

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

In the Matter of the Complaint Against)
Kansas Gas Service, a Division of ONE Gas, Inc.)
Respondent,)
)
For an Order for Adjustment and Refund of)
Unfair, Unreasonable and Unjust rates based on)
false and erroneous charges and tariffs)
assessed on General Sales Service by Kansas Gas)
Service of natural gas improperly premised on)
recovery of extraordinary costs purportedly incurred)
related to a Winter Storm Uri in February 2021.)
)
By Pinebrooke Condominium Subdivision)
Association, Inc. and its member residents.)
Complainants)

Docket No. 24-KGSG-252-COM

COMPLAINT

Respondent, Complaints and Jurisdiction

1. Respondent Kansas Gas Service is a Division of ONE Gas Inc. (hereafter “KGS) an Oklahoma Corporation authorized to do business in Kansas and operating as a natural gas public utility as defined by K.S.A. §§ 66-104 and 66-1,200.
2. Complainant is the Pinebrooke Condominium Subdivision Association, Inc. a Kansas non-profit corporation. (Hereafter “Pinebrooke”). The constituent members of Pinebrooke are residents of the Pinebrooke Condominiums in Overland Park, Kansas.

3. The Kansas Corporation Commission (“the Commission”) is authorized by law to exercise jurisdiction to do those things necessary and convenient for the exercise of its authority to supervise and control natural gas utilities pursuant to K.S.A. § 66-1,201.
4. In February 2021, a significant portion of Unites States experienced sub-zero temperatures and increased demand for electricity and natural gas caused by an event commonly termed the “Winter Storm Uri”, causing wholesale natural gas prices to increase 10 to 100 times higher than normal.
5. Pinebrooke was a gas customer of Symmetry Energy Solutions, L.L.C (“Symmetry”) in February 2021 and thereafter received an invoice from Symmetry for February 2021 usage of natural gas in the amount of \$280,600.78 which Symmetry attributed to the Winter Storm Uri. By agreement dated June 18, 2021, Pinebrooke resolved its obligations for Symmetry’s February invoice by payment of \$215,500.85.
6. Subsequent to February 2021, Pinebrooke converted from a transportation customer to a retail customer of KGS. Thereafter, KGS began charging Pinebrooke rates premised on extraordinary costs incurred during the Winter Storm Uri. Pinebrooke was not a retail customer of KGS during the Winter Storm Uri. Thus, KGS incurred no costs, extraordinary or otherwise, related to gas sales to Pinebrooke in February 2021.
7. This Complaint seeks an order from the Commission holding that rates and charges invoiced by KGS to Pinebrooke, purported to be submitted pursuant to rates justified by extraordinary costs incurred during the Winter Storm Uri in February 2021 are

duplicative, unjust, unreasonably discriminatory, and unduly preferential, thus unlawful and void pursuant to K.S.A. § 66-1,203.

SPECIFIC FACTUAL ALLEGATIONS

Pinebrooke's payment of extraordinary charges for the Winter Storm Uri.

8. Prior to and during February 2021, Pinebrooke and its residents purchased natural gas pursuant to a Natural Gas Sales Contract with Symmetry Energy Solutions, LLC.
9. The monthly Symmetry invoices for Pinebrooke for the year preceding the Winter Storm URI averaged \$4,589. The invoice submitted to Pinebrooke by Symmetry for gas usage during February 2021 was \$280,600.78 for a volume of 4,035.000 mmbtu's.
10. Symmetry attributed the dramatic increase in the February 2021 invoice "to the lack of physical natural gas supply and restrictions on natural gas transportation, natural gas prices incurred for your supply were considerably higher than normal during this period. Those higher natural gas costs will be reflected on your February invoice."
11. Following negotiations , Pinebrooke and Symmetry entered a "Discount Plan Settlement Agreement" dated June 18, 2021 whereby Pinebrooke received a one-time credit of \$65,099.93 leaving a remaining balance of \$215,500.85 which was paid by Pinebrooke as "full payment of the Symmetry February 2021 invoice."

Pinebrooke's Gas General Sales Service Agreement with KGS

12. In September 2021, Pinebrooke, which previously had been a transportation customer of KGS, approached KGS about becoming a General Sales Customer of KGS. During

discussions with KGS, Pinebrooke advised KGS that it had paid Symmetry for the charges incurred for gas purchased by Pinebrooke during the February 2021 Winter Storm Uri. KGS informed Pinebrooke it would waive any charges KGS would otherwise include on customer bills for the Winter Storm Uri since Pinebrooke had previously paid Symmetry.

13. Relying on KGS's promise to waive charges for the Winter Storm URI, Pinebrooke became a General Sales Service customer of KGS on November 1, 2021. Contrary to its representations made to induce Pinebrooke to become a General Sales Service customer, KGS, beginning invoicing Pinebrooke in December 2022, for Winter Storm Securitization Charge and continues to do so.

Winter Storm Securitization Charge

14. On April 22, 2021, the Kansas Legislature passed the Utility Financing and Securitization Act. (K.S.A. 2021 Supp. 66-1,240 through 66-1,253). The Securitization Act passed by the 2021 Legislature, provided KCC jurisdictional utilities with a financing option to pay for energy transition costs and qualified extraordinary costs. "Kansas Gas Service chose to recover [its] extraordinary **winter weather costs** using securitization." (Emphasis Added) *Kansas Corporation Commission 2023/Utilities Common Carriers Report*.

