



A Division of ONE Gas

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

20191127105900  
Filed Date: 11/27/2019  
State Corporation Commission  
of Kansas

November 27, 2019

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

20-KGSG-235-TAR

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 2019 assessments. We have calculated the 2020 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 Dockets 16-KGSG-491-RTS and 18-KGSG-560-RTS. We expect to know the remaining assessments and the actual November 2019 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 2020 cycle 1 billings; also attached is an itemized listing of taxes assessed by each taxing entity. Please contact Graham Jaynes (913-319-8612 or [Graham.Jaynes@onegas.com](mailto:Graham.Jaynes@onegas.com)) if you have any questions or concerns. Per the conversation earlier this month, we are providing the tax assessments received to date and will follow-up in early December with any outstanding assessments.

We have filed this via the KCC e-filing platform on November 27, 2019.

Sincerely,

Lorna Eaton  
Manager, Rates & Regulatory

Attachments

cc: Justin Grady, Pat Renner

**KANSAS GAS SERVICE**  
**AD VALOREM TAX SURCHARGE**  
**For the Year Ending December 31, 2019**  
**Calculation for the 2020 Billing Year**

**Adjustment to Prior Year Surcharge**

Prior Year Surcharge Total	\$1,076,886.92	
Late Assessments	4,670.64	
True-up of Estimated Recoveries:		
Dec-18 Estimated	\$16,929.06	
Actual	<u>(18,787.86)</u>	
Total Adjustments to Estimate		<u>(\$1,858.80)</u>
Total Prior Year Surcharge Adjustments		\$1,079,698.76

**Current Year Recoveries - 2019**

January	\$145,873.62	
February	207,625.54	
March	196,291.26	
April	101,053.31	
May	53,224.41	
June	38,517.55	
July	29,729.72	
August	31,307.95	
September	33,377.05	
October	37,568.78	
November	Estimated 91,269.19	
December	Estimated <u>147,688.23</u>	
Total Recoveries		<u>\$1,113,526.61</u>
Under/(Over) Recovery to Carry Forward		(\$33,827.85)

**Current Year Assessments**

Ad Valorem Tax Assessments	\$23,936,674.36	
Less: Amount included in Base Rates	*1 <u>(21,125,905.49)</u>	
Recoverable Current Year Taxes		<u>\$2,810,768.87</u>
<b>Total Recoverable Amount</b>		<b>\$2,776,941.02</b>

**Annual Billing Determinants**

Billing Determinants	*2 78,382,787 Mcf	
		78,382,787 Mcf
<b>Ad Valorem Tax Surcharge Rate:</b>	Surcharge of	<u><u>\$0.0354</u></u> /Mcf

\*1 Docket 18-KGSG-560-RTS: Unanimous Settlement Agreement, Section 15 (page 5)  
- prorated for 1 month and 5 days of 16-KGSG-491-RTS

\*2 Docket 18-KGSG-560-RTS: Unanimous Settlement Agreement, Appendix B  
NOTE: The calculation of this rider is detailed in the KGS Tariff, section 48.1

**Kansas Gas Service  
Ad Valorem Recoveries**

		2018	2019										
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
10	R4VS	1.27	1.76	17.38	18.12	12.50	5.87	3.87	2.36	2.75	3.62	2.43	
10	RAVS	11,340.85	111,627.92	122,067.27	113,657.26	46,454.43	22,084.00	13,127.17	7,924.29	7,326.98	7,522.56	13,242.27	
10	RWVS	9.88	85.06	0.00	106.63	(6.11)	153.42	21.56	26.06	0.00	11.24	0.00	
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	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
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	2.09	2.93	27.41	24.82	16.43	5.48	8.31	1.11	1.07	0.83	0.73	
20	CAVS	2,866.98	28,702.25	32,388.59	30,591.63	11,655.38	5,496.65	3,567.98	2,981.20	2,781.47	2,950.14	3,623.94	
20	CEVS	4.62	52.70	60.96	50.37	17.44	7.95	3.42	1.74	1.95	4.05	9.03	
20	CIVS	0.55	4.41	3.88	4.24	6.71	31.41	16.53	137.21	300.60	158.28	51.00	
20	CWVS	1.83	18.19	0.00	28.48	0.00	47.22	5.69	4.56	0.00	1.26	0.00	
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	IAVS	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	20.64	203.72	260.37	252.58	45.84	12.22	1.79	2.03	3.24	2.49	5.49	
45	S4VS	2.92	3.96	37.60	40.27	26.40	8.36	5.36	2.72	2.50	2.37	2.37	
Transport	WAVS	195.56	234.90	2,483.71	2,516.40	1,730.12	519.07	328.67	159.03	242.22	184.61	132.84	
Transport	LAVS	2,743.61	2,916.89	29,398.87	28,268.44	24,575.17	17,135.51	15,540.94	14,105.36	14,588.22	14,983.25	14,540.14	
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	1,595.68	2,016.85	20,856.53	20,710.01	16,504.52	7,713.32	5,884.92	4,381.63	6,056.57	7,551.97	5,958.09	
Transport	KGVS	1.38	2.08	22.97	21.94	14.48	3.93	1.34	0.42	0.38	0.38	0.45	
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		18,787.86	145,873.62	207,625.54	196,291.26	101,053.31	53,224.41	38,517.55	29,729.72	31,307.95	33,377.05	37,568.78	0.00

