

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

In the Matter of the Petition of Kansas Gas)
Service, a Division of ONE Gas, Inc. for)
Approval by the Commission to Change its) Docket No. 23-KGSG-281-TAR
Gas System Reliability Surcharge per K.S.A.)
66-2201 through 66-2204.)

**RESPONSE OF KANSAS GAS SERVICE
TO COMMISSION STAFF’S REPORT AND RECOMMENDATION**

Kansas Gas Service, a division of ONE Gas, Inc. (“Kansas Gas Service” or “Company”) respectfully provides its response to the Report and Recommendation filed on Tuesday, October 25, 2022, in the above referenced proceeding by the Staff of the State Corporation Commission of the State of Kansas (“Staff” and “Commission,” respectively). In support thereof, Kansas Gas Service states the following to the Commission:

I. BACKGROUND

1. On August 26, 2022, Kansas Gas Service filed its Petition to revise its updated Gas System Reliability Surcharge (“GSRS”).¹ Kansas Gas Service’s GSRS Petition included testimony from three witnesses and supporting exhibits.²

2. On October 25, 2022, Staff filed its Report and Recommendation on Kansas Gas Service’s GSRS Petition.³ Among other things, Staff recommended the Commission approve a GSRS Revenue Requirement for Kansas Gas Service of \$27,045,487, resulting in an incremental increase of \$7,676,805 to be collected via a per-customer surcharge listed in Exhibit 6 to Staff’s Report and Recommendation, and to be trued-up after collecting rates for twelve months.⁴

¹ Kansas Gas Service Application to change GSRS Rate Schedules (Aug. 26, 2022).

² See *id.* at pp. 3 – 10.

³ Notice of filing of Staff’s Report and Recommendation (Oct. 25, 2022) (“Staff R&R”).

⁴ See *id.* at p. 5.

II. ACCEPTANCE AND RESPONSE

3. Kansas Gas Service has reviewed Staff's Report and Recommendation and accepts the total and incremental revenue totals contained within Staff's Exhibit 1. Likewise, Kansas Gas Service accepts Staff's per-customer surcharge calculation contained within Staff's Exhibit 6. Upon the Commission's issuance of an order, Kansas Gas Service will file an updated tariff sheet incorporating the approved GSRS rates.

4. Staff recommended excluding six projects from GSRS recovery. In particular, these projects included a main relocation project completed in conjunction with the rebuild and relocation of an obsolete town border station, and the installation of an inline pipeline inspection facility (commonly referred to as a "pig launcher"). Kansas Gas Service will not object to Staff's recommendation to exclude these projects from this GSRS filing.

5. Kansas Gas Service values Staff's insight and opinion on projects presented for recovery through the Company's GSRS. In this instance, Kansas Gas Service and Staff have differing opinions on whether certain projects should be recovered through the GSRS. Kansas Gas Service continues to believe the costs of Job No. 010107 and 010123 (i.e., the Axtell town border station and pipeline inline inspection tool, respectively) meet the Gas Safety and Reliability Policy Act's recovery criteria. By accepting Staff's total and incremental revenue requirement recommendation herein, the Company reserves the right to seek recovery of similar projects in the future.

6. Kansas Gas Service has discussed this Acceptance and Response with the Citizens' Utility Ratepayer Board ("CURB"). CURB has authorized Kansas Gas Service to indicate CURB does not object to or oppose Kansas Gas Service's acceptance of Staff's total GSRS revenue requirement or allocation.

WHEREFORE, Kansas Gas Service respectfully requests the Commission issue an Order approving a GSRS Revenue Requirement for Kansas Gas Service of \$27,045,487, resulting in an incremental increase of \$7,676,805 to be collected via a per-customer surcharge listed in Exhibit 6 to Staff's Report and Recommendation, and for any other relief the Commission deems just and reasonable.

Respectfully submitted,

/s/ Robert Elliott Vincent

Robert Elliott Vincent, KS Bar #26028

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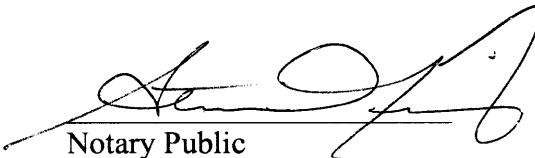
VERIFICATION

STATE OF KANSAS)
) ss
COUNTY OF JOHNSON)

Robert Vincent of lawful age, being first duly sworn upon oath, deposes and states: That he is an attorney for Kansas Gas Service, a Division of ONE Gas, Inc.; that he has read the above and foregoing *Response of Kansas Gas Service to Commission Staff's Report and Recommendation* and that the statements therein contained are true according to his knowledge, information, and belief.


Robert Elliott Vincent

Subscribed and sworn before me this 31st day of October, 2022.


Notary Public

My Appointment Expires: 6/5/26



CERTIFICATE OF SERVICE

I, Robert Elliott Vincent, hereby certify that a copy of the above and foregoing *Response of Kansas Gas Service to Commission Staff's Report and Recommendation* was forwarded this 31st day of October 2022, addressed to:

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