

In the Matter of the Application of )  
Kansas Gas Service, A Division )  
of ONE Gas, Inc. for Approval By )  
The Commission for a Gas )  
System Reliability Surcharge per )  
K.S.A. 66-2201 through 66-2204 )

DOCKET NO. 20-KGSG-090-TAR

**DIRECT TESTIMONY**  
**OF**  
**LORNA M. EATON**  
**ON BEHALF OF**  
**KANSAS GAS SERVICE**  
**A DIVISION OF ONE GAS, INC**

**DIRECT TESTIMONY**  
**OF**  
**LORNA M. EATON**  
**KANSAS GAS SERVICE**  
**DOCKET NO. 20-KGSG-\_\_\_\_-TAR**

1   **Q.     PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2   A.     My name is Lorna M. Eaton. My business address is 7421 West 129<sup>th</sup> Street, Overland  
3           Park, Kansas, 66213.

4   **Q.     BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5   A.     I am employed by Kansas Gas Service, a Division of ONE Gas, Inc. ("KGS" or the  
6           "Company"), as a Manager in the Rates and Regulatory Department.

7   **Q.     PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND BUSINESS**  
8           **EXPERIENCE.**

9   A.     I received a Bachelor of Science in Geology from Kansas State University in 1996 and  
10          worked in the KSU Geology department following graduation. I began my employment  
11          with KGS in 2000, as an Accountant in the General Accounting Department and moved  
12          to the Financial Planning Department as a Budget Analyst. I joined the Rates and  
13          Regulatory Department in 2010 as a Rates Analyst and began my current position in  
14          June 2015.

15   **Q.     HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

16   A.     Yes. I provided written testimony in Dockets 12-KGSG-835-RTS, 14-KGSG-111-TAR,  
17          15-KGSG-088-TAR, 16-KGSG-104-TAR, 16-KGSG-491-RTS, 18-KGSG-093-TAR,  
18          18-KGSG-560-RTS ("560 Docket"), and 19-KGSG-088-TAR ("088 Docket").

19

1     **Q.     WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2     A.     The purpose of my testimony is to support the calculation of the Gas System Reliability  
3            Surcharge ("GSRS") revenue requirement, the allocation of relevant costs to customer  
4            classes, the development and design of GSRS rates, and the revised GSRS tariff rider.

5     **Q.     ARE YOU SPONSORING ANY EXHIBITS?**

6     A.     Yes. I am sponsoring Exhibits LME-1 through LME-7.

7     **Q.     PLEASE EXPLAIN THE APPLICABLE GSRS REVENUE RATE PARAMETERS**  
8            **CONTAINED IN THE GSRS STATUTE.**

9     A.     K.S.A. 66-2203 provides parameters for GSRS filings. Pursuant to this statute, the  
10           Commission may not approve a GSRS filing if it would produce annualized revenues  
11           below the lesser of \$1,000,000 or ½% of the most recent base revenue approved in  
12           the utility's most recent general rate proceeding. The most recent general rate  
13           proceeding for KGS was the 560 Docket, referenced above. The base revenue  
14           authorized for Kansas Gas Service in the 560 Docket was \$318,875,695, resulting in  
15           a GSRS in a ½% threshold of \$1,594,378. Thus, the minimum statutory floor for KGS  
16           in a GSRS filing until KGS's next general base rate proceeding is completed is  
17           \$1,000,000. Exhibit LME-1 establishes the KGS Revenue Requirement at  
18           \$4,228,101, thus meeting the minimum threshold.

19           Similarly, the maximum annualized GSRS revenues contemplated by the  
20           statute are capped at 20% of the most recent base revenue approved in the utility's  
21           most recent general rate proceeding. Based on the outcome of the 560 Docket, the  
22           GSRS recovery 'ceiling' for Kansas Gas Service is currently \$63,775,139. Again, the  
23           requested GSRS revenue falls well within the parameters established in the statute.  
24           Further, K.S.A. 66-2204 provides a 'rate' ceiling of \$0.80 per month, per filing, by which  
25           the residential GSRS rate may increase in any GSRS filing. Exhibit LME-6 sets forth

1 the incremental residential GSRS charge of \$0.43 per month, which is below the  
2 ceiling of \$0.80 per month.

