



# Kansas Gas Service™

A Division of ONE Gas

7421 West 129<sup>th</sup> Street  
Overland Park, KS 66213  
kansasgasservice.com

20181130143258  
Filed Date: 11/30/2018  
State Corporation Commission  
of Kansas

November 30, 2018

Tim Rehagen  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, Kansas 66604-4027

Dear Mr. Rehagen:

The Commission's July 14, 2004, Order in Docket No. 04-KGSG-1099-TAR approved Kansas Gas Service's Ad Valorem Tax Surcharge Rider (ATSR). The order instructed KGS to file an annual true-up in December of each calendar year, and charged Commission Staff with the review of the filing to ensure the surcharge's reasonable application and proper calculation.

This letter transmits the required true-up, including previously unrecovered Ad Valorem taxes charged to KGS plus the recently received 2018 assessments. We have calculated the 2019 surcharge to be charged to KGS sales and transportation customers, as specified under the ATSR. This filing recognizes current assessments from the majority of taxing jurisdictions and the corresponding tax expense being recovered in rates, as approved by the Commission in Docket 16-KGSG-491-RTS. We expect to know the remaining assessments and the actual November 2018 recoveries by the time Staff completes their audit of our calculations, at which time any applicable corrections can be made.

I have attached a pdf spreadsheet showing the calculation of the new surcharge to be reflected on customers' bills beginning with January 2019 cycle 1 billings; also attached is an itemized listing of taxes assessed by each taxing entity. Please contact Karla Denton (913-319-8660 or Karla.Denton@onegas.com) if you have any questions or concerns. Per the email conversation earlier this month, we will have all the tax records available for you at our Overland Park office on December 14.

We have filed this via the KCC e-filing platform on 11/30/2018.

Sincerely,

Darcie Kramer  
Manager, Financial Accounting

Attachments

cc: Justin Grady, Pat Renner  
DK:khd

**KANSAS GAS SERVICE**  
**AD VALOREM TAX SURCHARGE**  
**For the Year Ending December 31, 2018**  
**Calculation for the 2019 Billing Year**

**Adjustment to Prior Year Surcharge**

Prior Year Surcharge Total		(\$10,896.41)
Late Assessments		1,595.25
True-up of Estimated Recoveries:		
Dec-17 Estimated	(\$271,740.63)	
Actual	206,940.49	
Total Adjustments to Estimate		(\$64,800.14)
Total Prior Year Surcharge Adjustments		(\$74,101.30)

**Current Year Recoveries - 2018**

January	(\$59,528.09)	
February	22,351.60	
March	16,077.56	
April	13,109.67	
May	7,000.48	
June	2,749.29	
July	2,441.23	
August	2,520.39	
September	2,575.24	
October	3,164.69	
November	Estimated 10,425.27	
December	Estimated 16,929.06	
Total Recoveries		\$39,816.39
Under/(Over) Recovery to Carry Forward		(\$113,917.69)

**Current Year Assessments**

Ad Valorem Tax Assessments		\$22,074,377.98
Less: Amount included in Base Rates	*1	(20,954,008.00)
Recoverable Current Year Taxes		\$1,120,369.98
<b>Total Recoverable Amount</b>		<b>\$1,006,452.30</b>

**Annual Billing Determinants**

Billing Determinants	*2	80,570,937	Mcf	80,570,937	Mcf
<b>Ad Valorem Tax Surcharge Rate:</b>	Surcharge of			<b>\$0.0125</b>	<b>/Mcf</b>

\*1 Docket 16-KGSG-491-RTS: Unanimous Settlement Agreement, Section 18 (page 6)

\*2 Docket 16-KGSG-491-RTS: Unanimous Settlement Agreement, Appendix B

NOTE: The calculation of this rider is detailed in the KGS Tariff, section 48.1

Kansas Gas Service					Support	
2018 Taxes: Late Assessments/Refunds						
County	Original Assessment	Total Ad Valorem tax paid (per g/l)	Additional Assessment / (Refund)	Total Corrected AV Expense	Reference or JE #	GL Month
Montgomery	119,675.00	\$ 119,675.00	\$ (899.22)	\$ 118,775.78	Ck #71613	Feb-18
Ellis	22,497.72	\$ 22,497.72	\$ (82.64)	\$ 22,415.08	Ck #44534	Feb-18
Chautauqua	1,190.58	\$ 1,190.58	\$ (23.40)	\$ 1,167.18	Ck #13690	May-18
Marion	35,707.17	\$ 35,705.33	\$ (1.84)	\$ 35,705.33	check #102100 returned & voided	
Sedgwick	3,243,549.33	\$ 3,246,151.68	\$ 2,602.35	\$ 3,246,151.68	pd #700782	Apr-18
<b>Totals</b>	<u>\$ 3,422,619.80</u>	<u>\$ 3,425,220.31</u>	<u>\$ 1,595.25</u>	<u>\$ 3,424,215.05</u>		