**KANSAS GAS SERVICE  
AD VALOREM TAX SURCHARGE  
2018 AND 2019 TAXES**

County	Total Tax Payments		Increase(Decrease)	
	2018 Taxes	2019 Taxes	\$	%
<b>KANSAS</b>				
Allen	\$188,523.76	228,225.26	\$39,701.50	21.06%
Anderson	129,977.36	133,527.70	\$3,550.34	2.73%
Atchinson	285,406.64	308,779.96	\$23,373.32	8.19%
Barber	101,153.32	111,312.04	\$10,158.72	10.04%
Barton	495,563.90	549,510.12	\$53,946.22	10.89%
Bourbon	245,664.60	272,249.78	\$26,585.18	10.82%
Brown	156,796.58	165,026.20	\$8,229.62	5.25%
Butler	769,042.18	769,072.18	\$30.00	0.00%
Chautauqua	335.42	335.42	\$0.00	0.00%
Cherokee	318,173.26	357,041.72	\$38,868.46	12.22%
Clark	84,057.22	90,286.43	\$6,229.21	7.41%
Clay	132,580.22	146,081.48	\$13,501.26	10.18%
Cloud	187,778.32	187,778.32	\$0.00	0.00%
Coffey	13,947.32	15,321.04	\$1,373.72	9.85%
Comanche	60,518.00	69,371.66	\$8,853.66	14.63%
Cowley	354,620.06	394,734.10	\$40,114.04	11.31%
Crawford	530,230.30	586,585.66	\$56,355.36	10.63%
Dickinson	237,252.04	269,778.84	\$32,526.80	13.71%
Doniphan	89,068.10	98,032.34	\$8,964.24	10.06%
Douglas	76,569.88	83,603.24	\$7,033.36	9.19%
Edwards	160,318.32	174,482.98	\$14,164.66	8.84%
Elk	42,135.26	42,135.26	\$0.00	0.00%
Ellis	23,861.74	23,663.28	(\$198.46)	-0.83%
Ellsworth	84,914.02	92,734.14	\$7,820.12	9.21%
Ford	52,699.71	58,536.87	\$5,837.16	11.08%
Franklin	292,475.91	292,475.91	\$0.00	0.00%
Geary	328,898.04	365,186.02	\$36,287.98	11.03%
Grant	737.43	954.27	\$216.84	29.40%
Gray	13,776.68	14,997.10	\$1,220.42	8.86%
Greenwood	21,884.44	23,876.56	\$1,992.12	9.10%
Harper	60,550.28	66,160.12	\$5,609.84	9.26%
Harvey	298,548.30	325,704.20	\$27,155.90	9.10%
Haskell	33,680.77	38,210.67	\$4,529.90	13.45%
Jackson	97,622.50	106,549.14	\$8,926.64	9.14%
Jefferson	147,289.10	163,265.38	\$15,976.28	10.85%
Jewell	64,993.36	71,096.98	\$6,103.62	9.39%
Johnson	2,837,374.25	3,094,411.87	\$257,037.62	9.06%
Kingman	196,199.50	207,592.26	\$11,392.76	5.81%
Kiowa	83,922.96	91,934.08	\$8,011.12	9.55%
Labette	379,252.90	408,352.66	\$29,099.76	7.67%
Leavenworth	440,548.70	496,574.07	\$56,025.37	12.72%
Lincoln	64,476.48	70,453.54	\$5,977.06	9.27%
Linn	15,430.20	16,971.70	\$1,541.50	9.99%
Lyon	328,149.24	360,856.42	\$32,707.18	9.97%
Marion	36,958.61	40,741.93	\$3,783.32	10.24%
Marshall	187,190.70	206,542.24	\$19,351.54	10.34%
McPherson	392,172.86	392,172.86	\$0.00	0.00%
Meade	34,182.76	34,182.76	\$0.00	0.00%
Miami	151,632.90	151,632.90	\$0.00	0.00%
Mitchell	146,850.10	163,138.76	\$16,288.66	11.09%
Montgomery	127,967.26	133,871.60	\$5,904.34	4.61%
Morris	13,896.86	15,696.00	\$1,799.14	12.95%
Morton	1,321.89	1,143.50	(\$178.39)	-13.50%
Nemaha	91,086.42	99,683.02	\$8,596.60	9.44%
Neosho	181,976.48	181,976.48	\$0.00	0.00%
Osage	140,182.32	157,437.10	\$17,254.78	12.31%

