

**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 )  
Approval by the Commission to Revise ) Docket No. 23-KGSG-282-TAR  
Section 7 of Kansas Gas Service's General )  
Terms and Conditions. )

**KANSAS GAS SERVICE'S SECOND REPLY TO CURB**

Kansas Gas Service, a Division of ONE Gas, Inc., ("Kansas Gas Service" or "Company") respectfully replies to the Response of the Citizens' Utility Ratepayer Board ("CURB") filed on April 26, 2023. In support thereof, Kansas Gas Service states the following to the State Corporation Commission of the State of Kansas ("Commission"):

1. Kansas Gas Service values CURB's willingness and interest in collaboration, as well as CURB's insight on the Company's proposal. Following CURB's April 26, 2023 Response, Kansas Gas Service re-examined CURB's position and arguments. Kansas Gas Service appreciates CURB's clarifications and seeks to clarify its own position.

2. CURB argued Kansas Gas Service's proposal to use an Average Embedded Cost methodology, in general, may contribute to escalating averages.<sup>1</sup> Kansas Gas Service responded the Company's proposal directly mirrors another natural gas utility's Commission-approved tariff (i.e., Atmos Energy Corporation, herein "Atmos").<sup>2</sup> Kansas Gas Service intended to show its proposed methodology to calculate an Average Embedded Cost was the same as Atmos'. Kansas Gas Service proposes to utilize the same FERC Accounts to determine distribution plant in service, average number of customers for the calculation period, and annual reporting timelines as Atmos. CURB's escalating costs argument appeared uneven when only applied to Kansas Gas Service. Particularly since CURB frequently reviews Atmos' annual cost updates and has not previously raised this issue.<sup>3</sup>

---

<sup>1</sup> CURB's Response to Staff's Report and Recommendation, ¶8 (Apr. 13, 2023) (CURB's First Response).

<sup>2</sup> Kansas Gas Service's Reply to CURB, ¶12 (Apr. 18, 2023).

<sup>3</sup> See e.g., Docket No. 22-ATMG-506-TAR.

3. Kansas Gas Service did not intend to claim the entirety of its proposal mirrored another utility's framework. CURB's comments on the matter have allowed the parties to remedy this disconnection. Both Kansas Gas Service and Atmos' current tariffs require customers to pay the actual costs for customer-requested relocations. Kansas Gas Service respectfully asserts its proposal is the more administratively efficient and customer-centric proposal.

4. CURB's concerns over moral hazards favoring expensive projects appears misplaced.<sup>4</sup> As noted in CURB's April 13, 2023 Response, between 2019 and 2021 there were 330 relocations, reconnections, or service line upgrades "in total."<sup>5</sup> Kansas Gas Service has tracked these costs for several years and determined the average of actual costs billed to customers is similar to its average embedded cost.<sup>6</sup> The highest billed project (\$12,432.11) required Kansas Gas Service relocate a service line under a paved area at a large commercial warehouse. Under Kansas Gas Service's proposal, this would be considered an "unusual construction condition" which requires the customer pay actual costs for the project. Kansas Gas Service's tariffs already provide customers the protection CURB seeks.

5. The Company's proposal allows for the efficient use of averages when appropriate and requires customer contributions when necessary. If Kansas Gas Service determines unusual construction conditions exist, the Company's tariffs allow a customer to request an estimate before work commences. While CURB argues allowing estimates erodes benefits (i.e., the savings associated from relying on averages), Kansas Gas Service asserts this enhances customer choice. For more routine relocations, customers will have a known project cost – the Average Embedded Cost. For unusual construction conditions, customers will know they are responsible for actual costs and have an opportunity to receive an estimate before moving forward with construction.

---

<sup>4</sup> CURB's Response to Kansas Gas Service's Reply to CURB's Response to Staff's Report and Recommendation ¶13 (Apr. 26, 2023) (CURB's Second Response).

<sup>5</sup> CURB's First Response, ¶6.

<sup>6</sup> Direct Testimony of Lorna M. Eaton, p. 2.