3 **Q. WERE ANY OF THE COSTS INCLUDED WITHIN THIS GSRS REQUEST**  
4 **CONTAINED IN RATE BASE WITHIN THE 560 DOCKET?**

5 A. No.

6 **Q. PLEASE IDENTIFY THE ASPECTS OF THE GSRS CALCULATION.**

7 A. The GSRS application contains the following elements:

- 8 1. Calculation of the over/under recovery of the previously authorized GSRS  
9 revenue, based upon actual GSRS revenue recorded through January 2019;
- 10 2. The inclusion of system investment projects and government relocation  
11 expenditures placed in service after September 1, 2018 and unitized during the  
12 period September 1, 2018 through June 30, 2019. KGS witness Mr. Anthony  
13 Cellitti will discuss these projects;
- 14 3. The inclusion of blanket work orders involving the replacement of service lines,  
15 mains, and meters placed in service and unitized during the period between  
16 September 1, 2018 and June 30, 2019; and
- 17 4. The inclusion of corporate allocated cyber security projects that were placed in  
18 service after September 1, 2018 and unitized between September 1, 2018 and  
19 June 30, 2019. KGS witness Mr. Niyo Pearson will discuss these projects.

20 **Q. COULD YOU PLEASE EXPAND ON THE CUTOFF DATE USED TO DETERMINE**  
21 **GSRS ELIGIBLE PROJECTS?**

22 A. Projects included in this filing were those that were both in service and unitized prior  
23 to closing the Company's plant accounting records in June 2019. "Unitization," as  
24 used in this filing, refers to the accounting process by which project costs are  
25 accumulated and amounts are assigned to FERC accounts. Due to the accounting

1 tasks necessary to finalize a project, the unitization date occurs after a project is  
2 actually in service.

3 **Q. PLEASE PROVIDE AN EXPLANATION OF EXHIBIT LME-1.**

4 A. Exhibit LME-1 summarizes the components of the GSRS Revenue Requirement  
5 calculation. The calculation methods and components are consistent with those  
6 required in K.S.A. 66-2204 sections (d)(1) through (8). As shown on Line 11, the total  
7 GSRS Revenue Requirement is \$4,228,101. The revenue requirement identified in  
8 Exhibit LME-1 incorporates all the aspects of the GSRS calculation as discussed  
9 above.

10 **Q. HOW DID YOU DETERMINE THE CARRYING CHARGE FOR CALCULATING THE**  
11 **GSRS REVENUE REQUIREMENT?**

12 A. The Stipulated Settlement Agreement approved by the Commission in the 560 Docket  
13 sets forth the provisions for the carrying charge to be applied to recoverable  
14 investments for KGS's GSRS filing. This return of 9.0984% was used in the calculation  
15 of the revenue requirement, as shown on Exhibit LME-1.

16 **Q. PLEASE EXPLAIN THE PURPOSE OF EXHIBIT LME-2.**

17 A. Exhibit LME-2 summarizes the authorized GSRS revenue approved by the  
18 Commission in the 088 Docket compared to the actual revenues generated from  
19 December 2018 through January 2019. As shown on Line 9, of Exhibit LME -2, the  
20 revenue recovered from KGS' GSRS charge exceeds the authorized GSRS recoveries  
21 by \$14,324. The over-recovery is used to reduce the proposed GSRS charges as  
22 shown on Line 10 of LME-1.

1     **Q.     PLEASE EXPLAIN EXHIBIT LME-3.**

2     A.     Exhibit LME-3 identifies the GSRS Gross and Net Plant in Service by FERC account  
3           for GSRS eligible expenditures, further classified by category of GSRS expenditure.  
4           GSRS eligible projects are identified in K.S.A. 66-2202 sections (f)(1) through (5) and  
5           are discussed in greater detail in the testimonies of Company witness Mr. Cellitti and  
6           Company witness Mr. Pearson. Column (B) identifies the proposed GSRS  
7           expenditures that relate to allocated cyber security projects, Column (C) identifies and  
8           proposed safety and governmental relocation projects, and Column (D) identifies the  
9           proposed blanket GSRS expenditures. The Accumulated Depreciation of \$472,331  
10          associated with this filing is shown in column (E) and Column (F) identifies the Net  
11          GSRS plant by FERC account of \$36,504,036.

