

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Annie Kuether

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(b)(31) for Farm Tap Customers.)

ORDER APPROVING WAIVER

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and determination. Having reviewed its files and records, the Commission finds and concludes:

I. BACKGROUND

1. On March 31, 2025, Commission Staff issued a Notice of Probable Violation (“NOPV”) to Kansas Gas Service, a division of ONE Gas, Inc., (“KGS”) based upon its 2025 annual audit to determine whether KGS’ natural gas pipeline operations comply with the Kansas pipeline safety regulations. The NOPV indicates KGS does not have a process that deviates from the monthly odorization sampling requirement for the individual service lines (“ISLs” or “farm taps”) that are directly connected to regulated transmission pipelines as required by K.A.R. 82-11-4(b)(31).

2. On April 28, 2025, KGS filed an application for a waiver of the monthly odorant sampling requirements under K.A.R. 82-11-4(b)(31) for jurisdictional domestic farm taps operated and maintained by KGS in Kansas.

II. AUTHORITY

3. K.S.A. 66-104, 66-1,200, and 66-1,201 vests the Commission with authority to regulate public utilities, including utilities involved in the transmission and distribution of natural gas, and K.S.A. 66-1,150 authorizes the Commission to adopt such rules and regulations as may be necessary to be in conformance with the natural gas pipeline safety act of 1968, 49 U.S.C. § 60101, et seq., as amended.

4. K.A.R. 82-11-4(b)(31) provides in pertinent part:

49 CFR 192.625(f) shall be deleted and replaced by the following: ‘Each operator shall ensure the proper concentration of odorant and shall maintain records of these samplings for at least two years in accordance with this section. Proper concentration of odorant shall be ensured by conducting periodic sampling of combustible gases as follows:

- (1) Conduct monthly odorometer sampling of combustible gases at selected points in the system; and
- (2) Conduct sniff tests during each service call where access to a source of gas in the ambient air is readily available.

5. K.A.R. 82-11-4(b)(31) is not incorporated by reference from 49 CFR §§ 191–192.

As such, the waiver of its provisions is controlled by K.A.R. 82-11-9(a), which provides:

82-11-9. Waiver provisions. (a) Upon application by any person engaged in the transportation of gas or the operation of pipeline facilities, compliance with any regulation of this article that is not incorporated by reference from 49 CFR 191-192 may be waived, in whole or in part, by the commission if the commission determines that the waiver is consistent with pipeline safety. The provision of notice of the proposed waiver and an opportunity for hearing on the application for waiver may be required by the commission. In addition, the waiver shall be granted only under these circumstances:

- (1) By order of the commission; and
- (2) after notice and opportunity for hearing, if ordered by the commission.

The waiver shall be subject to any terms, conditions, and limitations deemed appropriate by the commission.

III. FINDINGS AND CONCLUSIONS

6. The Commission has jurisdiction over natural gas public utilities pursuant to K.S.A. 66-1,200, K.S.A. 66-1,201, and K.S.A. 66-104.

7. The Applicant is a certified public utility and has the authority to transact the business of a natural gas public utility within the State of Kansas.¹

8. The Commission has the authority to conditionally grant the waiver requested by the Applicant, including the requirement for notice and opportunity for hearing, which the Commission finds that it is in the public interest to do so in this matter, as provided in K.A.R. 82-11-9(a).

9. K.A.R. 82-11-4(b)(31) requires natural gas utilities operators to perform odor sampling on distribution lines, including ISLs, monthly and does not consider the burden monthly sampling of ISLs places on operators. The requirement is more stringent than the federal rule that provides for “periodic sampling.”²

10. In requesting a limited waiver from the monthly sampling requirement, KGS proposes annual odorant sampling not to exceed 15 months on applicable ISLs that are directly connected to regulated transmission pipelines and consistent with the requirements proposed by Staff and approved in Docket No. 24-ATMG-531-MIS.³

11. The Applicant’s request for a waiver, subject to Staff’s conditions enumerated (1–10) in the recommendations section of the Staff’s Report and Recommendation (“Staff’s R&R”), dated August 6, 2025, hereto attached and incorporated by reference as additional findings, is consistent with pipeline safety.

¹Application at 1.

²49 CFR §192.625(f).

³Application at 3; *Order Approving Waiver*, Docket No. 24-ATMG-531-MIS (Feb. 4, 2025).

12. The Commission finds that intervenors, Citizens' Utility Ratepayer Board ("CURB"), has had the opportunity to review Staff's R&R and has no objection to the recommendation therein.

13. The Commission finds that it has authority under applicable statutes and regulations described above to grant the waiver.

14. The Commission finds that granting the requested waiver conditioned upon Staff's recommendations is in the public interest, is consistent with pipeline safety and should be granted. Based on Staff's R&R and representations made by applicant, the Commission concludes the requested waiver is reasonable.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Kansas Gas Service's application for waver is granted subject to the conditions referenced in paragraph 11 of this order.

B. 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).⁴

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary and proper.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 08/28/2025



Celeste Chaney-Tucker
Executive Director

BWB

⁴K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

ATTACHMENT A

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(b)(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).

On April 28, 2025, KGS submitted an application for a waiver of K.A.R. 82-11-4(b)(31) 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 copy of the attached Order has been served to the following by means of electronic service on 08/28/2025.

JOSEPH R. ASTRAB, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
joseph.astrab@ks.gov

BRETT W. BERRY, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
brett.berry@ks.gov

LORNA EATON, MANAGER OF RATES AND REGULATORY
AFFAIRS
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
7421 W 129TH STREET
OVERLAND PARK, KS 66213
lorna.eaton@onegas.com

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 S HICKORY
PO BOX 17
OTTAWA, KS 66067-0017
jflaherty@andersonbyrd.com

STEPHANIE FLEMING, LEGAL ASSISTANT
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
7421 W 129TH STREET
OVERLAND PARK, KS 66213
stephanie.fleming@onegas.com

TODD E. LOVE, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
todd.love@ks.gov

SHONDA RABB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
shonda.rabb@ks.gov

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
della.smith@ks.gov

ROBERT E. VINCENT, MANAGING ATTORNEY
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
7421 W. 129TH STREET
OVERLAND PARK, KS 66213
robert.vincent@onegas.com

CERTIFICATE OF SERVICE

25-KGSG-385-MIS

/S/ KCC Docket Room
KCC Docket Room
