

**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. 24-KGSG- 691 -TAR
Section 7 of Kansas Gas Service’s General)
Terms and Conditions.)

**APPLICATION TO REVISE SECTION 7 OF
KANSAS GAS SERVICE’S GENERAL TERMS AND CONDITIONS**

Kansas Gas Service, a division of ONE Gas, Inc. (“Kansas Gas Service” or “Company”), pursuant to K.S.A. 66-117, respectfully applies to revise its average embedded cost per service line as calculated in Section 7 of its General Terms and Conditions (“GT&C”). In support thereof, Kansas Gas Service states the following to the State Corporation Commission of the State of Kansas (“Commission”):

I. DESCRIPTION OF KANSAS GAS SERVICE

1. Kansas Gas Service is a natural gas public utility operating in the state of Kansas pursuant to certificates of convenience and necessity issued by the Commission. Kansas Gas Service’s principal place of business within the state of Kansas is located at: 7421 West 129th Street, Overland Park, Kansas 66213.

II. COMMUNICATION

2. The names and contact information of the persons authorized to receive pleadings, notices, orders, correspondence, and other communications regarding this Application are:

Robert Elliott Vincent, #26028
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III. REQUEST TO REVISE GT&C SECTION 7

3. In Docket No. 23-KGSG-282-TAR (“282 Docket”), the Commission approved Kansas Gas Service’s request to use an average embedded cost for calculating service line installations and replacements.¹ Pursuant to Kansas Gas Service’s GT&C Section 7.04.03(2)(c), no later than May 1 each year Kansas Gas Service must submit its computed average embedded cost per service line.

4. Kansas Gas Service respectfully submits an updated, red-lined tariff in accordance with GT&C Section 7.04.03(2)(c). Likewise, Kansas Gas Service respectfully submits five years of supporting information detailing its average embedded cost calculation. Appendix A, attached hereto and adopted by reference herein, contains both the red-lined tariff and supporting information.

IV. CONCLUSION

5. Kansas Gas Service must annually update its average embedded cost used for service line installations and replacements. This filing meets this regulatory requirement.

WHEREFORE, for the reasons set forth herein, Kansas Gas Service respectfully requests the Commission approve the Company’s revised average embedded cost for service line installations and replacements, and for any other relief the Commission deems just and reasonable.

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¹ See Order Granting in Part, Denying in Part, Kansas Gas Service’s Application to Revise Its Tariff, Docket No. 23-KGSG-282-TAR (May 5, 2023) (part denied impacted Kansas Gas Service’s request to use its average embedded cost for customer-requested relocations, reconnections, and upgrades).

Respectfully submitted,

/s/ Robert Elliott Vincent

Robert Elliott Vincent, KS Bar #26028

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ATTORNEY FOR

KANSAS GAS SERVICE

A DIVISION OF ONE GAS, INC.

THE STATE CORPORATION COMMISSION OF KANSAS

Kansas Gas Service, a Division of ONE Gas, Inc.

All Rate Areas

No supplement or separate understanding shall modify the tariff as shown herein.

SCHEDULE **GTC7**Replacing Sheets ~~4-53~~, In Part

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General Terms and Conditions for Gas Service**7. Company's Service Obligations**

7.01 **Information Regarding Service:** Company cooperates with contractors, individuals, other utilities and the Commission by participating in the "Kansas One-Call System, Inc." The purpose of the system is to disseminate fast accurate information at no cost regarding the location of underground facilities. Additionally, Company will furnish information regarding the location of its mains and the Character of Service available to any location upon request at any of its offices.

7.02 Equipment Furnished by Company

7.02.01 Company shall furnish all necessary shut off valves, regulators, relief valves, meters, meter settings and service lines to serve Customers.

7.02.02 All facilities furnished and installed by Company on the premises of Customer for the supplying of service to Customer shall be and remain the exclusive property of Company.

7.02.03 All Company-owned facilities on the premises of Customer shall be operated by and maintained at the expense of Company. Such facilities may be replaced by Company at any time and may be removed by Company upon termination of Customer's service agreement or upon discontinuance of service as provided in Section 5 Discontinuance of Service.

