

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

In the Matter of the Complaint Against Kansas)
Gas Service, a Division of ONE Gas by) Docket No. 18-KGSG-460-COM
Michael Clagg and Jerri Clagg.)

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 the Formal Complaint filed by Michael Clagg and Jerri Clagg (Complainants) against Kansas Gas Service, a Division of ONE Gas, Inc. (KGS). Staff recommends the Commission require KGS charge Complainants \$449.07. KGS estimated \$449.07 using its standard estimation method, which more accurately reflects Complainants' gas usage. However, Staff acknowledges the Commission has the option to require KGS to charge the Complainants the lower amount of \$252.91 because this estimated calculation is also permissible under KGS's tariffs.

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,

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**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Chair Dwight D. Keen
Commissioner Shari Feist Albrecht
Commissioner Jay Scott Emler

FROM: Pat Renner, Senior Research Analyst
Leo Haynos, Chief Engineer
Jeff McClanahan, Director of Utilities

DATE: April 11, 2019

SUBJECT: 18-KGSG-460-COM
In the Matter of the Complaint Against Kansas Gas Service, a Division of ONE
Gas by Michael Clagg and Jerri Clagg

EXECUTIVE SUMMARY:

Michael Clagg and Jerri Clagg of Haysville, Kansas (Complainants), are served by Kansas Gas Service (KGS). The gas meter serving the Complainants did not register any usage for approximately 16 months. During this period the Complainants were only billed the KGS Service Charge and GSRS charge (i.e. fixed charges). The Complainants do not believe that they should be billed for estimated usage for these 16 months. KGS' tariffs allow the Company to estimate usage on a non-registering meter and bill the customer for up to 6 months, which KGS did in this case. Staff recommends KGS bill the Complainant \$449.07 for an estimated six months of usage. Complainant should be offered the option to pay the \$449.07 over a six month time period which results in a payment of \$74.85 ($\$449.07/6 = \74.85) per month.

BACKGROUND:

KGS billed the Complainants the KGS Residential Sales monthly Service Charge of \$18.00 (16 months) and the monthly GSRS charge of \$.29 (starting in December 2017), plus tax. Over the 16 month period, because the meter at the Complainants' location registered no usage, they were not billed volumetric charges for the gas they consumed. The Complainants do not believe that they should be required to pay for estimated usage.

ANALYSIS:

KGS' General Terms and Conditions (GT&C) at 4.05.02, allows the Company to bill the customer for estimated usage in the situation of a non-registering meter for only up to six months. KGS' GT&C 4.05.02 (2) states:

4.05.02 Correction of Erroneous Bills: In the event of an error in billing as a result of issues including, but not limited to, accounting errors, meter or meter reading equipment misprogramming or failure, Company shall issue a corrected bill. The corrected bill shall show the adjusted amount due or amount to be refunded. Any amounts paid by customer on the erroneous bill shall be shown as a credit on the corrected bill.

(2) When the Company is unable to confirm usage due to a non-registering meter, usage may be estimated by an individualized analysis based on information including, but not limited to, weather data, historical usage at the premises, and customer supplied information. No bill shall be issued to adjust a period exceeding six months due to the failure of a meter to register.

Also, KGS' GT&C at 9.02.05 (2) and (4) states:

9.02.05 Adjustment of Bills for Meter Error: Billing adjustments shall be prepared for metering errors.

(2) **Non-registering Meters:** If the meter is found not to register for any period, Company shall estimate the utility service used during this period in accordance with Section 4.05.02 Correction of Erroneous Bills.

(4) **Payment:** Company may permit payments to be made in installments over a reasonable period of time. No refund or bill less than the amount stated in Section 12.09 Adjusted Bill Amount need be issued or made.

KGS input three years of historical weather data and actual natural gas usage at the Complainant's location into their Standard Non-Registering Meter Estimation Table to calculate an estimated usage for the six month period October 2017 through March 2018. KGS then calculated a total bill for these six months of estimated usage at \$539.47. Since the customer already paid the GSRS and Service Charge fixed charges plus taxes during this period of \$ 90.40, KGS' net bill to the Complainants is \$449.07 ($\$539.47 - \$90.40 = \449.07) using this method of usage estimation. Staff calculated a \$449.16 ($\$539.56 - \$90.40 = \449.16) bill using the historical usage and weather data provided. Staff and KGS' calculation differs by \$.09 or .02%.

According to KGS, the customer requested another estimate using actual usage from the new meter resulting in a second estimated bill of \$252.91 which is \$196.16 less than the first estimated bill of \$449.07. Although permissible under the terms of its tariffs, KGS' second estimated bill did not follow their standard method of estimating. For the second estimate, KGS used a single month of historical weather and usage data to estimate six months of customer usage. Staff considers this approach to be a less accurate estimate of the gas usage.

RECOMMENDATION:

Staff recommends the Commission require KGS to charge the Complainants \$449.07. The \$449.07 estimated bill was calculated using KGS' standard estimation method using three years of historical weather and usage data and results in a more accurate estimate of the Complainant's gas usage. This amount can be collected in installments over a period as long as the KGS' meter did not register and the Company is allowed to bill for usage on a non-registering meter, which is six months. To pay off this debt in installments over six months would equal \$74.85 per month ($\$449.07/6 = \74.85).

Because the second estimated calculation also is permissible under the terms of the KGS tariffs, Staff acknowledges the Commission has the option to require KGS to charge the complainants the lower amount of \$252.91 (\$42.15/month).

CERTIFICATE OF SERVICE

18-KGSG-460-COM

I, the undersigned, certify that a true and correct copy of the above and foregoing Notice of Filing of Staff's Report and Recommendation was placed in the United States mail, postage prepaid, or hand-delivered this 25th day of April, 2019, to the following:

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