, Staff filed its initial Report and Recommendation (“Initial R&R”) for this matter, recommending the Commission open a General Investigation to update the Certificates of Convenience (“COC”) issued to KGS and BHE in Cowley, Sedgwick, Sumner,

¹ Staff’s Initial Report and Recommendation (Aug. 12, 2024) (“Initial R&R”).

² *Id.*, p. 2.

Reno, and Rice counties.³ The primary issue stems from COCs issued to KGS and BHE (including their predecessors) dating back to the 1930s. Highly summarized, the COCs at issue granted a utility the authority to serve a territory based on generic political boundaries (i.e., the name of a city or county, such as the “City of Goddard”) instead of using more definitive, permanent reference points.⁴ Some of the COCs at issue granted authority to serve an area of a county — but excluded a city — such as the dispute here.⁵ As cities expand and annex territory, these COCs create ambiguity as to which utility is authorized to provide service within these buffer areas, or “seams,” around a city.⁶

3. There were two related issues presented in Staff’s Initial R&R with different urgency: (1) Resolving the current dispute between KGS and BHE regarding the service of territory annexed by City of Goddard in 2009 (“Goddard Issue”); and (2) Resolving similar issues relating to the COCs issued to KGS and BHE in the counties identified in paragraph 2 above (“Metes and Bounds Issue”).

4. On October 22, 2024, the Commission opened a general investigation into these issues and ordered Staff to file a Report and Recommendation (“R&R”) on the Goddard Issue within thirty (30) days after receiving comments on that issue from BHE and KGS, among other deadlines for the Parties.⁷

³ *Id.*

⁴ *Id.*, p. 1.

⁵ *Id.*, pp. 1-2 (noting KGS was authorized to serve the “City of Goddard,” while BHE was authorized to serve Sedgwick County but excluded the City of Goddard).

⁶ *Id.*, p. 2. This issue arguably also intrudes on the Commission’s statutory authority and duty to govern public utility service areas. *See* K.S.A. 66-131(a) (“No...public utility...governed by the provisions of this act shall transact business in the state of Kansas until it shall have obtained a certificate from the corporation commission that public convenience and necessity will be promoted by the transaction of said business and permitting said applicants to transact the business of a common carrier or public utility in this state....”).

⁷ Order Opening General Investigation and Setting Comment Deadlines (Oct. 22, 2024).

5. After receiving comments from the Parties and Staff on the Goddard Issue, on March 20, 2025, the Commission issued an order stating that KGS had the sole authority to service the Goddard Area pursuant to its COC.⁸

6. On July 18, 2025, the Parties submitted their comments on the Metes and Bounds Issue for Cowley, Sedgwick, Sumner, Reno, and Rice counties. Staff's Report and Recommendation regarding the Metes and Bounds Issue would have been due September 19, 2025, and a Commission Order by November 21, 2025.⁹ Then, on August 20, 2025, the Parties and Staff filed a Joint Motion to Suspend the Procedural Schedule for 120 days, until or before December 18, 2025, to allow for settlement discussions.¹⁰ The Parties will then either submit a joint application for Commission review, or a proposed procedural schedule to resolve the remaining issues in this Docket.¹¹

7. The Joint Motion to Suspend the Procedural is a reasonable request given the posture of this matter and will allow the Parties to discuss a possible resolution.

THEREFORE, THE COMMISSION ORDERS:

A. The Joint Motion to Suspend the Procedural Schedule is granted. On or before December 18, 2025, the Parties and Staff shall either file an agreed joint certification plan for Commission review, or a proposed revised procedural schedule.

B. This Order is procedural and constitutes non-final agency action.¹²

⁸ Order Regarding Disputed Service Area in Goddard (March 20, 2025).

⁹ See Order Granting Motion to Modify Procedural Schedule (April 24, 2025).

¹⁰ Joint Motion to Suspend Procedural Schedule (Aug. 20, 2025).

¹¹ *Id.*

¹² K.S.A. 77-607(b)(2).

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 09/09/2025



Celeste Chaney-Tucker
Executive Director

ARB

CERTIFICATE OF SERVICE

25-GIMG-114-GIG

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 09/09/2025.

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