

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

In The Matter of Kansas Gas Service, a)
Division of ONE Gas, Inc.'s Compliance)
Filing for the Execution of An Adjustment)
Mechanism, the True-Up of Securitized) Docket No. 23-KGSG-842-CPL
Utility Tariff Charges, and Certain Other)
Filings Required in Connection With)
Securitized Utility Tariff Bonds.)

COMPLIANCE FILING

Kansas Gas Service, a division of ONE Gas, Inc. ("Kansas Gas Service"), pursuant to Kansas' Utility Financing and Securitization Act, K.S.A. 66-1,240 *et seq.* ("Act"), as well as the Order Approving Unanimous Settlement Agreement and separate Financing Order issued by the State Corporation Commission of the State of Kansas ("Commission") in Docket No. 22-KGSG-466-TAR ("22-466 Docket") respectfully submits this Compliance Filing as required by the Commission and as required by Kansas Gas Service's obligation as Servicer to Kansas Gas Service Securitization I, L.L.C.'s issuance of Securitized Utility Tariff Bonds. In support thereof, Kansas Gas Service states the following to the Commission:

I. CONDENSED BACKGROUND

1. On March 31, 2022, pursuant to the Act and K.S.A. 66-117, Kansas Gas Service filed an Application for Financing Order for the recovery of Qualified Extraordinary Costs and Financing Costs incurred because of the February 2021 Winter Event, commonly referred to as Winter Storm Uri. Kansas Gas Service's Application was evaluated in the 22-466 Docket.

2. On August 18, 2022, in the 22-466 Docket, the Commission issued two orders on Kansas Gas Service's Application. In general, the Order Approving Unanimous Settlement Agreement ("Settlement Order") approved the use of securitized customer backed bonds and other

regulatory issues related to recovering costs incurred during Winter Storm Uri. The Financing Order authorized Kansas Gas Service to issue Securitized Utility Tariff Bonds pursuant to the Act.

3. On November 10, 2022, in the 22-466 Docket, pursuant to the Act and Financing Order, Kansas Gas Service filed its Issuance Advice Letter containing the final terms of the Securitized Utility Tariff Bonds.¹ The Securitized Utility Tariff Bonds closed on November 18, 2022, and the billing of Securitized Utility Tariff Charges began December 1, 2022.

II. COMPLIANCE REQUIREMENTS

4. The Act, Settlement Order, and Financing Order place a series of compliance obligations on Kansas Gas Service. In this Compliance Filing, Kansas Gas Service respectfully submits its true-up to ensure the timely and complete payment of Securitized Utility Tariff Bonds.

5. Kansas Gas Service, acting as the Servicer to Kansas Gas Service Securitization I, L.L.C.'s Securitized Utility Tariff Bonds, must apply an adjustment mechanism to the Company's Securitized Utility Tariff Charges. K.S.A. 66-1,240(b)(2) defines Adjustment Mechanism as:

a formula-based rate adjustment, or true-up process approved by the commission for making, at least annually, expeditious periodic adjustments to securitized utility tariff charges, subject to timely commission review to confirm compliance, that customers are required to pay, as authorized in a financing order. The "adjustment mechanism" is utilized to make necessary corrections to adjust for over-collection or under-collection of such securitized utility tariff charges or otherwise to ensure the timely and complete payment of the securitized utility tariff bonds and all other financing costs and other required amounts and charges payable in connection with the securitized utility tariff bonds.

¹ Kansas Gas Service formed a Special Purpose Entity, Kansas Gas Service Securitization I, L.L.C., which was the issuer of the bonds.

6. Pursuant to the Settlement Order² and Financing Order,³ Kansas Gas Service's Winter Event Securitized Cost Recovery Rider ("WESCR") tariff contains an Adjustment Mechanism. The WESCR's Adjustment Mechanism states, in relevant part:

WESCR Adjustment Mechanism: No less often than every six months, the Company shall adjust the WESCR charge for the over- or under-collections and to ensure the timely and complete payment of Securitized Utility Tariff Bonds and other financing costs.

