

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

In The Matter of Kansas Gas Service, a )  
Division of ONE Gas, Inc.'s Compliance )  
Filing for the Execution of An Adjustment )  
Mechanism, the True-Up of Securitized ) Docket No. 23-KGSG-842-CPL  
Utility Tariff Charges, and Certain Other )  
Filings Required in Connection With )  
Securitized Utility Tariff Bonds. )

**COMPLIANCE FILING**

Kansas Gas Service, a Division of ONE Gas, Inc. (“Kansas Gas Service” or “Company”), pursuant to Kansas’ Utility Financing and Securitization Act, K.S.A. 66-1,240 *et seq.* (“Act”), as well as the Order Approving Unanimous Settlement Agreement and separate Financing Order issued by the State Corporation Commission of the State of Kansas (“Commission”) in Docket No. 22-KGSG-466-TAR, and following Commission Staff’s review of the Company’s May 25, 2023 Compliance Filing, respectfully submits an updated True-Up letter, as well as updated red-lined and clean Winter Event Securitized Cost Recovery Rider tariffs.

WHEREFORE, Kansas Gas Service respectfully requests the Commission accept this Compliance Filing, and provide any other relief the Commission deems just and reasonable.

Respectfully submitted,

/s/ Robert Elliott Vincent  
Robert Elliott Vincent, KS Bar #26028  
Kansas Gas Service,  
A Division of ONE Gas, Inc.  
7421 West 129th Street  
Overland Park, Kansas 66213-2634  
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Attorney for Kansas Gas Service,  
a Division of ONE Gas, Inc.



**Kansas  
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A Division of ONE Gas

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## **TRUE-UP LETTER**

Date: June 28, 2023

Ms. Lynn M. Retz  
Executive Director  
Kansas Corporation Commission  
1500 S.W. Arrowhead Road  
Topeka, KS 66604

Re: In The Matter of The Application of Kansas Gas Service, a Division of ONE Gas, Inc. For the Recovery of Qualified Extraordinary Costs and Issuance of a Financing Order, Docket No. 22-KGSG-466-TAR

Dear Ms. Retz:

Pursuant to the Financing Order adopted on the 18th day of August 2022 in *In the Matter of The Application of Kansas Gas Service, a Division of ONE Gas, Inc. For the Recovery of Qualified Extraordinary Costs and Issuance of a Financing Order*, Docket No. 22-KGSG-466-TAR (Financing Application) (the “Financing Order”), Kansas Gas Service (the “Utility”), as Servicer of the Securitized Utility Tariff Bonds, or any successor Servicer on behalf of bond trustee as assignee of the Utility shall apply semi-annually for a mandatory periodic adjustment to the Securitized Utility Tariff Charges. Any capitalized terms not defined herein shall have the meanings ascribed thereto in the Financing Order or the Utility Financing and Securitization Act, K.S.A. §§66-1,240 - 66-1,253 (the “Act”).

Each semi-annual true-up adjustment shall be filed with the Commission not less than 30 days prior to the first billing cycle of the month in which the revised Securitized Utility Tariff Charges, calculated under the Winter Event Securitized Cost Recovery Rider (“WESCR”), will be in effect. The Commission staff will have 30 days after the date of the true-up adjustment filing in which to confirm the mathematical accuracy of the servicer’s adjustment. However, any mathematical or clerical correction not made prior to the effective date of the Securitized Utility Tariff Charges (WESCR Charges) will be made in future true-up adjustment filings and will not delay the effectiveness of the Securitized Utility Tariff Charges (WESCR Charges).

Using the formula approved by the Commission in the Financing Order, this filing modifies the variables used in the WESCR calculation and provides the resulting modified Securitized Utility Tariff Charges (or WESCR Charges). Exhibits 1, 2 and 3 show the resulting values of the Securitized Utility Tariff Charges for each Securitized Utility Tariff Charges Customer Class, as calculated in accordance with the Financing Order. The assumptions underlying the current Securitized Utility Tariff Charges were filed by the Utility in an Issuance Advice Letter dated November 10, 2022.



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Respectfully submitted,

KANSAS GAS SERVICE, a Division of ONE  
Gas, Inc.

