## BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

)

)

)

)

)

In the Matter of the Application of Kansas Gas Service, a Division of One Gas, Inc. Regarding February 2021 Winter Weather Events, as Contemplated by Docket No. 21-GIMX-303-MIS

Docket No. 21-KGSG-332-GIG

# Motion of Kansas Gas Service to Approve Proposed Interim Procedural Schedule on KGS Motion for Waiver

Kansas Gas Service, a Division of ONE Gas, Inc. ("KGS" and/or "Company") with the agreement (or non-opposition) of Staff of the State Corporation Commission of the State of Kansas ("Staff"), the Citizens' Utility Ratepayer Board ("CURB"), the Attorney General's Office, Bonavia Properties, LLC ("Bonavia"), Constellation NewEnergy-Gas Division, LLC ("Constellation"), Natural Gas Transportation Customer Coalition ("NGTCC"), Catholic Diocese of Wichita ("Diocese"), TempleLive Wichita LLC ("TempleLive"), LLC ("Symmetry"), Atmos Energy Corporation ("Atmos"), and Freedom Pipeline, LLC ("Freedom") (collectively, "Parties"), pursuant to K.A.R. 82-1-230a, request that the Commission issue an order approving the proposed abbreviated Procedural Schedule as included in response to the Commission's directive on this matter. In support of this Motion, KGS states and allege as follows:

### I. BACKGROUND

1. In mid-February 2021, a major snow and ice storm, known as Winter Storm Uri, imposed extreme and unprecedented freezing weather conditions across the United States, Northern Mexico and parts of Canada. The extensive nature of the storm, coupled with the heavy snow and damaging ice, produced some of the coldest temperatures in decades. Winter Storm Uri prompted health and safety concerns, sudden and sustained natural gas supply disruptions, widespread infrastructure and operational failures and freeze-offs of facilities that were necessary for the delivery of natural gas. 2. In response to this Winter Event, on February 15, 2021, the Kansas Corporation Commission ("KCC" or "Commission") issued an Emergency Order in Docket No. 21-GIMX-303-MIS ("Emergency Order") which acknowledged the State of Disaster Emergency Proclamation issued by Governor Kelly, the higher than normal wholesale natural gas prices, and the potential for reliability issues related to the prolonged February 2021 cold weather. The Emergency Order required jurisdictional natural gas and electric utilities to ". . . do everything necessary to ensure natural gas and electricity service continue[d] to be provided to their customers in Kansas." The Commission also authorized jurisdictional natural gas and electric utilities to defer, into a regulatory asset, any extraordinary costs associated with ensuring that their customers or the customers of interconnected Kansas utilities that are non-jurisdictional to the Commission continued to receive utility service during the cold weather event.

3. On March 9, 2021, the Commission issued an Order Adopting Staff's Report and Recommendation to Open Company-Specific Investigations; Order on Petitions to Intervene of BlueMark Energy, LLC and CURB; Protective and Discovery Order, in Docket No. 21-GIMX-303-MIS ("21-303 Order").

4. In its 21-303 Order, the Commission adopted Staff's recommendations to open company specific dockets to document issues raised in the Commission's investigation into each major jurisdictional utility's performance during the February 2021 Winter Event and to record the company specific filings of the financial impact plans contemplated in the Commission's 21-303 Order.<sup>1</sup>

5. On May 28, 2021, KGS filed a Motion for Limited Waiver ("Motion for Waiver") in this docket seeking Commission authorization to deviate from Section 11.06 of the

<sup>&</sup>lt;sup>1</sup> Order on Petitions to Intervene of BlueMark Energy, LLC and CURB; Protective and Discovery Order, ¶7 (Docket No. 21-GIMX-303-MIS issued on March 9, 2021).

KGS General Terms and Conditions for Gas Service ("Tariff") provisions in order to allow KGS to remove the multipliers from the calculation of penalties incurred by Marketers and Individually Balanced Transportation Customers for violations of the Operational Flow Orders ("OFO") and/or Period Curtailment Orders ("POC") issued by KGS during the Winter Event. In the absence of this waiver, Section 11.06 of the Tariff requires KGS to calculate penalties for OFO violations by multiplying 2.5 times ("the OFO multiplier") the daily midpoint stated on Gas Daily's Index for Southern Star Central Gas Pipelines (Oklahoma) by the unauthorized MMBtu level. During the more critical POC conditions, the Tariff requires the KGS to calculate the penalties for POC violations by multiplying 10 times ("the POC multiplier") the daily midpoint stated on Gas Daily's Index for Southern Star Central Gas Pipelines (Oklahoma) by the unauthorized MMBtu level. By eliminating both the OFO multiplier and the POC multiplier, a Marketer or Individually Balanced Transportation Customer whose gas use during the Winter Event exceeded its confirmed nomination would be charged the Gas Index price multiplied by the unauthorized natural gas volumes.