12    **Q.     CAN YOU PLEASE DESCRIBE WHAT YOU MEAN BY “ALLOCATED CYBER**  
13    **SECURITY PROJECTS”?**

14    A.     K.S.A. 66-2202 section (f)(4) allows for the inclusion of system security costs including  
15           allocated corporate costs. KGS is including cyber security investments that are  
16           described in Mr. Pearson’s testimony within the GSRS filing that were incurred at the  
17           corporate level. The plant in service included in Column (B) on exhibit LME-3 reflect  
18           only KGS’s portion of the total investment.

19    **Q.     PLEASE SUMMARIZE EXHIBIT LME-4.**

20    A.     Exhibit LME-4 identifies the Accumulated Depreciation of \$472,331 identified by FERC  
21           Account and Accumulated Deferred Income Taxes of \$2,563,243 associated with  
22           Kansas Gas Service’s GSRS capital expenditures. The Accumulated Deferred  
23           Income Tax (“ADIT”) balance represents the liability associated with GSRS investment  
24           that is used to reduce GSRS Rate Base.

1   **Q.     PLEASE EXPLAIN EXHIBIT LME-5.**

2   A.     Exhibit LME-5 sets forth the calculation of annualized Depreciation Expense  
3           associated with GSRS plant, split between allocated cyber security, safety and  
4           government relocation projects, and blanket service line. As shown on line 40 of the  
5           Exhibit, the annualized Depreciation Expense is \$1,097,729.

6   **Q.     PLEASE EXPLAIN EXHIBIT LME-6.**

7   A.     Exhibit LME-6 allocates the GSRS revenue requirement to Kansas Gas Service's  
8           customer classes as provided for in the agreed upon Stipulation in the 560 Docket as  
9           required in the statute. Specifically, the GSRS Revenue Requirement is allocated to  
10          each class based upon the proportion of its Pro-Forma revenue to total Pro-Forma  
11          revenue as defined in Appendix B, of the Stipulation and Agreement approved in the  
12          560 Docket. The revenue requirement by class is then divided by the number of billing  
13          determinants for each class as defined in that same Appendix, to establish the monthly  
14          rates.

15                 As shown in column G, the proposed monthly fixed rates by customer class  
16          are as follows:

<b>GSRS Proposed Rates</b>	
<b>Customer Class</b>	<b>Monthly Fixed Rate</b>
RS – Residential Sales	\$0.43
GSS – General Sales Small	\$0.65
GSL – General Sales Large	\$1.58
GSTE – General Sales Transport Eligible	\$5.27
SGS – Small Generator Sales	\$0.71
GIS – Gas Irrigation Sales	\$1.71
STk -- Small Transportation Service “k” system	\$3.63
STt – Small Transportation Service “t” system	\$4.05
GITt – Gas Irrigation Transportation Service “t” system	\$3.67
LVTk – Large Volume Transportation Service “k” system Tier 1	\$8.99
LVTk – Large Volume Transportation Service “k” system Tier 2	\$19.80
LVTk – Large Volume Transportation Service “k” system Tier 3	\$35.19
LVTk – Large Volume Transportation Service “k” system Tier 4	\$156.38
LVTt –Large Volume T Transportation Service “t” system Tier 1	\$17.02
LVTt –Large Volume T Transportation Service “t” system Tier 2	\$27.99
LVTt –Large Volume T Transportation Service “t” system Tier 3	\$46.95
LVTt –Large Volume T Transportation Service “t” system Tier 4	\$328.41
WT - Wholesale Transportation Service	\$57.39
SSR – Sales Service for Resale	\$13.49
CNGk – Compressed Natural Gas Transportation Service	\$20.03
CNGt – Compressed Natural Gas Transportation Service	\$37.14
KGSSD – Kansas Gas Supply D	\$27.88



