

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

In the Matter of the Application of Kansas Gas)
Service, a division of ONE Gas, Inc., for) 25-KGSG-385-MIS
Waiver of the Requirements of K.A.R. 82-11-)
4(31) for Farm Tap Customers.)

NOTICE OF FILING STAFF'S REPORT AND RECOMMENDATION

The Staff of the Kansas Corporation Commission (“Staff” and “Commission,” respectively) hereby files its Report and Recommendation, dated August 5, 2025, recommending the Commission conditionally waive the requirements of K.A.R. 82-11-4(31) for odorant sampling requirements on jurisdictional domestic individual service lines by granting the application of Kansas Gas Service, a Division of ONE Gas, Inc.

WHEREFORE, Staff presents its Report and Recommendation for the record and further determination by way of approval in a Commission Order.

Respectfully Submitted,

Brett Berry

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REPORT AND RECOMMENDATIONS UTILITIES DIVISION

TO: Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

FROM: Matthew R. Ghilino, Utilities Engineer
Paul Owings, Chief Engineer
Justin Grady, Director of Utilities

DATE: August 6, 2025

SUBJECT: Docket No. 25-KGSG-385-MIS – Staff’s Recommendation to Modify Odorant Sampling Requirements for Individual Service Lines in the Matter of the Application of Kansas Gas Service, a division of ONE Gas, Inc., for Waiver of the Requirements of K.A.R.82-11-4(31) for Farm Tap Customers.

EXECUTIVE SUMMARY:

Kansas Gas Service, a division of ONE Gas, Inc., (KGS) submitted an Application for Waiver (Application) initiating Docket No. 25-KGSG-385-MIS on April 28, 2025. The Application requested a waiver of the odorant sampling requirements of K.A.R. 82-11-4(b)(31) as they apply to certain individual service line (collectively “ISL”) customers served by Kansas Gas Service. This report details an analysis and recommendation for a waiver of the odor sampling requirements for certain ISLs. After review, Kansas Corporation Commission Staff (Staff) recommends a conditional waiver of K.A.R. 82-11-4(b)(31), as described herein, to be granted for the following reasons: 1) The proposed conditional waiver fully meets federal pipeline safety requirements;¹ 2) The Kansas Corporation Commission (Commission) has previously granted similar waivers from Kansas pipeline safety regulations for odorant sampling requirements for certain ISLs;² 3) The limited waiver requested by KGS represents a partial copy of the conditions approved in Docket No. 24-ATMG-531-MIS (24-531 Docket). Therefore, Staff recommends that Kansas Gas Service be granted the waiver with the same conditions recommended and approved in the 24-531 Docket as described herein.

¹ 49 CFR Part 192.625(f)

² Docket No. 24-ATMG-531-MIS and Docket No. 00-PNGT-086-MIS

BACKGROUND:

On March 31, 2025, Staff issued a Notice of Probable Violation (“NOPV”)³ to KGS. Documents reviewed during the 2025 KGS inspection indicated that KGS performed odorant sampling on ISLs on an annual basis, which is not consistent with the monthly basis as required by K.A.R. 82-11-4(b)(31)(f).

On April 28, 2025, KGS submitted an application for a waiver of K.A.R. 82-11-4(b)(31)(f) as it applies to jurisdictional ISLs. The Application by KGS requests the following limited waiver based on the conditions proposed by Staff and approved in the 24-531 Docket. Specifically, that:

- a) The waiver is only applicable to the duration between odorometer samplings and is only applicable to ISLs.
- b) ISLs shall be defined as gas distribution lines connected to a transmission line, gathering line, or other production pipe that serves one residential customer or one irrigation system per odorizer.
- c) Odorant concentration sampling shall be conducted at a minimum annually, not to exceed 15-months between samples.
- d) All ISLs shall have sampling taps in a suitable location to complete odorant concentration sampling requirements.

Minimum federal safety standards for the transportation of natural and other gases by pipeline, governed by the Pipeline and Hazardous Materials Safety Administration (PHMSA) under the Department of Transportation, are prescribed in 49 C.F.R. Part 192. The State of Kansas adopted 49 C.F.R. Part 192 by reference in K.A.R 82-11-4 with modifications. The Application by Kansas Gas Service relates to the odorization of natural gas and sampling requirements which are found in K.A.R 82-11-4(31).

49 CFR 192.625(f), which is amended in K.A.R. 82-11-4(31), states:

To assure the proper concentration of odorant in accordance with this section, each operator must conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable.

