

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

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

In the Matter of the Application of Kansas Gas    )  
Service, a Division of ONE Gas, Inc. for        )  
Approval by the Commission for a Gas System    ) Docket No. 15-KGSG-088-TAR  
Reliability Surcharge per K.S.A. 66-2201        )  
through 66-2204.                                        )

**ORDER ADOPTING STAFF'S  
REPORT AND RECOMMENDATION**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) on the Application of Kansas Gas Service, a Division of ONE Gas, Inc. (KGS) for approval of its Gas System Reliability Surcharge (GSRS). After review of the pleadings, the Commission makes the following findings and conclusions.

1.      August 25, 2014, KGS filed its Application requesting an increase in the GSRS to recover costs for eligible infrastructure system replacements, which would result in a rate base increase of \$34,046,168. KGS proposed a \$3,544,716 revenue increase.

2.      On September 16, 2014, the Commission granted intervention to the Citizens' Utility Ratepayer Board (CURB).

3.      On October 24, 2014, after examining KGS' Application,<sup>1</sup> Staff filed its Report and Recommendation, which recommended \$34,031,012 in capital costs be included in the surcharge, resulting in a recovery of \$3,529,283. If Staff's recommendations are adopted, KGS'

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<sup>1</sup> Pursuant to K.S.A. 66-2204(b)(2).

residential customers would experience a \$0.36 increase in their monthly bills and \$4.32 increase in their annual bills. KGS does not contest Staff's adjustments.<sup>2</sup>

4. K.S.A. 66-2204(e)(1) provides a monthly charge resulting from a GSRS may not increase a residential customer's bill more than \$0.40. The agreed upon GSRS results in a monthly increase of \$0.36.

5. In accordance with K.S.A. 66-2204(b)(4), the Commission finds there is sufficient evidence to approve the proposed GSRS subject to Staff's recommendation as described in paragraph 3, above. The Commission finds the agreed upon GSRS is just and reasonable.

**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

(A) The Commission approves KGS' tariff application as adjusted by Staff's recommendation to include \$34,031,012 of the proposed capital costs in the surcharge and the rates set forth in Exhibit 1 to Staff's Report and Recommendation.

(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. 2013 Supp. 77-529(a)(1).

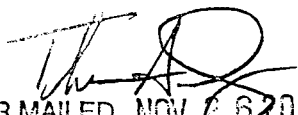
(C) The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders as it may deem necessary and proper.

**BY THE COMMISSION IT IS SO ORDERED.**

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

Dated: NOV 25 2014

SRF:vj

  
ORDER MAILED NOV 26 2014  
Thomas A. Day  
Acting Executive Director

<sup>2</sup> KGS' Response to Staff's Memorandum, ¶ 4 (Oct. 29, 2014).

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
NIKI CHRISTOPHER, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 ***Hand Delivered***		
DELLA SMITH CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 ***Hand Delivered***		
SHONDA SMITH CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 ***Hand Delivered***		
DAVID SPRINGE, CONSUMER COUNSEL CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 ***Hand Delivered***		
SAMUEL FEATHER, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604-4027 ***Hand Delivered***		
JOHN P. DECOURSEY, DIRECTOR, LAW KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC. 7421 W 129TH ST OVERLAND PARK, KS 66213-2634		
DAVID N. DITTEMORE, MANAGER OF RATES & ANALYSIS KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC. 7421 W 129TH ST OVERLAND PARK, KS 66213-2634		
WALKER HENDRIX, DIR, REG LAW KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC. 7421 W 129TH ST OVERLAND PARK, KS 66213-2634		

ORDER MAILED **NOV 26 2014**

The Docket Room hereby certified that on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.