## BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of Kansas Gas Service, a	)	
Division of ONE Gas, Inc., for the Approval	)	
by the Commission for a Gas System	)	Docket No. 20-KGSG-090-TAR
Reliability Surcharge per K.S.A. 66-2201	)	
through 66-2204.	)	

## KANSAS GAS SERVICE'S RESPONSE TO STAFF'S REPORT AND RECOMMENDATION

Kansas Gas Service, a division of ONE Gas, Inc. ("KGS" or "Company") responds to Staffs Report and Recommendation as follows:

- 1. On August 26, 2019, KGS filed its Application for approval to revise its Gas System Reliability Surcharge (GSRS) tariff amount to recover \$37,598,746 in capital costs as permitted under KS.A. 66-2201 *et. seq.* KGS requested a revenue requirement of \$4,228,101 under this tariff.
- 2. On September 4, 2019, the Citizens' Utility Ratepayer Board ("CURB") filed a Petition to Intervene in this case which was granted in the Commission's September 17, 2019, Order Granting CURB's Petition to Intervene, Discovery Order and Protective Order.
- 3. On October 25, 2019, Staff filed its Report and Recommendation wherein Staff recommended approval of a revenue requirement of \$4,232,387, an increase of \$4,286 over the Company's request. Staff performed an audit to ensure the calculation of the surcharge was correct. During this audit, adjustments were made to the original costs of two projects included for recovery. Additionally, Staff requested that KGS make a correction to the calculation of tax depreciation on its corporate allocated cybersecurity projects.
  - 4. Kansas Gas Service has reviewed Staff's Report and Recommendation and

agrees with the adjustments set forth by Staff in its Report and Recommendation. The recommended adjustments to the Company's filing would result in a total GSRS revenue recovery of \$4,232,387. Kansas Gas Service also agrees that the new rates as set forth in Staff's Exhibit 6, of the Report and Recommendation are fair and reasonable. Accordingly, upon issuance of an Order approving the application (as revised by Staff's adjustments), Kansas Gas Service will file the updated tariff reflecting the new rates.

WHEREFORE, Kansas Gas Service requests that the Commission issue an Order approving its Application subject to the revisions of Staff in its Report and Recommendation.

Respectfully submitted,

Judy Jenkins Hitchye, KS #23300

Managing Attorney

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## **VERIFICATION**

STATE OF KANSAS	)
	)ss
COUNTY OF JOHNSON	)

I, Judy Jenkins Hitchye, of lawful age, being first duly sworn upon oath, states as follows: I am a Managing Attorney for Kansas Gas Service, a Division of ONE Gas, Inc. I have read the above *Response to Staff's Report and Recommendation* and all the statements therein are true to the best of my knowledge, information and belief.

SUBSCRIBED AND SWORN to before me this 29th day of October, 2019.

Judy Jenkins Hitchye, KS Bar No. 23300

Appointment/Commitment Expires: 64/65/22

STEPHANIE FLEMING
My Appointment Expires
June 5, 2022

## CERTIFICATE OF SERVICE

I, Judy Jenkins Hitchye, hereby certify that a copy of the above and foregoing *Response to Staff's Report and Recommendation* was forwarded this 29<sup>th</sup> day of October, 2019, addressed to:

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