7. The Financing Order requires true-ups of Securitized Utility Tariff Charges to be "undertaken and conducted in accordance with the Adjustment Mechanism as described in the Form of True-Up attached to [the] Financing Order as Appendix C."⁴ In accordance with the Act, Settlement Order, Financing Order, and WESCR tariff, Kansas Gas Service respectfully submits this True-Up Letter. The True-Up letter, including its internal exhibits and calculations, is attached hereto and incorporated by reference herein as **Attachment A**. Redlined and clean versions of Kansas Gas Service's WESCR tariff are attached hereto and incorporated herein by reference as **Attachment B**.

8. Kansas Gas Service's revised WESCR Charges will become effective July 1, 2025.

9. The Financing Order requires Kansas Gas Service to give notice of all true-up filings to all parties in the 22-466 Docket.⁵ Kansas Gas Service is serving all parties to the 22-446 Docket with a copy of this Compliance Filing.

[This space intentionally left blank.]

² See Order Approving Unanimous Settlement Agreement, Docket No. 22-KGSG-466-TAR, Exhibit A, p. 7-8 (Aug. 18, 2022) (Settlement Order).

³ See Financing Order, Docket No. 22-KGSG-466-TAR, pp. 52-54, 64, 72-73 (Aug. 18, 2022) (Financing Order)

⁴ Financing Order, p. 73.

⁵ See *id.*

WHEREFORE, Kansas Gas Service respectfully requests the Commission accept this Compliance Filing, including its True-Up Letter, and provide any other relief the Commission deems just and reasonable.

Respectfully submitted,

/s/ Robert Elliott Vincent

Robert Elliott Vincent, KS Bar #26028

Kansas Gas Service,

A Division of ONE Gas, Inc.

7421 West 129th Street

Overland Park, Kansas 66213-2634

Telephone: (913) 319-8615

Fax: (913) 319-8622

Email: robert.vincent@onegas.com

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



**Kansas
Gas Service®**

A Division of ONE Gas

15 E 5th Street

Tulsa, OK 74103

kansasgasservice.com

Attachment A

TRUE-UP LETTER

Date: May 30, 2025

Ms. Celeste Chaney-Tucker
Executive Director
Kansas Corporation Commission
1500 S.W. Arrowhead Road
Topeka, KS 66604

Re: In The Matter of The Application of Kansas Gas Service, a Division of ONE Gas, Inc. For the Recovery of Qualified Extraordinary Costs and Issuance of a Financing Order, Docket No. 22-KGSG-466-TAR

Dear Ms. Chaney-Tucker:


Pursuant to the Financing Order adopted on the 18th day of August 2022 in *In the Matter of The Application of Kansas Gas Service, a Division of ONE Gas, Inc. For the Recovery of Qualified Extraordinary Costs and Issuance of a Financing Order*, Docket No. 22-KGSG-466-TAR (Financing Application) (the “Financing Order”), Kansas Gas Service (the “Utility”), as Servicer of the Securitized Utility Tariff Bonds, or any successor Servicer on behalf of bond trustee as assignee of the Utility shall apply semi-annually for a mandatory periodic adjustment to the Securitized Utility Tariff Charges. Any capitalized terms not defined herein shall have the meanings ascribed thereto in the Financing Order or the Utility Financing and Securitization Act, K.S.A. §§66-1,240 - 66-1,253 (the “Act”).

Each semi-annual true-up adjustment shall be filed with the Commission not less than 30 days prior to the first billing cycle of the month in which the revised Securitized Utility Tariff Charges, calculated under the Winter Event Securitized Cost Recovery Rider (“WESCR”), will be in effect. The Commission staff will have 30 days after the date of the true-up adjustment filing in which to confirm the mathematical accuracy of the servicer’s adjustment. However, any mathematical or clerical correction not made prior to the effective date of the Securitized Utility Tariff Charges (WESCR Charges) will be made in future true-up adjustment filings and will not delay the effectiveness of the Securitized Utility Tariff Charges (WESCR Charges).

