

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before the Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Susan K. Duffy

In the Matter of Staff's Recommendation for)
Kansas Gas Service, a Division of ONE Gas,)
Inc., to show Cause why the Commission Should) Docket No. 21-KGSG-398-SHO
Not Impose Penalties for Violation of Natural)
Gas Pipeline Safety Regulations.)

ORDER TO SHOW CAUSE

(Public)

The above-captioned matter comes before the State Corporation Commission of the State of Kansas ("Commission") for consideration and decision. Having reviewed its files and records and being duly advised in the premises, the Commission makes the following findings:

1. The Commission has jurisdiction and authority to administer and enforce the Kansas Underground Utility Damage Prevention Act (KUUDPA), as provided in K.S.A. 66-1801 *et seq.* Likewise, K.S.A. 66-1815 grants the Commission full power and authority to adopt all necessary rules and regulations for carrying out provisions of K.S.A. 1801 through 66-1814, *et seq.* Pursuant to K.A.R. 82-14-6(k), the Commission may issue an order to investigate any potential noncompliance with KUUDPA, or any regulations or orders pursuant to that act.

2. Pursuant to K.S.A. 66-1,150 the Commission has authority to adopt rules and regulations as may be necessary to conform with the natural gas pipeline safety act of 1968 (U.S.C. § 60101 *et seq.*). The Commission has adopted K.A.R. 82-11-1 *et seq.*, which provides guidance, standards, procedures, and minimum requirements for public utilities and pipeline operators in order to insure natural gas pipeline safety.

3. On April 1, 2021, Commission Staff (“Staff”) submitted a confidential Report and Recommendation (“Report”) recommending the Commission require Kansas Gas Service (KGS) to Show Cause as to why it should not be assessed a civil penalty of \$90,000 for failure to follow its Operations and Maintenance (O&M) procedures related to 54 instances of not providing timely and accurate locates of natural gas pipelines.¹ Staff recommends a \$1,000 penalty for each violation and an additional \$1,000 penalty for each violation found to be caused by KGS’s locate contractor US Infrastructure Company (USIC).² Staff’s Report further recommends the Commission require KGS to evaluate the USIC training program to ensure it provides training that is at least equivalent to the locate training provided to KGS in-house personnel performing locates. Finally, the Report recommends that KGS memorialize the improvements it has made in its recent locator evaluation program by including those initiatives as requirements in its O&M.³

4. In the past four years the trend in KGS’s KUUDPA violations has remained flat.⁴ KGS contracts most of its locate services through USIC. Staff’s Report highlights that USIC is responsible for 73% of the damages due to failure to provide accurate and timely locates.⁵ USIC experiences a high employee attrition rate while requiring its personnel to perform complex tasks with little training. Staff believes this combination of factors is one cause for KGS failure to reduce at-fault damages.

5. K.A.R. 82-11-4 requires an operator to implement and follow written plans dealing with utility damage prevention and qualification of personnel performing tasks such as locating on pipeline facilities which includes contract locator personnel.⁶ KGS is also required to prepare and

¹ Staff Report at 1, (Apr. 1, 2021). KGS had 112 Notice Probable Violations (NPVs) in 2020 but Staff is only recommending penalties on the most egregious violation

² *Id.* at 7, 36 of the 54 violations were the failure of USIC.

³ *Id.* at 8.

⁴ *Id.* at 5.

⁵ *Id.* at 7.

⁶ K.A.R. 82-11-4 adopts 49 C.F.R. Part 192.605(a), 192.614, and 192.805.

follow a plan to prevent damages to a pipeline from excavation activities. This includes developing an Operator Qualification (OQ) plan to ensure personnel performing covered tasks are fully qualified. Staff's Report indicates that KGS has establish a rigorous program for evaluating its contract locator personnel performance but the program is not included in the KGS O&M procedures.⁷ Further, this initiative does not take steps toward improving the retention of USIC employees or to ensure they have necessary training to perform locates.⁸ Staff asserts KGS should establish a more robust locator training program which includes training contractor personnel before the locator is allowed in the field.⁹

6. Staff recognizes that KGS has made improvements toward reducing damages caused by excavators. As part of a 2020 initiative, KGS has begun to uses in-house personnel to perform locates in a portion of its service territory. Staff also recognizes the legal requirement KGS faces to provide free locate service to excavators is not easy to plan and schedule for. Staff believes KGS has made significant improvements in monitoring the quality of locates performed by its contractors, however, these initiatives focus primarily on evaluating a locator's performance after a locate is completed. Staff's Report recommends the Commission require KGS to evaluate the USIC training program to ensure that it provides training that is at least equivalent to the locate training provided to KGS in-house personnel performing locates.¹⁰ Additionally, Staff's Report recommends that KGS memorialize the improvements it has made in its recent locator evaluation program by including those initiatives as requirements in its O&M plan.¹¹

⁷ Staff's Report at 1.