**KANSAS GAS SERVICE  
AD VALOREM TAX SURCHARGE  
2017 AND 2018 TAXES**

County	Total Tax Payments		Increase(Decrease)	
	2017 Taxes	2018 Taxes	\$\$	%
<b>KANSAS</b>				
Allen	\$181,551.86	188,520.76	\$6,968.90	3.84%
Anderson	121,316.98	129,977.36	\$8,660.38	7.14%
Atchinson	266,636.84	285,406.64	\$18,769.80	7.04%
Barber	94,848.44	101,153.32	\$6,304.88	6.65%
Barton	480,252.26	495,563.90	\$15,311.64	3.19%
Bourbon	236,359.36	245,664.60	\$9,305.24	3.94%
Brown	148,379.10	156,796.58	\$8,417.48	5.67%
Butler	734,221.12	769,072.18	\$34,851.06	4.75%
Chautauqua	1,190.58	335.42	(\$855.16)	-71.83%
Cherokee	295,156.64	318,173.26	\$23,016.62	7.80%
Clark	79,366.15	84,057.22	\$4,691.07	5.91%
Clay	124,884.44	132,580.22	\$7,695.78	6.16%
Cloud	181,659.66	187,778.32	\$6,118.66	3.37%
Coffey	13,514.82	13,947.32	\$432.50	3.20%
Comanche	57,408.66	60,518.00	\$3,109.34	5.42%
Cowley	336,816.98	354,620.06	\$17,803.08	5.29%
Crawford	505,223.52	530,230.30	\$25,006.78	4.95%
Dickinson	225,314.76	237,252.04	\$11,937.28	5.30%
Doniphan	89,803.02	89,068.10	(\$734.92)	-0.82%
Douglas	74,122.12	76,569.88	\$2,447.76	3.30%
Edwards	153,252.76	160,318.32	\$7,065.56	4.61%
Elk	40,266.20	42,135.26	\$1,869.06	4.64%
Ellis	22,497.72	23,861.74	\$1,364.02	6.06%
Ellsworth	80,455.10	84,914.02	\$4,458.92	5.54%
Ford	50,983.62	52,699.71	\$1,716.09	3.37%
Franklin	279,339.29	292,475.91	\$13,136.62	4.70%
Geary	314,051.94	328,898.04	\$14,846.10	4.73%
Grant	719.24	737.43	\$18.19	2.53%
Gray	13,369.52	13,776.68	\$407.16	3.05%
Greenwood	21,270.64	21,884.44	\$613.80	2.89%
Harper	57,816.96	60,550.28	\$2,733.32	4.73%
Harvey	280,531.38	298,548.30	\$18,016.92	6.42%
Haskell	32,439.46	33,680.77	\$1,241.31	3.83%
Jackson	94,588.46	97,622.50	\$3,034.04	3.21%
Jefferson	145,297.50	147,289.10	\$1,991.60	1.37%
Jewell	64,515.50	64,993.36	\$477.86	0.74%
Johnson	2,700,750.91	2,837,374.25	\$136,623.34	5.06%
Kingman	190,337.82	196,199.50	\$5,861.68	3.08%
Kiowa	80,760.76	83,922.96	\$3,162.20	3.92%
Labette	359,656.08	379,252.90	\$19,596.82	5.45%
Leavenworth	435,033.25	440,548.70	\$5,515.45	1.27%
Lincoln	64,773.64	64,476.48	(\$297.16)	-0.46%
Linn	14,856.84	15,430.20	\$573.36	3.86%
Lyon	313,116.92	328,149.24	\$15,032.32	4.80%
Marion	35,707.17	36,958.61	\$1,251.44	3.50%
Marshall	180,701.96	187,190.70	\$6,488.74	3.59%
McPherson	375,410.99	375,410.80	(\$0.19)	0.00%
Meade	33,643.90	33,643.90	\$0.00	0.00%
Miami	144,970.10	151,632.90	\$6,662.80	4.60%
Mitchell	141,320.14	146,850.10	\$5,529.96	3.91%
Montgomery	119,675.00	127,967.26	\$8,292.26	6.93%
Morris	13,256.46	13,896.86	\$640.40	4.83%
Morton	1,148.49	1,321.89	\$173.40	15.10%
Nemaha	88,725.08	91,086.42	\$2,361.34	2.66%
Neosho	172,255.28	181,976.48	\$9,721.20	5.64%

