

**\*\*PUBLIC VERSION\*\***

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

In the Matter of the Application of Freedom Pipeline, )  
LLC, for Approval of Its Sales For Resale Customer ) Docket No. 23-FRPG- 461 CON  
Contracts. ) -RTS

**APPLICATION OF FREEDOM PIPELINE, LLC**

COMES NOW Freedom Pipeline, LLC (“Freedom”) and submits the following Application to the State Corporation Commission of the State of Kansas (“Commission” or “KCC”) for approval of its Sales For Resale Customer Contracts (“Contracts”). In support of its Application, Freedom states as follows:

1. Freedom is a limited liability company organized and existing under the laws of the State of Kansas. Its principal place of business is located in Liberal, Kansas.
2. Freedom was formed by six nonprofit utilities<sup>1</sup> to own and operate a natural gas transmission pipeline. The pipeline was created to allow NPUs to transport gas directly from an interstate pipeline to interconnection points with the NPU distribution systems.
3. On June 26, 2014, Freedom filed with the Commission an Application for Certificate of Convenience and Necessity to Provide Natural Gas Service as a Not-for-Profit Public

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<sup>1</sup> Freedom is comprised of and was created by the following: SWKI Stevens North, Inc.; SWKI Spikes North, Inc.; SWKI Stevens Southeast, Inc.; SWKI Seward West Central, Inc.; SWKI Stevens NE, Inc.; and SWKI Stevens HSW, Inc. (collectively referred to as "NPUs").

Utility in Steven, Grant and Seward Counties, Kansas in Docket Number 14-FRPG-599-COC (“14-599 Docket”).

4. Atmos Energy (“Atmos”) and Black Hills Energy (“Black Hills”) filed protests to Freedom’s Application in the 14-599 Docket. Freedom’s Application in the 14-599 Docket was ultimately resolved by a settlement agreement.

5. Under the settlement agreement, Commission Staff, Atmos and Black Hills all agreed not to oppose Freedom’s pending application, and

- (a) Freedom agreed not to serve customers or municipalities served by Atmos or customers within Black Hills’ certificated service territory,

- (b) Black Hills and Atmos agreed not to serve any of the NPU’s or any existing customers of the NPU’s,

- (c) Freedom agreed that upon completion of the pipeline, Freedom would apply for a maximum tariff rate for transportation services on the pipeline, and submit any contracts between Freedom and any other parties providing a transportation rate discounted below the maximum tariff rate to the Commission for review, and

- (d) Freedom further agreed to negotiate a transportation agreement for Freedom to provide transportation service to Black Hills at a receipt point located near Moscow, Kansas, and to submit such agreement to the Commission for approval.

6. Subsequently, on August 4, 2015, the Commission approved Freedom’s application, granting Freedom a Certificate of Convenience with the condition that Freedom file purchase and sales contracts between the pipeline and its member/owners, and that Freedom file its maximum tariff rate as an open access pipeline.

7. On April 7, 2016, Freedom filed an application in Docket 16-FRPG-452-CON (“16-452 Docket”) seeking approval of six natural gas purchase and sale contracts between Freedom and its members, the NPU’s. Commission Staff filed a Report and Recommendation, which was adopted by the Commission on June 7, 2016. In its Order, the Commission generally

approved the methodology used for calculating a transportation fee in the six natural gas purchase and sales agreements between Freedom and the NPU, and it approved, on an interim basis, the six natural gas purchase and sales agreements between Freedom and the six NPUs.

8. The Commission further ordered that when construction of the line was completed, Freedom was to file a maximum tariff rate and seek approval of the same, and further review of the purchase and sales agreements between Freedom and its member-owners.

9. Freedom subsequently completed construction of the first phase of the pipeline in 2017 and the second phase in 2020.<sup>2</sup>

10. On September 30, 2022, Staff filed a Report and Recommendation in this docket recommending that the Commission issue a show cause for Freedom to file its Tariff and contracts. Freedom responded with an explanation for the delay and committed to having the application on file no later than November 11, 2022. On October 25, 2022, the Commission issued an Order accepting Freedom's commitment and ordering Freedom to (a) file its open access tariff transportation tariff and (b) its contract negotiated with Black Hills by November 11, 2022.

