

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

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

In the Matter of Kansas Gas Service, a)
Division of ONE Gas, Inc. for Approval by the) Docket No. 24-KGSG-691-TAR
Commission to Revise Section 7 of Kansas)
Gas Service’s General Terms and Conditions.)

ORDER APPROVING TARIFF REVISIONS

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

I. BACKGROUND

1. In Docket No. 23-KGSG-282-TAR (“the 23-282 Docket”), the Commission approved Kansas Gas Service, a Division of ONE Gas, Inc.’s (“KGS”) request to use an average embedded cost for calculating service line installations and replacements.¹

2. Pursuant to KGS’ General Terms and Conditions (“GT&C”) Section 7.04.03(2)(c), KGS must submit its computed Average Embedded Cost per Service Line to the Commission no later than May 1 each year.²

3. On May 1, 2024, Kansas Gas Service, a Division of ONE Gas, Inc. (“KGS”) filed an Application with the Commission requesting approval of a \$159 increase from its current Average Embedded Cost of \$1,464 to \$1,623, which results in updating its additional Service

¹ Application for Kansas Gas Service, p. 2 (May 1, 2024) (“Application”).

² *Id.*

and/or Yard Line installation or replacement cost from \$7.32 to \$8.04 per foot in excess of 200 feet.³

4. On May 14, 2024, the Commission granted intervention in this matter to the Citizen’s Utility Ratepayer Board (“CURB”).⁴

5. On November 14, 2024, Commission Staff (“Staff”) filed its Report and Recommendation (“R&R”) in the above-captioned docket.⁵ Staff’s R&R ultimately recommends that the Commission approve KGS’s proposed updated Average Embedded Cost of \$1,608 and the resulting additional Service and/or Yard Line installation or replacement cost of \$8.04 per foot of pipe exceeding 200 feet.⁶

6. CURB has had the opportunity to review Staff’s R&R and has represented that it has no objections to the recommendations contained in Staff’s R&R.⁷

II. JURISDICTION AND LEGAL STANDARDS

7. The Commission holds full power, authority and jurisdiction to supervise and control KGS, a natural gas public utility as defined in K.S.A. 66-1,200, doing business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority, and jurisdiction.⁸ The Commission is empowered to require all natural gas public utilities to establish and maintain just and reasonable rates when the same are reasonably necessary in order to maintain reasonably sufficient and efficient service from such natural gas public utilities.⁹

³ *Id.*, p. 1.

⁴ Order Granting the Citizens’ Utility Ratepayer Board’s Petition to Intervene, Protective Order, and Discovery Order (May 14, 2024).

⁵ Notice of Filing of Staff’s Report and Recommendation, Utilities Division, Docket No. 24-KGSG-691-TAR (Nov. 14, 2024) (“Staff’s R&R” or “R&R”).

⁶ *Id.*, p. 2.

⁷ Communications between Counsel for Staff and Counsel for CURB are available upon request.

⁸ *See* K.S.A. 66-1,201.

⁹ *See* K.S.A. 66-1,202.

8. No public utility governed by the Commission shall make effective any changed rate, joint rate, toll, charge, or classification or schedule of charges, or any rule or regulation or practice pertaining to the service or rates of such public utility or common carrier without filing the same with the Commission at least 30 days prior to the proposed effective date of such change.¹⁰ In accordance with the Commission's authority pursuant to K.S.A. 66-117(c), the Commission suspended this docket until December 27, 2024, to allow Staff adequate time to analyze the Application and proposed changes to KGS' tariff.¹¹

III. ANALYSIS AND FINDINGS

9. The Commission has reviewed Staff's R&R prepared for this matter. In its R&R, Staff reviewed the basis for KGS' calculation of its updated Average Embedded Cost. Staff issued discovery requesting updated tariff sheets and workpapers containing a revised calculation of the Average Embedded Cost. Staff confirmed that KGS appropriately calculated the updated Average Embedded Cost as directed in its GT&C.

10. In its R&R, Staff confirmed that KGS's proposed updated Average Embedded Cost represents a \$159 increase from its current Average Embedded Cost of \$1,464. Staff confirmed that this proposed updated Average Embedded Cost would result in an updated \$8.04 per foot rate of additional Service and/or Yard Line installation replacement costs in excess of 200 feet, which is an increase from the previously authorized rate of \$7.32 per foot in excess of 200 feet.

11. Staff determined that KGS' proposed updated Average Embedded Cost of \$1,608 and the resulting additional Service and/or Yard Line installation or replacement cost of \$8.04 per foot of pipe exceeding 200 feet were properly calculated.

¹⁰ See K.S.A. 66-117(a).

¹¹ Suspension Order, December 27, 2024 (May 9, 2024).

12. The Commission adopts Staff's R&R in its entirety. The Commission finds that KGS' Application will result in tariff changes that are just and reasonable. Therefore, the Commission concludes that KGS' Application should be approved.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Kansas Gas Service, a Division of ONE Gas, Inc.'s Application and requested tariff changes are approved.

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).¹²

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 12/19/2024



Lynn M. Retz
Executive Director

CRM/MKH

¹² K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

24-KGSG-691-TAR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 12/19/2024.

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