

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

In the Matter of the Petition of Kansas Gas           )  
Service, a Division of ONE Gas, Inc. for           )  
Approval by the Commission to Refund           )       Docket No. 25-KGSG-268-MIS  
Over-Collected Gas System Reliability           )  
Surcharge Revenues.                                   )

**NOTICE OF FILING OF STAFF'S REPORT AND RECOMMENDATION**

COMES NOW, the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively), and files its Report and Recommendation regarding Kansas Gas Service, a Division of ONE Gas, Inc.'s ("KGS") application requesting a refund of over-collected Gas System Reliability Surcharge ("GSRS") revenues.

Staff has reviewed KGS's revised GSRS True-Up calculations, and has determined that a revised refund amount of \$882,694 is accurate. Staff recommends the Commission approve KGS's revised GSRS True-Up over-collected amount of \$882,694 to be refunded back to customers.

WHEREFORE, Staff submits its Report and Recommendation for Commission review and consideration and for such other relief as the Commission deems just and reasonable.

Respectfully submitted,

/s/ Patrick J. Hurley  
Patrick J. Hurley, #17638  
Litigation Division  
Kansas Corporation Commission  
1500 SW Arrowhead Rd  
Topeka, KS 66604  
Phone (785) 271-3301  
Email: [Patrick.Hurley@ks.gov](mailto:Patrick.Hurley@ks.gov)

Attorneys For Commission Staff

Andrew J. French, Chairperson  
Dwight D. Keen, Commissioner  
Annie Kuether, Commissioner

Laura Kelly, Governor

## **REPORT AND RECOMMENDATION UTILITIES DIVISION**

**TO:** Andrew J. French, Chairperson  
Dwight D. Keen, Commissioner  
Annie Kuether, Commissioner

**FROM:** Tim Rehagen, Senior Auditor  
Chad Unrein, Chief of Accounting and Financial Analysis  
Justin Grady, Director of Utilities

**DATE:** June 25, 2025

**SUBJECT:** Docket No. 25-KGSG-268-MIS – In the Matter of the Petition of Kansas Gas Service, a Division of ONE Gas, Inc. for Approval by the Commission to Refund Over-Collected Gas System Reliability Surcharge Revenues.

### **EXECUTIVE SUMMARY:**

On January 3, 2025, Kansas Gas Service (KGS or Company) filed a Petition to true-up its Gas System Reliability Surcharge (GSRS). KGS is requesting approval for a refund of over-collected GSRS revenues in the amount of \$882,734.<sup>1</sup> This true-up and the resulting refund would fulfill the requirements of reconciling KGS' most recently approved GSRS revenue requirement with the GSRS revenues effectively collected and calculating a true-up to collect or refund the difference.

### **BACKGROUND:**

On November 9, 2023, in Docket No. 24-KGSG-215-TAR, the Commission approved KGS' GSRS revenue requirement of \$35,029,498. As a condition of this approval, KGS was required to submit a GSRS true-up twelve months following the approval of the revenue requirement. In KGS' most recent general rate case (Docket No. 24-KGSG-610-RTS), the Company's GSRS rate schedules were reset to zero in conjunction with the new base rates becoming effective on November 1, 2024. Pursuant to K.S.A. 66-2204(f)(2), KGS is required to reconcile any previously unreconciled GSRS revenues. On January 3, 2025, in the current Docket, KGS filed a Petition to True-Up GSRS Rate Schedules. Specifically, KGS requested approval for a refund of over-collected GSRS revenues in the amount of \$882,734. The calculation of this over-collection is composed of the following items:

---

<sup>1</sup> See Exhibit A of the Petition to True-Up GSRS Rate Schedules filed on January 2, 2025, in this Docket.

- A reconciliation of estimated GSRS revenue recovered from September through November 2023 to the actual revenues recovered during this three-month period.
- A reconciliation of KGS' 2023 GSRS revenue requirement to revenues effectively collected from December 2023 through October 2024.
- Additional revenue collected from a project for which KGS has already been reimbursed.

On February 7, 2025, KGS submitted an updated version of Exhibit B of the Application in its response to a CURB Data Request. The update resulted in a revised refund amount of \$882,694.<sup>2</sup>

### **ANALYSIS:**

Staff reviewed the GSRS true-up calculation and confirmed the accuracy of each of the following components of the calculation, as listed above:

- Actual GSRS recoveries from September 2023 through November 2023 amounted to \$6,878,447. This total was netted against the amount of GSRS recoveries originally estimated for this three-month period (\$6,845,977), resulting in an over-recovered amount of \$32,470.
- Actual GSRS recoveries from December 2023 through October 2024 amounted to \$32,984,231. This total was netted against the GSRS revenue requirement approved in the most recent GSRS filing (\$32,110,365), resulting in an over-recovered amount of \$873,866.
- \$8,828 of revenue collected from a project consisting of the relocation of a gas main in conflict with the widening of a bridge.<sup>3</sup> KGS confirmed in a discovery response that it had erroneously included this project within the GSRS filings because Kansas Department of Transportation (KDOT) had reimbursed KGS for the expenses incurred from this project.

### **RECOMMENDATION:**

Staff recommends the Commission approve KGS's revised GSRS true-up amount of \$882,694 to be refunded back to customers.

---

<sup>2</sup> This revision corrects a minor error in the 2021 Accumulated Deferred Income Tax on the project from which KGS had already been reimbursed and is removing in this filing. The ADIT amount was \$273 in the original Application when it should have been \$737. See Staff Exhibit 1 for the calculation of the revised refund of \$882,694.

<sup>3</sup> See Staff Exhibit 2 for the calculation of the \$8,868 total.

## **CERTIFICATE OF SERVICE**

25-KGSG-268-MIS

I, the undersigned, certify that a true and correct copy of the above and forgoing Notice of Filing of Staff's R&R was served via electronic service this 25th day of June, 2025, to the following:

JOSEPH R. ASTRAB, CONSUMER COUNSEL  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
joseph.astrab@ks.gov

TODD E. LOVE, ATTORNEY  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
todd.love@ks.gov

SHONDA RABB  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
shonda.rabb@ks.gov

DELLA SMITH  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
della.smith@ks.gov

PATRICK HURLEY, CHIEF LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
patrick.hurley@ks.gov

CARLY MASENTHIN, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
carly.masenthin@ks.gov

LORNA EATON, MANAGER OF RATES AND REGULATORY  
AFFAIRS  
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.  
7421 W 129TH STREET  
OVERLAND PARK, KS 66213  
lorna.eaton@onegas.com

ROBERT E. VINCENT, MANAGING ATTORNEY  
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.  
7421 W. 129TH STREET  
OVERLAND PARK, KS 66213  
robert.vincent@onegas.com

*Ann Murphy*

---

Ann Murphy