Using the formula approved by the Commission in the Financing Order, this filing modifies the variables used in the WESCR calculation and provides the resulting modified Securitized Utility Tariff Charges (or WESCR Charges). Exhibits 1, 2 and 3 show the resulting values of the Securitized Utility Tariff Charges for each Securitized Utility Tariff Charges Customer Class, as calculated in accordance with the Financing Order. The assumptions underlying the current Securitized Utility Tariff Charges were filed by the Utility in an Interim True-Up dated January 31, 2025.

Respectfully submitted,

KANSAS GAS SERVICE, a Division of ONE
Gas, Inc.

By: 
Signer ID: 7QNHBYYO010...
Name: Mark W. Smith
Title: Vice President and Treasurer

Exhibits

cc: Justin Grady, Designated Representative
Adam Gatewood, Alternative Designated
Representative

EXHIBIT 1

CALCULATION OF SECURITIZED UTILITY TARIFF CHARGES

Itemized Annual Ongoing Financing Costs

Servicing Fees	\$168,000
Total Servicing Costs	\$168,000
Administration Fees	\$100,000
Return on invested capital	\$144,500
Accounting Fees	\$71,500
Legal Fees	\$32,736
Rating Agency Surveillance	\$60,000
Trustee Fees	\$12,000
Independent Director Fees	\$3,500
Total Other Ongoing Costs	\$424,236
Total Ongoing Financing Costs	\$592,236
Ongoing Financing Costs as % of Issuance Amount	0.17%

KGS will recover the Qualified Extraordinary Costs through a fixed monthly Securitized Utility Tariff Charge per customer. The table below provides the monthly fixed charge for each customer class. The fixed monthly charge is calculated assuming securitization of the Qualified Extraordinary Costs over the life of the Bonds using the carrying charges through February 2023 (approximately \$336 million) and the customer count from the 2020 KGS Annual Report.

Securitized Utility Tariff Charge			10 Year Recovery	
Class	2020 Annual Report Customer Count	Allocation %	Annual \$ Allocated to Class	Monthly Fixed Charge
Residential	589,076	78.953%	\$17,946,972.52	\$5.03
General Service- Small	36,902	8.794%	\$1,998,982.64	\$9.06
General Service- Large	11,527	10.486%	\$2,383,594.72	\$33.67
General Service- Transport Eligible	502	1.723%	\$391,658.75	\$108.49
Small Generator Service	690	0.033%	\$7,501.30	\$1.71
Irrigation Sales	197	0.011%	\$2,500.43	\$2.64
Kansas Gas Supply	-	0.000%	\$0.00	\$0.00

EXHIBIT 2
WESCR CALCULATIONS

Kansas Gas Service
Winter Event Securitized Charge Rider (WESCR) True-up Mechanism
for the Period 08/01/2024 through 01/31/2026