6. On June 4, 2021 CURB filed CURB's Objection to Motion for Limited Waiver ("CURB's Objection").

7. On June 7, 2021, BlueMark filed an Answer to Motion for Limited Waiver, and WoodRiver filed its Answer of WoodRiver Energy, LLC to Motion for Limited Waiver.

8. On June 9, 2021, Bonavia filed its Objection and Response to KGS's Motion for Limited Waiver. Also, on June 9, 2021, NGTCC Natural Gas Transportation Customer Coalition ("NGTCC") filed a Petition to Intervene.

9. On June 10, 2021, the Commission issued a Supplemental Protective and Discovery Order amending the Protective Order to grant the Kansas Attorney General access

3

"to review any and all discovery produced in this Docket."<sup>2</sup> Additionally on this date, Constellation, filed a Petition to Intervene.

10. On June 11, 2021, NGTCC filed a Motion to Amend the Protective Order in this docket requesting that the Commission restrict a party's ability to designate specific documents as confidential and instead to mandate that the same documents be "presented on the Commission's website for public's general view, inspection, and consideration."<sup>3</sup> Also, on June 11, 2021, the Diocese filed a Petition to Intervene.

 On June 14, 2021, KGS filed its Response to Objection to Motion for Limited Waiver, addressing CURB's Objection ("KGS Response to CURB"). Also, on June 14, 2021, BlueMark filed Reply to Answers to Motion for Limited Waiver.

12. On June 15, 2021, TempleLive filed a Petition to Intervene.

 On June 17, 2021, KGS filed its Response to the Answers and Objections of Bluemark, Bonavia, and Woodriver ("KGS Response to Intervenors"). Also, on June 17, 2021, CURB filed its Response to Answers to Motion for Limited Waiver.

14. On June 23, 2021, Staff filed Response to KGS' Motion for Limited Waiver and responses to the Motions filed by CURB, BlueMark, Wood River and Bonavia.

15. On June 29, 2021 NGTCC filed a Response to KGS and Staff's Response to CURB, BlueMark, WoodRiver and Bonavia. Also, on June 29, 2021 NGTCC filed a Response to BlueMark and WoodRiver's Objection to NGTCC Motion to Amend the Protective Order.

16. On June 30, 2021, Bonavia filed a Joinder to the NGTCC Motion to Amend Protective Order.

<sup>&</sup>lt;sup>2</sup> Supplemental Protective and Discovery Order, ¶6 (June 10, 2021).

<sup>&</sup>lt;sup>3</sup> Motion to Amend Protective Order, ¶15 (June 11, 2021).

17. By order issued July 1, 2021, the Commission granted the intervention of the NGTCC, Constellation, Diocese, and TempleLive.

18. On July 9, 2021, Staff filed a Reply to the Response of NGTCC to KGS and Staff. Also, on July 9, KGS filed and Response to NGTCC.

 On July 13, 2021, KGS filed and Objection to NGTCC's Motion to Amend the Protective Order.

20. On July 14, 2021, NGTCC filed a Reply to the Objection of KGS to the Motion of NGTCC to Amend the Protective Order.

21. On July 19, 2021, the State of Kansas, *ex rel*. Derek Schmidt, Attorney General petitioned for intervention which was granted on July 27, 2021.

22. On July 20, 2021, the Commission issued its Order Denying Motion to Amend Protective Order; Order Directing the Parties to Submit a Proposed Procedural Schedule, wherein it directed the parties to this proceeding to submit a jointly proposed procedural schedule by August 2, 2021.

23. On August 2, 2021, KGS filed an *Unopposed Motion to Approve Proposed Interim Procedural Schedule on KGS Motion for Waiver* which established a face-to-face meeting of all parties and included an August 27, 2021 date for filing a Motion for Supplemental Procedural Schedule with the Commission.

24. On August 5, 2021 the Commission granted the intervention of Symmetry and on August 17, 2021 the interventions of Atmos and Freedom were also granted.

25. On August 12, 2021, the Commission issued its *Order Adopting Proposed Interim Procedural Schedule* wherein it directed the parties to this proceeding to submit a jointly proposed procedural schedule by August 27, 2021. This filing is responsive to that directive.

