

**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 of an Accounting Order to Track Expenses Associated with the Investigating, Testing, Monitoring, Remediating and Other Work Performed at the Manufactured Gas Plant Sites Managed by Kansas Gas Service. )  
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) Docket No. 17-KGSG-455-ACT  
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**PUBLIC  
ANNUAL COMPLIANCE FILING**

In compliance with the State Corporation Commission of the State of Kansas' ("Commission") November 21, 2017, Order Approving Unanimous Settlement Agreement issued in this docket, Kansas Gas Service, a Division of ONE Gas, Inc. ("Kansas Gas Service" or "Company"), respectfully files its annual report. In support thereof, Kansas Gas Service states the following to the Commission:

1. On April 11, 2017, Kansas Gas Service filed an application seeking approval of an Accounting Authority Order ("AAO") to accumulate, defer and recover costs incurred after January 1, 2017, associated with Kansas Gas Service's obligation to perform environmental investigating, testing, monitoring, remediating and other work on specific natural gas facilities used in the past to manufacture gas and the real property where those facilities were located, as well as nearby properties ("MGP Sites"), which are being managed by Kansas Gas Service and performed under a Consent Order with the State of Kansas Department of Health and Environment ("KDHE") in KDHE Case No. 94-E-0172.<sup>1</sup>

2. On November 21, 2017, at the recommendation of the Commission Staff ("Staff"), the Citizens' Utility Ratepayer Board ("CURB") and Kansas Gas Service (hereafter collectively referred to as "Parties") to this docket, the Commission issued an Order Approving Unanimous Settlement Agreement which contained a provision requiring Kansas Gas Service to file an report on or before April 1 of each year that includes:

- A. all reports provided to KDHE during the preceding calendar year;
- B. a summary of the MGP Costs incurred in the preceding calendar year;

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<sup>1</sup> See generally, Application for Kansas Gas Service Accounting Order (Apr. 11, 2017).

- C. a description of the scheduled work conducted in the preceding calendar year and to be conducted in the subsequent calendar year as well as a cost estimate for such work; and
- D. the amount of insurance proceeds received, if any, associated with MGP Costs in preceding year.

3. Further, to the extent possible, the Order also directed Kansas Gas Service to provide information and invoices on the MGP Costs broken down by site (location) and paired with any proceeds paid by insurance company to reimburse Kansas Gas Service for MGP Costs.<sup>2</sup>

4. In accordance with the Order Approving Unanimous Settlement Agreement, Kansas Gas Service respectfully submits the following exhibits:

- A. All reports provided to KDHE during the calendar year 2023, attached hereto as KGS Exhibit A;
- B. A summary of MGP Costs<sup>3</sup> incurred during calendar year 2023, attached hereto as KGS Exhibit B;
- C. A description of work conducted in 2023 and scheduled to be conducted in 2024 as well as an estimate of cost, attached hereto as KGS Exhibit C;
- D. The amount of insurance proceeds received in 2023, attached hereto as KGS Exhibit D;
- E. MGP Costs and invoices by MGP site, attached hereto as KGS Exhibit E; and,
- F. Insurance proceeds received, by invoice and by site, attached hereto as KGS Exhibit F.

5. Pursuant to K.S.A. 66-1220a, K.A.R. 82-1-221a, and the Protective Order issued in this docket, Kansas Gas Service has deemed certain exhibits CONFIDENTIAL. Certain exhibits contain confidential commercial information and/or trade secrets. Accordingly, Kansas Gas Service requests the Commission and parties receiving this information preserve its confidential nature. Exhibits provided in

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<sup>2</sup> See Order Approving Unanimous Settlement Agreement, ¶16(a), (b) (Nov. 21, 2017).

<sup>3</sup> MGP Costs are defined as the actual and prudent external costs incurred after January 1, 2017, and which are necessary for the investigation and remediation work at MGP sites approved by KDHE. MGP Costs also include regulatory costs incurred in Docket No. 17-KGSG-455-ACT and any compliance docket. MGP Costs will include actual and prudent costs incurred in pursuit of insurance recoveries to reimburse KGS for MGP Costs. MGP costs will not include internal labor costs or any cost incurred by KGS relating to any causes of action or any third-party claims relating to MGP sites. See Unanimous Settlement Agreement, ¶8 (filed October 12, 2017; approved by the Commission on November 21, 2017).

this compliance filing contain information concerning trade secrets, and/or private technical, financial, and business information. Publicly disclosing this information may cause irreparable harm to Kansas Gas Service and its customers by revealing material non-public operational, security, financial, or business information, including but not limited to forecasts and strategic analysis.