Line #	Description	Calculation of True-up	Projected Revenue Requirement to be Billed and Collected	Revenue Requirement for WESCR Charge
		(a)	(b)	(c)=(a)+(b)
True-up for Prior Remittance Period Beginning 08/01/2024 and Ending 01/31/2025:				
1	Prior Remittance Period Revenue Requirement			
2	Principal	\$ 14,546,813.47		
3	Interest	\$ 7,881,868.41		
4	Servicing Costs	\$84,000.00		
5	Other Ongoing Costs	\$262,190.00		
6	Total Prior Remittance Period Revenue Requirement (Line 3+4+5+6)	\$ 22,774,871.88		
7	Prior Remittance Period Actual Cash Receipt Transfers and Interest Income			
8	Cash Receipts Transferred to the SPE	\$ (20,935,499.61)		
9	Interest Income on Subaccounts at the SPE	\$ (249,729.41)		
10	Total Cash Receipt Transfers and Interest Income (Line 9+10)	\$ (21,185,229.02)		
11	(Over)/Under Collections of Prior Remittance Period Requirements (Line 7+11)	\$ 1,589,642.86		
12	Cash in Excess Funds Subaccount at SPE	\$ (1,359,720.56)		
13	Cumulative (Over)/Under Collections for Prior Remittance Period (Line 12+13)	\$ 229,922.30		\$ 229,922.30
14				
15				
16				
17	Current Remittance Period Beginning 02/01/2025 and Ending 07/31/2025:			
18	Current Remittance Period Revenue Requirement			
19	Principal	\$ 14,945,832.55		
20	Interest	\$ 7,482,849.31		
21	Servicing Costs	\$ 84,000.00		
22	Other Ongoing Costs	\$ 199,750.00		
23	Total Current Remittance Period Revenue Requirement (Line 19+20+21+22)	\$ 22,712,431.86		
24				
25	Current Remittance Period Cash Receipt Transfers and Interest income			
26	Cash Receipts Transferred to the SPE	\$ (15,469,464.07)	\$ (7,941,000.00)	
27	Interest Income on Subaccounts at the SPE	\$ (90,357.36)	\$ (177,556.77)	
28	Total Cash Receipt Transfers and Interest Income (Line 26+27)	\$ (15,559,821.43)	\$ (8,118,556.77)	
29	Estimated Current Remittance Period (Over)/Under Collection (Line 23+28)	\$ 7,152,610.43	\$ (8,118,556.77)	\$ (965,946.34)
30				

31				
32	Projected Remittance Period Beginning 08/01/2025 and Ending 01/31/2026:			
33	Projected Remittance Period Revenue Requirement			
34	Principal	\$	15,355,796.75	
35	Interest	\$	7,072,885.13	
36	Servicing Costs	\$	84,000.00	
37	Other Ongoing Costs	\$	190,690.00	
37a	Estimated Bad Debt (Undercollections)	\$	763,862.52	
38	Total Projected Remittance Period Revenue Requirement (Line 34+35+36+37)	\$	23,467,234.40	\$ 23,467,234.40
39				
40	Total WESCR Adjustment Mechanism Revenue Requirements (Line 14+29+38)			\$ 22,731,210.36
41				
42				
43				

		Forecasted 6-Month Customer Charges	Allocation Factor	Projected Revenue Requirement Allocated to Customer Class	WESCR Charge
44	Customer Class				
45	Residential	3,570,262	78.953%	\$ 17,946,972.52	\$ 5.03
46	General Service - Small	220,740	8.794%	\$ 1,998,982.64	\$ 9.06
47	General Service - Large	70,784	10.486%	\$ 2,383,594.72	\$ 33.67
48	General Service - Transport Eligible	3,610	1.723%	\$ 391,658.75	\$ 108.49
49	Small Generator Service	4,399	0.033%	\$ 7,501.30	\$ 1.71
50	Irrigation Sales	947	0.011%	\$ 2,500.43	\$ 2.64
51	Kansas Gas Supply	-	0.000%	\$ -	\$ -
				\$ 22,731,210.36	

EXHIBIT 3
WESCR FOR PAYMENT PERIOD

<u>Customer Class</u>	<u>Charge</u>
Residential	\$ 5.03
General Service- Small	\$ 9.06
General Service- Large	\$ 33.67
General Service- Transport Eligible	\$ 108.49
Small Generator Service	\$ 1.71
Irrigation Sales	\$ 2.64
Kansas Gas Supply	\$ -

Signature Certificate

Attachment A



Envelope Ref:2bd838dfd32e807f0950ec674979f23328eb5776

Author: OKE20705@onegas.com OKE20705@onegas.com
Creation Date: 29 May 2025, 11:48:59, PDT
Completion Date: 29 May 2025, 22:23:41, PDT

