

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

Before Commissioners: Andrew J. French, Chair
 Dwight D. Keen
 Annie Kuether

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

**ORDER APPROVING GAS SYSTEM RELIABILITY
SURCHARGE TRUE-UP**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and determination. Having examined its files and records, the Commission finds and concludes:

I. BACKGROUND

1. On December 18, 2008, the Commission issued an order in Docket No. 09-KGSG-199-TAR (“09-199 Docket”) which authorized Kansas Gas Service, a Division of ONE Gas, Inc. (“KGS”) to implement a Gas System Reliability Surcharge (“GSRS”) tariff designed to allow for the adjustment of KGS’ rates and charges to provide for the recovery of costs for eligible infrastructure system replacements.

2. On November 9, 2023, the Commission issued an order in Docket No. 24-KGSG-215-TAR (“24-215 Docket”) which authorized KGS to implement a GSRS revenue requirement of \$35,029,498.¹ In that order, the Commission ordered KGS to file a GSRS true-up twelve months after the collection of rates.²

¹ Order Approving Gas System Reliability Surcharge, Docket No. 24-KGSG-215-TAR (Nov. 9, 2024) (“24-215 Docket”).

² See 24-215 Docket, p. 6.

3. On January 3, 2025, KGS filed an Application to true-up its GSRS pursuant to K.S.A. 66-2201(f)(2), requesting approval for a refund of over-collected GSRS revenues in the amount of \$882,734.³ The calculation of this over-collection is composed of the following items:

- 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.

4. On January 23, 2025, the Commission issued an order in the above-captioned docket granting the petition of the Citizens' Utility Ratepayer Board ("CURB") to intervene and seeking a protective order and discovery order.

5. On February 7, 2025, KGS submitted an updated version of Exhibit B to its Application in response to a Data Request by CURB. The update resulted in a revised refund amount of \$882,694.⁴

6. On June 25, 2025, Commission Staff ("Staff") filed its Report and Recommendation ("R&R") in the above-captioned docket.⁵ Staff's R&R ultimately recommended that the Commission approve KGS' revised GSRS true-up over-collected amount of \$882,694 to be refunded back to customers.⁶

7. On July 2, 2025, KGS filed a response to Staff's R&R in the above-captioned docket.⁷ In this response, KGS stated that it concurs with Staff's recommendation that the

³ Petition to True-Up GSRS Rate Schedules, Docket No. 25-KGSG-268-MIS (Jan. 3, 2025) ("Application").

⁴ This revision corrects a minor error in the 2021 Accumulated Deferred Income Tax ("ADIT") 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.

⁵ Staff's Report and Recommendation, Utilities Division, Docket No. 25-KGSG-268-MIS (June 25, 2025) ("Staff's R&R" or "R&R").

⁶ Staff's R&R, p. 3.

⁷ Kansas Gas Service Response to Staff's Report and Recommendation, Docket No. 25-KGSG-268-MIS (July 2, 2025).

Commission approve KGS' revised GSRS true-up over-collected amount of \$882,694 to be refunded back to customers.

8. On July 11, 2025, Staff filed Staff Exhibits 1 and 2 in the above-captioned docket. Staff unintentionally omitted attaching Staff Exhibits 1 and 2 to its June 25, 2025, R&R.

II. LEGAL STANDARDS

9. Pursuant to K.S.A. 66-1,201, the Commission is given full power, authority and jurisdiction to supervise and control KGS as a natural gas public utility, as defined in K.S.A. 66-1,200, doing business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority and jurisdiction.

10. The Gas Safety and Reliability Policy Act ("the Act"), codified in K.S.A. 66-2202 through 66-2204, allows natural gas public utilities to recover the revenue requirement associated with certain infrastructure projects through a monthly customer surcharge.

11. On October 3, 2024, the Commission approved a unanimous settlement agreement in Kansas Gas Service's last rate case in Docket No. 24-KGSG-610-RTS. Pursuant to K.S.A. 66-2204(f)(1), Kansas Gas Service's GSRS rate schedules were reset to zero when new base rates became effective on November 1, 2024. As a result, K.S.A. 66-2204(f)(2) requires Kansas Gas Service to reconcile previously unreconciled GSRS revenues:

(2) upon the inclusion in a natural gas public utility's base rates subject to subsections (h) and (i) of eligible costs previously reflected in a GSRS, the natural gas public utility shall immediately thereafter reconcile any previously unreconciled GSRS revenues as necessary to ensure that revenues resulting from the GSRS match as closely as possible the appropriate pretax revenues as found by the [C]ommission for that period.

12. K.S.A. 66-2204 requires Staff to examine information from the utility and confirm that the underlying costs are in accordance with the statutory provisions of the Act, and to confirm proper calculation of the proposed charge.

III. FINDINGS AND CONCLUSIONS

13. The Commission adopts the recommendations contained in Staff's June 25, 2025, R&R, as supplemented by Staff Exhibits 1 and 2 filed July 11, 2025, as additional findings incorporated by reference herein.

14. The Commission finds that KGS' Application conforms with the requirements set forth in K.S.A. 66-2202 through 66-2204.

15. Based on Staff's R&R, the Commission concludes that approval of KGS' Application is just and reasonable.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Kansas Gas Service, a Division of ONE Gas, Inc.'s Application is approved as set forth in Staff's R&R with the refund to be effective August 1, 2025.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).⁸

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.

French, Chair; Keen, Commissioner; Kuether, Commissioner

Dated: 07/24/2025



Celeste Chaney-Tucker
Executive Director

MKH/CRM

⁸ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

25-KGSG-268-MIS

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 07/24/2025.

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/S/ KCC Docket Room

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