7.03 Meter Locations**7.03.01 New Meter Installations**

(1) **Residential and Small Nonresidential Meters:** Company's general policy is to place new Residential and small Nonresidential meters at the building wall. Company may, however, at its sole discretion, place the meter at either the building wall or the property line or in an easement.

(2) **Large Nonresidential Meters:** All new meter set locations for large Nonresidential Customers will be determined by mutual agreement between Customer and Company. Any such location must provide for an adequate margin of safety from public road and in-plant traffic.

Customer shall have the duty to notify Company in writing of any changes in traffic patterns or other conditions which subsequently render any agreed-upon location unsafe.

7.03.02 **Existing Meters:** When replacing a Service Line or Yard Line, an existing inside or outside meter may be relocated at Company's option in

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By:	<u>/S/Janet L. Buchanan</u> Janet L. Buchanan, Director – Regulatory Affairs	

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accordance with its policies for new installations as provided in Subsection 7.03.01, New Meter Installations.

7.03.03 **Inside Meters:** Inside metering shall be prohibited except when, in Company's judgment, it is not practicable to locate the meter outside the building.

7.04 **Service Lines and Yard Lines**

7.04.01 **Leak Surveys**

- (1) Service Lines and Yard Lines shall be periodically leak surveyed by Company at its expense.
- (2) Leak surveys shall be performed in accordance with applicable laws and regulations of the regulatory bodies having jurisdiction in such matters.
- (3) Company shall not assume any ownership responsibility of customer-owned lines based only on leak survey or maintenance activities being performed.

7.04.02 **Service Line and Yard Line Maintenance**

- (1) Company or Company Agent shall perform, at Company's expense, all maintenance of Company-owned and/or Customer-owned Service Lines and Yard Lines, when the need for such becomes apparent to Company.
- (2) If a customer-owned Service/Yard Line is in need of repair, or, if it has been declared to be a potential safety hazard by Company, Company may, at its option, replace the line instead of repairing it.
- (3) If it is necessary to replace the Service/Yard Line, Customer shall be deemed to have granted Company an easement for such line unless Customer requests termination of service. This replacement shall be done in accordance with Subsection 7.04.03 Service Line and Yard Line Installation or Replacement.
- (4) Any additional Service Line and/or Yard Line required shall also be installed by Company or Company-authorized personnel and shall be owned, operated and maintained by Company.

7.04.03 **Service Line and Yard Line Installation or Replacement**

- (1) Company shall furnish or replace, at its own expense, that portion of the service line which lies in the public street or right of way, and

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which extends from the gas main to the customer's property line.

(2) For piping 1 ¼ inch in diameter or less, the Customer receiving service shall be billed for additional Service and/or Yard Line installation or replacement at the cost of \$~~7,328.11~~ per foot in excess of 200 feet, which is the Average Embedded Cost per Service Line per foot as specified below. For piping greater than 1 ¼ inch in diameter, the customer receiving service shall be billed for actual construction costs minus an allowance of up to \$~~1,4641,623~~ per Service Line, equal to the Average Embedded Cost per Service line as specified below. This allowance shall not exceed the actual construction costs.

(a) Customer shall also be billed for any construction costs including labor, overheads and material used in unusual construction conditions including but not limited to piping that is to be installed in frozen ground, rock, under paved areas or other obstructions, regardless of Service Line/Yard Line length.

(b) A copy of Company's estimate showing the costs of labor, overheads and material required to perform the work hereunder shall be furnished to customer upon request prior to construction, unless safety conditions are to be addressed and the response does not afford the opportunity to prepare an estimate.

(c) **Average Embedded Cost per Service Line** = S/C = \$~~1,4641,623~~

Where S = services, meters, and meter installations of Company distribution plant in service for period ending December 31, of the previous calendar year. (Account Nos. 380, 381, 382, 383, 384, and 385).

Where C = Average number of customers for the previous calendar year

Annually, no later than May 1, the Company shall submit to the Commission the computed Average Embedded Cost per Service Line

(3) All replacements of Customer-owned Service/Yard Lines shall be performed by Company or Company-authorized personnel and shall thereafter be owned, operated and maintained by Company.

