

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

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

In the Matter of Mid-America Pipeline)
Company, LLC Company Filing for Approval) Docket No. 25-MDAP-166-TAR
of K.C.C. Tariff 18.17.0, Canceling K.C.C.)
Tariff 18.16.0.)

ORDER APPROVING TARIFF REVISIONS

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”). For consideration and determination. Having examined its files and records, the Commission finds and concludes:

1. On September 17, 2024, in Docket No. RM93-11-000, the Federal Energy Regulatory Commission (“FERC”) reinstated its December 17, 2020, order establishing an oil pipeline index factor for pipelines to use for the next five-year period as the Producer Price Index for Finished Goods (PPI-FG) plus point 0.78% (PPI-FG+0.78%).¹

2. On September 25, 2024, Mid-America Pipeline Company (“Mid-America”), a common carrier under K.S.A. 66-105 and K.S.A. 66-1,215, filed an Application with the Commission seeking approval and implementation of proposed K.C.C. Tariff 18.17.0 and cancelling K.C.C. Tariff 18.16.0.²

3. The proposed tariff aligns Mid-America’s rates with the interstate tariff adjustments set forth in FERC Docket No. RM93-11-000.³ Mid-America proposed to make these rate changes effective November 1, 2024, which is subsequent to the date Interstate Pipeline rate changes go

¹ *Order Reinstating Index Level*, 188 FERC ¶ 61,173 (Sept. 17, 2024, Order).

² Application, at 1.

³ Staff’s Report and Recommendation, p. 3.

into effect at FERC.⁴ The Commission issued a Suspension Order on October 8, 2024 in this docket to allow Commission staff sufficient time to evaluate the proposed tariff adjustments and modified the potential effective date until the Commission has made a determination in this Docket.⁵

4. Mid-America's proposed tariff implements an overall rate increase of 2.78% based upon FERC's indexing procedures pursuant to 18 C.F.R. § 342.3.⁶ The aggregate amount of revenue increase for the period of July 1, 2024, to June 30, 2025, is estimated to be \$176,000.⁷

5. On December 3, 2024, the Commission Staff (Staff) submitted its Report and Recommendation (Report), recommending that the Commission grant Mid-America's Application and approve the proposed K.C.C. Tariff No. 18.17.0, cancelling K.C.C. Tariff No. 18.16.0.⁸

6. As defined in K.S.A. 66-105 and K.S.A. 66-1,215,⁹ common carriers "shall include all freight-line companies, equipment companies, pipe-line companies, and all persons and associations of persons whether incorporated or not, operating such agencies for public use in the conveyance of persons or property within this state."

7. Tariffs and associated rates for liquids pipeline common carriers operating within the state are subject to the Commission's authority.¹⁰

8. Two standards are typically used to review liquids pipelines common carrier tariff applications in Kansas: (1) Just and reasonable rates with terms and conditions that are

⁴ *Notice of Annual Change in the Producer Price Index for Finished Goods*, 187 FERC ¶ 61,077 (May 15, 2024, Order)

⁵ Suspension Order, Docket No. 15-MDAP-166-TAR, Oct. 8, 2024.

⁶ Report, at 3.

⁷ *Id.*

⁸ *Id.*

⁹ K.S.A. 66-1,215 adopts the definition of common carriers as set forth in K.S.A. 66-105.

¹⁰ *See* K.S.A. 66-117; K.S.A. 66-1,217; K.S.A. 66-1218; and K.A.R. 82-10-2.

nondiscriminatory and provide adequate recovery of costs to the suppliers (carriers),¹¹ and (2) efficient and sufficient service as defined in Docket No. 02-MAPP-160-COM.¹² In the absence of shipper complaints or protests, the Commission's regulatory practice has been to pattern its regulation of intrastate oil/liquid pipeline rates and tariffs after the federal regulation of interstate service.¹³ Staff believes that the use of FERC's pricing methodology, with proper notice to customers, appropriately balances consumers' interests with investors' interests and meets the two standards of review used for Kansas liquid pipeline ratemaking purposes.¹⁴

9. Staff submitted a Report to the Commissioners regarding Mid-America's proposed tariff on December 3, 2024, attached hereto and made a part hereof by reference.¹⁵ Staff reviewed the proposed tariff to determine whether the rates contained therein met the standards used to review liquid pipelines common carrier tariff applications in Kansas.¹⁶

10. In the proposed tariff, Mid-America seeks to increase its general commodity rates by 2.78% to comply with FERC's Order Reinstating Index Level in Docket No. RM93-11-000, issued September 17, 2024.¹⁷ Staff has analyzed this Application and verified the correct application of FERC's updated indexing factor to each rate. Based on Staff's calculations, Mid-America's proposed tariff brings its general commodity rates within allowed FERC charges.

11. There have been no objections to Mid-America's proposed tariff changes or any complaints filed with the Commission to date.¹⁸

¹¹ See K.S.A. 66-1,217.

¹² Order, pp. 33, 37, Docket No. 02-MAPP-160-COM (Jan. 31, 2005) (efficient service acts to produce a minimum amount of waste or unnecessary effort in using the capacity on the pipelines and sufficient service furnishes adequate or enough public service to meet the needs of the shippers.)

¹³ Report, at 2.

¹⁴ *Id.*, at 2–3.

¹⁵ See generally *Id.*, at 1.

¹⁶ *Id.*, at 2.

¹⁷ *Id.*, at 3.

¹⁸ *Id.*, at 3.

12. Staff recommends the Commission approve Mid-America's proposed rate increase utilizing FERC's indexing methodology because customers have been properly notified, there have been no filed customer complaints or protests, and the rate increase meets the two standards of review for liquids pipelines common carrier tariff applications.

13. Mid-America operates as an intrastate liquids pipeline common carrier in the State of Kansas, and transports products under its current tariff, K.C.C. Tariff No. 18.16.0.¹⁹ Accordingly, Mid-America is engaged in the transportation of liquid hydrocarbons within the meaning of K.S.A. 66-105 and 66-1,215. Therefore, pursuant to the Commission's authority to regulate common carriers operating in the State of Kansas, the Commission has full power, authority and jurisdiction to rule on the instant Application.²⁰

14. Having reviewed Staff's Report, the Commission hereby finds Staff's analysis and recommendation in regard to Mid-America's proposed tariff increases, which are expected to result in reasonably efficient and sufficient service. The Commission concludes that Mid-America's requested tariff revisions are just and reasonable.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Mid-America Pipeline Company's Application requesting to implement proposed K.C.C. Tariff 18.17.0, which increases its overall general commodity rates by 2.78% and cancelling K.C.C. Tariff 18.16.0., is hereby granted and approved.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529 (a)(1).²¹

¹⁹ *Id.* at 2.

²⁰ *See* K.S.A. 66-117 and K.S.A. 66-1,217, et seq.

²¹ K.S.A. 66-118b; K.S.A. 77-503 (c) and K.S.A. 77-531(b).

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order, or orders, as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 12/31/2024



Lynn M. Retz
Executive Director

BWB

CERTIFICATE OF SERVICE

25-MDAP-166-TAR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 12/31/2024.

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/S/ KCC Docket Room

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