1    **Q.     WHAT IS THE PURPOSE OF EXHIBIT LME-7?**

2    A.     Exhibit LME-7 is the GSRS tariff page, revised to reflect the recalculated rates.

3    **Q.     DOES THIS CONCLUDE YOUR TESTIMONY?**

4    A.     Yes.

## VERIFICATION

STATE OF KANSAS                     )  
                                                  ) ss.  
COUNTY OF JOHNSON             )

Lorna M. Eaton, being duly sworn upon her oath, deposes and states that she is Manager, Rates and Regulatory Department for Kansas Gas Service, a Division of ONE Gas, Inc.; that she has read and is familiar with the foregoing Direct Testimony filed herewith; and that the statements made therein are true to the best of her knowledge, information, and belief.

  
Lorna M. Eaton

Subscribed and sworn to before me this 23<sup>rd</sup> day of August 2019.

  
NOTARY PUBLIC

My appointment Expires:

06/05/22



**Kansas Gas Service  
A Division of ONE Gas**

**Gas System Replacement Surcharge**

**Exhibit LME-1**

(A)		(B)	(C)	(D)	(E)	(F)
Line No.	Summary	Corporate Allocated Cyber Security	GSRS Safety & Govt. Relocation Projects	GSRS Blanket Work Orders	Grand Total	Source
1	Original Cost	\$ 104,561	\$ 14,071,052	\$ 23,423,134	\$ 37,598,746	Schedule LME-3
2	<i>Less: Accumulated Depreciation</i>	<u>\$ (4,843)</u>	<u>\$ (161,738)</u>	<u>\$ (305,749)</u>	<u>\$ (472,331)</u>	Schedule LME-4
3	Net Plant in Service	\$ 99,718	\$ 13,909,313	\$ 23,117,385	\$ 37,126,416	
4	<i>Less: Accumulated Deferred Income Taxes</i>	<u>\$ (917)</u>	<u>\$ (148,653)</u>	<u>\$ (2,413,673)</u>	<u>\$ (2,563,243)</u>	Schedule LME-4
5	Net GSRS Rate Base	\$ 98,801	\$ 13,760,660	\$ 20,703,711	\$ 34,563,173	
6	Carrying Charge <sup>(1)</sup>	<u>9.0984%</u>	<u>9.0984%</u>	<u>9.0984%</u>	<u>9.0984%</u>	
7	Pre-Tax Required Return	\$ 8,989	\$ 1,252,000	\$ 1,883,706	\$ 3,144,696	Line 5 * Line 6
8	Depreciation Expense	\$ 10,328	\$ 334,952	\$ 752,449	\$ 1,097,729	Schedule LME-5
9	GSRS Revenue Requirement (Annual)				<u><u>\$ 4,242,425</u></u>	Line 7 + 8
10	Plus (Minus): Over-Recovered Balance from Docket No. 18-KGSG-093-TAR				<u>\$ (14,324)</u>	Schedule LME-2
11	Revised GSRS Annualized Revenue Requirement				\$ 4,228,101	Line 9 + 10

(1) Carrying Charge of 9.0984% gross of tax was established in Docket 18-KGSG-560-RTS.

**Kansas Gas Service  
A Division of ONE Gas**

**Gas System Reliability Surcharge**

**Exhibit LME-2**

**GSRS Over/Under Cumulative Recovery for 2018-2019**

		(A)
Line No.		GSRS Recoveries
1	September-November 2018 Estimate from 19-KGSG-088-TAR	\$715,908
2	September-November 2018 GSRS Recoveries	\$710,364
3	True-Up Actual/Estimate for 2018	(\$5,544)
4	December 2018 Recoveries	\$445,991
5	January 2019 Recoveries	\$450,199
6	Total Cumulative GSRS Recoveries	\$890,647
7	2019 GSRS Rev. Requirement	\$5,257,937
8	2/12 of 2019 GSRS Rev. Requirement (Dec-Jan)	\$876,323
9	Total Amount Over Recovered through January 2019	\$14,324

