

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: John Wine, Chair
 Cynthia L. Claus
 Brian J. Moline

In the Matter of the Application of Kansas Gas)
Service Company, a Division of ONEOK, Inc.)
for Commission Determination for the Rate) Docket No. OO-KGSG-420-RTS
Treatment of Discounted Service Agreements)
Entered Into to Meet Competitive Alternatives.)

No. 2
ORDER IDENTIFYING SCOPE OF APPLICATION
AND GRANTING INTERVENTION

NOW, the above-captioned matter comes for consideration and determination by the State Corporation Commission of the State of Kansas (“Commission”). Having examined its files and records, and being fully advised in the premises, the Commission finds and concludes as follows:

I. BACKGROUND

1. On November 19, 1999, Kansas Gas Service Company, a Division of ONEOK, Inc. (“KGS”) filed its Application for Commission Determination of the Rate Treatment of Discounted Service Agreements Entered Into to Meet Competitive Alternatives. KGS requested a Commission order ruling that there will be no imputation of revenue in the course of a rate case filed by KGS associated with Discounted Service Agreements entered into in accordance with KGS’s tariffs. KGS did not cite the statutory authority under which this Application was filed.

2. On November 30, 1999, the Commission issued its Order assessing the costs of this investigation to KGS.

3. On December 2, 1999, the Citizens’ Utility Ratepayer Board (“CURB”) filed its Petition for Leave to Intervene in this proceeding.

II. FINDINGS AND CONCLUSIONS

A. Statutory Authority of KGS's Application

4. KGS did not cite any statutory authority for the filing of this Application. Communication between the Commission Staff and KGS revealed that KGS did not file this Application as a rate case under K.S.A. 66-117, but rather under the statutes granting the Commission broad powers of investigation of natural gas public utilities.

5. Upon examination of the Application and in consideration of KGS's representation, the Commission finds and determines that this Application was not filed as a rate case pursuant to K.S.A. 66-117. Rather, the Application was filed under the Commission's general powers of regulation and investigation of natural gas public utilities in accordance with K.S.A. 66-1,200 *et seq.*, and the scope of the Commission's inquiry shall be defined accordingly.

B. CURB's Petition for Leave to Intervene

6. The Commission has broad discretion to grant a petition for intervention if intervention is "in the interests of justice and orderly and prompt conduct of the proceedings will not be impaired...." K.S.A. 77-521(a)(3). K.A.R. 82-1-225 also recognizes the Commission's broad discretion to grant intervention. A party's petition to intervene must "state[] facts demonstrating th [the party's] legal rights, duties, privileges, immunities or other legal interests may be substantially affected by the proceeding or that the petitioner qualifies as an intervenor under any provision of law." K.A.R. 82-1-225(a)(2). Further, the Commission may limit an intervenor's participation to designated issues in which the intervenor has a particular interest as demonstrated in the petition, require two or more intervenors to combine their presentations of evidence or argument, and limit an intervenor's use of discovery. K.A.R. 82-1-225(c).

7. In support of its Petition, CURB stated that it is statutorily authorized to represent the interests of Kansas residential and small commercial ratepayers in utility proceedings. CURB requested intervention to represent the interests of the residential and small commercial ratepayers of KGS because those interests in this proceeding may not be adequately addressed by existing parties.

8. After due consideration, it is the opinion of the Commission that CURB's request for intervention meets the requirements of K.A.R. 82-1-225 and as such should be granted.

THE COMMISSION THEREFORE ORDERS THAT:

(A) The scope of the Commission's inquiry into KGS's Application shall be defined by the provisions of K.S.A. 66-1,200 *et seq.*, and not by K.S.A. 66-1 17.

(B) CURB's Petition for Leave to Intervene is granted.

(C) Any party may file a petition for reconsideration of this order within fifteen days of the date this order is served. If service is by mail, service is complete upon mailing and three days may be added to the above time frame.

(D) The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

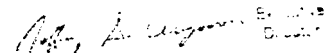
BY THE COMMISSION IT IS SO ORDERED.

Wine, Chr.; Claus, Corn.; Moline, Corn.

Dated: DEC 13 1999

ORDER MAILED

DEC 13 1999



JEFFREY S. WAGAMAN
EXECUTIVE DIRECTOR