



*Serving the People of Kansas...*

# KANSAS CORPORATION COMMISSION

## CONSUMER ALERT

### **Kansas Gas Service Deferred 2021 Winter Weather Event Costs**

On February 8, 2022, the Kansas Corporation Commission (KCC) approved a settlement agreement outlining how Kansas Gas Service (KGS) will recover \$366 million in deferred natural gas costs incurred during the February 2021 winter weather event.

KGS will apply for Securitized Utility Tariff Bonds to obtain the most favorable financing to reduce costs to ratepayers. The 2021 Kansas Legislature passed the Utility Financing and Securitization Act, which allows utilities to use securitized bonds to pay for extraordinary costs at more favorable terms than traditional financing.

The KCC will review the plan to ensure the lowest possible bond costs are passed on to customers. The application and review process could take six to eight months.

Until the securitization process is complete, the exact dollar amount KGS customers will see on their monthly bills or the length of the payment period is unknown. Estimates range anywhere from \$5 to \$7 per month for a period of 5-10 years.

It is important to note that any recovery of costs through federal or state investigations into price gouging, market manipulation or civil suit resulting from the weather event will be passed on to customers.

#### **Links to additional information**

[The Commission order issued February 8, 2022](#)

[Testimony from KCC's Justin Grady, Utilities Division, in favor of the settlement](#)

[The complete Docket 21-KGSG-332-GIG](#)