

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

**JUL 0 2 2013**

by  
State Corporation Commission  
of Kansas

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. )

**RESPONSE OF THE COMMISSION STAFF TO BLACK HILLS'  
MOTION TO DISCONTINUE CUSTOMER MONTHLY GAS HEDGE CHARGE  
FOR THE MONTHS OF AUGUST, SEPTEMBER, AND OCTOBER, 2013**

COMES Now the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission", respectively), and for its response to Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy's (Black Hills), Motion requesting a Commission Order allowing Black Hills to discontinue its customer monthly Gas Hedge Program charge for the months of August, September, and October, 2013, states the following:

1. On June 25, 2013, 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, 2013 billing through the end of the recovery period, October 31, 2013.

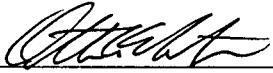
2. Pursuant to the Commission's Order issued in this matter on June 14, 2005, Black Hills recovers its Gas Hedge Program costs from all its sales customers (excepting irrigation customers) on a volumetric basis through a separate line item on the company's monthly Purchase Gas Adjustment (PGA) filings during the months of April through October. Black Hills has determined the amount collected by the company through July 31, 2013 will be sufficient to cover the cost of its Gas Hedge Program for the winter of 2013-2014. Therefore, Black Hills is requesting permission to discontinue billing its customers the monthly gas hedge charge for the months of August, September, and October, 2013. Black Hills' revised costs for the company's Gas Hedge Program for the 2013-2014 winter is estimated at \$800,000 to

\$1,000,000. As of May 31, 2013, Black Hills states that it has collected approximately \$1.3 million, a sufficient amount to cover the cost of its Gas Hedge Program for the upcoming winter period.

3. Staff has discussed this matter with Black Hills and has no objection to the Commission granting Black Hills' request, allowing the company 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, 2013. Staff counsel has also contacted consumer counsel for Citizens' Utility Ratepayer Board (CURB), who has no objection to the Commission granting Black Hills' request.

WHEREFORE, Staff provides this response in anticipation of the Commission's consideration and disposition of Black Hills' Motion.

Respectfully submitted,

  
Otto A. Newton #08760  
Litigation Counsel  
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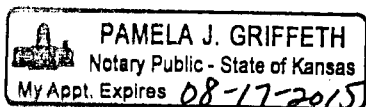
**VERIFICATION**

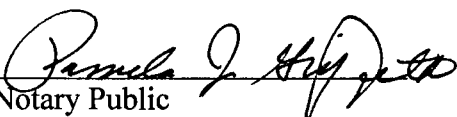
STATE OF KANSAS            )  
  ) ss.  
COUNTY OF SHAWNEE    )

Otto A. Newton, being duly sworn upon his oath deposes and states that he is Litigation Counsel for the Kansas Corporation Commission; that he prepared the foregoing *Response of the Commission Staff to Motion to Black Hills' Motion to Discontinue Customer Monthly Gas Hedge Charge for the Months of August, September, and October, 2013* and that the statements therein are true to the best of his knowledge and belief.

  
\_\_\_\_\_  
Otto A. Newton

SUBSCRIBED AND SWORN to before me this 2<sup>nd</sup> day of July, 2013.



  
\_\_\_\_\_  
Notary Public

My Appointment Expires: August 17, 2015


**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing *Response of the Commission Staff to Motion to Black Hills' Motion to Discontinue Customer Monthly Gas Hedge Charge for the Months of August, September, and October, 2013* was placed in the United States Mail, postage prepaid, on this 2<sup>nd</sup> day of July, 2013, properly addressed to:

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