By: Mark W. Smith

Name: Mark W. Smith

Title: Vice President and Treasurer

Exhibits

cc: Justin Grady, Designated Representative  
Adam Gatewood, Alternative Designated  
Representative

**EXHIBIT 1**

**CALCULATION OF SECURITIZED UTILITY TARIFF CHARGES**

|  | <b>Itemized Annual<br/>Ongoing Financing<br/>Costs</b> |
|--|--|
| Servicing Fees   | \$168,000  |
| Administration Fees                                    | \$100,000  |
| Return on invested capital                             | \$144,500  |
| Accounting Fees  | \$55,000   |
| Legal Fees   | \$32,736   |
| Rating Agency Surveillance                             | \$60,000   |
| Trustee Fees   | \$12,000   |
| Independent Director Fees                              | \$3,500  |
| <b>Total Ongoing Financing Costs</b>                   | <b>\$575,736</b>                                       |
| <b>Ongoing Financing Costs as % of Issuance Amount</b> | <b>0.17%</b>   |

KGS will recover the Qualified Extraordinary Costs through a fixed monthly Securitized Utility Tariff Charge per customer. The table below provides the monthly fixed charge for each customer class. The fixed monthly charge is calculated assuming securitization of the Qualified Extraordinary Costs over the life of the Bonds using the carrying charges through February 2023 (approximately \$336 million) and the customer count from the 2020 KGS Annual Report.

| <b>Securitized Utility Tariff Charge</b> |  |                         | <b>10 Year Recovery</b>                 |                                     |
|--|--|-------------------------|---|-------------------------------------|
| <b>Class</b>                             | <b>2020 Annual<br/>Report<br/>Customer Count</b> | <b>Allocation<br/>%</b> | <b>Annual \$<br/>Allocated to Class</b> | <b>Monthly<br/>Fixed<br/>Charge</b> |
| Residential                              | 589,076  | 78.953%                 | \$18,403,306.85                         | \$5.20                              |
| General Service- Small                   | 36,902   | 8.794%                  | \$2,049,810.40                          | \$9.15                              |
| General Service- Large                   | 11,527   | 10.486%                 | \$2,444,201.94                          | \$34.92                             |
| General Service- Transport Eligible      | 502  | 1.723%                  | \$401,617.39                            | \$133.67                            |
| Small Generator Service                  | 690  | 0.033%                  | \$7,692.03                              | \$1.76                              |
| Irrigation Sales                         | 197  | 0.011%                  | \$2,564.01                              | \$2.43                              |
| Kansas Gas Supply                        | -  | 0.000%                  | \$0.00                                  | \$0.00                              |

**EXHIBIT 2**  
**WESCR CALCULATIONS**

| Kansas Gas Service<br>Winter Event Securitized Charge Rider (WESCR) True-up Mechanism<br>for the Period <u>12/01/2022</u> through <u>01/31/2024</u> |  |                        |  |                                      |
|---|--|------------------------|--|--------------------------------------|
| Line #  | Description  | Calculation of True-up | Projected Revenue Requirement to be Billed and Collected | Revenue Requirement for WESCR Charge |
|   |  | (a)                    | (b)  | (c) =(a)+(b)                         |
| 1   | <b>True-up for Prior Remittance Period Beginning <u>N/A</u> and Ending <u>N/A</u>:</b> |                        |  |                                      |
| 2   | <i>Prior Remittance Period Revenue Requirement</i>                                     |                        |  |                                      |
| 3   | Principal  | \$ -                   |  |                                      |
| 4   | Interest   | \$ -                   |  |                                      |
| 5   | Servicing Costs  | \$ -                   |  |                                      |
| 6   | Other Ongoing Costs  | \$ -                   |  |                                      |
| 7   | <b>Total Prior Remittance Period Revenue Requirement (Line 3+4+5+6)</b>                | <u>\$ -</u>            |  |                                      |
| 8   | <i>Prior Remittance Period Actual Cash Receipt Transfers and Interest Income</i>       |                        |  |                                      |
| 9   | Cash Receipts Transferred to the SPE   | \$ -                   |  |                                      |
| 10  | Interest Income on Subaccounts at the SPE  | \$ -                   |  |                                      |
| 11  | <b>Total Cash Receipt Transfers and Interest Income (Line 9+10)</b>                    | <u>\$ -</u>            |  |                                      |
| 12  | <b>(Over)/Under Collections of Prior Remittance Period Requirements (Line 7+11)</b>    | <u>\$ -</u>            |  |                                      |
| 13  | Cash in Excess Funds Subaccount at SPE   | \$ -                   |  |                                      |
| 14  | <b>Cumulative (Over)/Under Collections for Prior Remittance Period (Line 12+13)</b>    | <u>\$ -</u>            |  | \$ -                                 |
| 15  |  |                        |  |                                      |