⁸ *Id.* at 6.

⁹ *Id.* at 7.

¹⁰ *Id.* at 8.

¹¹ *Id.*

7. Staff's Report proposes to hold the additional penalty amount of \$36,000 for failure to properly train its contractors be held in abeyance until April 2022. At that time, Staff will file a report apprising the Commission of KGS's progress in providing proper training to its contract staff and make a further recommendation on the status of this portion of the recommended penalty.¹²

8. The Commission finds Staff's Report and Recommendation to be reasonable and pursuant to K.S.A. 66-1,150 and 66-1801, orders KGS to show cause as to why it should not incur a \$90,000 civil penalty for violations of natural gas pipeline safety regulations. Additionally the Commission orders KGS to show cause as to why it should not be required to perform an assessment of its locator training program and to modify its O&M procedures to incorporate its recent initiatives regarding evaluation of contractor performance.

THEREFORE THE COMMISSION ORDERS:

A. Within thirty (30) days KGS shall show cause as to why it should not be required to perform an assessment of its locator training program and to modify its O&M procedures to incorporate its damage prevention improvement plan regarding evaluation of contractor performance.

B. Within thirty (30) days KGS shall show cause as to why it should not be assessed a civil penalty in the amount of \$90,000 for failure to follow its O&M procedures related to 54 instances of not providing timely and accurate locates of natural gas pipelines.

C. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).¹³

¹² *Id.* at 7.

¹³ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77531(b).

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen Commissioner; Duffy, Commissioner

Dated: 04/22/2021



Lynn M. Retz
Executive Director

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**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

PUBLIC VERSION

TO: Chairperson Andrew J. French
Commissioner Dwight D. Keen
Commissioner Susan Duffy

FROM: Leo Haynos, Chief Engineer
Jeff McClanahan, Director of Utilities

DATE: April 1, 2021

SUBJECT: Recommendation for Kansas Gas Service, a Division of ONE Gas, Inc., to Show Cause why the Commission Should Not Impose Penalties for Violation of Natural Gas Pipeline Safety Regulations

EXECUTIVE SUMMARY:

Staff recommends the Commission require Kansas Gas Service (KGS) to Show Cause as to why it should not be assessed a civil penalty of \$90,000 for failure to follow its Operations and Maintenance (O&M) procedures related to 54 instances of not providing timely and accurate locates of natural gas pipelines. Furthermore, Staff recommends the Commission require KGS to Show Cause as to why it should not be required to perform an assessment of its locator training program and to modify its O&M procedures to incorporate its recent initiatives regarding evaluation of contractor performance.

Although KGS recently has established what appears to be a rigorous program of evaluating its contract locator personnel performance, Staff notes the program is not included in the KGS O&M procedures. Kansas pipeline safety regulations¹ require an operator to implement and follow written plans dealing with utility damage prevention and qualification of personnel performing tasks such as locating on pipeline facilities. Failure to follow written plans are a violation of pipeline safety regulations. KGS has adequate plans for this purpose, but the current plans in the O&M procedures do not explicitly address how KGS will monitor the effectiveness of its locate training and qualification program or evaluate locator personnel performance prior to the locator providing locates. In order to ensure consistency in the efforts that Staff believes KGS has made in the last few months, Staff recommends the Commission require KGS to Show Cause as to why its damage prevention improvement plan (presented to the Commissioners on March 1, 2021) should not be incorporated into its O&M plan.

¹ See 49 CFR Part 192.605(a), 192.614, and 192.805 as adopted by K.A.R. 82-11-4.

Considering the progress KGS has made to improve its utility locate program in recent months, Staff recommends the Commission hold \$36,000 of the recommended penalty in abeyance until April of 2022. By April 30, 2022, Staff proposes to file a report to update the Commission on KGS's progress to improve its locating accuracy and timeliness and recommend to the Commission on the disposition of the 2020 penalty.

BACKGROUND:

History of Staff Enforcement Activity Related to excavator damage to pipelines:

In general KGS's utility locate obligations can be described as providing locate marks (flags or paint) indicating the location of its buried pipelines. A locate is considered accurate if the marks are within two feet of being directly over the top of the buried line. KGS is also required to provide locates within two business days of receiving notice from an excavator of its intent to excavate.

Over the past four years, the Commission has assessed 120 penalties totaling \$83,500 to KGS for violations of the Kansas Underground Utility Damage Prevention Act (KUUDPA) and/or related procedural violations of Kansas pipeline safety regulations. In the past, Staff has recommended penalties when we determined that KGS or its contractor failed to provide locate marks within 2 working days as prescribed by KUUDPA. Staff also recommended a civil penalty for cases in which locates were provided but they were more than ten feet away from the actual location of the buried facility.

