

THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

Before Commissioners:      Shari Feist Albrecht, Chair  
                                 Jay Scott Emler, Commissioner  
                                 Pat Apple, Commissioner

In the Matter of the Application of Plains Producers Association,      )  
Inc., a Kansas Not for Profit Corporation, to Amend its Certificate      )      15-PPAG-113-COC  
of Convenience and Necessity to Provide Natural Gas Service in a      )  
Certain Portion of Meade County, Kansas.      )

CERTIFICATE

NOW, there comes on for consideration and determination by the State Corporation Commission, the application of Plains Producers Association, Inc. (Applicant) as captioned above, for a Certificate of Convenience and Necessity as a nonprofit natural gas public utility in a portion of Meade County. After giving due consideration to the application and being fully advised in the premises, the Commission finds and concludes that:

1.      Applicant is a customer-owned Kansas not-for-profit natural gas public utility under the provisions of K.S.A. 66-104c.
2.      The application in the instant docket was filed with this Commission on September 17, 2014. A public hearing was not held on the instant application.
3.      Applicant requests a Certificate to transact the business of a nonprofit natural gas public utility in the territory described as follows:

MEADE COUNTY

Alexander Feeders, located at 2071 US Hwy 54, in the City of Plains, Kansas –  
NW1/4, S30, T32S, R30W

4. The potential member stockholder of Applicant, Alexander Feeders (Feeders), currently owns and/or farms the land being requested as natural gas territory by Applicant and are engaged in farming. Feeders is currently using propane to fuel its operation and has been in discussion with Black Hills regarding the possibility of Plains extending natural gas service. To avoid Feeders procuring propane for the winter, Plains has filed this application requesting expedited processing by the Commission.

5. K.S.A. 66-104c requires that in order to qualify as a nonprofit public utility, not subject to the jurisdiction, regulation, supervision and control of the State Corporation Commission that the utility meet the following conditions:

- (1) Every customer, household or meter owner is an automatic owner of the utility and has an equal vote on matters concerning the utility.
- (2) The utility employs no full-time employees.
- (3) The utility has no more than 100 customers.

The State Corporation Commission retains jurisdiction and control over service territory and all matters concerning natural gas pipeline safety.

6. Applicant does not intend to object to other public utilities making application to serve in the territory being requested in this application.

7. Pursuant to the provisions of K.S.A. 66-104c, Applicant states and acknowledges the following:

1. Every customer, household or meter owner served by Applicant will be a member-stockholder of Applicant and an automatic owner of the utility and will have an equal vote on matters concerning Applicant's utility operations, as provided in the By-Laws of the corporation.
2. Applicant will employ no full time employees.

3. Applicant's member-stockholders will number no more than one hundred (100) and Applicant will therefore serve no more than one hundred (100) customers.
  3. Applicant will comply with all pipeline safety codes, laws, rules and regulations in installing, maintaining, and operating its pipelines.
  4. The Kansas Corporation Commission (Commission) retains jurisdiction and control over any service territory approved for applicant and over all matters concerning natural gas pipeline safety.
8. Applicant has provided an Affidavit of Mailing under which notice has been provided to:

Mr. James G. Flaherty

No objection or comment has been received by Staff in response to the notice.

9. Public convenience will be promoted by permitting Applicant to transact the business of a nonprofit natural gas public utility pursuant to K.S.A. 66-104c in the territory described in Finding No. 3 herein, and the application should be granted and a Certificate issued in accordance with the provisions of K.S.A. 66-131.

IT IS, THEREFORE, BY THE COMMISSION CONSIDERED AND CERTIFIED:

A. The application in the instant docket be, and it hereby is, granted and Plains Producers Association, Inc. be, and it hereby is, permitted to transact the business of a nonprofit natural gas public utility in the territory described in Finding No. 3 herein.

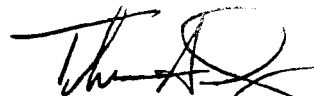
B. A party may file a petition for reconsideration of this Order within fifteen (15) days from the date of service of this Order. If service is by mail, service is complete upon mailing, and three (3) days shall be added to the above time frame. K.S.A. 66-118b; K.S.A. 2013 Supp. 77-529.

