

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

Before Commissioners: Jay Scott Emler, Chairman  
Shari Feist Albrecht  
Pat Apple

In the Matter of the General Investigation of )  
Atmos Energy Corporation Regarding its )  
Operations Near Johnson City, Hamilton ) Docket No. 17-ATMG-137-GIP  
County, Kansas. )

**ORDER OPENING GENERAL INVESTIGATION**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the files and records, and being duly advised, the Commission finds and concludes as follows:

**Jurisdictional Statement**

1. The Natural Gas Pipeline Safety Act (U.S.C. 60101, *et seq.*) requires all pipelines transporting natural gas to meet minimum safety requirements as promulgated by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA). Under the Act, the State of Kansas is to obtain jurisdiction over intrastate natural gas pipelines provided the state pipeline safety program meets PHMSA certification requirements. The Commission, under the authority of K.S.A. 66-1,150, assumed jurisdiction of safety oversight for all intrastate natural gas pipelines and is annually certified by PHMSA. PHMSA requires the Commission to investigate natural gas incidents that have resulted in personal injury requiring hospitalization, a fatality, property damage exceeding \$50,000, the release of more than 3,000 MCF natural gas, and/or other incidents otherwise considered significant.

## **Background**

2. Staff submitted its Report and Recommendation (R&R), dated October 14, 2016, requesting that the Commission open a general investigation docket to examine various issues surrounding an incident that occurred on August 20, 2016, involving more than 3,000 MCF of natural gas released, escaping from a pipeline operated by Atmos Energy Corporation in an open farm field during a farming related operation outside the city limits of Johnson City, Hamilton County, Kansas. There were no injuries or property damage associated with the unintentional release of the natural gas. A copy of Staff's Report and Recommendation (R&R) dated October 14, 2016, is attached hereto.

3. Staff's R&R states that the proposed docket will allow Staff to track costs associated with the general investigation, set a procedural schedule for discovery, report its findings to the Commission, and allow the Commission to rule on any matters pertaining to Staff's investigation and initiate further action as necessary.

## **Findings and Conclusions**

4. The Commission has jurisdiction to investigate intrastate natural gas incidents that have resulted in personal injury requiring hospitalization, a fatality, property damage exceeding \$50,000, the release of more than 3,000 MCF of natural gas, and/or other incidents otherwise considered significant. (K.S.A. 66-1,150.)

5. Staff's request to investigate the incident as described in its R&R and its request for the Commission to open a docket for the reasons stated are considered just and reasonable.

## **IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

(A) A general investigation to examine various issues surrounding the incident described in paragraph 2, above, is hereby opened.

(B) Any hearings shall be conducted in accordance with the Kansas Administrative Procedures Act. K.S.A. 66-101d.

(C) Atmos Energy Corporation is hereby made a party to this proceeding and must enter an appearance no later than thirty (30) days from the date of this order.


(D) The parties have fifteen (15) days, plus three (3) days if service of this order is by mail, from the date this order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 2015 Supp. 77-529(a)(1).

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

**BY THE COMMISSION IT IS SO ORDERED.**

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: NOV 01 2016

  
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Amy L. Green  
Secretary to the Commission

JF/vj

**Order Mailed Date**

**NOV 02 2016**

**REPORT AND RECOMMENDATION  
UTILITIES DIVISION**

**TO:** Chairman Jay Emler  
Commissioner Shari Feist Albrecht  
Commissioner Pat Apple

**FROM:** Dennis Crupper, Natural Gas Pipeline Safety Engineer  
Leo M. Haynos, Chief of Gas Operations & Pipeline Safety  
Jeff McClanahan, Director of Utilities

**DATE:** October 14, 2016

**SUBJECT:** Recommendation to Open a General Investigation into the Operations of  
Atmos Energy, Inc. – Colorado / Kansas Regarding the Natural Gas  
Incident that Occurred near Johnson City, Hamilton County, Kansas

**EXECUTIVE SUMMARY:**

On August 20, 2016, a natural gas release occurred in an open farm field during a farming related operation well outside the city limits of Johnson City. Although there were no injuries or any property damage associated with the unintentional release of natural gas, the unintentional natural gas release is more than 3000 MCF in volume escaping from a pipeline operated by Atmos Energy, Commission Staff (Staff) is recommending the Commission open a general investigation into the above captioned matter. The proposed Docket will allow Staff to track costs associated with this investigation, report its findings to the Commission, and allow the Commission to rule on any matters pertaining to Staff's investigation and initiate further action as necessary.

**BACKGROUND:**

The Natural Gas Pipeline Safety Act (USC 60101 et seq.) requires all pipelines transporting natural gas to meet minimum safety requirements as promulgated by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA). Under the Act, the State of Kansas is allowed to obtain jurisdiction over intrastate natural gas pipelines provided the state pipeline safety program meets PHMSA certification requirements. The Commission, under the authority of K.S.A. 66-1,150, assumed jurisdiction of safety oversight for all intrastate natural gas pipelines and is annually certified by PHMSA in that role. As part of the certification, PHMSA requires the Commission to investigate natural gas incidents that have resulted

in personal injury requiring hospitalization, a fatality, property damage exceeding \$50,000, the release of more than 3,000 MCF of natural gas, and/or other incidents otherwise considered significant by the state agency. A primary objective of the investigation activities is to minimize the possibility of recurrence and to institute enforcement action where noncompliance with the safety standards has occurred.

**ANALYSIS:**

The investigation of Staff into the above described incident has indicated the cause of the unintentional release of natural gas escaping from a natural gas pipeline traversing an open farm field was due to both the operation of a root cutting implement and the apparent loss of soil cover due to on-going erosion/storm water runoff. Because of the volume of natural gas released, this incident meets the definition of a natural gas pipeline reportable incident.

**RECOMMENDATION:**

Based on the facts as they are known to date, it appears to Staff that an investigation into this incident is warranted. Therefore, Staff recommends the Commission initiate the above-captioned procedure. The Docket will be used as a means of tracking the costs of Staff's investigation and setting a procedural schedule for discovery and the timely investigation into this matter.

**CERTIFICATE OF SERVICE**

17-ATMG-137-GIP

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of first class mail/hand delivered on **NOV 01 2016**.

JENNIFER G. RIES, VICE PRESIDENT, RATES AND  
REGULATORY AFFAIRS-COLORADO/KANSAS  
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/S/ DeeAnn Shupe  
DeeAnn Shupe

**Order Mailed Date**  
**NOV 02 2016**