Although Staff investigated and issued Notices of Probable Violations (NPV) for many more KGS damages in which locates were inaccurate by less than ten feet, Staff has not recommended the Commission impose a penalty on KGS for these KUUDPA violations. For those violations for which no penalty was recommended, Staff has elected to review KGS's response to the alleged violation, which includes a description of the actions KGS took to prevent recurrence of the inaccurate or untimely locate. If the response is found acceptable by Staff, the NPV investigation is closed. Staff's approach of recommending penalties only for the more egregious violations is also applied to excavators found to be in violation of KUUDPA. For example in the case of excavator violations, Staff consistently recommends excavators be assessed a penalty for failure to request locates. Overall, Staff believes this enforcement approach has been successful at reducing the number of underground utility damages in Kansas. From the excavator perspective, Staff see little if any repeat "offenders". However, with respect to KGS, the trend in KUUDPA related violations within the last few years has been flat at best or slightly increasing.

KGS Locating Practices Using Contract Locators

KGS relies almost exclusively on its contractor, USIC Locating Services, LLC (USIC) to meet its utility locate obligations. On average, KGS receives 336,000 locate requests per year. To meet the locate demand of their clients, USIC employs an average of ** [REDACTED] **. ² In 2020, ** [REDACTED] ** of that number were replaced during the course of the year resulting in roughly a 68% per year attrition rate. ³ It must be noted that USIC is the largest contract locator in Kansas, and it has many utility customers for which it provides locates.

² Response to Staff Data Request 16.

³ Ibid.

As per pipeline safety regulations, KGS is required to ensure its locators are qualified as prescribed in the KGS Operator Qualification Plan (OQ). To accomplish this, the USIC/KGS contract requires **

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In 2020, KGS incurred 782 damages to its facilities caused by excavation activities. When a damage occurs, both KGS and USIC typically investigate the cause of the damage. If KGS determines the damage was the fault of USIC locators failing to provide accurate locates (known as an “At Fault Damage” or “AFD”), the contract states **

** A trend of the KGS damages that are estimated to be the fault of KGS or USIC is shown in Exhibit 1. Since 2015, the KGS at fault damages are estimated to be 278 per year with roughly 50% the fault of USIC locators. Staff notes that its findings based on the NPV issued to KGS indicate USIC is responsible for a higher percentage of the at-fault damages. Although Staff only investigates approximately 12% of the total KGS damages, for those that are the fault of KGS and/or USIC, Staff’s data indicates approximately 80% were caused by USIC failing to provide accurate locates. Staff Data is shown below in Table 1.

Exhibit 1⁹ (Confidential)

Operations and maintenance manual requirements:

Pipeline safety regulations require an operator of natural gas pipelines to prepare and follow a manual of written procedures for conducting operations and maintenance activities. One of the required procedures to be included in the O&M is a written program designed to prevent damages to a pipeline from excavation activities.¹⁰ The KGS procedure acknowledges the use of locate contractors and incorporates by reference the contract between the contractor and KGS into its O&M.¹¹ In addition, Kansas pipeline safety regulations require the operator to take responsibility for contractor work regarding pipeline safety.¹² As part of the damage prevention program, the

⁴ Response to Staff Data Request 1. Section 6(c) of Exhibit A to the Blanket Work Order Contract.

⁵ *ibid.* Section 6(h)(iv) of Exhibit A to the Blanket Work Order Contract.

⁶ *ibid.* Section 7(a) of Exhibit A to the Blanket Work Order Contract.

⁷ *ibid.* Section 5(d) of Exhibit A to the Blanket Work Order Contract.

⁸ Response to Staff Data Request 20.

⁹ Response to Staff Data Request 25 and KGS 2021 1st Quarter Presentation provided to Commission. Graph conservatively assumes 70% of total damages were the fault of excavators.

¹⁰ See 49 CFR Part 192.614(a).

¹¹ Section 3.1.1, Procedure OGSops2.1404R, revised November 1, 2019.

¹² K.A.R. 82-11-4(z): The following shall be added to 49 C.F.R. 192.603: “(e) Each operator shall be responsible for ensuring that all work completed by its consultants and contractors complies with this part.”

regulation requires the operator's plan to provide for temporary marking (locates) of buried pipelines before the excavation begins.