WHEREFORE, Kansas Gas Service respectfully requests the Commission accept this filing as being made subject to requirements of Docket No. 17-KGSG-455-ACT, and any other relief the Commission deems just and reasonable.

Respectfully submitted,

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MGP Compliance Filing

Exhibit A

Docket No. 17-KGSG-455-ACT

**Reports provided to KDHE in 2022**

Please see the attached electronic files referenced herein for all reports provided to KDHE in 2022.

From		2022												Through 08/2022
CC	Kansas MGPs	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
3644	MGP Abilene	\$ 1,912	\$ 1,305,950	\$ 1,230,818	\$ 1,468,402	\$ 2,471	\$ 1,039,701	\$ 1,210,947	\$ 2,674,377					\$ 8,934,578
3533	MGP Atchison	\$ -	\$ 3,819	\$ 15,776	\$ -	\$ 481	\$ -	\$ 27,344	\$ 658					\$ 48,077
3643	MGP Concordia	\$ -	\$ -	\$ 312	\$ -	\$ -	\$ -	\$ -	\$ -					\$ 312
3542	MGP Emporia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					\$ -
0	MGP General	\$ -	\$ -	\$ 12,846	\$ 17,934	\$ 586	\$ -	\$ 33,936	\$ -					\$ 65,301
3631	MGP Hutchinson	\$ 2,503	\$ 362	\$ -	\$ -	\$ 74	\$ -	\$ -	\$ -					\$ 2,938
3652	MGP Junction City	\$ 13,306	\$ 2,115	\$ -	\$ -	\$ 3,807	\$ -	\$ -	\$ 186					\$ 19,414
3522	MGP Kansas City	\$ 1,691	\$ 35,365	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					\$ 37,056
3531	MGP Leavenworth	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					\$ -
3651	MGP Manhattan	\$ 18,886	\$ 18,608	\$ -	\$ -	\$ 370	\$ -	\$ 32,629	\$ 788					\$ 71,281
3831	MGP Parsons	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					\$ -
3641	MGP Salina	\$ -	\$ 18	\$ -	\$ -	\$ 129	\$ -	\$ -	\$ -					\$ 147
3541	MGP Topeka	\$ 1,051	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,794					\$ 10,845
	Subtotal	\$ 39,349	\$ 1,366,237	\$ 1,259,751	\$ 1,486,336	\$ 7,917	\$ 1,039,701	\$ 1,304,855	\$ 2,685,804					\$ 9,189,950
	MGP Insurance Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total	\$ 39,349	\$ 1,366,237	\$ 1,259,751	\$ 1,486,336	\$ 7,917	\$ 1,039,701	\$ 1,304,855	\$ 2,685,804	\$ -	\$ -	\$ -	\$ -	\$ 9,189,950

Costs reflected in the schedule and from prior periods through August 2022 have reached the \$15 million cap. A portion of the costs in August 2022 and costs incurred subsequent to August 2022 have not been included in the regulatory liability.

## **Description of Work Conducted in 2022**

### **Abilene**

Remediation site preparation and the In-Situ Solidification (ISS) pilot study was completed in 4Q 2021. Pilot test results were reviewed in January 2022 and a request to modify project performance criteria was submitted to KDHE. KDHE subsequently approved the request in February 2022. Full-scale excavation/ISS activities were completed at the site from January through June 2022. Activities included excavation and disposal of over 10,300 cubic yards of soil, ISS treatment of over 23,000 cubic yards of deep soils, backfill of the excavation area, placement of new gravel within the site, installation of a new permanent fence, and installation of a new sidewalk along the northern site perimeter. In September 2022 ONE Gas and Burns & McDonnell met with the Abilene City Manager to inform them of the completion of the project.

Post-remediation groundwater monitoring samples were collected at the site in August 2022 as part of the annual groundwater sampling effort.

In September 2022 ONE Gas submitted an application to KDHE to place an Environmental Use Control Agreement (EUCA) on the property to limit use of the property that may compromise the effectiveness of the remedy or cause harm to human-health or the environment. KDHE provided a copy of the draft EUCA for final review in December 2022. ONE Gas submitted comments on the draft EUCA in March 2023 and the document is expected to be finalized and applied to the property in EUCA.

A draft Corrective Action Report (CAR) documenting the corrective measures was submitted to KDHE in September 2022. KDHE provided a comment letter in October 2022 requesting minor updates to the report. The final CAR was submitted to KDHE in November 2022 and was subsequently approved that same month.