**Kansas Gas Service  
A Division of ONE Gas**

**Gas System Reliability Surcharge**

**Exhibit LME-3**

**Plant in Service**

(A)			(B)	(C)	(D)	(E)	(F)
Line No.	Account	Account Title	GSRs Projects Corporate Allocated Cyber Security	GSRs Projects Safety and Govt. Relocation	GSRs Blanket Work Orders	Less: Accumulated Depreciation	Net Plant
1	367	Mains		2,691,624		34,232	2,657,391
2	368	Compressor Station Equipment		23,787		442	
3	369	Meas. And Reg. Station Equipment		98,169		1,235	
4	374.2	Rights of Way				-	-
5	376	Mains - Plastic		7,353,101		91,460	7,261,641
6	376.5	Mains - Metallic		1,901,073		17,956	1,883,117
7	376.9	Mains - Cathodic Protection		165,440	909,917	30,377	1,044,980
8	378	Meas. and reg. sta. equip. - general		177,571		2,110	175,460
9	379	Meas. and reg. sta. equip. - city gate		12,599		104	12,494
10	380	Services - Plastic		1,086,188	14,315,043	224,504	15,176,727
11	380.5	Services - Metallic		3,612		(31,360)	34,972
12	381	Meters		130,322	8,198,174	91,387	8,237,109
13	381.5	AMR Communication Devices				-	
14	382	Meter installations		8,217		109	8,108
15	383	House Regulators		12,152		116	12,036
16	390.1	Structures and Improvements		375,266		3,158	
17	391.6	Purchased Software	85,980			3,140	
18	391.8	Computer Equipment	18,581			1,703	
19	397	Communication Equipment		31,932		1,656	
20	<b>Total</b>		<b>\$ 104,561</b>	<b>\$ 14,071,052</b>	<b>\$ 23,423,134</b>	<b>\$ 472,331</b>	<b>\$ 36,504,036</b>

**Kansas Gas Service**  
**A Division of ONE Gas**

**Gas System Reliability Surcharge**

**Exhibit LME-4**

**Accumulated Depreciation and Accumulated Deferred Income Tax Liability**

**Accumulated Depreciation**

(A)			(B)	(C)	(D)	(E)
Line No.	Account Number	Account	GSRS Projects Corporate Allocated Cyber Security	GSRS Projects Safety and Govt. Relocation	GSRS Blanket Work Orders	Total Accumulated Depreciation
1	367	Mains		34,232		\$ 34,232
2	368	Compressor Station Equipment		442		\$ 442
3	369	Meas. And Reg. Station Equipment		1,235		\$ 1,235
4	374.2	Rights of Way				\$ -
5	376	Mains - Plastic		91,460		\$ 91,460
6	376.5	Mains - Metallic		17,956		\$ 17,956
7	376.9	Mains - Cathodic Protection		4,823	25,554	\$ 30,377
8	378	Meas. and reg. sta. equip. - general		2,110		\$ 2,110
9	379	Meas. and reg. sta. equip. - city gate		104		\$ 104
10	380	Services - Plastic		12,149	212,355	\$ 224,504
11	380.5	Services - Metallic		(8,585)	(22,775)	\$ (31,360)
12	381	Meters		771	90,616	\$ 91,387
13	381.5	AMR Communication Devices				\$ -
14	382	Meter installations		109		\$ 109
15	383	House Regulators		116		\$ 116
16	390.1	Structures and Improvements		3,158		\$ 3,158
17	391.6	Purchased Software	3,140			\$ 3,140
18	391.8	Computer Equipment	1,703			\$ 1,703
19	397	Communication Equipment		1,656		\$ 1,656
20	<b>Total</b>		\$ 4,843	\$ 161,738	\$ 305,749	\$ 472,331

