

# **PUBLIC HEARING AND COMMENT PERIOD**

## **Kansas Gas Service's Application for Adjustment of its Natural Gas Rates**

Kansas Gas Service, a Division of One Gas, Inc. ("Kansas Gas Service" or "KGS") filed an *Application to Change Rates and Tariffs* ("Application") with the Kansas Corporation Commission ("Commission" or "KCC") on March 1, 2024, in Docket No. 24-KGSG-610-RTS.

### **Public Hearing**

The Commission has scheduled a public hearing concerning Kansas Gas Service's Application, which seeks KCC approval of its proposed changes in its natural gas rates. This hearing will provide information about Kansas Gas Service's Application and 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 give short presentations about their roles in this docket. Each party will summarize the issues involved and will be available to answer customers' questions pertaining to the Application. In the second part of the public hearing, customers may make formal statements to the Commission concerning the Application. However, the Commission may determine how to best accommodate the public participation in this important rate proceeding.

The date and time of the public hearings are:

#### **Thursday, June 13, 2024, beginning at 6:00 p.m. (CDT)**

Washburn Institute of Technology  
5724 S. W. Huntoon Street  
Topeka, KS

#### **Monday, June 17, 2024, beginning at 6:00 p.m. (CDT)**

Wichita State University  
Lowe Auditorium in Hughes Metropolitan Complex  
5-15 E. 29<sup>th</sup> Street North  
Wichita, KS

#### **The Commission will hold a public hearing online via zoom.**

Kansans wishing to make a public comment during the hearing should sign up in advance at <https://kcc.ks.gov/your-opinion-matters> to receive login information and time restraints for presentations.

As there may be limited capacity, registration will be first come, first serve. A live video stream will also be available on the Commission's YouTube channel: [https://www.youtube.com/channel/UC-uTcucl0oyHJr-\\_iOheuuw](https://www.youtube.com/channel/UC-uTcucl0oyHJr-_iOheuuw) for individuals to watch, but not comment, during the public hearing.

## **Comment Period**

In addition, the Commission is accepting written comments from the public until 5:00 p.m. (CDT), August 5, 2024. Comments regarding this case should reference Docket No. 24-KGSG-610-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 <https://kcc.ks.gov/your-opinion-matters> or via electronic mail (sent to [public.affairs@kcc.ks.gov](mailto:public.affairs@kcc.ks.gov)).

A complete copy of the Commission's Order Adopting Procedural Schedule establishing this hearing and Kansas Gas Service's Application with supporting testimony is available on the Commission's website:

<https://estar.kcc.ks.gov/estar/portal/kscg/page/docket-docs/PSC/DocketDetails.aspx?DocketId=5c58ea90-9181-4399-9a02-204f22fe5564>

The KCC has until October 25, 2024, to make a decision on the proposed changes to Kansas Gas Service's natural gas rates in this proceeding.

## **Kansas Gas Service's Application**

In its Application for adjustment to its natural gas utility rates, KGS seeks a net increase in base rates of approximately \$58.1 Million. If the KCC were to grant KGS the entire net amount it requested in its application, an average residential consumer would see a net increase in monthly bills of approximately \$7.87 per month or \$94.50 per year. This average rate impact for individual residential customers could change depending upon whether the KCC approves the A/B Rate Structure (described below) and the assignment of customers to either the A Rate Structure or the B Rate Structure. Contributing to this net rate increase, KGS seeks an increase in its authorized rate of return on equity ("AROE") from its current rate of 9.30% to 10.25%.

In addition to the increase in rates which it seeks, KGS requests that the KCC approve a performance-based rate mechanism, which KGS has named, "Annual Performance-based Rate Adjustment" ("APRA"). Although the APRA mechanism is fairly complicated, the general object of APRA is to adjust rates each year based upon whether KGS is over-earning or under-earning the AROE authorized in the most recent KGS full rate case. APRA filings would be made each year by March 15. KGS requests that it be permitted to make five APRA filings before the next full rate case for KGS is required.

KGS also proposes a new residential rate structure which it calls "A/B Rate Structure." KGS states that the A/B Rate Structure adjusts the fixed and volumetric components of customer bills to better align with their consumption and provide another way for those customers to control costs. Under this rate structure, residential customers would no longer have one customer charge and one volumetric charge throughout the entire residential class. Instead, residential customers would be placed under either of two rate structures, an "A" rate structure or a "B" rate structure, with customer charges and volumetric charges that vary from each other diametrically.

As KGS proposes it, these are the customer and volumetric charges for each structure:

**A Rate structure:** the customer charge would be \$20.00/month; the volumetric charge would be \$4.3818 /Mcf;

**B Rate structure:** the customer charge would be \$35.00/month; the volumetric charge would be \$1.9160/Mcf.

KGS would initially assign residential customers whose weather normalized consumption is *less than or equal to* 73 Mcf per year to the A Rate structure and residential customers whose weather normalized consumption is *greater than* 73 Mcf per year to the B Rate structure. However, customers would have the right to change the structure under which they are placed, from the A Rate structure to the B Rate structure, at any time, but not more often than one time per 12-month period.

### **Evidentiary Hearing**

The Commission has scheduled an evidentiary hearing on the application for Monday, August 12, 2024, through Wednesday, August 14, 2024, beginning at 9:00 a.m. in the Commission's First Floor Hearing Room, 1500 S.W. Arrowhead Road, Topeka, Kansas.

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

For more information about Kansas Gas Service's application or the public 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 at 785-271-3200 for further information.