| Kansas Gas Service<br>Winter Event Securitized Charge Rider (WESCR) True-up Mechanism<br>for the Period <u>12/01/2022</u> through <u>01/31/2024</u> |  |                           |  |                                      |
|---|--|---------------------------|--|--------------------------------------|
| Line #  | Description  | Calculation of True-up    | Projected Revenue Requirement to be Billed and Collected | Revenue Requirement for WESCR Charge |
|   |  | (a)                       | (b)  | (c) =(a)+(b)                         |
| 17  | <b>Current Remittance Period Beginning <u>12/01/2022</u> and Ending <u>07/31/2023</u>:</b> |                           |  |                                      |
| 18  | <i>Current Remittance Period Revenue Requirement</i>                                       |                           |  |                                      |
| 19  | Principal  | \$ 20,716,283.43          |  |                                      |
| 20  | Interest   | \$ 12,954,274.67          |  |                                      |
| 21  | Servicing Costs  | \$ 117,369.86             |  |                                      |
| 22  | Other Ongoing Costs  | \$ 301,432.00             |  |                                      |
| 23  | <b>Total Current Remittance Period Revenue Requirement (Line 19+20+21+22)</b>              | <u>\$ 34,089,359.96</u>   |  |                                      |
| 24  |  |                           |  |                                      |
| 25  | <i>Current Remittance Period Cash Receipt Transfers and Interest Income</i>                |                           |  |                                      |
| 26  | Cash Receipts Transferred to the SPE   | \$ (17,625,003.76)        | \$ (13,278,000.00)                                       |                                      |
| 26a   | Excess Amount from Issuance (from Issuance Advice Letter)                                  | \$ (2,700,000.00)         | \$ -   |                                      |
| 27  | Interest Income on Subaccounts at the SPE  | \$ (112,702.71)           | \$ (273,083.56)  |                                      |
| 28  | <b>Total Cash Receipt Transfers and Interest Income (Line 26+27)</b>                       | <u>\$ (20,437,706.47)</u> | <u>\$ (13,551,083.56)</u>                                |                                      |
| 29  | <b>Estimated Current Remittance Period (Over)/Under Collection (Line 23+28)</b>            | <u>\$ 13,651,653.49</u>   | <u>\$ (13,551,083.56)</u>                                | \$ 100,569.93                        |





# Kansas Gas Service®

A Division of ONE Gas

15 E 5<sup>th</sup> Street

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**Kansas Gas Service**  
**Winter Event Securitized Charge Rider (WESCR) True-up Mechanism**  
**for the Period 12/01/2022 through 01/31/2024**

| Line #  | Description  | Calculation of True-up | Projected Revenue                      | Revenue                      |
|---|--|------------------------|--|------------------------------|
|   |  |                        | Requirement to be Billed and Collected | Requirement for WESCR Charge |
|   |  | (a)                    | (b)                                    | (c) =(a)+(b)                 |
| <b>32 Projected Remittance Period Beginning <u>08/01/2023</u> and Ending <u>01/31/2024</u>:</b> |  |                        |  |                              |
| <b>33 Projected Remittance Period Revenue Requirement</b>                                       |  |                        |  |                              |
| 34  | Principal  |                        | \$ 13,780,449.53                       |                              |
| 35  | Interest   |                        | \$ 8,648,232.35                        |                              |
| 36  | Servicing Costs  |                        | \$ 84,000.00                           |                              |
| 37  | Other Ongoing Costs  |                        | \$ 176,368.00                          |                              |
| 37a   | Estimated Bad Debt (Undercollections)                                    |                        | \$ 519,572.80                          |                              |
| 38  | Total Projected Remittance Period Revenue Requirement (Line 34+35+36+37) |                        | \$ 23,208,622.68                       | \$ 23,208,622.68             |
| 39  |  |                        |  |                              |
| 40  | Total WESCR Adjustment Mechanism Revenue Requirements (Line 14+29+38)    |                        |  | \$ 23,309,192.61             |