**Accumulated Deferred Income Tax Liability**

(A)			(B)	(C)	(D)	(E)
Line No.			GSRS Projects Corporate Allocated Cyber Security	GSRS Projects Safety and Govt. Relocation	GSRS Blanket Work Orders	Total ADIT
1	<b>Total</b>		\$ (917)	\$ (148,653)	\$ (2,413,673)	\$ (2,563,243)

Kansas Gas Service  
A Division of ONE Gas

Gas System Reliability Surcharge

Exhibit LME-5

Depreciation Expense

GSRS Projects Corporate Allocated Cyber Security						
	(A)	(B)	(C)	(D)	(E)	(F)
Line No.	Account Number	Account	GSRS Gross Additions	Less: GSRS Retirements	Net Depreciable GSRS Plant	Depreciation Rate
1	391.6	Purchased Software	85,980	-	85,980	7.69%
2	391.8	Computer Equipment	18,581	-	18,581	20.00%
3	Total		104,561	-	104,561	10,328

GSRS Projects Safety and Govt. Relocation						
	(A)	(B)	(C)	(D)	(E)	(F)
Line No.	Account Number	Account	GSRS Gross Additions	Less: GSRS Retirements	Net Depreciable GSRS Plant	Depreciation Rate
4	367	Mains	2,691,624	(156,339)	2,535,285	2.38%
5	368	Compressor Station Equipment	23,787	(1,473)	22,314	3.53%
6	369	Meas. And Reg. Station Equipment	98,169	(6,437)	91,732	3.18%
7	374.2	Rights of Way	-	-	-	1.45%
8	376	Mains - Plastic	7,353,101	(59,438)	7,293,663	2.66%
9	376.5	Mains - Metallic	1,901,073	(301,319)	1,599,754	2.46%
10	376.9	Mains - Cathodic Protection	165,440	-	165,440	6.67%
11	378	Meas. and reg. sta. equip. - general	177,571	(7,220)	170,350	2.44%
12	379	Meas. and reg. sta. equip. - city gate	12,599	(4,400)	8,199	2.13%
13	380	Services - Plastic	1,086,188	(303,425)	782,764	3.69%
14	380.5	Services - Metallic	3,612	(410,681)	(407,069)	4.63%
15	381	Meters	130,322	-	130,322	2.84%
16	381.5	AMR Communication Devices	-	-	-	6.67%
17	382	Meter installations	8,217	(1,547)	6,670	3.20%
18	383	House Regulators	12,152	(1,832)	10,320	1.97%
19	390.1	Structures and Improvements	375,266	-	375,266	1.57%
20	397	Communication Equipment	31,932	-	31,932	6.67%
21	Total		14,071,052	(1,254,111)	12,816,941	334,952

GSRS Blanket Work Orders						
	(A)	(B)	(C)	(D)	(E)	(F)
Line No.	Account Number	Account	GSRS Gross Additions	Less: GSRS Retirements	Net Depreciable GSRS Plant	Depreciation Rate
22	367	Mains	-	-	-	2.38%
23	368	Compressor Station Equipment	-	-	-	3.53%
24	369	Meas. And Reg. Station Equipment	-	-	-	3.18%
25	374.2	Rights of Way	-	-	-	1.45%
26	376	Mains - Plastic	-	-	-	2.66%
27	376.5	Mains - Metallic	-	-	-	2.46%
28	376.9	Mains - Cathodic Protection	909,917	-	909,917	6.67%
29	378	Meas. and reg. sta. equip. - general	-	-	-	2.44%
30	379	Meas. and reg. sta. equip. - city gate	-	-	-	2.13%
31	380	Services - Plastic	14,315,043	-	14,315,042.57	3.69%
32	380.5	Services - Metallic	-	(1,235,283)	(1,235,283)	4.63%
33	381	Meters	8,198,174	(426,119)	7,772,055	2.84%
34	381.5	AMR Communication Devices	-	-	-	6.67%
35	382	Meter installations	-	-	-	3.20%
36	383	House Regulators	-	-	-	1.97%
37	390.1	Structures and Improvements	-	-	-	1.57%
38	397	Communication Equipment	-	-	-	6.67%
39	Total		23,423,134	(1,661,403)	21,761,731	752,449