In order to ensure successful locates, subsection 5 of the procedure provides detailed instructions requiring KGS to monitor the performance of the locator personnel. Although it is unclear in this subsection on how KGS addresses performance shortcomings, the procedure does require KGS to "correct deficiencies and prevent any reoccurrence of deficiencies". Pipeline safety regulations also require KGS to develop an Operator Qualification (OQ) plan which ensures personnel performing covered tasks are fully qualified to do so.¹³ Because line locating is a covered task, the performance review of the locators (KGS and contract personnel) must meet the requirements of KGS's OQ plan. In addition to prescribing training, evaluation, disqualification for cause, and remediation requirements for personnel, the OQ plan also requires KGS to evaluate the effectiveness of its OQ efforts. With respect to USIC, KGS requires the use of the KGS OQ plan. However, neither the KGS OQ plan nor its contract with USIC explain how KGS will evaluate the effectiveness of USIC's efforts in providing training or how KGS will evaluate the effectiveness of USIC's process used to ensure its locators meet the training objectives.

Recent Enforcement Activity Regarding KGS Excavation Related Damages

Over the last four years (2017-2020), Staff has investigated 370 damages to natural gas pipelines operated by KGS in which Staff determined KGS did not follow the provisions of its O&M procedures with respect to preventing excavator damage to pipelines. Of the 370 damages investigated by Staff and determined to be the fault of KGS, we determined 299 (or 81%) were due to KGS' Contractor's inability to follow established KGS procedures (AFD damages). The remaining 71 damages investigated by Staff during this four year period were determined to be mislocated due to mapping errors or legacy infrastructure problems that made the lines difficult to locate (KGS damages). Table 1 shown below lists the damages considered by Staff to be the responsibility of KGS or USIC for the years 2017 through 2020.

Table 1
Compilation of Notices of Probable Violation Issued to KGS

	2017	2018	2019	2020
No Locate provided (USIC fault)	30 (45%)	37 (41%)	42 (42%)	38 (34%)
Marks Inaccurate (USIC fault)	32 (48%)	35 (39%)	41 (41%)	44 (39%)
Facility non Locatable or inaccurate maps	5 (7%)	18 (20%)	18 (18%)	30 (27%)
Total Number of NPVs to KGS	67	90	101	112
Total Number recommended for penalty	29	44	47	54 proposed

In Docket 20-DPAX-080-PEN (20-080), KGS provided an outline of newly initiated efforts to reduce excavator damage to its pipelines. At that time, Staff agreed with KGS that the multi-faceted effort proposed by KGS appeared to be a reasonable approach to reduce excavator damage

¹³ 49 CFR Part 192.805 as adopted by K.A.R. 82-11-4.

to pipelines that were the fault of KGS locators.¹⁴ It is Staff's understanding the initiatives related to the 20-080 Docket became effective on or before November 2019. Staff has observed activity in the field related to the improvement plans listed in the 20-080 Docket, and we believe KGS is making a good faith effort to implement their initiatives. In a recent update of its progress provided to Staff on March 8, 2021, KGS provided an update of its 2020 progress and its proposed additional steps to be taken in 2021 regarding reducing damages caused by excavation. Attachment 1 provides excerpts from that presentation.

However, as shown in Table 1, damages investigated by Staff that were deemed to be the fault of KGS locating, (USIC AFD and KGS fault) continued to increase through 2020. Based on the corrective actions taken by KGS in response to the damages, Staff believes the initiatives proposed by KGS in the 20-080 Docket are being implemented. Table 2 shows Staff's interpretation of the corrective actions taken by KGS in response to a damage and a subsequent NPV issued by Staff.¹⁵ The corrective actions taken in 2020 demonstrate more involvement of KGS and/or USIC in auditing performance of locators and disqualifying them if necessary. With the exception of a portion of the auditing efforts, all of these actions appear to take place after the damage has occurred.

Table 2
Staff Summary of KGS Corrective Actions in Response to Staff Issued NPVs

KGS Response	2017	2018	2019	2020
Audit locator performance	0		3	25
Disqualify locator	0		13	20
Onsite training of locator	31		41	5
USIC procedural discussion	4		9	5
Legacy infrastructure issue	24		28	35

ANALYSIS:

As an introduction to this discussion, Staff acknowledges KGS and other utilities have made considerable progress toward reducing damages caused by excavation. Further, Staff recognizes the legal requirement to provide a free locate service to excavators of all kinds is driven by a demand for service that is not easily scheduled. In fact, a utility's response and performance is partially determined by how well it can react to an unknown demand that is affected by weather conditions, the general economy, and even national holidays. That being said, Staff also recognizes that a damage to a natural gas pipeline is at the very least a near-miss of an accident, and at worst, can result in the loss of life or property.

¹⁴See Docket 20-DPAX-080-PEN, Joint Motion to Close Docket, November 22, 2019.