**Kansas Gas Service**  
**Winter Event Securitized Charge Rider (WESCR) True-up Mechanism**  
**for the Period 12/01/2022 through 01/31/2024**

| Customer Class | Forecasted 6-Month Customer Count    | Allocation Factor | Projected Revenue                       | WESCR Charge     |           |
|----------------|--------------------------------------|-------------------|---|------------------|-----------|
|                |                                      |                   | Requirement Allocated to Customer Class |                  |           |
| 44             |                                      |                   |   |                  |           |
| 45             | Residential                          | 3,540,068         | 78.953%                                 | \$ 18,403,306.85 | \$ 5.20   |
| 46             | General Service - Small              | 224,130           | 8.794%                                  | \$ 2,049,810.40  | \$ 9.15   |
| 47             | General Service - Large              | 69,989            | 10.486%                                 | \$ 2,444,201.94  | \$ 34.92  |
| 48             | General Service - Transport Eligible | 3,004             | 1.723%                                  | \$ 401,617.39    | \$ 133.67 |
| 49             | Small Generator Service              | 4,363             | 0.033%                                  | \$ 7,692.03      | \$ 1.76   |
| 50             | Irrigation Sales                     | 1,054             | 0.011%                                  | \$ 2,564.01      | \$ 2.43   |
| 51             | Kansas Gas Supply                    | -                 | 0.000%                                  | \$ -             | \$ -      |
|                |                                      |                   |   | \$ 23,309,192.62 |           |

**EXHIBIT 3**  
**WESCR FOR PAYMENT PERIOD**

| Customer Class                      | Charge   |
|-------------------------------------|----------|
| Residential                         | \$5.20   |
| General Service- Small              | \$9.15   |
| General Service- Large              | \$34.92  |
| General Service- Transport Eligible | \$133.67 |
| Small Generator Service             | \$1.76   |
| Irrigation Sales                    | \$2.43   |
| Kansas Gas Supply                   | \$0.00   |

Kansas Gas Service, a Division of ONE Gas, Inc.  
All Rate Areas

SCHEDULE WESCR  
~~Initial~~

~~Sheet~~ Replacing Sheet 1 of 4 in part

No supplement or separate understanding shall modify the tariff as shown herein.

Sheet 1 of 4

**Winter Event Securitized Cost Recovery Rider**

**Applicability**

This rider is applicable to all service provided under sales rate schedules RS, GSS, GSL, GSTE, SGS, KGSSD and GIS beginning with the first billing cycle following the issuance of securitized bonds pursuant to a Financing Order issued in Docket No. 22-KGSG-466-TAR. Service is subject to the Definitions and Conditions section below.

**Net Monthly Charge**

Current Charge

|       |  |    |                         |
|-------|--|----|-------------------------|
| RS    | Residential Sales Service                | \$ | <del>5-645.20</del>     |
| GSS   | General Sales Service Small              | \$ | <del>10-039.15</del>    |
| GSL   | General Sales Service Large              | \$ | <del>38-0434.92</del>   |
| GSTE  | General Sales Service Transport Eligible | \$ | <del>143-06133.67</del> |
| SGS   | Small Generator Sales Service            | \$ | <del>1-901.76</del>     |
| KGSSD | Kansas Gas Supply D                      | \$ | 0.00                    |
| GIS   | Gas Irrigation Sales Service             | \$ | <del>2-662.43</del>     |

1. The Winter Event Securitized Cost Recovery Rider (WESCR) shall be applied as a fixed monthly charge calculated as described below for recovery of extraordinary costs incurred related to Winter Storm Uri (Winter Event).
2. All WESCR fixed monthly charges shall be calculated to the nearest \$0.01 per customer. All charges set forth in the rate schedule under which the customer takes service shall also apply.
3. Initial Charge: The initial WESCR shall be determined as follows:
  - a. The initial 12 months of principal, interest and servicing costs (adjusted for forecasted write-offs and late payments) for the Securitized Utility Tariff Bonds shall be allocated to the sales rate schedules as follows:

|  |  |
|--|--|
| Issued: <u>November 21, 2022</u> <u>June 28, 2023</u>                                | 22-KGSG-466-TAR<br>Approved<br>Kansas Corporation Commission<br>August 13, 2022<br>/s/ Lynn Retz |
| Effective: <u>December 1, 2022</u> <u>July 1, 2023</u>                               |  |
| By: <u>/s/ Janet L. Buchanan</u><br>Janet L. Buchanan, Director – Regulatory Affairs |  |



Kansas Gas Service, a Division of ONE Gas, Inc.  
All Rate Areas

SCHEDULE WESCR  
~~Initial~~

~~Sheet~~ Replacing Sheet 1 of 4 in part

No supplement or separate understanding shall modify the tariff as shown herein.