11. Freedom hereby submits in this Application a true and correct copy of its proposed pro forma contract to be used in providing service to its six NPU members and a true and correct copy of its proposed pro forma contract to be used in providing service to other third-party customers seeking to take service on Freedom Pipeline, attached to this Application as **Confidential Exhibit A** and **Confidential Exhibit B**, respectively. These documents contain confidential commercial information so are being filed under seal pursuant to K.S.A. 66-1220a.

12. Subject to the Commission's approval, Freedom is proposing to provide Sales for Resale service to any third-party seeking service off the Freedom system rather than the standard

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<sup>2</sup> The Commission approved a third phase of construction that could occur at some future date.

open access transportation service. The reason for this is contained in the Direct Testimony of Company witness, Mr. Kirk Heger.

13. The settlement agreement in the 14-599 Docket also stated that Freedom would negotiate a transportation agreement for Freedom to provide transportation service to Black Hills at a receipt point located near Moscow, Kansas, and to submit such agreement to the Commission for approval. Freedom and Black Hills have had discussions and over the past few years there has been great improvement in the relationship between the two companies. However, an arrangement regarding service to Moscow has not yet been developed. Freedom will continue to work with Black Hills specifically on that arrangement and will submit the agreement to the Commission for review and approval as soon as it is finalized.

14. Concurrent with the filing of this Application and in support thereof, Freedom is filing the Direct Testimony of the following individuals:

- Kirk Heger, President of SWKI-Stevens, one of the non-profit public utilities that owns Freedom. Mr. Heger explains the background of Freedom Pipeline and its importance to the farmers it serves, and he provides an overview of the service to be provided by Freedom under the contracts submitted for approval in this Application.
- Richard L. Hanson, Hanson Engineering, L.C. – Mr. Hanson provides background information on the existing capacity available for non-affiliated customers of Freedom Pipeline, the likelihood of Freedom gaining new load, the types of costs to be incurred in

the event a new customer seeks to interconnect with the Freedom system, and factors that may significantly impact Freedom's operating margin.

- David Dittmore – Consultant for Freedom Pipeline. Mr. Dittmore presents the cost analysis and support for the rates and terms contained in the Company's proposed customers contracts.

15. Attached hereto as **Exhibit C** is a map depicting Freedom's pipeline facilities.

16. In addition to signatory counsel below, copies of all pleadings, orders, documents, correspondence, discovery or other communications should be served on the following individuals:

Kirk Heger  
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David N. Dittmore  
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17. Freedom affirmatively states that it has served this Application by U.S. Mail on all existing NPU member-customers of Freedom.

WHEREFORE, Freedom Pipeline requests the Commission enter an Order approving this Application and the proposed contracts submitted herein, and for such further relief as the Commission deems appropriate.

Respectfully submitted,

/s/ Glenda Cafer

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**ATTORNEYS FOR FREEDOM PIPELINE**