5

### II. PROPOSED PROCEDURAL SCHEDULE

26. On August 18, 2021 parties attended the face-to-face Technical/Settlement Conference at the KCC offices. This meeting involved productive discussions and the exchange of various information and concepts. Discussions related to this information and concepts are ongoing and parties are targeting a new Technical/Settlement conference for September 14 and 15.<sup>4</sup> It is contemplated that this meeting will be remotely conducted. Following such meetings, it is the intent of the parties to submit a procedural schedule that hopefully will include an evidentiary hearing date, with the anticipation that a resolution related to the Motion for Waiver can be achieved by year end.

### III. CONCLUSION

WHEREFORE, for the reasons set forth herein, KGS respectfully requests that the Commission grant this Interim Motion for Procedural Schedule to continue discussions toward the resolution of the issues raised by the Parties concerning the Company's Motion for Waiver.

Respectfully submitted,

Kelly A. Daly SNELL & WILMER Washington DC 20006 Phone: 202 725-0605 Email: kdaly@swlaw.com

harlene \$. Wift

Charlene B. Wright (KS Bar No. 22028) Managing Member Wright & Associates PLLC

<sup>&</sup>lt;sup>4</sup> Symmetry is not opposed to meeting on these dates but is not identified as a supporting party on this Motion out of concern that resolving this matter by the end of the year may not be achievable. KGS is also aware of two parties that unfortunately have a conflict with these dates. KGS therefore reserve the right to modify these dates if suitable alternative dates can be identified.

717 Texas Street, Suite 1200 Houston, Texas 77002 Phone: 816-877-6334 Email: cwright@wrightfirm.law

Attorneys for Kansas Gas Service, a Division of ONE Gas, Inc.

#### VERIFICATION

STATE OF ARIZONA ) COUNTY OF MARICOPA )

I, Kelly A. Daly, verify under penalty of perjury that I have caused the foregoing pleading to be prepared; that I have read and reviewed the same; and that the contents thereof are true and correct to the best of my information, knowledge, and belief.

Kelly a Jaly Fiant Affiant

SUBSCRIBED AND SWORN to before me on  $\frac{8/27/2.021}{2.021}$ .

Elein Henry Notary public

My Appointment Expires:



#### **CERTIFICATE OF SERVICE**

I hereby certify that on the 27th day of August, 2021, a true and correct copy of the above and foregoing was sent electronically to the following:

ALEX GOLDBERG, Attorney at Law ALEX GOLDBERG 909 Bannock Street Ste 1524 Denver, CO 80204 alexantongoldberg@gmail.com

JAMES G. FLAHERTY, ATTORNEY ANDERSON & BYRD, L.L.P. 216 S HICKORY PO BOX 17 OTTAWA, KS 66067 jflaherty@andersonbyrd.com

JEFF AUSTIN AUSTIN LAW P.A. 7111 W. 151st St. Suite 315 Overland Park, KS 66223 jeff@austinlawpa.com

JULIE AGRO BLUEMARK ENERGY 4200 East Skelly Drive Suite 300 Tulsa, OK 74135 jagro@bluemarkenergy.com

MIKE WESTBROCK BLUEMARK ENERGY 4200 East Skelly Drive Suite 300 Tulsa, OK 74135 westbrock@bluemarkenergy.com LARRY WEBER BONAVIA PROPERTIES, LLC Garvey Center 250 W. Douglas, Suite 100 Wichita, KS 67202 larry@garveycenter.com

BRYAN R. COULTER CATHOLIC DIOCESE OF WICHITA 424 N. Broadway Wichita, KS 67202 bryan.coulter@CatholicDioceseOfWichita.org

JOSEPH R. ASTRAB, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 j.astrab@curb.kansas.gov

TODD E. LOVE, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 t.love@curb.kansas.gov

DAVID W. NICKEL, CONSUMER COUNSEL CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 D.NICKEL@CURB.KANSAS.GOV

SHONDA RABB CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 s.rabb@curb.kansas.gov

DELLA SMITH CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 d.smith@curb.kansas.gov JOSHUA HARDEN COLLINS & JONES, P.C. 1010 W. Foxwood Drive Raymore, MO 64083 jharden@collinsjones.com

KERRY MORGAN COLLINS & JONES, P.C. 1010 W. Foxwood Drive Raymore, MO 64083 kmorgan@collinsjones.com

DARCY FABRIZIUS

CONSTELLATION NEWENERGY-GAS DIVISON, LLC 1001 Louisiana Street Suite 2300 Houston, TX 77002 darcy.fabrizius@constellation.com