Document Details:



Name: Appendix C- Form of True-Up Letter 05.30.2025
Type:
Document Ref: fa316830c11d8234f64eccba580ad8def56c74d30f39fd5783a5f82d7c79287b
Document Total Pages: 6

Document Signed By:

Name: Mark W. Smith
Email: Mark.Smith@onegas.com
IP: 2600:387:f:5a::5
Location: HOUSTON, TX (US)
Date: 29 May 2025, 22:23:41, PDT
Consent: eSignature Consent Accepted
Security Level: Email


Signer ID: 7QNHBYQO10...

Document History:

Envelope Created	OKE20705@onegas.com OKE20705@onegas.com created this envelope on 29 May 2025, 11:48:59, PDT
Invitation Sent	Invitation sent to Mark W. Smith on 29 May 2025, 11:50:20, PDT
Invitation Accepted	Invitation accepted by Mark W. Smith on 29 May 2025, 22:23:33, PDT
Signed by Mark W. Smith	Mark W. Smith signed this Envelope on 29 May 2025, 22:23:41, PDT
Executed	Document(s) successfully executed on 29 May 2025, 22:23:41, PDT
Signed Document(s)	Link emailed to Mark.Smith@onegas.com
Signed Document(s)	Link emailed to keith.cundiff@onegas.com

THE STATE CORPORATION COMMISSION OF KANSAS

Index 49.1

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

SCHEDULE WESCR

All Rate Areas

Replacing Sheet 1 of 4 in part filed ~~November 27, 2024~~ January 31, 2025

No supplement or separate understanding shall modify the tariff as shown herein.

Sheet 1 of 4

Winter Event Securitized Cost Recovery Rider**Applicability**

This rider is applicable to all service provided under sales rate schedules RS, GSS, GSL, GSTE, SGS, KGSSD and GIS beginning with the first billing cycle following the issuance of securitized bonds pursuant to a Financing Order issued in Docket No. 22-KGSG-466-TAR, except for customers exempted by Commission Order. Service is subject to the Definitions and Conditions section below.

Net Monthly Charge

Current Charge

RS	Residential Sales Service	\$	5.80 <u>5.03</u>
GSS	General Sales Service Small	\$	10.43 <u>9.06</u>
GSL	General Sales Service Large	\$	39.33 <u>33.67</u>
GSTE	General Sales Service Transport Eligible	\$	129.85 <u>108.49</u>
SGS	Small Generator Sales Service	\$	1.95 <u>1.71</u>
KGSSD	Kansas Gas Supply D	\$	0.00
GIS	Gas Irrigation Sales Service	\$	2.86 <u>2.64</u>

1. The Winter Event Securitized Cost Recovery Rider (WESCR) shall be applied as a fixed monthly charge calculated as described below for recovery of extraordinary costs incurred related to Winter Storm Uri (Winter Event).
2. All WESCR fixed monthly charges shall be calculated to the nearest \$0.01 per customer. All charges set forth in the rate schedule under which the customer takes service shall also apply.
3. Initial Charge: The initial WESCR shall be determined as follows:
 - a. The initial 12 months of principal, interest and servicing costs (adjusted for forecasted write-offs and late payments) for the Securitized Utility Tariff Bonds shall be allocated to the sales rate schedules as follows:

Issued:	January 31, 2025 <u>May 30, 2025</u>
Effective:	March 3, 2025 <u>July 1, 2025</u>
By:	/s/Janet L. Buchanan Janet L. Buchanan, Director – Regulatory Affairs

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

SCHEDULE **WESCR**

All Rate Areas

Replacing Sheet 1 of 4 in part filed January 31, 2025

No supplement or separate understanding shall modify the tariff as shown herein.