PUBLIC VERSION

EXHIBIT A

CONTAINS CONFIDENTIAL COMMERCIAL  
INFORMATION

PUBLIC VERSION

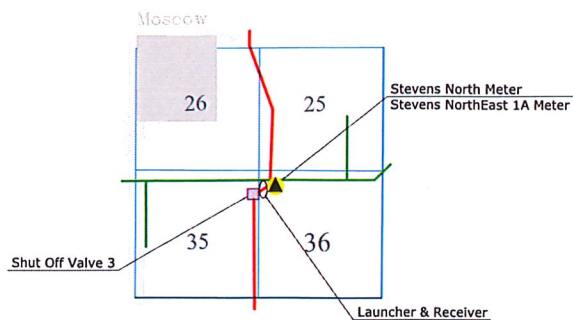
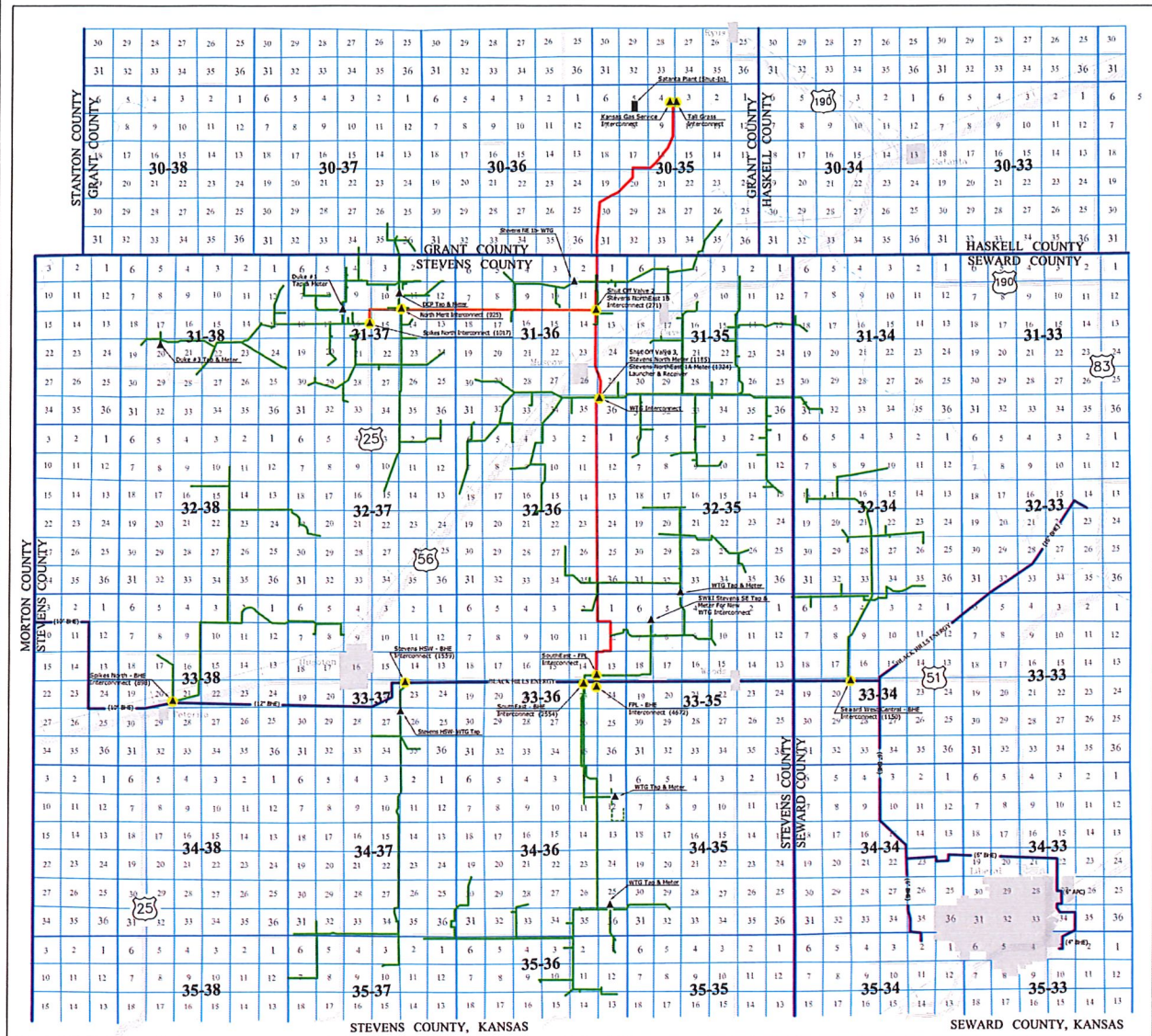
EXHIBIT B

CONTAINS CONFIDENTIAL COMMERCIAL  
INFORMATION



# BEFORE THE KANSAS CORPORATION COMMISSION

## FREEDOM PIPELINE LLC.



**Stevens North / NorthEast 1A Meter Detail**

- 8" Steel MAOP 1,000 psi
- 6" Poly MAOP 125 psi
- Black Hills Energy Mainline
- Non Profit Utilities (NPU)
- Spikes North
- Stevens HSW
- Stevens SouthEast
- Stevens North
- Stevens NorthEast
- Seward West Central

EXHIBIT

C

STATE OF KANSAS                    )  
  ) ss:  
COUNTY OF SHAWNEE            )

**VERIFICATION**

I, Glenda Cafer, verify under penalty of perjury that I have caused the foregoing pleading to be prepared; that I have read and reviewed the same; and that the contents thereof are true and correct to the best of my information, knowledge, and belief.

*/s/ Glenda Cafer*

## **CERTIFICATE OF SERVICE**

I, the undersigned, hereby certify that a true and correct copy of the foregoing *Application* was electronically served this 14<sup>th</sup> day of November, 2022 to:

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/s/ Glenda Cafer

Glenda Cafer

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