

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

In the Matter of the Investigation into Kansas)
Gas Service Company, a Division of One Gas)
Inc. Regarding the February 2021 Winter) Docket No. 21-KGSG-332-GIG
Weather Events, as contemplated by Docket)
No. 21-GIMX-303-MIS)

PETITION TO INTERVENE

COMES NOW Bonavia Properties, L.L.C. (“Bonavia”), by and through its attorney, C. Edward Watson, II of Foulston Siefkin LLP, and petitions the Corporation Commission of the State of Kansas (“Commission”) for intervention in the above-captioned case pursuant to K.S.A. 77-521. In support of its petition, Bonavia states and alleges as follows:

1. On February 15, 2021, the Commission issued an Emergency Order in the 21-GIMX-303-MIS Docket (“Emergency Order”). The Commission issued the Emergency Order pursuant to K.S.A. 77-536(a), to exercise its powers to protect the public from immediate danger to health, safety, and welfare.
2. The Emergency Order was issued in response to the February 14, 2021, State of Disaster Emergency issues by Kansas Governor Kelly “due to wind chill warnings and stress on utility and natural gas providers, noting that the current subzero temperatures are causing increased energy demand and natural gas supply constraints throughout Kansas.” (Emergency Order at p. 1.)
3. Pursuant to the Emergency Order: all jurisdictional natural gas and electric utilities are required “to coordinate efforts and take all reasonably feasible, lawful, and appropriate actions to ensure adequate transportation of natural gas and electricity to interconnected, non-jurisdictional Kansas utilities. Jurisdictional natural gas and electric utilities are ordered to do everything necessary to ensure natural gas and electricity service continues to be provided to their customers in Kansas.” (Emergency Order at p. 3.)

4. Also, pursuant to the Emergency Order, “[t]he Commission authorizes every jurisdictional electric and natural gas distribution utility that incurs extraordinary costs associated with ensuring that their customers or the customers of interconnected Kansas utilities that are non-jurisdictional to the Commission continue to receive utility service during this unprecedented cold weather event to defer those costs to a regulatory asset account.” (Emergency Order at p. 4.) The deferred costs may also include carrying costs and must be accounted for in detail. *Id.*

5. The Emergency Order does not guarantee rate recovery but establishes a mechanism where rate recovery may be sought in a future proceeding.

6. Lastly, the Emergency Order directs that: “[o]nce this 2021 Winter Weather Event is over, and after all costs have been accumulated and recorded, each jurisdictional utility is directed to file a compliance report in this Docket detailing the extent of such costs incurred, and present a plan to minimize the financial impacts of this event on ratepayers over a reasonable time frame.” (Emergency Order at p. 5.)

7. Bonavia is a customer of BlueMark Energy, LLC (“BlueMark”), which is a non-jurisdictional privately owned natural gas marketing company serving approximately 150 separate commercial and industrial natural gas customers in Kansas as well as Arkansas, Iowa, Missouri, Oklahoma, and Texas. As stated herein, and pursuant to K.S.A. 77-521(a), Bonavia’s legal interests will be substantially affected by this proceeding and granting Bonavia’s petition to intervene will not impair the orderly and prompt conduct of this action.

8. BlueMark's largest Kansas customer base is served off the Kansas Gas Service gas utility system. Bonavia receives gas in this manner. BlueMark has intervened in the instant docket, as well as the docket considering Black Hills Energy’s costs, Docket No. 21-BJCG-334-GIG.

9. Bonavia is one of BlueMark's Kansas customers that has been negatively impacted by the Winter Weather Event. Beginning in the second week of February 2021, the costs to serve Kansas customers increased dramatically due to both increases in demand and increases in gas prices. Specifically, Bonavia's BlueMark bills for natural gas purchased during the Winter Weather Event increased by 3770% over past bills for this same time period.

10. As recognized by the Emergency Order and the State of Disaster Emergency, all natural gas suppliers experienced similar increases in demand and consequently price; all at the same time. And, all natural gas suppliers experienced similar scheduling and delivery difficulties. Non-jurisdictional suppliers, like BlueMark, were in competition with jurisdictional utilities to purchase this gas in the open market.

11. As a supplier relying on Kansas jurisdictional utilities for transportation and distribution, BlueMark asserted in its Motion to Intervene that it anticipated increased costs on those utilities as a result of the scheduling and delivery issues. BlueMark also asserted that it anticipated that its customers will experience increased costs associated with service from those utilities; all so that "customers of interconnected Kansas utilities that are non-jurisdictional to the Commission continue to receive utility service during this unprecedented cold weather event." (Emergency Order at p. 4.)

12. Certain of these costs may be immediate, such as those related to imbalance penalties. Other costs may be long term, such as for new capital expenditure in the future to increase the reliability of the system. At the end of the day, these costs have already been or will be passed down to BlueMark's customers such as Bonavia. Other costs from the jurisdictional utilities may be long term, such as for new capital expenditures in the future to increase the reliability of the system. Those costs too may be passed down to customers.

13. To the extent the costs may be discussed, reported and/or mitigated as a part of this proceeding, Bonavia has an immediate interest. Bonavia's interest in this proceeding, as a customer of a non-jurisdictional marketer dependent upon a jurisdictional transportation company, is not adequately represented by any other party.

14. All communications and correspondence to Bonavia, including service of notices and orders of the Commission herein are requested to be sent to the following named.

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WHEREFORE, Bonavia Properties, L.L.C. respectfully requests the Commission enter an Order allowing it to intervene in this proceeding and for all other relief which the Commission deems just and proper.

By:

/s/ C. Edward Watson, II

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CERTIFICATE OF SERVICE

I hereby certify that on the 13 day of April, 2021, a true and correct copy of the above and foregoing was sent electronically to the following:

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