40 Total Depreciation Expense

1,097,729

Kansas Gas Service  
A Division of ONE Gas

Gas System Reliability Surcharge  
Development of GSRS Rate

Exhibit LME-6

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line No.	Customer Class	Pro-Forma Revenue - Docket No. 18-KGSG-560-RTS	% of Revenue Requirement Responsibility	GSRS Revenue Requirement (Based upon ratio of pro-forma revenue to total revenue)	Customers Per - 18-KGSG-560-RTS Settlement - Appendix B	GSRS Annual Charge	GSRS Monthly Charge
1	Residential Sales RS	\$ 228,136,718	71.544%	3,024,957	583,049	\$ 5.19	\$ 0.43
2	General Sales Svc. Small	21,561,638	6.762%	285,894	36,896	\$ 7.75	\$ 0.65
3	General Sales Svc. Large	16,644,462	5.220%	220,696	11,621	\$ 18.99	\$ 1.58
4	General Sales Svc. Transport Eligible	2,383,361	0.747%	31,602	500	\$ 63.20	\$ 5.27
5	Small Generator Sales SGS	431,454	0.135%	5,721	676	\$ 8.46	\$ 0.71
6	Gas Irrigation Sales GIS	331,827	0.104%	4,400	214	\$ 20.56	\$ 1.71
7	Small Transportation STk	11,498,231	3.606%	152,460	3,497	\$ 43.60	\$ 3.63
8	Small Transportation STt	4,441,906	1.393%	58,897	1,211	\$ 48.64	\$ 4.05
9	Gas Irrigation Transportation GITt	1,705,800	0.535%	22,618	513	\$ 44.09	\$ 3.67
10	Large Volume Transportation LVTk Tier 1 #	1,750,052	0.549%	23,205	215	\$ 107.93	\$ 8.99
11	Large Volume Transportation LVTk Tier 2 #	1,684,737	0.528%	22,339	94	\$ 237.64	\$ 19.80
12	Large Volume Transportation LVTk Tier 3 #	1,496,729	0.469%	19,846	47	\$ 422.25	\$ 35.19
13	Large Volume Transportation LVTk Tier 4 #	8,916,005	2.796%	118,221	63	\$ 1,876.52	\$ 156.38
14	Large Volume Transportation LVTt Tier 1 #	693,253	0.217%	9,192	45	\$ 204.27	\$ 17.02
15	Large Volume Transportation LVTt Tier 2 #	785,386	0.246%	10,414	31	\$ 335.93	\$ 27.99
16	Large Volume Transportation LVTt Tier 3 #	637,325	0.200%	8,451	15	\$ 563.37	\$ 46.95
17	Large Volume Transportation LVTt Tier 4 #	13,969,184	4.381%	185,223	47	\$ 3,940.92	\$ 328.41
18	Wholesale Transportation WT t #	1,454,338	0.456%	19,284	28	\$ 688.70	\$ 57.39
19	Sales Service for Resale SSR	97,657	0.031%	1,295	8	\$ 161.86	\$ 13.49
20	CNG k system	163,179	0.051%	2,164	9	\$ 240.41	\$ 20.03
21	CNG t system	67,219	0.021%	891	2	\$ 445.64	\$ 37.14
22	Kansas Gas Supply D	25,235	0.008%	335	1	\$ 334.60	\$ 27.88

23	<b>Total</b>	<b>\$ 318,875,695</b>	<b>100%</b>	<b>\$ 4,228,101</b>
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24 1) Note: Residential Class Limited to annual increase of \$.80/month over the most recent GSRS filing.

		<b>Annual Increase</b>		<b>Cumulative Rate</b>
25	2019 GSRS Rate - Residential	\$ 0.43	\$	0.43
26	<b>Total Residential Rate</b>		\$	<b>0.43</b>

27 # Includes flex revenue.