Sheet 2 of 4

**Winter Event Securitized Cost Recovery Rider**

| Rate Schedule                        | Estimate of February 2021 Usage (Mcf) | Allocation %   |
|--------------------------------------|---------------------------------------|----------------|
| Residential                          | 7,812,228                             | 78.953%        |
| General Service - Small              | 870,171                               | 8.794%         |
| General Service - Large              | 1,037,545                             | 10.486%        |
| General Service - Transport Eligible | 170,496                               | 1.723%         |
| Small Generator Service              | 3,224                                 | 0.033%         |
| Irrigation Sales                     | 1,122                                 | 0.011%         |
| Kansas Gas Supply                    | 0                                     | 0.000%         |
| <b>Total</b>                         | <b>9,894,787</b>                      | <b>100.00%</b> |

- b. The allocated principal, interest, servicing costs shall then be divided by the forecasted annual customer count for each rate schedule to calculate a monthly charge per customer.
4. WESCR Adjustment Mechanism: No less often than every six months, the Company shall adjust the WESCR charge for the over- or under-collections and to ensure the timely and complete payment of Securitized Utility Tariff Bonds and other financing costs. The WESCR shall be calculated for each rate class in the following manner:

$$\text{WESCR} = \frac{\text{WESCR Adjustment Mechanism Revenue Requirement} * \text{Allocation \% by Class}}{\text{Forecasted Customer Count by Class}}$$

Where:

$$\begin{aligned} \text{WESCR Adjustment Mechanism Revenue Requirement} = & \\ & \text{Cumulative (Over)/Under Collections for Prior Remittance Period} \\ & + \text{Estimated Current Remittance Period (Over)/Under Collections} \\ & + \text{Projected Remittance Period Revenue Requirement} \end{aligned}$$

Where:

|  |  |
|--|--|
| Issued: <u>November 21, 2022</u> <u>June 28, 2023</u>                                | 22-KGSG-466-TAR<br>Approved<br>Kansas Corporation Commission<br>August 13, 2022<br>/s/ Lynn Retz |
| Effective: <u>December 1, 2022</u> <u>July 1, 2023</u>                               |  |
| By: <u>/s/ Janet L. Buchanan</u><br>Janet L. Buchanan, Director – Regulatory Affairs |  |

~~Sheet~~ Replacing Sheet 1 of 4 in part

No supplement or separate understanding shall modify the tariff as shown herein.

Sheet 3 of 4

**Winter Event Securitized Cost Recovery Rider**

**Cumulative (Over)/Under Collections for Prior Remittance Period** = Prior Remittance Period Revenue Requirement + Prior Remittance Period Actual Cash Receipt Transfers and Interest Income + Cash in Excess Funds

**Estimated Current Remittance Period (Over)/Under Collections** = Current Remittance Period Revenue Requirement + Current Remittance Period Cash Receipts + Current Remittance Period Interest Income + Forecasted Current Remittance Period Cash Receipts + Forecasted Current Remittance Period Interest Income

**Projected Remittance Period Revenue Requirement** = Forecasted Revenue Requirement for the remittance period

Where:

Revenue Requirement = Securitized Utility Tariff Bond Principal + Interest + Servicing Costs + Other Ongoing Costs + Required Replenishments to the Capital Subaccount

Forecasted Current Remittance Period Cash Receipts =  $\Sigma$ (Current Period WESCR by Class \* Forecasted Customer Count by Class) + Forecasted Write-offs and Late payments

