BEFORE THE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of the Complaint Against)
TEXAS-KANSAS-OKLAHOMA GAS, LLC)
Respondent,)Docket No. 15-TKOG-236-COM
)
For an Order for Adjustment and Refund of)
Unfair, Unreasonable and Unjust rates for the)
Sale of Natural Gas for Irrigation based on)
inaccurate and/or false pressure base measurements.)
)
By Circle H. Farms, LLC, Richard L. Hanson,)
Rome Farms, LLC and Stegman Farms Partnership)
Complainants)

COMPLAINANTS' REPLY TO RESPONDENT'S ANSWER

Complainants submit this Reply to the Respondent's (TKO) Answer to their Complaint to insure that the factual basis of the Complaint is fully stated and to further insure that the Respondent's Answer does not divert the Commission's attention from the issues presented in the Complaint, as opposed to the misstatement of the issues set forth in TKO's Answer. The following reply is keyed to the paragraphs of TKO Answer which are pertinent.

6. TKO's Answer incorrectly assumes that the allegations of paragraph 6 of the Complaint are defined solely by some construction of the term "just and reasonable rates" limited to rates stated in contracts, approved by the KCC. The Complaint in its entirety makes clear that Complainants believe that the rates being charged are unfair and discriminatory because they are being falsely and/or incorrectly calculated. To be direct and simple, while a rate may be appropriated stated as a charge per Btu, if the method by

which Btu's are calculated or stated is false or at variance with all industry standards, then TKO is in fact not charging the rates stated in their contracts.

- 7. TKO's contracts are not negotiated with individual customers. Contracts are submitted and the customer is generally required to accept them on a take it or leave it basis.
- 8-9. TKO should bear a burden of proving its billing practices after providing all concerned, including Complainants, with access to their billing and technical computations.
- 10. The "atmospheric pressure" (of 13.2 psia) is not the issue. The issue is whether use of a 13.45 psia pressure base (used in deriving a pressure multiplier which in turn drives volumetric calculations) honestly matches the pressure base being used in the calculation of the btu factor being applied. If the btu is being calculated based on a pressure base of 13.45 psia also, then TKO's calculations would be correct; but available evidence demonstrates that a pressure base of 14.73 psia is being used to calculate the btu factor which TKO then uses to perform its billing calculations.
- 12. TKO should be required to provide the details of the pressure base being used in the calculation of btu values of any supplier which provides gas for any of TKO's customers.

15. As noted above, Complainants articulation of a complaint as to unfair rates is specifically premised not on the statement of the rate set out in contracts but rather the methodology used by TKO in calculating its charges.

17. All of the information set forth in paragraph 17 is directly relevant to and pertinent to the details set forth in the Complaint.

Complainants further state that to accept the denial of accountability by TKO without full and complete investigation would be troubling for customers of any regulated utility. In order for the Commission to regulate and investigate rates it must be able to go behind the stated rate and consider the underlying measurements from which the rates are derived. In essence TKO asks the Commission to defer to TKO's unilateral determination of measurement standards. To do so would vitiate the role of the Commission to review such rates and demand accountability from regulated utilities.

WHEREFORE: Complainants respectfully request that the Commission grant the relief sought in their original Complaint, and that TKO be required to produce all information set forth as pertinent in the Complaint, a process which will enable the Commission to resolve these matters based on an accurate factual basis.

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And

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By Lee Thompson, #08361

Attorneys for Complainants

VERIFICATION

STATE OF KANSAS)
) ss
COUNTY OF SEDGWICK)

Lee Thompson, of lawful age, being first duly sworn upon his oath states that he is one of the attorneys for the Complainants named herein and states that he prepared the foregoing Complaint and declares that the statements made therein are true and correct to the best of his knowledge and belief.

LEE THOMPSON

SUBSCRIBED AND SWORN to before me this 19th day of January, 2015.

Notary Public

My Appointment Expires:

NOTARY PUBLIC - State of Kansas
DEBORAH THOMPSON
My Appt Expires

CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of January, 2015, the above and foregoing Reply to the Answer to the Complaint was filed electronically with the Kansas Corporation Commission at:

Kansas Corporation Commission 1500 SW Arrowhead Road Topeka, KS 66604-4027

And a copy served, by U.S. mail postage prepaid upon:

C. Edward Watson, II

Lindsey A. Flora

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