LYNDA FOHN CONSTELLATION NEWENERGY-GAS DIVISON, LLC 1001 Louisiana St., Ste. 2300 HOUSTON, TX 77002 lynda.fohn@constellation.com

JEREMY L. GRABER FOULSTON SIEFKIN LLP 822 S Kansas Avenue Suite 200 Topeka, KS 66612-1203 JGRABER@FOULSTON.COM

JACOB G HOLLY, ATTORNEY FOULSTON SIEFKIN LLP 822 S Kansas Avenue Suite 200 Topeka, KS 66612-1203 jholly@foulston.com

C. EDWARD WATSON, ATTORNEY FOULSTON SIEFKIN LLP 1551 N WATERFRONT PKWY STE 100 WICHITA, KS 67206-4466 cewatson@foulston.com AMY L. BAIRD JACKSON WALKER L.L.P. 1401 McKinney St. Suite 1900 Houston, TX 77010 abaird@jw.com

JESSE LOTAY JACKSON WALKER L.L.P. 1401 McKinney St. Suite 1900 Houston, TX 77010 jlotay@jw.com

MELANIE S. JACK, Assistant Attorney General KANSAS ATTORNEY GENERAL Consumer Protection Division 120 SW 10th Ave., 2nd Flr. Topeka, KS 66612 Melanie.Jack@ag.ks.gov

KIMBERLEY DAVENPORT MEGRAIL, Assistant Attorney General KANSAS ATTORNEY GENERAL Consumer Protection Division 120 SW 10th Ave., 2nd Flr. Topeka, KS 66612 Kim.Davenport@ag.ks.gov

DEREK SCHMIDT, Kansas Attorney General KANSAS ATTORNEY GENERAL Consumer Protection Division 120 SW 10th Ave., 4th Flr. Topeka, KS 66612 Derek.Schmidt@ag.ks.gov

BRIAN G. FEDOTIN, GENERAL COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 b.fedotin@kcc.ks.gov CARLY MASENTHIN, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 c.masenthin@kcc.ks.gov

TERRI PEMBERTON, CHIEF LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 t.pemberton@KCC.KS.GOV

JANET BUCHANAN, DIRECTOR- REGULATORY AFFAIRS KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC. 7421 W 129TH ST OVERLAND PARK, KS 66213-2713 janet.buchanan@onegas.com

JUDY JENKINS HITCHYE, MANAGING ATTORNEY KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC. 7421 W 129TH ST OVERLAND PARK, KS 66213-2713 Judy.JenkinsHitchye@onegas.com

FRANK A. CARO, ATTORNEY POLSINELLI PC 900 W 48TH PLACE STE 900 KANSAS CITY, MO 64112 fcaro@polsinelli.com

ANDREW O. SCHULTE, ATTORNEY POLSINELLI PC 900 W 48TH PLACE STE 900 KANSAS CITY, MO 64112 aschulte@polsinelli.com

LEE M. SMITHYMAN, ATTORNEY SMITHYMAN & ZAKOURA, CHTD. 7421 WEST 129th STREET OVERLAND PARK, KS 66213-2634 LEE@SMIZAK-LAW.COM CONNOR A. THOMPSON SMITHYMAN & ZAKOURA, CHTD. 7421 WEST 129th STREET OVERLAND PARK, KS 66213-2634 connor@smizak-law.com

JAMES P. ZAKOURA, ATTORNEY SMITHYMAN & ZAKOURA, CHTD. 7421 WEST 129th STREET OVERLAND PARK, KS 66213-2634 jim@smizak-law.com

KELLY A. DALY RYAN J. REGULA SNELL & WILMER, LLP One Arizona Center Phoenix, AZ 85004 kdaly@swlaw.com rregula@swlaw.com

STACY WILLIAMS, General Counsel SYMMETRY ENERGY, LLC 1111 Louisiana St. Houston, TX 77002 Stacy.williams@symmetry.com

JASON TRENARY TEMPLELIVE WICHITA LLC 5104 S. Pinnacle Hills Pkwy. Suite 1B Rogers, AR 72758 jtrenary@beatycap.com

DON KRATTENMAKER, Vice President WOODRIVER ENERGY, LLC 633 17th St., Ste. 1410 Denver, CO 80202 don.krattenmaker@woodriverenergy.com

CHARLENE BALLARO WRIGHT WRIGHT LAW FIRM 717 Texas Street Suite 1200 Houston, TX 77002 cwright@wrightfirm.law