¹⁵ KGS reason for inaccurate locates are summarized from KGS responses to Staff issued Notices of Probable Violation (NPV) for each investigated damage.

It is Staff's opinion that at least one cause of KGS failure to reduce at-fault damages is a systemic problem associated with KGS providing contractor oversight. Since 2017, the Commission has assessed KGS \$83,500 of penalties related to utility locate nonperformance. In Staff's opinion, the vast majority of the events associated with those penalties were related to errors committed by KGS contractors in executing KGS locating procedures. Although KGS issues payment to the State for these assessments, **

** As noted above, Kansas pipeline safety regulations hold the pipeline operator responsible for any actions performed by its contractors that are undertaken as part of a regulatory requirement. Additionally, pipeline operators are also required to follow the procedures written in their O&M. Because KGS incorporates by reference its contract with its utility locator into its O&M, Staff contends any lack of performance with the contract are enforceable against KGS as violations of pipeline safety regulations.

As shown in Attachment 1, KGS has implemented a series of initiatives in 2020 that appear to be improving locate performance. However, as noted earlier, the majority of these actions taken with respect to the person doing the locating appear to be initiated after a damage has occurred. With respect to personnel qualifications, the one notable initiative that ensures qualified personnel before a damage occurs is the use of KGS in-house personnel to perform locates in a portion of the service territory. In 2020, KGS began performing locates using KGS personnel in the Marysville operating area. Based on the success of that program, they plan to expand their in-house locating capabilities by equipping another 20 employees in 2021 to handle a portion of the locating responsibilities in Overland Park and Wichita operating areas.¹⁶ Because KGS generally does not have high turnover of personnel, Staff contends in-house locators will have more experience and more ownership of ensuring the locate is done in an accurate and timely manner.

On the other hand, the KGS initiatives introduced in 2020 do not take steps to improve the retention of USIC employees or to ensure they have the necessary knowledge, skill, and ability (KSAs) to perform locates. The contract between KGS and USIC **

** Although the ongoing field audit program assesses the locator's KSAs on a random basis, Staff contends that, at best, the audit program only discovers a poorly performing locator before damage occurs. In other words, an audit discovering an inaccurate locate before excavation begins serves as an intervention process that discovers a poorly trained locator and prevents a potential utility damage. In Staff's opinion, a better approach would be to establish a more robust locator training program before the locator is allowed in the field. In fact, Staff contends an effectiveness evaluation of the KGS OQ program would require this approach.¹⁷ Our

¹⁶ See Attachment 1, pages 1-2, Key KGS Initiatives 2021.

¹⁷ 49 CFR Part 192.805(h) as adopted by K.A.R. 82-11-4: Each operator shall have and follow a written qualification program. The program shall include provisions to: (h) ...provide training, as appropriate, to ensure that

contention is supported by the fact that USIC experienced a 68% attrition rate in 2020 for locators providing service to KGS. Although locator training is provided by USIC, assigning a complicated task to an entry level position with no natural gas experience is a contributing factor to the 150 near-miss accidents that KGS suffers every year due to excavation damage caused by USIC inaccuracy. While the KGS auditing program may serve as a means of evaluating the training offered by USIC, there is no evidence that it is improving the training program.

Attachment 2 provides a list of Staff investigations in which Staff determined KGS failed to provide timely and accurate locates in 2020¹⁸. For these violations, Staff recommends the Commission assess KGS a penalty of \$90,000. For those violations that Staff considers to be the fault of KGS not maintaining its maps or infrastructure, Staff recommends KGS be assessed a penalty of \$1,000 per violation. For those violations that Staff considers to be the fault of USIC failing to provide timely and accurate locates, Staff recommends KGS be assessed a penalty of \$2,000 per violation.

The \$1,000 for each violation of failing to provide accurate and timely locates is consistent with previous penalty recommendations by Staff. The additional \$1,000 per violation associated with the failure of USIC to provide accurate locates is based on Staff's contention that KGS has not provided an adequate means of training contract personnel to perform the complex task of utility locating. However, as noted earlier in this Report and Recommendation, Staff believes KGS is making progress at improving its utility damage prevention program. Therefore, Staff recommends the additional penalty amount of \$36,000 proposed for failure to properly train its contractors be held in abeyance until April of 2022. At that time, Staff proposes to file a report apprising the Commission of KGS's progress in providing proper training to its contract staff and make a further recommendation on the status of this portion of the proposed penalty.

