

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

Before Commissioners:      Shari Feist Albrecht, Chair  
                                 Jay Scott Emler  
                                 Dwight D. Keen

In the Matter of the Application of Kansas      )  
Gas Service, a Division of ONE Gas, Inc. for      )  
Approval by the Commission for Gas System      )      Docket No. 19-KGSG-088-TAR  
Reliability Surcharge Per K.S.A. 66-2201      )  
through 66-2204      )

**ORDER APPROVING GAS SYSTEM RELIABILITY SURCHARGE**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and record, the Commission makes the following findings and conclusions:

**I. Background**

1.      On August 24, 2018, Kansas Gas Service, a Division of ONE Gas, Inc. (Kansas Gas Service) submitted an Application seeking Commission approval for revisions to its Gas System Reliability Surcharge (GSRS) tariff originally approved in Docket No. 09-KGSG-199-TAR.<sup>1</sup> The GSRS tariff schedule is designed to allow for the adjustment of Kansas Gas Service's rates and charges to provide for the recovery of costs for eligible infrastructure system replacements. As a result of Kansas Gas Service's most recent general rate case, Docket No. 16-KGSG-491-RTS, the tariff was reset to zero, and was then updated in Docket No. 18-KGSG-093-TAR. If approved as filed, this filing would decrease the requested \$57,177,870 capital costs by \$72,380, and allow the remaining \$57,105,490 of capital expenditures to be included in the GSRS surcharge.

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<sup>1</sup> KGS GSRS Application (Aug. 24, 2018).

2. On August 29, 2018, the Citizens' Utility Ratepayer Board (CURB) filed a Petition to Intervene in this proceeding. The Commission granted CURB intervention on September 18, 2018.

3. On October 24, 2018, Commission Staff (Staff) filed a Report and Recommendation, analyzing and recommending approval of KGS's GSRS tariff, as modified by Staff. In its Report and Recommendation, Staff recommends the Commission disallow recovery of \$72,380 of the \$57,177,870 requested capital costs, resulting in the remaining \$57,105,490 of capital expenditures being eligible for recovery and inclusion in KGS' GSRS.<sup>2</sup>

4. If KGS' GSRS filing is approved as revised by Staff, monthly residential customer bills will increase by \$0.25, or \$3.00 annually.<sup>3</sup> The increase in this filing would bring the total GSRS charged to \$0.54 monthly, or \$6.43 annually.<sup>4</sup>

5. On October 30, 2018, KGS filed its response to Staff's Report and Recommendation. In that response, KGS agreed to accept Staff's recommended disallowances while reserving its right to raise objection to Staff's recommended treatment of certain issues in future GSRS filings.<sup>5</sup> KGS further notes its agreement with the new rates set forth in Staff's Exhibit 6, and specifies that upon issuance of an Order approving its Application it will file an updated tariff reflecting the new rates.<sup>6</sup>

## **II. Findings and Conclusions**

7. Upon review of the record as a whole, the Commission finds Staff's recommendation to be reasonable and adopts the same. KGS' GSRS, as revised by Staff, is approved, resulting in a GSRS revenue requirement increase of \$57,105,490. Furthermore, the surcharge shall be collected via

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<sup>2</sup> Staff's Report and Recommendation (Oct. 24, 2018).

<sup>3</sup> Staff's Report and Recommendation, pg. 1.

<sup>4</sup> Id.

<sup>5</sup> Kansas Gas Service Response to Staff's Report and Recommendation (Oct. 30, 2018).

<sup>6</sup> KGS Response, ¶ 4.

the monthly charges listed in Staff Exhibit 6. KGS is directed to file an updated tariff reflecting such rates.

**THEREFORE, THE COMMISSION ORDERS:**

A. Kansas Gas Service's Gas System Reliability Surcharge is approved, as revised by Staff.

B. Kansas Gas Service's Gas System Reliability Surcharge shall be collected via the monthly charges listed in Staff Exhibit 6, which is attached to Staff's October 24, 2018, Report and Recommendation.

C. 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).<sup>7</sup>

D. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it deems necessary.

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

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 11/08/2018



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Lynn M. Retz  
Secretary to the Commission

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<sup>7</sup> K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

## **CERTIFICATE OF SERVICE**

19-KGSG-088-TAR

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of electronic service on 11/08/2018.

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