**KANSAS GAS SERVICE  
AD VALOREM TAX SURCHARGE  
2017 AND 2018 TAXES**

County	Total Tax Payments		Increase(Decrease)	
	2017 Taxes	2018 Taxes	\$	%
Osage	135,070.16	135,070.16	\$0.00	0.00%
Osborne	69,088.08	73,867.76	\$4,779.68	6.92%
Ottawa	66,267.96	68,809.46	\$2,541.50	3.84%
Pawnee	123,707.74	129,019.82	\$5,312.08	4.29%
Pottawatomie	184,814.44	197,311.20	\$12,496.76	6.76%
Pratt	307,902.22	307,902.22	\$0.00	0.00%
Reno	869,420.72	904,390.14	\$34,969.42	4.02%
Republic	43,852.62	43,756.37	(\$96.25)	-0.22%
Rice	91,879.12	91,879.12	\$0.00	0.00%
Riley	462,412.44	503,633.16	\$41,220.72	8.91%
Rooks	0.00		\$0.00	0.00%
Rush	67,070.53	70,240.01	\$3,169.48	4.73%
Russell	147,907.04	151,347.42	\$3,440.38	2.33%
Saline	555,846.98	602,277.54	\$46,430.56	8.35%
Sedgwick	3,243,549.33	3,432,391.90	\$188,842.57	5.82%
Seward	5,844.74	6,150.38	\$305.64	5.23%
Shawnee	2,032,303.06	2,119,427.94	\$87,124.88	4.29%
Smith	73,437.12	74,056.14	\$619.02	0.84%
Stafford	122,034.76	129,652.10	\$7,617.34	6.24%
Stanton	1,093.62	982.44	(\$111.18)	-10.17%
Stevens	0.00		\$0.00	0.00%
Sumner	247,151.70	255,662.20	\$8,510.50	3.44%
Wabaunsee	13,090.10	13,620.06	\$529.96	4.05%
Washington	107,360.85	111,364.87	\$4,004.02	3.73%
Wilson	0.00		\$0.00	0.00%
Woodson	8,432.78	8,793.68	\$360.90	4.28%
Wyandotte	1,231,201.92	1,231,201.92	\$0.00	0.00%
Total Kansas	\$21,576,263.42	\$22,537,769.50	\$961,506.08	
<b>OKLAHOMA</b>				
30176 Grant (Medford, OK)	50,122.00	37,672.00	(\$12,450.00)	-24.84%
18387 Woods (Alva, OK)	423.00	489.00	\$66.00	15.60%
Total Oklahoma	\$50,545.00	\$38,161.00	(\$12,384.00)	
Total Taxes	\$21,626,808.42	\$22,575,930.50	\$949,122.08	
<b>Less Taxes Charged to Other Balance Sheet Accounts:</b>				
Acct 163: Inventory		\$ 106,321.12	<b>Key</b> no assets estimate corrected	
Acct 184: Fleet Clearing		395,231.40		
Total Current Year Ad Valorem Expense		\$22,074,377.98		

Acct 163: Inventory Rate  
Acct 184: Fleet Clearing Rate

0.00470949  
0.01750676

Ratios were calculated by accounting:  
and filed in the 10R KS Dept of Rev filing



**Kansas Gas Service  
Ad Valorem Recoveries**

		2017	2018										
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
10	R4VS	(11.32)	(17.49)	1.59	1.26	1.04	0.53	0.20	0.03	0.03	0.17	0.15	
10	RAVS	(124,138.59)	13,715.48	12,306.29	8,663.71	7,212.50	2,525.03	172.05	(13.67)	(32.76)	23.29	798.22	
10	RWVS	(76.80)	12.80	10.46	8.35	6.20	5.03	0.89	0.61	0.71	0.63	0.90	
10	XRVS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
20	YRVS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.23	
20	4CVS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
20	C4VS	(18.79)	(37.35)	2.96	2.52	1.51	1.21	0.05	0.01	0.02	0.01	0.35	
20	CAVS	(29,109.39)	3,365.71	3,304.49	2,223.94	1,762.59	735.99	308.86	284.81	286.78	288.01	399.75	
20	CEVS	(58.59)	8.54	6.46	3.85	2.57	1.03	0.30	0.21	0.33	0.12	0.68	
20	CIVS	(25.94)	(2.78)	0.28	1.04	6.30	3.74	5.18	22.17	36.76	10.11	2.76	
20	CWVS	(11.10)	2.70	2.24	4.33	1.61	1.22	0.15	0.10	0.09	0.07	0.06	
20	XCVS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	I4VS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	I4VS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	XIVS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
45	SAVS	(152.87)	35.85	28.59	6.48	3.79	19.92	0.27	0.32	0.27	0.33	0.82	
45	S4VS	-30.68	(60.27)	4.73	4.16	2.14	1.95	0.34	0.27	0.30	0.27	0.29	
Transport	WAVS	(2,017.32)	(3,576.32)	289.88	241.51	160.41	139.32	38.50	32.73	33.93	29.39	21.39	
Transport	LAVS	(33,340.05)	(44,193.78)	4,013.02	2,854.33	2,439.46	2,289.79	1,604.02	1,512.88	1,462.79	1,517.47	1,442.80	
Transport	TLVS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Transport	KLVS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Transport	GAVS	(17,929.31)	(28,740.76)	2,376.96	2,059.34	1,507.86	1,274.38	618.41	600.71	731.09	705.15	496.21	
Transport	KGVS	(19.74)	(40.42)	3.65	2.74	1.69	1.34	0.07	0.05	0.05	0.05	0.08	
Transport	VAVS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
manual Billing Correction													
Total		(206,940.49)	(59,528.09)	22,351.60	16,077.56	13,109.67	7,000.48	2,749.29	2,441.23	2,520.39	2,575.24	3,164.69	0.00