6. Kansas Gas Service appreciates the additional dialogue with CURB and the opportunity to clarify the Company's position. Kansas Gas Service and CURB appear aligned on the use of Average Embedded Costs for new service line installations and replacements. Kansas Gas Service and CURB disagree on the use of Average Embedded Costs for customer-requested relocations, reconnections, upgrades, or abandonment of service lines and meters. Kansas Gas Service respectfully claims the Company's proposal is the more administratively efficient and reasonable proposal.

7. As noted in Kansas Gas Service's prior Reply to CURB, CURB's alternative recommendation for additional reporting nullifies the efficiencies gained by moving towards an Average Embedded Cost methodology for certain installations, replacements, relocations, and abandonments.<sup>7</sup> If the Commission adopts CURB's reporting recommendation, Kansas Gas Service respectfully requests an opportunity to withdraw its proposal without prejudice.

WHEREFORE, Kansas Gas Service respectfully requests the Commission issue an order approving the Company's proposed revisions to Section 7 of its General Terms and Conditions, and for any other relief the Commission deems just and reasonable.

Respectfully submitted,

*/s/ Robert Elliott Vincent*

Robert Elliott Vincent, KS Bar #26028  
Managing Attorney  
Kansas Gas Service  
A Division of ONE Gas, Inc.  
7421 West 129th Street  
Overland Park, Kansas 66213-2634  
Phone: (913) 319-8615  
Fax: (913) 319-8622  
E-mail: robert.vincent@onegas.com

Attorney for Kansas Gas Service  
A Division of One Gas, Inc.

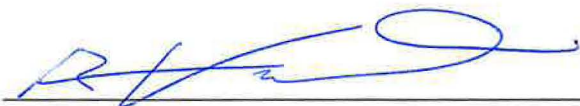
---

<sup>7</sup> See Kansas Gas Service's Reply to Curb, ¶5. See also CURB's First Response, ¶13.

**VERIFICATION**

STATE OF KANSAS                    )  
  ) **ss:**  
COUNTY OF JOHNSON            )

The undersigned, upon oath first duly sworn, states that he is the attorney for Kansas Gas Service, a division of ONE Gas, Inc., that he has read the foregoing **Second Reply to CURB**, that he is familiar with the contents thereof, and that the statements contained therein are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
Robert Elliott Vincent

Subscribed and sworn to before me this 2<sup>nd</sup> day of May, 2023.

  
\_\_\_\_\_  
Notary Public

My Appointment Expires:  
6/5/26



**CERTIFICATE OF SERVICE**

I, Robert Elliott Vincent, hereby certify that a copy of the above and foregoing *Second Reply to CURB* was forwarded this 4th day of May 2023, addressed to:

JOSEPH R. ASTRAB, ATTORNEY  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
j.astrab@curb.kansas.gov

TODD E. LOVE, ATTORNEY  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
t.love@curb.kansas.gov

DAVID W. NICKEL, CONSUMER COUNSEL  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
D.NICKEL@CURB.KANSAS.GOV

SHONDA RABB  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
s.rabb@curb.kansas.gov

DELLA SMITH  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
d.smith@curb.kansas.gov

BRIAN FEDOTIN, GENERAL COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
b.fedotin@kcc.ks.gov

WALKER HENDRIX, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION

1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
w.hendrix@kcc.ks.gov

JANET BUCHANAN, DIRECTOR- REGULATORY AFFAIRS / OKE 13165  
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.  
7421 W 129TH STREET  
OVERLAND PARK, KS 66213  
janet.buchanan@onegas.com

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

/s/ Robert Elliott Vincent  
Robert Elliott Vincent, KS Bar No. 26028  
Managing Attorney  
KANSAS GAS SERVICE  
A Division of ONE Gas, Inc.  
7421 West 129<sup>th</sup> Street  
Overland Park, Kansas 66213-5957  
(913) 319-8615 Phone  
(913) 319-8622 Fax  
[robert.vincent@onegas.com](mailto:robert.vincent@onegas.com)