

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Susan K. Duffy

In the Matter of Record Natural Gas Prices and)
Potential System Reliability Issues from) Docket No. 21-GIMX-303-MIS
Unprecedented and Sustained Cold Weather.)

EMERGENCY ORDER

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and record, the Commission makes the following findings:

1. On February 14, 2021, Governor Kelly issued an State of Disaster Emergency due to wind chill warnings and stress on utility and natural gas providers, noting that the current sub-zero temperatures are causing increased energy demand and natural gas supply constraints throughout Kansas, and utilities are currently experiencing wholesale natural gas price increase from 10 to 100 times higher than normal (the “2021 Winter Weather Event”). Those costs will eventually flow through to consumers through increases in monthly natural gas and electric bills. Additionally, Kansas utilities are facing potential reliability issues related to the prolonged arctic temperatures. Therefore, under these circumstances, the Commission, pursuant to K.S.A. 77-536(a), will exercise its powers to protect the public from immediate danger to health, safety, and welfare.

2. In the public interest, the Commission has jurisdiction to regulate and oversee certain facets of service provided by natural gas public utilities and electric utilities operating in

the State, and is empowered to do certain things necessary and convenient to exercise its authority.¹

3. K.S.A. 77-536(a) provides State agencies with the authority to act when there is “an immediate danger to the public health, safety or welfare requiring immediate state agency action.” Pursuant to K.S.A. 77-536(a), the Commission directs all jurisdictional natural gas and electric utilities 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.

4. The 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. Such costs include but are not limited to the cost of procuring and transporting natural gas supplies for jurisdictional utility customers, costs associated with jurisdictional utilities coordinating and assisting non-jurisdictional utilities with the transportation of gas supplies², and any other reasonable costs necessary to ensure stability and reliability of natural gas and electricity service. These deferred costs may also include carrying costs at the utility’s weighted average cost of capital. All deferred costs shall be segregated by detailed cost category and shall contain enough detail for the Commission to perform a subsequent review for prudence and reasonableness. This deferral is for accounting

¹ K.S.A. 66-1,201; K.S.A. 66-101.

² Nothing in this section is intended to require a jurisdictional utility to procure natural gas supplies for non-jurisdictional utilities.

purposes only. Any decisions related to ratepayer recovery will be addressed in future proceedings.

5. Each utility bears the burden of proof that the costs described in paragraph 4: (1) would not have been incurred but for the 2021 Winter Weather Event, and (2) are just, reasonable, and necessary to provide utility services during this extraordinary event. Once 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.

THEREFORE, THE COMMISSION ORDERS:

A. All jurisdictional natural gas and electric utilities are directed to coordinate efforts and take all reasonably feasible, lawful, and appropriate actions to ensure adequate delivery of natural gas and electricity to interconnected, non-jurisdictional utilities in Kansas.

B. Jurisdictional natural gas and electric utilities are ordered to do all things possible and necessary to ensure natural gas and electricity utility services continue to be provided to their customers in the State.

C. Every electric and natural gas distribution utility that incurs extraordinary costs associated with ensuring its 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 is authorized to defer those costs to a regulatory asset account.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 02/15/2021



Lynn M. Retz
Executive Director

BGF

CERTIFICATE OF SERVICE

21-GIMX-303-MIS

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 02/15/2021.

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