15. Pursuant to the Securitization Act, KGS submitted a Plan for Recovery of Extraordinary Costs to the Commission in Docket 21-332 on July 30, 2021. (hereafter "Plan"). The Plan submitted by KGS specifically defined the costs which it sought to

recover as extraordinary costs experienced by the Company “as a result of the Winter Event”. *Plan*, ¶64.

16. KGS further represented to the Commission that the Plan would require retail sales customers to pay for costs included in a settlement with the Commission “that were incurred by KGS “In order to maintain service to those sales customers during the Winter Event.” ¶118, *KGS Post Hearing Brief*, Docket 21-KGSG-332GIG, January 5, 2022.
17. Following the Admission of Testimony and Exhibits, KGS and the Commission Staff entered a Settlement Agreement, approved by the Commission which, *inter alia*, approved a Winter Event Securitized Cost Recovery Rider Tariff allocation methodology used by Kansas Gas Service [which]”fairly and reasonably estimates *how the Winter Event costs were incurred* by the Company to provide gas service to each customer class.” (emphasis added). ¶ 17, *Settlement Agreement*, Docket No. 22-KGSG466-TAR, Exhibit A to *Order Approving Settlement Agreement*, July 14, 2022.
18. Pinebrooke was not a member of any customer class of KGS which purchased natural gas during February 2021 or incurred costs attributable to purchases from KGS during the Winter Event.
19. On August 18, 2022, the Commission entered an “*Order Approving Unanimous Settlement*” in Docket No. 22-KGSG-466-TAR. The Order specified that the Financing Order approved in the Settlement Agreement sought “permission to issue Securitized Bonds to finance the Qualified Extraordinary Costs **incurred due to the Winter Storm Uri**. (emphasis added).” *Order* at ¶4.

20. The *Order* approving the Settlement in Docket 22-466-TAR was premised, *inter alia* on creating benefits to customers which would “reduce the rate impact of Winter Storm Uri to its customers.”
21. Pursuant to the *Order*, the KCC adopted and authorized a “WESCR Winter Event Securitized Cost Recovery Rider” See 22-KGSG-466-TAR (“WESCR Tariff”).
22. Pinebrooke was not a gas service customer of KGS during the Winter Storm Uri nor did it incur any impact of rates based on the Winter Storm Uri as a customer of KGS.
23. Pinebrooke estimates that the WESCR Tariff will result in fees of more than \$ 173,844 over a ten year period.
24. Pinebrooke has paid all Extraordinary Costs associated with the Winter Storm Uri to Symmetry in the amount of \$212,800.85.
25. The massive duplication of charges for any costs incurred by KGS to Pinebrooke premised on the Winter Storm Uri is unconscionable. It would require Pinebrooke and its members, largely retired condominium owners, to pay twice for costs incurred in the Winter Storm URI and create a windfall for other KGS sales customers unrelated to any costs incurred due to the Winter Storm Uri.
26. KGS asserts that the assessment of the WESCR Tariff against Pinebrooke for General Sales Service is mandated by the Utility Financing and Securitization Act, and the WESCR Tariff adopted by the KCC. To the extent that the Securitization Act or WESCR Tariff results in or could be held to authorize the duplicitous and discriminatory terms of KGS’s invoices charging the WESCR Tariff, they deprive Pinebrooke of vested rights under its service contract with Symmetry; illegally result

in a retroactive violation of a judicial function; deprives Pinebrooke of due process of law and in all respects constitute unfair, unjust and discriminatory rates.

PRAYER FOR RELIEF

Complainants ask the Commission to enter an order:

- A. Declaring the WESCR Tariff, if construed as justifying a General Sales Service Charge for February 2021 against Pinebrooke, as unfair, unjust and unduly discriminatory in violation of K.S.A. § 66-1,203;
- B. Construing all prior orders relating to the WESCR Tariff and charges made thereunder for General Sales Service to Pinebrooke to be contrary to law and violation of: (1) the separation of powers doctrine inherent in the Kansas Constitution); (2) the due process clause of the Kansas Constitution; and K.S.A. § 66-1,203.

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By Lee Thompson, #08361
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VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

Lee Thompson, of lawful age, being first duly sworn upon his oath states that he is one of the attorneys for the Complainants named herein and states that he prepared the foregoing Complaint and declares that the statements made therein are true and correct to best of his knowledge and belief.



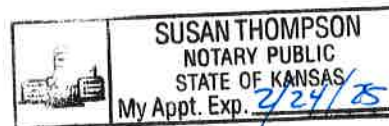
LEE THOMPSON

SUBSCRIBED AND SWORN to before me this 13th day of September 2023.



Notary Public

My Appointment Expires: 2/24/25



CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of September , 2023, an original and seven copies of the above and foregoing Complaint was mailed, postage prepaid in the United States Postal Service for delivery and filing to the Kansas Corporation Commission at:

Kansas Corporation Commission
1500 SW Arrowhead Road Topeka,
KS 66604-4027

And filed electronically with the Kansas Corporation Commission by the E Filing Express, and copies served by email to:

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