CONCLUSION

Regarding the KGS underground utility damage prevention program, Staff concludes the following:

- In 2020, Staff investigated 112 damages to KGS infrastructure which Staff determined were the fault of KGS or its contractor not following KGS O&M procedures.
- Of the 112 investigations, Staff determined that KGS's contractor, USIC, was responsible for 82 or 73% of the damages because of its failure to provide accurate and timely locates.
- USIC experienced a 68% attrition rate of locator personnel performing locates for KGS in 2020.
- Kansas pipeline safety regulations require KGS to provide effective training for locators as part of their Operator Qualification Plan
- Because of the high USIC employee attrition rate and the complex task of providing accurate locates, Staff contends KGS has not provided an effective analysis of the locator training program.

individuals performing covered tasks have the necessary knowledge and skills to perform the tasks in a manner that ensures the safe operation of pipeline facilities;

¹⁸ Two of the listed cases are carryover from CY2019.

- KGS has made significant improvements in monitoring the quality of locates performed by its contractors with an initiative started in late 2019. However, Staff contends the initiatives focus primarily on evaluating a locator's performance after a locate is completed.

RECOMMENDATION:

Staff recommends KGS be assessed a civil penalty for 54 of the CY2020 investigations conducted by Staff into excavation damages suffered by KGS infrastructure. For the 54 investigations, Staff determined KGS had either not marked the location as required, or the marks that were provided were more than ten feet away from the location of the locate. Consistent with recent Staff recommendations, we recommend a \$1,000 penalty for each of the 54 violations for a total penalty of \$54,000.

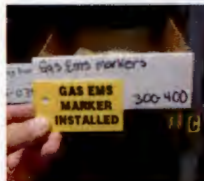
For those violations that Staff determined were the fault of USIC, Staff recommends an additional penalty of \$36,000 (\$1,000 for each violation) for failure of KGS to provide an effective evaluation of the program used to train and prepare new locators to perform locates for KGS. Staff also recommends the Commission require KGS to evaluate the USIC training program to ensure that it provides training that is at least equivalent to the locate training provided to KGS in-house personnel performing locates. Additionally, Staff recommends that KGS memorialize the gains it has made in its recent locator evaluation program by including those initiatives as requirements in its O&M plan.

Accounting for the progress KGS has made to date, Staff further recommends this portion of the proposed penalty be held in abeyance until April of 2022. At that time, Staff proposes to file an additional report with the Commission to evaluate the success of KGS in expanding its damage prevention initiatives to include an assessment and improvement if necessary of the locator training program.

Attachment 1

Key KGS Initiatives 2020

- 1. Field Resources - Strengthened Field Audit & Line Locate Engagement in Topeka, Overland Park and Wichita (2 employees – Compliance Audit Specialist)**
 - Reduction of 35% USIC at-fault damages
 - Completed 2,029 quality control audits
 - Late and rescheduled ticket monitoring / audit of complete tickets for accuracy
 - Retrained / coached 293 times, disqualified 31 technicians and removed 7 permanently
 - Line locate audit / assistance with coaching and retraining of found deficiencies
 - Damage investigation for at-fault, corrective measures / remediation
 - Roughly 4,085 Construction audits completed across KGS
- 2. Unlocatable Facilities - Proactively Remediate Unlocatable Mains and Services as Time, Funding and Resources are Available**
 - Repair tracer wire, repair / install additional test stations, or replace unlocatable service lines
 - Insert service lines (Jamison tool), trace out to the main tap and install Electronic Marker System (EMS) markers - label service to indicate EMS markers present
 - Installed 6,176 EMS markers in 2020 (81% in Overland Park and Topeka)
 - Install surface pipeline markers at service tap points and curb markers where applicable
- 3. Unlocatable Facilities - Formalized Internal Response Process**
 - Improved order creation, dispatch monitoring, supervisor engagement