- a. For the Prior Remittance Period, the actual Revenue Requirement and Remittances are used to determine the over- or under- recovery for that period.
  - b. For the Current Remittance Period, the actual Revenue Requirement and Remittances for three months are compared to determine the over- or under-recovery for first three months of the period. For the remaining three months of the period, forecasted information for the Revenue Requirement and Remittances are used to determine the remaining over- or under-recovery. The actual and the forecasted over- or under-recovery are added together.
  - c. For the Projected Remittance Period the forecasted Revenue Requirement is provided.
  - d. The WESCR Adjustment Mechanism Revenue Requirement is allocated to rate schedules according to the allocation factors listed in Section 3(a) of this rate schedule.
5. If the current customer count for any rate schedule identified in Section 3(a) declines by more than 10% from the customer count identified in the 2020 Annual Report, then the allocation in Section 3(a) will be recalculated using the most recent 12-month weather normalized volume.
6. Settlement Fee: A customer served under a sales rate schedule who switches to service under transportation rate schedule during the period in which the WESCR charge is being recovered will be required to pay a Settlement Fee. The Settlement Fee shall be based on the present value of the expected charges the customer would have paid under its sales rate schedule over the remaining period the WESCR charge is being recovered. The discount rate used for this calculation is equal to

|            |  |  |
|------------|--|--|
| Issued:    | <del>November 21, 2022</del> <u>June 28, 2023</u>                                    | 22-KGSG-466-TAR<br>Approved<br>Kansas Corporation Commission<br>August 13, 2022<br>/s/ Lynn Retz |
| Effective: | <del>December 1, 2022</del> <u>July 1, 2023</u>                                      |  |
| By:        | <del>/s/ Janet L. Buchanan</del><br>Janet L. Buchanan, Director – Regulatory Affairs |  |

Kansas Gas Service, a Division of ONE Gas, Inc.  
All Rate Areas

SCHEDULE WESCR  
~~Initial~~

~~Sheet~~ Replacing Sheet 1 of 4 in part

No supplement or separate understanding shall modify the tariff as shown herein.

Sheet 4 of 4

**Winter Event Securitized Cost Recovery Rider**

the weighted average interest rate of the securitized bonds. This is required pursuant to the Commission’s February 8, 2022, Order in Docket No. 21-KGSG-332-GIV. Any Settlement Fees collected will be credited through the Cost of Gas Rider on an annual basis.

**Definitions and Conditions**

1. All provisions set forth in the rate schedule under which a customer takes service apply to the extent they are not superseded by provisions of this rider.
2. The WESCR is designed to recover Qualified Extraordinary Costs as set out in K.S.A. 66-1,240 *et seq.*
3. The WESCR shall be a separate line item on the customer’s bill.
4. The WESCR shall be subject to taxes and franchise fees as set out in the General Terms and Conditions for Gas Service Section 4.05.04.
5. Notwithstanding the requirements of The General Terms and Conditions for Gas Service Section 4.01.02, payments will first be applied to the WESCR.
6. At least 30 days prior to when the proposed updated charges begin billing, the Company shall file a report with the Commission detailing the calculations of the adjustment mechanism for deriving the charges authorized by this rider to be applied during the subsequent Remittance Period. The Commission’s review is limited to determining if any mathematical or clerical errors are present in the application of the adjustment mechanism.
7. The WESCR shall remain in effect until the Securitized Utility Tariff Bonds approved in the Financing Order issued in Docket No. 22-KGSG-466-TAR have been paid in full. After the bonds have been paid in full, any over-recovery will be credited to customers in a form of a credit to their natural gas bills.

|  |  |
|--|--|
| Issued: <u>November 21, 2022</u> <u>June 28, 2023</u>  | <del>22-KGSG-466-TAR</del>                         |
| Effective: <u>December 1, 2022</u> <u>July 1, 2023</u> | Approved   |
| By: <u>/s/Janet L. Buchanan</u>                        | <del>Kansas Corporation Commission</del>           |
| Janet L. Buchanan, Director – Regulatory Affairs       | <del>August 13, 2022</del><br><u>/s/ Lynn Retz</u> |

**Winter Event Securitized Cost Recovery Rider**

**Applicability**

This rider is applicable to all service provided under sales rate schedules RS, GSS, GSL, GSTE, SGS, KGSSD and GIS beginning with the first billing cycle following the issuance of securitized bonds pursuant to a Financing Order issued in Docket No. 22-KGSG-466-TAR. Service is subject to the Definitions and Conditions section below.