## THE STATE CORPORATION COMMISSION OF KANSAS

Index 44.1

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

## SCHEDULE GSRS

All Rate Areas

Replacing Sheet 1 Filed ~~November 8, 2018~~ February 5, 2019

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

Sheet 1 of 2

**Gas System Reliability Surcharge Rider****Availability**

This rider is applicable to every bill for service provided under each of the Company's sales and transportation rate schedules except where not permitted under a separately negotiated contract with a customer. Not applicable to bills for As-Available Gas Sales Service or Interruptible Gas Transportation Service.

**Net Monthly Charge**

The Gas System Reliability Surcharge (GSRS) shall be a fixed monthly amount calculated as the applicable GSRS times the number of meters serving the customer's account, as indicated by the total number of Service Charges billed.

RS	Residential Sales Service	\$	<u>0.000.43</u>
GSS	General Sales Service Small	\$	<u>0.000.65</u>
GSL	General Sales Service Large	\$	<u>0.001.58</u>
GSTE	General Sales Service Transport Eligible	\$	<u>0.005.27</u>
SGS	Small Generator Sales Service	\$	<u>0.000.71</u>
KGSSD	Kansas Gas Supply D	\$	<u>0.0027.88</u>
GIS	Gas Irrigation Sales Service	\$	<u>0.001.71</u>
SSR	Sales Service Resale	\$	<u>0.0013.49</u>
STk	Small Transportation Service (k)	\$	<u>0.003.63</u>
STt	Small Transportation Service (t)	\$	<u>0.004.05</u>
LVTk	Large Volume Transportation Service (k)		
Annual Use:	Below 10,000 Mcf	\$	<u>0.008.99</u>
	10,001 Mcf – 20,000 Mcf	\$	<u>0.0019.80</u>
	20,001 Mcf – 40,000 Mcf	\$	<u>0.0035.19</u>
	Above 40,001 Mcf	\$	<u>0.00156.38</u>
LVTt	Large Volume Transportation Service (t)		
Annual Use:	Below 10,000 Mcf	\$	<u>0.0017.02</u>
	10,001 Mcf – 20,000 Mcf	\$	<u>0.0027.99</u>
	20,001 Mcf – 40,000 Mcf	\$	<u>0.0046.95</u>
	Above 40,001 Mcf	\$	<u>0.00328.41</u>
WTt	Wholesale Transportation Service (t)	\$	<u>0.0057.39</u>
GITt	Gas Irrigation Transportation Service (t)	\$	<u>0.003.67</u>
CNGk	Compressed Natural Gas General Transportation (k)	\$	<u>0.0020.03</u>
CNGt	Compressed Natural Gas General Transportation (t)	\$	<u>0.0037.14</u>

Issued:	<u>February 5, 2019</u>	<del>18-KGSG-560-RTS</del> Approved Kansas Corporation Commission February 5, 2019 /S/ Lynn Retz
Effective:	<u>February 6, 2019</u>	
By:	<u>/S/</u> <u>Janet L. Buchanan, Director – Regulatory Affairs</u>	

## THE STATE CORPORATION COMMISSION OF KANSAS

Index 44.2

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

## SCHEDULE GSRS

All Rate Areas

Replacing Sheet 2 Filed ~~November 8, 2018~~ February 5, 2019

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

Sheet 2 of 2

**Gas System Reliability Surcharge Rider****Definitions and Conditions**

1. The provisions of this GSRS Rider are intended to recover charges for natural gas public utility plant projects pursuant to K.S.A. 66-2201 through K.S.A. 66-2204.
2. The GSRS shall be reflected on a customer's bill as a separate line item.
3. The Annual Use for customers served under a Large Volume Transportation (LVT) rate schedule shall be the total volumes billed to the applicable meter in the 12 months ending the most recent April 30. Company may rely on estimated historical usage or projected volumes to establish Annual Use when actual usage is not available
4. At the end of each twelve-month calendar period a GSRS is in effect, Company shall reconcile the difference between the revenues resulting from that GSRS and the pre-tax revenues found by the Commission to be appropriate for that period. Company shall calculate a GSRS adjustment which shall, upon Commission approval, recover or refund the difference.
5. All provisions of this rider are subject to changes made by order of the Commission.

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