Five hawthorn trees were planted on the eastern portion of the Site in November 2022 to satisfy a request by the City of Abilene City Counsel to plant trees at the property following the removal of trees from the perimeter of the Site in 2021. These trees were removed to accommodate the corrective action activities.

### **Atchison**

Following the 2021 discussions with the City of Atchison and the Atchison Housing Authority (AHA), Burns & McDonnell, at the direction of ONE Gas, completed an evaluation of less intrusive remedial alternatives to the North Parcel. These alternatives included options for in-situ groundwater treatment options to prevent impacts from traveling off-site. The approach was communicated to the City of Atchison and the AHA in April of 2022. A second meeting was held with the City of Atchison and the AHA in November 2022 to provide a review of the remedial approach and request suggestions on how to proceed with communicating the project to the building residents. During this meeting, the City of Atchison and AHA again indicated that they would participate in placing an EUCA on the property. Burns & McDonnell then developed a presentation of the proposed remedy which was delivered to the AHA Building Residents on February 14, 2023, on behalf of ONE Gas. During this presentation, ONE Gas

asked for feedback from the residents on the proposed approach to address KDHE's comment on the draft Corrective Action Study that Environmental Justice be applied as an ARAR. ONE Gas held an open comment period following this meeting and is now in the process of updating the CAS for submittal to KDHE in early 2Q 2023.

### **Hutchinson**

In 2022, Burns & McDonnell prepared a Light Non-Aqueous Phase Liquid (LNAPL) Transmissivity Testing Work Plan to evaluate the transmissivity of the LNAPL that is present in Monitoring Well HWM-3 and preventing closure of the site. When reviewing this draft work plan, ONE Gas decided to delay the submission of this plan to KDHE due to the presence of nearby sources of hydrocarbons to the environment. ONE Gas plans to discuss the potential that non-MGP sources are responsible for the LNAPL present in HMW-3 prior to submitting this draft work plan and developing a path forward for this Site.

### **Manhattan**

In 2022 ONE Gas began discussions for starting a public outreach effort to satisfy Environmental Justice obligations and decided to investigate potential vapor intrusion risks at the Manhattan Traffic Operations Facility currently located at the site to support that effort. At the direction of ONE Gas, Burns & McDonnell prepared a Vapor Intrusion Investigation Work Plan which was submitted to KDHE in July 2022 and was subsequently approved without comment. Burns & McDonnell mobilized to the site in August 2022 to install five new soil gas monitoring points. As part of the study, soil gas samples were collected from the new on-site sampling points as well as existing off-site points in September and November of 2022. Samples were collected in 1Q 2023 and a final event is expected in 2Q 2023 to complete the study.

### **Multiple Sites**

The 2021 Groundwater Monitoring Report was submitted to KDHE in January 2022 summarizing groundwater sampling activities completed in 2021 at the Abilene, Atchison, Hutchinson, Kansas City, Manhattan, and Salina, Kansas Sites as well as monitoring well abandonment activities in 2021 at the Concordia and Topeka, Kansas Sites.

The 2022 annual and semi-annual groundwater monitoring was performed from July through December 2022 at the following former MGP Sites: Abilene, Atchison, Hutchinson, Junction City, Kansas City, Manhattan, and Salina. Site activities included gauging and sampling of monitoring wells at each site. Wells were sampled using low-flow sampling procedures and samples were analyzed for BTEX, PAHs, RCRA 8 Metals, and total Cyanide. IDW was staged in 55-gallon drums onsite and is currently pending disposal. Groundwater sampling activities were summarized in a groundwater monitoring report which was submitted to KDHE in 1Q 2023.

MGP Compliance Filing

Exhibit D

Docket No. 17-KGSG-455-ACT

**Insurance Proceeds Received in 2022**

There were no insurance proceeds received in 2022.



MGP Compliance Filing

Exhibit E

Docket No. 17-KGSG-455-ACT

**MGP Costs and Invoices by MGP Site**

This information has been deemed confidential.

MGP Compliance Filing

Exhibit F

Docket No. 17-KGSG-455-ACT

**Insurance Proceeds Received in 2022 by Invoice and by Site**

There were no insurance proceeds received in 2022.


**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 **Annual Compliance Filing**, 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.

  
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Robert Elliott Vincent

Subscribed and sworn to before me this 28<sup>th</sup> day of March, 2024.

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

My Appointment Expires: 6/5/24



**CERTIFICATE OF SERVICE**

I, Robert Elliott Vincent, hereby certify that a copy of the above and foregoing *Compliance Filing* was forwarded this 29th day of March 2024, addressed to:

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