C. The Commission retains jurisdiction of 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 CERTIFICATED.

Albrecht, Chair; Emler, Com.; Apple, Com.

Dated: OCT 02 2014



ORDER MAILED OCT 03 2014

Thomas A. Day  
Acting Executive Director

gdd

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Shari Feist Albrecht, Chair  
Jay Scott Emler, Commissioner  
Pat Apple, Commissioner

Sam Brownback, Governor

## REPORT AND RECOMMENDATION UTILITIES DIVISION

**TO:** Chair Sheri Feist Albrecht  
Commissioner Jay Scott Emler  
Commissioner Pat Apple

**FROM:** Gary Dawdy, Utility Engineer II  
Leo Haynos, Chief Engineer  
Jeff McClanahan, Director of Utilities

**DATE:** September 30, 2014

**SUBJECT:** 15-PPAG-113-COC  
In the Matter of the Application of Plains Producers Association, Inc., a Kansas Not for Profit Corporation, to Amend its Certificate of Convenience and Necessity to Provide Natural Gas Service in a Certain Portion of Meade County, Kansas.

### **BACKGROUND:**

Legislation passed in the 2002 legislative session establishing the rural Kansas self-help gas act and amending K.S.A. 66-1,150 diminished the Commission's authority to regulate non-profit utilities which was originally established under K.S.A. 66-104c. However, non-profit natural gas utilities, such as Plains Producers Association, Inc. (Applicant/Plains), are still required to acquire a Certificate to operate or expand an existing non-profit operation.

Applicant is a non-profit public utility as defined by K.S.A. 66-104c and possesses a Certificate of Public Convenience issued pursuant to the Commission's Certificate and Order dated May 20, 1999, in Docket No. 99-PPAG-669-COC, granting Applicant authority to provide natural gas service in portions of Meade County, Kansas. The declining wellhead pressures recognized by the Commission in 1999 continue to have an impact on the farmers and residents of Meade County. However, in this instance, Plains has been requested to provide natural gas service to Alexander Feeders, operating a pig farm operation located on Highway 54 immediately southwest of Plains, Kansas. Plains is seeking expedited approval of this Application because Alexander Feeders is faced with the necessity of procuring propane for the winter, which would result in significant expenditures. Plains is only requesting one-quarter section of natural gas territory to cover service to this new customer.

Pursuant to K.S.A. 66-104c, in addition to meeting certain other requirements, a nonprofit utility may not have more than 100 customers. With the addition of this one new member/owner, Plains will have thirty-seven members, and is, therefore, well within the statutory cap on customers of a nonprofit public utility (100 members).

Applicant has provided a Certificate of Service dated September 17, 2014, indicating a copy of the Application was sent to counsel for Black Hills Energy (Black Hills), which is certificated in the area being requested by Plains. Applicant advises in its Application that Black Hills has indicated that it is agreeable to allowing Plains to serve Alexander Feeders in the area being requested. Staff has contacted Black Hills and confirmed they have no objection to the granting of the Application. Staff has received no objection or comment regarding this Application.

**ANALYSIS:**

Pursuant to K.S.A. 2013 Supp. 66-131, the Commission has jurisdiction to grant a Certificate to a public utility seeking to transact business in the State of Kansas.

The statutory standard of review in this matter is whether the “public convenience 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.” K.S.A. 2013 Supp. 66-131.

The Commission action date is March 16, 2015.

**RECOMMENDATION:**

GRANT

OCT 02 2014

KANSAS CORPORATION COMMISSION  
THOMAS A. DAY, ACTING EXECUTIVE DIRECTOR

DOCKET NO.: 15-PPAG-113-COC

ORDER DATE:

NAME AND ADDRESS

NO. OF  
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ORDER MAILED OCT 03 2014

The Docket Room hereby certifies that on \_\_\_\_\_, a  
true and correct copy of the attached was deposited in the United States Mail, postage prepaid,  
addressed to the above persons.