11



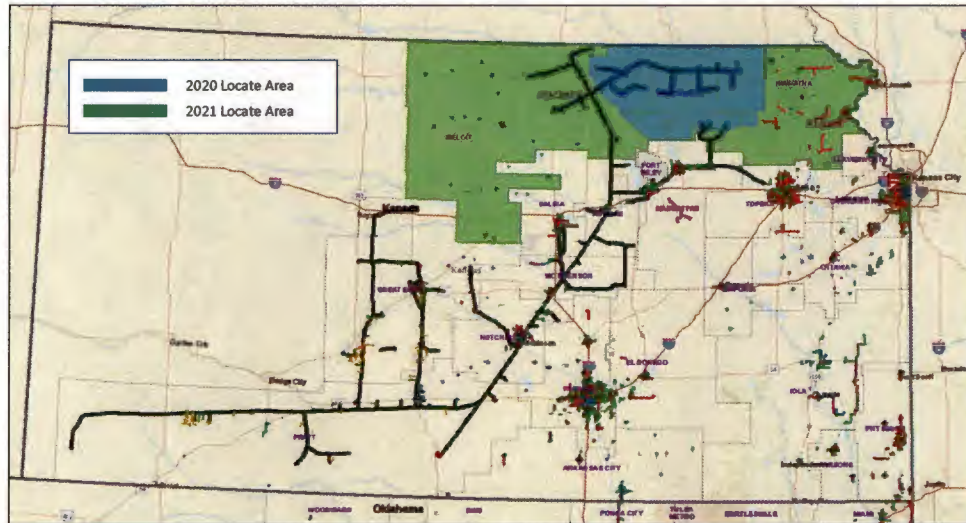
Key KGS Initiatives 2021

- 1. Implement Tickets Screening Process – Ticket Management System (TMS) – Go-Live Target Mid 2021**
 - Screen 'Update' tickets for locate need – Update tickets accounted for roughly 28% of all 2020 locates
- 2. Re-Bid Line Locate Contract for KGS – (Bid Date: February 25, 2021 – Effective: January 2022)**
 - Implement new contract designed to optimize on efficiencies and to improve locating performance
- 3. Further Enhance Field Focus on Damage Prevention – Metro Areas – Go-Live Target Mid 2021**
 - Increase Damage Prevention Specialist compliment by 4
 - Line locate audit & monitoring, damage investigation, excavator Intervention
- 4. Actively Expanding Internal Line Locate Responsibility Throughout 2021**
 - Ordered locate equipment to expand internal locate capabilities throughout KGS
 - Equip 20 employees in Overland Park and Wichita to complete turn back tickets from USIC

12



Expand Internal Line Locates



13

Kansas Gas Service

Key KGS Initiatives 2021 - Continued

5. **Unlocatable Facilities – Ongoing**
 - Continue process improvement (procedure, remediation) / expanding internal locate assist requests
6. **Risk Assessment and Damage Reduction (RADAR) – Go-Live Target Q3 2021**
 - Proactively target higher risk excavation tickets and excavators to reduce damages
7. **Enhance 3rd Party Safe Excavator ‘Repeat Offender’ Program – Ongoing**
 - Revamp program to be more proactive in 3rd party excavator engagement
8. **Conflation – Distribution GIS - Underway**
 - Initiative underway to "conflate" (adjust) existing distribution mains and services to a more accurate land base
9. **Enhance Quality Control / Quality Assurance – Underway**
 - Continued improvement through data analytics (hit kits, Maximo approval, DIRT contributing practice)

14

Kansas Gas Service

Attachment 2
Staff Investigations Recommended for Penalty

Case #	Date of Damage	Damaged facility	City Damage Occurred	Root Cause	Code Violated	Penalty Amt.
JW-19-OC-1183	8/22/2019	Main	Wichita	Not Marked	66-1807(b)	\$2,000
JW-19-OC-1228	11/1/2019	Service	Wichita	Not Marked	192.614(a)	\$2,000
JW-19-OC-1235	12/10/2019	Service	Wichita	Mis Marked	192.614(a)	\$2,000
CK-20-OC-1002	1/2/2020	Service	Shawnee	Not Marked	192.614(a)	\$2,000
JW-20-OC-1003	1/3/2020	Service	Derby	Not Marked	192.614(a)	\$2,000
JW-20-OC-1006	1/7/2020	Main	Wichita	Not Marked	192.614(a)	\$2,000
KF-20-OC-1002	1/8/2020	Service	Topeka	tracer wire	66-1806(a)	\$1,000
JW-20-OC-1014	1/30/2020	Service	Wichita	Not Marked	192.614(a)	\$2,000
KF-20-OC-1005	1/31/2020	Main	Topeka	Inaccurate Maps	192.605(b)(3)	\$1,000
CK-20-OC-1020	2/6/2020	Service	Kansas City	Not Marked	192.614(a)	\$2,000
KF-20-OC-1006	2/6/2020	Service	Topeka	tracer wire	192.614(a)	\$1,000
JW-20-OC-1024	2/26/2020	Main	Douglas	Not Marked	66-1806(a)	\$2,000
JW-20-OC-1025	2/27/2020	Service	Derby	Not Marked	192.614(a)	\$2,000
CK-20-UN-1050	03/10/2020	Audit	Overland Park	No Locate (Audit)	192.614(a)	\$2,000
CK-20-OC-1035	3/13/2020	Main	Shawnee	no tracer wire	66-1806(a)	\$1,000
CK-20-OC-1044	4/1/2020	Service	Shawnee	Not Marked	192.614(a)	\$2,000
JW-20-OC-1045	4/1/2020	Service	Hutchinson	Inaccurate Maps	66-1806(a)	\$1,000
CK-20-OC-1049	4/6/2020	Service	Shawnee	Inaccurate Maps	192.614(a)	\$1,000
JW-20-OC-1053	4/13/2020	Service	Otis	Inaccurate Maps	192.614(a)	\$1,000
CK-20-OC-1064	4/14/2020	Service	Kansas City	Not Marked	192.614(a)	\$2,000