**KANSAS GAS SERVICE  
AD VALOREM TAX SURCHARGE  
2018 AND 2019 TAXES**

County	Total Tax Payments		Increase(Decrease)	
	2018 Taxes	2019 Taxes	\$	%
Osborne	73,867.76	80,678.68	\$6,810.92	9.22%
Ottawa	68,809.46	76,241.42	\$7,431.96	10.80%
Pawnee	129,019.82	144,794.74	\$15,774.92	12.23%
Pottawatomie	197,311.20	217,104.24	\$19,793.04	10.03%
Pratt	336,205.66	336,205.66	\$0.00	0.00%
Reno	904,390.14	904,390.14	\$0.00	0.00%
Republic	43,756.37	46,853.14	\$3,096.77	7.08%
Rice	96,297.80	98,294.20	\$1,996.40	2.07%
Riley	503,633.16	639,154.80	\$135,521.64	26.91%
Rooks	0.00	0.00	\$0.00	0.00%
Rush	70,240.01	78,295.61	\$8,055.60	11.47%
Russell	151,347.42	163,795.82	\$12,448.40	8.23%
Saline	602,277.54	602,277.54	\$0.00	0.00%
Sedgwick	3,432,391.90	3,815,496.14	\$383,104.24	11.16%
Seward	6,150.38	6,776.90	\$626.52	10.19%
Shawnee	2,119,427.94	2,351,635.90	\$232,207.96	10.96%
Smith	74,056.14	80,219.48	\$6,163.34	8.32%
Stafford	129,652.10	145,388.00	\$15,735.90	12.14%
Stanton	982.44	1,051.34	\$68.90	7.01%
Stevens	0.00	0.00	\$0.00	0.00%
Sumner	255,662.20	293,773.70	\$38,111.50	14.91%
Wabaunsee	13,620.06	15,241.60	\$1,621.54	11.91%
Washington	111,364.87	118,529.36	\$7,164.49	6.43%
Wilson	0.00	0.00	\$0.00	0.00%
Woodson	8,793.68	9,414.58	\$620.90	7.06%
Wyandotte	1,247,131.86	1,247,131.86	\$0.00	0.00%
Total Kansas	\$22,608,807.64	\$24,494,792.97	\$1,885,985.33	
<b>OKLAHOMA</b>				
30176 Grant (Medford, OK)	37,672.00	42,776.00	\$5,104.00	13.55%
18387 Woods (Alva, OK)	489.00	486.00	(\$3.00)	-0.61%
Total Oklahoma	\$38,161.00	\$43,262.00	\$5,101.00	
Total Taxes	\$22,646,968.64	\$24,538,054.97	\$1,891,086.33	
<b>Less Taxes Charged to Other Balance Sheet Accounts:</b>				
Acct 163: Inventory		\$ 139,697.60		Key
Acct 184: Fleet Clearing		461,683.01		no assets
Total Current Year Ad Valorem Expense		\$23,936,674.36		estimate
				corrected

Acct 163: Inventory Rate  
Acct 184: Fleet Clearing Rate

0.00569310  
0.01881498

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

Kansas Gas Service					Support	
2019 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
Rice	\$ 96,297.80	\$ 96,297.80	\$ (2,979.01)	\$ 93,318.79	Check 6055	Jul-19
Brown <sup>(1)</sup>	\$ 156,796.58	\$ 156,796.58	\$ (1,536.83)	\$ 155,259.75	Check 25436 and 25120	May-19
Sedgwick	\$ 3,432,391.90	\$ 3,432,391.90	\$ (2,562.67)	\$ 3,429,829.23	Check 01624873	Jun-19
Greenwood	\$ 21,884.44	\$ 21,880.56	\$ (3.88)	\$ 21,880.56	Greenwood Bill Query (Rate Change)	
Osage	\$ 140,182.32	\$ 140,950.68	\$ 768.36	\$ 140,950.68	Osage Amended Assessment	Feb-19
Franklin	\$ 292,475.91	\$ 295,182.21	\$ 2,706.30	\$ 295,182.21	Check 103571 paid to Franklin County	Jan-19
Shawnee	\$ 2,119,427.94	\$ 2,119,430.86	\$ 2.92	\$ 2,119,430.86	Check 800023 to Shawnee County	Feb-19
Johnson <sup>(2)</sup>	\$ 2,837,374.25	\$ 2,841,631.24	\$ 1,336.50	\$ 2,838,710.75	Check 20953037, 2018 Tax Reminder, and Delinquent Statement	Jun-19
Leavenworth	\$ 440,548.70	\$ 444,978.90	\$ 4,430.20	\$ 444,978.90	Notice of delinquent taxes - Leavenworth	Jul-19
Riley	\$ 503,633.16	\$ 504,913.77	\$ 1,280.61	\$ 504,913.77	Riley estate tax assessment	Feb-19
Chautauqua	\$ 335.42	\$ 1,563.56	\$ 1,228.14	\$ 1,563.56	Chautauqua Bill Query	Jun-19
<b>Totals</b>	<b>\$ 10,041,348.42</b>	<b>\$ 10,056,018.06</b>	<b>\$ 4,670.64</b>	<b>\$ 10,046,019.06</b>		

(1) Brown includes the sum of checks 25436 and 25120 (\$759.93 and \$776.90 respectively)

(2) Johnsons includes a refund from a levy change of -\$2,920.49, an addition from a levy change of \$1,260.99, and an additional assessment of \$2,996