

# Notice of Public Hearing and Comment Period Concerning Natural Gas Service Rate Increase Request

Kansas Gas Service, a division of ONE Gas, Inc., filed an application with the Kansas Corporation Commission ("Commission") requesting a \$42.7 million net base rate increase. The requested increase would affect the portions of a customer's bill that relate to the delivery of natural gas by Kansas Gas Service, including the fixed monthly Service Charge and the Delivery Charge.

In addition, the company is asking that \$2.9 million, which is already being recovered from customers through the Gas System Reliability Surcharge ("GSRS") and is currently a separate line item on customer bills, be added to base rates for a total base rate increase of \$45.6 million. Of that, \$42.7 million represents an increase and \$2.9 million represents the reclassification of the current GSRS charge, previously approved by the Commission.

If approved, the average monthly bill for residential customers will increase \$5.67 per month, an increase of 10 percent. The application includes a request to: increase the monthly Service Charge from \$16.70 per month to \$22.66 per month; include the existing GSRS (29 cents per month) in the monthly charge and change the GSRS line to zero; and, decrease the Delivery Charge from \$2.2316 per Mcf to \$2.2310 per Mcf.



**Kansas  
Gas Service®**

*A Division of ONE Gas*

## **THE ROLE OF THE CORPORATION COMMISSION**

The Commission regulates public utilities including home telephone, natural gas, electric and water companies, as well as motor carriers, oil and gas pipelines, and oil and gas producers. The Commission's regulatory oversight of public utilities primarily pertains to rates and terms of service. In order to ensure that customers of regulated utilities are provided sufficient and efficient service at just and reasonable rates, utilities may not change their rates without Commission approval.

## **PUBLIC HEARING**

The Commission welcomes and encourages public input on utility rate cases. A public hearing has been scheduled to provide Kansas Gas Service customers the opportunity to find out more about the request and make comments about the proposal.

The public hearing is scheduled for:

**Thursday, October 4, 2018, 6-8 p.m.**  
**Washburn Institute of Technology**  
**Main Conference Center, Building A**  
**5724 S.W. Huntoon St.**  
**Topeka, Kansas 66604**

Those unable to attend in person can watch the hearing live from the Commission's website: [www.kcc.ks.gov](http://www.kcc.ks.gov). A recording of the hearing will be available on the Commission's website beginning October 11.

Any person requiring special accommodations at the hearing site under the Americans with Disabilities Act needs to give notice to the Commission at least 10 days prior to the scheduled hearing date by calling (785) 271-3140.

## **PUBLIC COMMENTS**

The Commission will accept comments from Kansas Gas Service customers through 5 p.m., December 14, 2018. There are three convenient ways to submit a comment:

- 1)** Go to the KCC website: [www.kcc.ks.gov](http://www.kcc.ks.gov) to enter your comment. Click on the "Your Opinion Matters" link.

- 2) Send a written letter to the Kansas Corporation Commission, Office of Public Affairs and Consumer Protection, 1500 S.W. Arrowhead Road, Topeka, KS 66604 4027. Be sure to reference Docket No. 18 KGSG 560 RTS.
- 3) Call the Commission's Public Affairs office at 1-800-662-0027 or (785) 271-3140.

Public Comments received during the comment period will be entered into the official case record and posted on the website at the end of the comment period.

## **EVIDENTIARY HEARING**

The Commission will conduct an evidentiary hearing on the Kansas Gas Service rate increase request beginning December 11, 2018, at 9 a.m. in the first-floor hearing room at its Topeka office, 1500 S.W. Arrowhead Road, Topeka, Kansas. The Commission must issue a decision by February 25, 2019.

## **MORE ABOUT KANSAS GAS SERVICE'S PROPOSAL**

In its application, Kansas Gas Service said the increase was necessary because the company has continued to make investments in its system to provide safe, reliable and efficient natural gas service to its customers. The company further stated it has experienced increases in payroll expenses and supplier costs.

In addition to the rate increase, Kansas Gas Service is seeking approval to establish a Revenue Normalization Adjustment ("RNA"), a mechanism that would provide a stabilized revenue stream. Additionally, Kansas Gas Service is proposing to implement a cyber-security expense tracking mechanism and a depreciation expense tracking mechanism. The impact of tax reform is also addressed in the company's filing. Kansas Gas Service's last base rate increase of \$15.5 million (\$8.04 million net of GSRS) was approved on November 29, 2016.

Kansas Gas Service is a division of ONE Gas, Inc., ("ONE Gas"). ONE Gas provides natural gas distribution services to more than 2 million customers in Oklahoma, Kansas and Texas. In Kansas, Kansas Gas Service provides natural gas service to approximately 636,000 customers in 360 communities.

## **ADDITIONAL INFORMATION**

A complete copy of Kansas Gas Service's application and supporting testimony is available on the Commission's website at [www.kcc.ks.gov](http://www.kcc.ks.gov), by searching Docket Filings for Docket No. 18-KGSG-560 RTS. If you need additional assistance or more information about the requested rate increase or the public hearing, contact the Commission's Office of Public Affairs and Consumer Protection at 1-800-662-0027 or [public.affairs@kcc.ks.gov](mailto:public.affairs@kcc.ks.gov).



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