Case #	Date of Damage	Damaged facility	City Damage Occurred	Root Cause	Code Violated	Penalty Amt.
CK-20-OC-1069	4/15/2020	Main	Overland Park	Not Marked	192.614(a)	\$2,000
CK-20-UN-1068	04/21/2020	Audit	Kansas City	No Locate (Audit)	192.614(a)	\$2,000
CK-20-OC-1103	5/5/2020	Service	Leawood	Inaccurate Maps	66-1806(a)	\$1,000
CK-20-OC-1114	5/18/2020	Main	Lenexa	Not Marked	192.614(a)	\$2,000
CK-20-OC-1127	5/30/2020	Service	Kansas City	Not Marked	192.614(a)	\$2,000
CK-20-OC-1136	6/10/2020	Main	Overland Park	Not Marked	192.614(a)	\$2,000
JW-20-OC-1115	6/10/2020	Service	Wichita	Not Marked	192.614(a)	\$2,000
CK-20-OC-1155	6/23/2020	Service	Overland Park	no records	192.614(a)	\$1,000
CK-20-OC-1157	6/25/2020	Service	Leawood	tracer wire	66-1806(a)	\$1,000
CK-20-OC-1164	7/6/2020	Main	Shawnee	Inaccurate Maps	192.614(a)	\$1,000
CK-20-OC-1169	7/8/2020	Main	Lenexa	Inaccurate Maps	192.614(a)	\$1,000
CK-20-OC-1176	7/13/2020	Service	Lenexa	Not Marked	192.614(a)	\$2,000
CK-20-OC-1179	7/23/2020	Service	Merriam	Not Marked	66-1806(a)	\$2,000
CK-20-OC-1186	7/31/2020	Service	Kansas City	Inaccurate Maps	66-1806(a)	\$1,000
KF-20-OC-1016	8/6/2020	Service	Topeka	Not Marked	192.614(a)	\$2,000
CK-20-OC-1192	8/11/2020	Main	Prairie Village	tracer wire	66-1806(a)	\$1,000
CK-20-OC-1197	8/17/2020	Service	Overland Park	Not Marked	192.614(a)	\$2,000
CK-20-OC-1199	8/18/2020	Main	Kansas City	Inaccurate Maps	192.614(a)	\$1,000
JW-20-OC-1149	8/18/2020	Service	Wichita	Not Marked	192.614(a)	\$2,000

Case #	Date of Damage	Damaged facility	City Damage Occurred	Root Cause	Code Violated	Penalty Amt.
CK-20-OC-1202	8/19/2020	Service	Lenexa	Not Marked	192.614(a)	\$2,000
CK-20-OC-1215	8/27/2020	Service	Merriam	Inaccurate Maps	66-1806(a)	\$1,000
CK-20-OC-1219	9/2/2020	Main	Shawnee	Not Marked	192.614(a)	\$2,000
CK-20-UN-1245	09/02/2020	Audit	Overland Park	No Locate (Audit)	192.614(a)	\$2,000
JW-20-OC-1161	9/8/2020	Service	Clearwater	tracer wire	192.614(a)	\$1,000
CK-20-OC-1226	9/9/2020	Service	Roeland Park	Not Marked	192.614(a)	\$2,000
CK-20-UN-1250	09/09/2020	Audit	Roeland Park	No Locate (Audit)	192.614(a)	\$2,000
JW-20-OC-1173	9/21/2020	Service	Wichita	Not Marked	192.614(a)	\$2,000
CK-20-UN-1273	09/30/2020	Audit	Shawnee	No Locate (Audit)	192.614(a)	\$2,000
CK-20-OC-1243	10/06/2020	Service	Shawnee	Not Marked	192.614(a)	\$2,000
CK-20-OC-1255	10/13/2020	Service	Overland Park	Not Marked	192.614(a)	\$2,000
JW-20-OC-1193	10/19/2020	Service	Wichita	Not Marked	192.614(a)	\$2,000
JW-20-OC-1196	10/21/2020	Service	Wichita	Not Marked	192.614(a)	\$2,000
JW-20-OC-1200	10/30/2020	Service	Wichita	Inaccurate Maps	192.614(a)	\$1,000
JW-20-OC-1207	11/09/2020	Main	Clearwater	Not Marked	192.614(a)	\$2,000
					Total	\$90,000

CERTIFICATE OF SERVICE

21-KGSG-398-SHO

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of
electronic service on 04/22/2021.

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/S/ DeeAnn Shupe
DeeAnn Shupe