**Net Monthly Charge**

Current Charge

|       |  |    |        |
|-------|--|----|--------|
| RS    | Residential Sales Service                | \$ | 5.20   |
| GSS   | General Sales Service Small              | \$ | 9.15   |
| GSL   | General Sales Service Large              | \$ | 34.92  |
| GSTE  | General Sales Service Transport Eligible | \$ | 133.67 |
| SGS   | Small Generator Sales Service            | \$ | 1.76   |
| KGSSD | Kansas Gas Supply D                      | \$ | 0.00   |
| GIS   | Gas Irrigation Sales Service             | \$ | 2.43   |

1. The Winter Event Securitized Cost Recovery Rider (WESCR) shall be applied as a fixed monthly charge calculated as described below for recovery of extraordinary costs incurred related to Winter Storm Uri (Winter Event).
2. All WESCR fixed monthly charges shall be calculated to the nearest \$0.01 per customer. All charges set forth in the rate schedule under which the customer takes service shall also apply.
3. Initial Charge: The initial WESCR shall be determined as follows:
  - a. The initial 12 months of principal, interest and servicing costs (adjusted for forecasted write-offs and late payments) for the Securitized Utility Tariff Bonds shall be allocated to the sales rate schedules as follows:

|            |  |  |
|------------|--|--|
| Issued:    | June 28, 2023                                    |  |
| Effective: | July 1, 2023                                     |  |
| By:        | /S/Janet L. Buchanan                             |  |
|            | Janet L. Buchanan, Director – Regulatory Affairs |  |

**Winter Event Securitized Cost Recovery Rider**

| Rate Schedule                        | Estimate of February<br>2021 Usage<br>(Mcf) | Allocation %   |
|--------------------------------------|---|----------------|
| Residential                          | 7,812,228                                   | 78.953%        |
| General Service - Small              | 870,171                                     | 8.794%         |
| General Service - Large              | 1,037,545                                   | 10.486%        |
| General Service - Transport Eligible | 170,496                                     | 1.723%         |
| Small Generator Service              | 3,224                                       | 0.033%         |
| Irrigation Sales                     | 1,122                                       | 0.011%         |
| Kansas Gas Supply                    | 0   | 0.000%         |
| <b>Total</b>                         | <b>9,894,787</b>                            | <b>100.00%</b> |

- b. The allocated principal, interest, servicing costs shall then be divided by the forecasted annual customer count for each rate schedule to calculate a monthly charge per customer.
4. WESCR Adjustment Mechanism: No less often than every six months, the Company shall adjust the WESCR charge for the over- or under-collections and to ensure the timely and complete payment of Securitized Utility Tariff Bonds and other financing costs. The WESCR shall be calculated for each rate class in the following manner:

$$\text{WESCR} = \frac{\text{WESCR Adjustment Mechanism Revenue Requirement} * \text{Allocation \% by Class}}{\text{Forecasted Customer Count by Class}}$$

Where:

$$\text{WESCR Adjustment Mechanism Revenue Requirement} = \text{Cumulative (Over)/Under Collections for Prior Remittance Period} + \text{Estimated Current Remittance Period (Over)/Under Collections} + \text{Projected Remittance Period Revenue Requirement}$$

Where:

$$\text{Cumulative (Over)/Under Collections for Prior Remittance Period} = \text{Prior Remittance Period Revenue Requirement} + \text{Prior Remittance Period Actual Cash Receipt Transfers and Interest Income} + \text{Cash in Excess Funds}$$

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| Issued:    | June 28, 2023  |  |
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| By:        | /S/Janet L. Buchanan<br>Janet L. Buchanan, Director – Regulatory Affairs |  |

No supplement or separate understanding shall modify the tariff as shown herein.