(4) Replacement of Customer-owned Service/Yard Lines will occur in

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damage or injury whatsoever caused by such leakage, escape or loss of gas from Customer's Service Line, Yard Line, Ancillary Lines, house piping, appliances or other equipment.

Company shall not be liable to Customer for any damages, consequential or otherwise, caused by external forces not within the exclusive control of the Company.

- 7.06 **Exclusions:** Company shall have no obligation to perform leak surveys or to provide cathodic protection on a Customer-Owned Distribution Network.
- 7.07 **Inspection and Testing of Customer's Facilities:** After the commencement of service, Company's obligations regarding inspection of Customer-owned Service Lines and Yard Lines will be governed by the applicable provisions of Subsection 7.04, Service Lines and Yard Lines. Company will not otherwise be obligated to inspect Customer's facilities, although at its discretion Company shall have the right to inspect and test Customer's facilities for suspected unsafe conditions at any time.
- 7.08 **Continuity of Service:** Company will use reasonable diligence to supply steady and continuous gas service at the point of delivery, but will not be liable to Customer for any damages occasioned by irregularities or interruptions, except when directly and proximately caused by the reckless, willful or wanton act of Company, its Agents or employees.
- 7.09 **Relocation or Upgrades of Company's Equipment at Customer's Request:** Customer shall consult Company before causing or permitting any construction over any Company owned facility. Customer shall not enclose any exposed portion of Company owned facilities. Company shall require Customer reimbursement of any costs due to a change in the location of mains, meters, Service Lines, upgrades, or other equipment made at the request of Customer. Company's equipment will be removed or relocated only by Company authorized personnel.
- 7.10 **Company's Responsibility:** Company assumes no responsibility for any loss, damage or injury whatsoever caused by leakage, escape or loss of gas after same has passed through Company's Point of Delivery and will not be responsible for the inspection or repair of defects in Customer's piping, fixtures, or appliances in or on Customer's premises, and will not be responsible for any injury, loss or damage resulting from such defects or improper installation.

In accordance with its normal work procedures, Company shall exercise reasonable care when installing, maintaining or replacing Company facilities located on Customer's premises. However, beyond such normal procedures, Company assumes no responsibility for trespass, injury to persons, or damage to lawns, trees, shrubs, building or other property that may be caused by reason of or related to installation, maintenance or replacement of Company's facilities to serve Customer, unless it shall be

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THE STATE CORPORATION COMMISSION OF KANSAS

Appendix A

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Kansas Gas Service, a Division of ONE Gas, Inc.

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shown affirmatively that the injury to persons or damage to property complained of, has been caused by willful default or negligence on the part of Company.

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Kansas Gas Service Embedded Cost per Service Line						
Type	Account	2019	2020	2021	2022	2023
Avg. Customers		633,864	638,911	641,244	642,582	642,414
Services	380	\$ 541,061,196	\$ 576,414,396	\$ 609,632,367	\$ 640,176,533	\$ 684,015,077
	381	\$ 180,828,258	\$ 191,793,985	\$ 200,418,361	\$ 209,033,179	\$ 227,307,851
	382	\$ 98,891,813	\$ 100,006,561	\$ 102,614,535	\$ 104,894,471	\$ 104,731,104
	383	\$ 24,813,174	\$ 25,354,055	\$ 26,056,562	\$ 26,954,335	\$ 26,387,232
	384	\$ -	\$ -	\$ -	\$ -	\$ -
	385	\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 845,594,441	\$ 893,568,997	\$ 938,721,825	\$ 981,058,518	\$ 1,042,441,264
Embedded Cost Per Service Line		\$ 1,334	\$ 1,399	\$ 1,464	\$ 1,527	\$ 1,623

VERIFICATION

STATE OF KANSAS)
) ss
COUNTY OF JOHNSON)

Robert Vincent of lawful age, being first duly sworn upon oath, deposes and states: That she is an attorney for Kansas Gas Service, a Division of ONE Gas, Inc.; that he has read the above and foregoing *Application* and that the statements therein contained are true according to her knowledge, information and belief.



Robert Elliott Vincent

Subscribed and sworn before me this 29th day of April, 2024.



Notary Public

My Appointment Expires: 6/5/26



CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing *Application* was forwarded this 1st day of May 2024, addressed to:

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