

# **PUBLIC HEARING AND COMMENT PERIOD**

## **Kansas Gas Service Rate Case**

Kansas Gas Service, a Division of One Gas, Inc. (“Kansas Gas Service”) filed an Application with the Kansas Corporation Commission (“Commission” or “KCC”) seeking approval to make certain changes in its charges for gas services.

### **Public Hearing**

The Commission has scheduled a public hearing concerning Kansas Gas Service’s application. This hearing will provide information about Kansas Gas Service’s proposed changes in its charges for gas services and provide an opportunity for customers to ask questions and to present testimony or comments for the Commission’s consideration.

The public hearing typically consists of two parts: During the first part, representatives of Kansas Gas Service, KCC Staff and CURB will be available to answer customers’ questions pertaining to the proposed rate changes. In the second part of the public hearing, customers may make formal statements to the Commission concerning the rate changes. However, the Kansas Corporation Commission may determine how to best accommodate the public participation in this important rate proceeding.

The date, time and place of the public hearing are:

**Thursday, October 4, 2018, beginning at 6:00 p.m. (CDT)**

**Washburn Institute of Technology, Main Conference Center, Building A**  
5724 SW Huntoon  
Topeka, Kansas 66604

In addition, the Commission will accept written comments from the public until 5:00 p.m. (CDT), December 14, 2018. Comments regarding this case should reference Docket No. 18-KGSG-560-RTS. The public can mail their comments to the Kansas Corporation Commission Office of Public Affairs and Consumer Protection, 1500 SW Arrowhead Road, Topeka, Kansas 66604-4027. The public can also submit comments through the Commission’s website [www.kcc.ks.gov](http://www.kcc.ks.gov) and click on the “Your Opinion Matters” link or with a toll-free call to 1-800-662-0027.

A complete copy of Kansas Gas Service’s application and supporting testimony is available on the Commission’s website at:

<http://estar.kcc.ks.gov/estar/portal/ksc/p/docket-docs/PSC/DocketDetails.aspx?DocketId=453a43c8-99ac-4d7f-a07c-6f5b7d8fa564>

The KCC has until February 25, 2019 to make a decision on the proposed rate increase.

## **Kansas Gas Service's Proposed Rate Changes**

In its application (filed on June 29, 2018), Kansas Gas Service proposed an overall annual revenue increase of \$45.6 million. Kansas Gas Service also seeks approval of its request to offset the tax savings amount accrued as a regulatory liability with the Company's other components of its cost of service. There are many significant aspects of the proposed rate increase, and this narrative describes only a few. In its rate case, Kansas Gas Service seeks approval of an authorized rate of return on equity of 10 percent. Additionally, Kansas Gas Service seeks approval of a Revenue Normalization Adjustment (RNA) under which Kansas Gas Service rates are set at a "normalized" level determined by the Kansas Corporation Commission and then additional revenues are collected or refunds are made based upon whether sales levels meet or exceed the "normalized" level. As an alternative to the RNA, Kansas Gas Service seeks to change the manner in which its Weather Normalization Adjustment is calculated which, if accepted in lieu of the RNA, could lead to substantially higher rates. Kansas Gas Service also seeks approval of a cybersecurity tracker that is a rider allowing Kansas Gas Service to recover investments made for cyber security protection at a faster pace than recovery through a traditional rate case mechanism. There are also a number of expense and revenue adjustments to historic Kansas Gas Service cost of service, such as higher depreciation expense arising from a Kansas Gas Service study and a proposal that ratepayers bear a higher share of pension costs and employee compensation than has historically been allowed. If accepted by the Kansas Corporation Commission these revenue and expense adjustments would result in higher rates.

### **Evidentiary Hearing**

The Kansas Corporation Commission has scheduled an evidentiary hearing on the proposed rate changes to begin Tuesday, December 11, 2018, at 9:00 a.m., at the KCC Offices, 1500 SW Arrowhead Road, Topeka, KS.

### **Additional Information is available from the KCC and CURB**

For more information about Kansas Gas Service's proposed changes, the public hearing or the technical hearing, contact the Kansas Corporation Commission Office of Public Affairs and Consumer Protection at 1-800-662-0027. Any persons requiring special accommodations at the hearing site under the Americans with Disabilities Act must give notice to the Commission at least 10 days prior to the scheduled hearing date by calling 1-800-662-0027.

The Citizens' Utility Ratepayer Board (CURB) can also be contacted 785-271-3200 for further information.