The State of Kansas provided specificity to the federal rule within state regulations by defining “periodic sampling” to be in monthly intervals. However, in doing so, the burden placed of requiring monthly sampling was not considered with respect to ISLs.

The Commission has granted similar waivers in the past. Atmos Energy Corporation (Atmos Energy) was granted a waiver from odorant sampling requirements which allowed annual sampling of ISLs, not exceeding 15 months, in the 24-531 Docket. Black Hills Energy’s predecessor, Peoples Natural Gas Company (Peoples), was also granted a similar waiver from odorant sampling requirements, which allowed triennial sampling.⁴

³ KCC Inspection #: LP-25-PI-1024

⁴ Docket No. 00-PNTG-086-MIS

ANALYSIS:

Pursuant to K.A.R. 82-1-202(a), the Commission may waive its regulations, unless otherwise required by law, if the Commission deems the waiver is in the public interest. The proposed waiver complies with federal pipeline safety requirements, and therefore the Commission has the authority to approve the waiver if it is determined to be consistent with public safety.

Staff continues to support the position first expressed in 00-PNGT-086-MIS and subsequently quoted in the 24-531 Docket that due to their nature ISLs are unique, only serving one customer who generally uses a small volume of gas. Furthermore, pipeline safety allows for less frequent odorant sampling, as implied by the lack of specificity in federal regulations. Conditionally granting the requested waiver will not compromise pipeline safety and may provide for more efficient use of the applicant's resources.

As previously noted by Staff in the 24-531 Docket:

Applying the State's monthly odorant sampling requirements to ISLs is inefficient for several reasons. ISLs are spread over a large geographic area and are remote which requires a significant amount of travel to perform the sampling. Each ISL serves one customer, and therefore the number of samples per customer is proportionately higher for ISLs in comparison to multi-meter systems. Odorant sampling locations are limited on ISLs due to the configuration of the ISLs. To acquire a suitable sample, operators must obtain property owner permission to sample odorant at or near the dwelling wall. For these reasons, monthly sampling of ISLs is inefficient in comparison to multi-meter systems.

The ISLs owned by KGS are substantially similar to those owned by Atmos Energy and Black Hills Energy. The Commission previously waived odorant sampling regulations for Atmos Energy and Black Hills Energy determining the waiver is consistent with public safety and necessary for efficient service. Staff therefore concludes that KGS's waiver request is consistent with public safety and necessary for efficient service.

Should a waiver be approved, compliance monitoring will be achieved during existing Standard Records inspections. Staff inspectors will continue to review records during scheduled inspections. Should gas operators have inadequate odorant within distribution lines, sample at intervals below the minimum designated, or do not maintain sufficient sampling records, they will be subject to enforcement by the Commission.

RECOMMENDATIONS:

Staff recommends the Commission conditionally waive the requirements of K.A.R. 82-11-4(31) for odorant sampling requirements on jurisdictional domestic ISLs for KGS. Staff recommends the Commission require the following as a condition of the waiver:

Applicability and Definitions:

1. The waiver is only applicable to the duration between odorometer samplings and is only applicable to ISLs.
2. ISLs shall be defined as gas distribution lines connected to a transmission line, gathering line, or other production pipe that serves one residential customer or one irrigation system per odorizer.

Sampling Frequency and Requirements:

3. Odorant concentration sampling shall be conducted at a minimum annually, not to exceed 15-months between samples.
4. All ISLs shall have sampling taps in a suitable location to complete odorant concentration sampling requirements.
5. Odorizers shall be filled at a minimum biennially, not to exceed 30-months between filling the odorizer. The operator shall be responsible for sizing the odorizer based on the filling cycle.

Monitoring, Record Keeping, and Procedures

6. Operators shall record all odorant samples taken regardless of the interval between samples.
7. Operators shall record the level of the odorizer when filling the odorizer.
8. Operators shall document any failures and corrective actions taken to prevent similar failures on any ISLs.

Modifications and Notifications

9. If pipeline safety regulations are modified contradicting requirements herein, the stricter of the requirements shall apply.
10. The Operator shall notify KCC Staff if any of the requirements dictated herein are not met.

CERTIFICATE OF SERVICE

25-KGSG-385-MIS

I, the undersigned, certify that a true and correct copy of the above and foregoing Notice of Filing of Staff's R&R was served via electronic service this 6th day of August, 2025, to the following:

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