Sheet 1 of 4

Winter Event Securitized Cost Recovery Rider**Applicability**

This rider is applicable to all service provided under sales rate schedules RS, GSS, GSL, GSTE, SGS, KGSSD and GIS beginning with the first billing cycle following the issuance of securitized bonds pursuant to a Financing Order issued in Docket No. 22-KGSG-466-TAR, except for customers exempted by Commission Order. Service is subject to the Definitions and Conditions section below.

Net Monthly Charge

Current Charge

RS	Residential Sales Service	\$	5.03
GSS	General Sales Service Small	\$	9.06
GSL	General Sales Service Large	\$	33.67
GSTE	General Sales Service Transport Eligible	\$	108.49
SGS	Small Generator Sales Service	\$	1.71
KGSSD	Kansas Gas Supply D	\$	0.00
GIS	Gas Irrigation Sales Service	\$	2.64

1. The Winter Event Securitized Cost Recovery Rider (WESCR) shall be applied as a fixed monthly charge calculated as described below for recovery of extraordinary costs incurred related to Winter Storm Uri (Winter Event).
2. All WESCR fixed monthly charges shall be calculated to the nearest \$0.01 per customer. All charges set forth in the rate schedule under which the customer takes service shall also apply.
3. Initial Charge: The initial WESCR shall be determined as follows:
 - a. The initial 12 months of principal, interest and servicing costs (adjusted for forecasted write-offs and late payments) for the Securitized Utility Tariff Bonds shall be allocated to the sales rate schedules as follows:

Issued:	May 30, 2025	
Effective:	July 1, 2025	
By:		

VERIFICATION

STATE OF KANSAS)
)
COUNTY OF JOHNSON)

I, Robert Elliott Vincent, of lawful age, being first duly sworn upon oath, states as follows: I am a Managing Attorney for Kansas Gas Service, a Division of ONE Gas, Inc. I have read the above *Compliance Filing* and all the statements therein are true to the best of my knowledge, information and belief.



Robert Elliott Vincent

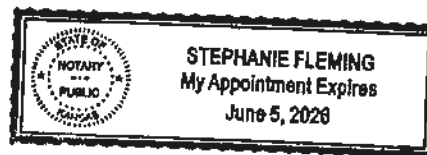
Affiant

SUBSCRIBED AND SWORN to before me on 5/29/25.


Notary public

My Appointment Expires:

6/5/26



CERTIFICATE OF SERVICE

I, Robert Elliott Vincent, hereby certify that a copy of the above and foregoing *Compliance Filing* was forwarded this 30th day of May 2025, addressed to:

JOSEPH R. ASTRAB, CONSUMER COUNSEL
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

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

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

JUSTIN GRADY, DESIGNATED
REPRESENTATIVE
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
j.grady@kcc.ks.gov

ADAM GATEWOOD, ALTERNATIVE
DESIGNATED REPRESENTATIVE
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD

TOPEKA, KS 66604
a.gatewood@kcc.ks.gov

PATRICK HURLEY, CHIEF LITIGATION
COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
patrick.hurley@ks.gov

CARLY MASENTHIN, LITIGATION
COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
c.masenthin@kcc.ks.gov

LORNA EATON, MANAGER,
REGULATORY AFFAIRS
KANSAS GAS SERVICE,
A DIVISION OF ONE GAS, INC.
7421 W 129TH ST
OVERLAND PARK, KS 66213-2713
lorna.eaton@onegas.com

ROBERT E. VINCENT, MANAGING
ATTORNEY
KANSAS GAS SERVICE,
A DIVISION OF ONE GAS, INC.
7400 W. 110th St.
OVERLAND PARK, KS 66210-2362
robert.vincent@onegas.com

Respectfully submitted,

/s/ Robert Elliott Vincent
Robert Elliott Vincent, KS Bar #26028
Kansas Gas Service,
A Division of ONE Gas, Inc.
7421 West 129th Street
Overland Park, Kansas 66213 2634
Telephone: (913) 319 8615
Fax: (913) 319 8622
Email: robert.vincent@onegas.com

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