

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

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

In the Matter of the Application of Black)
Hills/Kansas Gas Utility Company, LLC, d/b/a)
Black Hills Energy, for a Certificate of Public) Docket No. 17-BHCG-502-COC
Convenience and Authority to Transact the)
Business of a Natural Gas Public Utility in)
Certain Portions of Haskell County and Seward)
County, Kansas.)

ORDER GRANTING CERTIFICATE OF CONVENIENCE AND AUTHORITY

The above captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and record, and being duly advised in the premises, the Commission finds and concludes as follows:

I. BACKGROUND

1. On May 16, 2017, Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy (Black Hills) filed an Application requesting a Certificate of Convenience and Authority (Certificate) to transact the business of a natural gas public utility in certain portions of Haskell County and Seward County, Kansas. Black Hills is a natural gas public utility as defined in K.S.A. 2016 Supp. 66-104 and K.S.A. 66-1,200. Pursuant to K.S.A. 66-1,201, the Commission is given full power, authority and jurisdiction to supervise and control natural gas public utilities. A public hearing was neither requested nor held on Black Hills' Application.

2. Black Hills requests that it be certificated as a natural gas public utility for the purpose of providing natural gas service in the following described territory to wit:

All of Sections 3, 18, 19, 20, 21, 29, 30, 33, 34 and 36
Township 30 South, Range 32 West
All of Sections 23 and 24

Township 30 South, Range 33 West
All in Haskell County, Kansas

All of Sections 2 and 3
Township 31 South, Range 32 West
All in Seward County, Kansas

3. On June 13, 2017, the Commission Staff (Staff) submitted its Report and Recommendation dated June 6, 2017, recommending the Commission grant Black Hills' Application and issue the company a Certificate to transact the business of a natural gas public utility in the territory described in paragraph 2 above.

II. LEGAL STANDARDS AND DISCUSSION

4. K.S.A. 2016 Supp. 66-131(a) provides in part that:

No...common carrier or 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...

5. Staff confirms that the potential customers within the requested territory are currently using propane and diesel energy sources and that there are no other natural gas suppliers certificated in this area. Staff further confirms that the legal description included in the Application is accurately depicted on the map attached as Exhibit A to the Application and is not in conflict with the Commission's Certificate records. Concluding, Staff determines that the public convenience and necessity will be promoted by granting Black Hills' Application and issuing the company a Certificate of Convenience and Authority to transact the business of a natural gas public utility in the territory described in paragraph 2 above.¹

¹ Report and Recommendation, pages 1 and 2.

III. FINDING AND CONCLUSION

6. The Commission adopts Staff's analysis and recommendation of June 6, 2017, as stated in its Report and Recommendation, which is attached hereto and made a part hereof by reference, and finds that Black Hills' Application should be granted, and that the public convenience and necessity will be promoted by issuing Black Hills the requested Certificate.

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

A. That the Application filed by Black Hills/Kansas Gas Utility Company, LLC on May 16, 2017, is hereby granted and Black Hills is hereby issued a Certificate of Convenience and Authority to transact the business of a natural gas public utility in the territory described in paragraph 2 above.

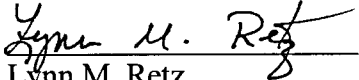
B. The parties have fifteen (15) days, plus three (3) days if service of this Order is by mail, from the date this Order was served, in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 2015 Supp. 77-529(a)(1).

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 AND CERTIFICATED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: JUN 22 2017


Lynn M. Retz
Secretary to the Commission

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EMAILED

JUN 22 2017

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Chairman Pat Apple
Commissioner Shari Feist Albrecht
Commissioner Jay Scott Emler

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

DATE: June 6, 2017

SUBJECT: 17-BHCG-502-COC
In the Matter of the Application of Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy, for a certificate of Public Convenience and Authority to Transact the Business of a Natural Gas Public Utility in Certain Portions of Haskell County and Seward County, Kansas.

EXECUTIVE SUMMARY

In response to requests from potential new irrigation customers, Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy (Black Hills) has filed this Application requesting 14 sections of natural gas territory in Haskell and Seward Counties.

Staff recommends that the Commission grant this Application and find that public convenience will be promoted by this transaction.

BACKGROUND

On May 16, 2017, Black Hills filed the above captioned Application requesting a natural gas certificate for 14 sections of natural gas territory located in Seward County. Black Hills has been approached by potential irrigation customers for natural gas service in this area. These customers are currently using propane and diesel energy sources. From Staff's review, there are currently no other natural gas suppliers certificated in this area.

The Commission has authority to grant a certificate of convenience and necessity to any public utility seeking to transact business in the State of Kansas.¹

¹ K.S.A. 2016 Supp. 66-131.

The statutory standard of review in this matter is whether the public convenience will be promoted by the transaction of the proposed project and by permitting the Applicant to transact the business of a common carrier or public utility.²

ANALYSIS

Staff has reviewed Black Hill's Application and has confirmed the legal description included in the Application is accurately depicted on the map attached to the Application. Staff also confirmed the legal description is not in conflict with the Commission's Certificate records. The legal description is included as Attachment 1 to this Report and Recommendation.

In addition from Staff's review, we determined that Kansas Gas Service Company (KGS) and Midwest Energy (Midwest) should be noticed of this Application. Black Hills has provided notice to KGS and Midwest, and Staff has received no objection or comment relative to the notice.

The Commission action date is November 12, 2017.

RECOMMENDATION

Staff recommends that the Commission grant this Application and find that public convenience will be promoted by this transaction.

² K.S.A. 2016 Supp. 66-131.

ATTACHMENT 1

Legal Description of Requested Natural Gas Territory
by Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy
Docket No. 17-BHCG-502-COC

HASKELL AND SEWARD COUNTIES, KANSAS

All of Sections 3, 18, 19, 20, 21, 29, 30, 33, 34 and 36
Township 30 South, Range 32 West
All of Sections 23 and 24
Township 30 South, Range 33 West
All in Haskell County, Kansas

All of Sections 2 and 3
Township 31 South, Range 32 West
All in Seward County, Kansas

CERTIFICATE OF SERVICE

17-BHCG-502-COC

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of

Electronic Service on JUN 22 2017.

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 S HICKORY
PO BOX 17
OTTAWA, KS 66067
Fax: 785-242-1279
jflaherty@andersonbyrd.com

STEPHAN SKEPNEK, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
Fax: 785-271-3354
s.skepnek@kcc.ks.gov

JUDY JENKINS, MANAGING ATTORNEY
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
7421 W 129TH ST
OVERLAND PARK, KS 66213-2713
Fax: 913-319-8622
judy.jenkins@onegas.com

PATRICK PARKE, VP CUSTOMER SERVICE
MIDWEST ENERGY, INC.
1330 CANTERBURY ROAD
PO BOX 898
HAYS, KS 67601-0898
Fax: 785-625-1494
patparke@mwenergy.com

/S/ DeeAnn Shupe

DeeAnn Shupe

EMAILED

JUN 22 2017