**Winter Event Securitized Cost Recovery Rider**

**Estimated Current Remittance Period (Over)/Under Collections** = Current Remittance Period Revenue Requirement + Current Remittance Period Cash Receipts + Current Remittance Period Interest Income + Forecasted Current Remittance Period Cash Receipts + Forecasted Current Remittance Period Interest Income

**Projected Remittance Period Revenue Requirement** = Forecasted Revenue Requirement for the remittance period

Where:

Revenue Requirement = Securitized Utility Tariff Bond Principal + Interest + Servicing Costs + Other Ongoing Costs + Required Replenishments to the Capital Subaccount

Forecasted Current Remittance Period Cash Receipts =  $\Sigma$ (Current Period WESCR by Class \* Forecasted Customer Count by Class) + Forecasted Write-offs and Late payments

- a. For the Prior Remittance Period, the actual Revenue Requirement and Remittances are used to determine the over- or under- recovery for that period.
  - b. For the Current Remittance Period, the actual Revenue Requirement and Remittances for three months are compared to determine the over- or under-recovery for first three months of the period. For the remaining three months of the period, forecasted information for the Revenue Requirement and Remittances are used to determine the remaining over- or under-recovery. The actual and the forecasted over- or under-recovery are added together.
  - c. For the Projected Remittance Period the forecasted Revenue Requirement is provided.
  - d. The WESCR Adjustment Mechanism Revenue Requirement is allocated to rate schedules according to the allocation factors listed in Section 3(a) of this rate schedule.
5. If the current customer count for any rate schedule identified in Section 3(a) declines by more than 10% from the customer count identified in the 2020 Annual Report, then the allocation in Section 3(a) will be recalculated using the most recent 12-month weather normalized volume.
6. Settlement Fee: A customer served under a sales rate schedule who switches to service under transportation rate schedule during the period in which the WESCR charge is being recovered will be required to pay a Settlement Fee. The Settlement Fee shall be based on the present value of the expected charges the customer would have paid under its sales rate schedule over the remaining period the WESCR charge is being recovered. The discount rate used for this calculation is equal to the weighted average interest rate of the securitized bonds. This is required pursuant to the Commission’s February 8, 2022, Order in Docket No. 21-KGSG-332-GIV. Any Settlement Fees collected will be credited through the Cost of Gas Rider on an annual basis.

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|            | Janet L. Buchanan, Director – Regulatory Affairs |  |



**Winter Event Securitized Cost Recovery Rider**

**Definitions and Conditions**


1. All provisions set forth in the rate schedule under which a customer takes service apply to the extent they are not superseded by provisions of this rider.
2. The WESCR is designed to recover Qualified Extraordinary Costs as set out in K.S.A. 66-1,240 *et seq.*
3. The WESCR shall be a separate line item on the customer’s bill.
4. The WESCR shall be subject to taxes and franchise fees as set out in the General Terms and Conditions for Gas Service Section 4.05.04.
5. Notwithstanding the requirements of The General Terms and Conditions for Gas Service Section 4.01.02, payments will first be applied to the WESCR.
6. At least 30 days prior to when the proposed updated charges begin billing, the Company shall file a report with the Commission detailing the calculations of the adjustment mechanism for deriving the charges authorized by this rider to be applied during the subsequent Remittance Period. The Commission’s review is limited to determining if any mathematical or clerical errors are present in the application of the adjustment mechanism.
7. The WESCR shall remain in effect until the Securitized Utility Tariff Bonds approved in the Financing Order issued in Docket No. 22-KGSG-466-TAR have been paid in full. After the bonds have been paid in full, any over-recovery will be credited to customers in a form of a credit to their natural gas bills.

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|            | Janet L. Buchanan, Director – Regulatory Affairs |  |

**VERIFICATION**

STATE OF KANSAS        )  
                                  )  
COUNTY OF JOHNSON    )

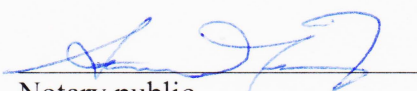
I, Robert Elliott Vincent, of lawful age, being first duly sworn upon oath, states as follows: I am a Managing Attorney for Kansas Gas Service, a Division of ONE Gas, Inc. I have read the above *Kansas Gas Service's Securitization Compliance Filing* and all the statements therein are true to the best of my knowledge, information, and belief.

  
\_\_\_\_\_

Robert Elliott Vincent

*Affiant*

SUBSCRIBED AND SWORN to before me on 6/27/23 .

  
\_\_\_\_\_

Notary public

My Appointment Expires:  
6/5/26



**CERTIFICATE OF SERVICE**

I, Robert Elliott Vincent, hereby certify that a copy of the above and foregoing *Compliance Filing* was forwarded this 28th day of June 2023, addressed to:

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