

**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.'s )  
Submission of its Insurance Policy ) Docket No. 25-KGSG-\_\_\_\_-CON  
Agreements with Utility Insurance Company, )  
Pursuant to K.S.A. 66-1402. )

**APPLICATION TO REVIEW CONTRACTS WITH AFFILIATED INTEREST**  
**PUBLIC**

Kansas Gas Service, a division of ONE Gas, Inc. (“Kansas Gas Service”), pursuant to K.S.A. 66-1402, respectfully submits to the State Corporation Commission of the State of Kansas (“Commission”) its Insurance Policy Agreements with Utility Insurance Company (“UIC”), an affiliated company of Kansas Gas Service. In support of its Application, Kansas Gas Service states the following to the 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 persons authorized to receive pleadings, notices, orders, and other communications in this docket on behalf of Kansas Gas Service are:

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### III. INSURANCE POLICY AGREEMENTS WITH AFFILIATED INTEREST

3. Kansas Gas Service is a natural gas public utility as defined in Kansas’ public utilities act, K.S.A. 66-1,200 *et seq.*, and is a division of ONE Gas, Inc., an Oklahoma corporation (“ONE Gas”). ONE Gas is a 100% regulated natural gas distribution company which operates the largest natural gas public utilities in Kansas and Oklahoma, and the third largest in Texas.

4. UIC is a wholly owned subsidiary of ONE Gas whose principal place of business is 15 East Fifth Street, Tulsa, Oklahoma 74103. UIC is a captive insurance company formed to provide ONE Gas’ distribution companies insurance coverage and is regulated by the Oklahoma Insurance Department.

5. Kansas Gas Service contracts with UIC for insurance coverage. Among others, UIC provides the following insurance coverage to Kansas Gas Service:

- a. auto liability (Exhibit A);
- b. general, excess liability, and wildfire (Exhibit B); and
- c. workers’ compensation and employer’s liability (Exhibit C)
- d. cyber liability (Exhibit D)

(collectively referred to herein as “Insurance Policy Agreements”).<sup>1</sup>

6. K.S.A. 66-1402 governs contracts with utility affiliates, and states:

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<sup>1</sup> See Docket No. 18-KGSG-392-CON, Report and Recommendation (Aug. 31, 2018); *See also* Docket No. 24-KGSG-460-CON, Report and Recommendation (Oct. 10, 2024).

No management, construction, engineering or similar contract, hereafter made, with any affiliated interest, as defined in K.S.A. 66-1401 and amendments thereto, shall be effective unless it shall first have been filed with the commission. If it be found that any such contract is not in the public interest, the commission, after investigation and a hearing in accordance with the provisions of the Kansas administrative procedure act, is hereby authorized to disapprove such contract.

7. The Insurance Policy Agreements were recently renewed. As a result, Kansas Gas Service respectfully submits the current Insurance Policy Agreements to the Commission for review. Kansas Gas Service previously submitted certain UIC Insurance Policy Agreements to the Commission for review in Docket Nos. 18-KGSG-398-CON, and 24-KGSG-460-CON. In both proceedings, the Commission acknowledged the filing per the requirements of K.S.A. 66-1402 and closed the docket without taking further action. The UIC Insurance Policy Agreements for auto, general and excess, and workers' compensation liability were also provided during discovery in Kansas Gas Service's last general rate case, Docket No. 24-KGSG-610-RTS.<sup>2</sup>

8. As shown in the Insurance Policy Agreements attached to this Application, for auto, general and excess, and workers' compensation, UIC's insurance coverage will cover claims greater than \$100,000.00. For cyber liability, UIC's insurance coverage will cover claims greater than \$250,000.00. In addition, UIC will purchase re-insurance for claims greater than \$2 million and UIC will be audited annually by an outside audit firm.

9. As detailed in Docket Nos. 18-KGSG-398-CON and 24-KGSG-460-CON, the primary benefit from purchasing insurance coverage from UIC is a reduction in the deductible per incident. In addition, the premium paid to UIC in excess of claims paid out in a given year will be placed into a reserve for future years and will not be considered income to UIC. Finally, the use of a wholly owned, captive insurance company, has been successfully utilized by other regulated

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<sup>2</sup> See Response to Data Request No. KCC-006.

utilities such as Evergy, Atmos Energy, and American Electric Power, and provides ONE Gas and Kansas Gas Service direct access to reinsurance markets.

10. Continued use of UIC and the Insurance Policy Agreements will not result in increased risks or burdens to Kansas Gas Service's customers, and provides for a more efficient use of resources. Further, the Insurance Policy Agreements will have no detrimental impact on Kansas Gas Service's ability to provide safe and reliable service to its customers. This arrangement will continue to enhance Kansas Gas Service's existing insurance coverage by providing it with increased flexibility and should result in benefits from the lower deductible UIC will provide to Kansas Gas Service under the Insurance Policy Agreements.

11. Kansas Gas Service has designated the attached Insurance Policy Agreements as confidential pursuant to K.S.A. 66-1220a and K.A.R. 82-1-221a. The Insurance Policy Agreements contain non-public, proprietary information that if released to the public could harm Kansas Gas Service.

WHEREFORE, Kansas Gas Service respectfully submits its Insurance Policy Agreements with UIC to the Commission pursuant to K.S.A. 66-1402, requests the Commission acknowledge the filing and take no action on the agreements, and for any other relief the Commission deems just and reasonable.

Respectfully submitted,

**/s/ Robert Elliott Vincent**  
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**Exhibit A**  
**Confidential**

**Exhibit B**  
**Confidential**

**Exhibit C**  
**Confidential**



**Exhibit D**  
**Confidential**

VERIFICATION

STATE OF KANSAS            )  
  )  
COUNTY OF JOHNSON        )

I, Robert Elliott Vincent, of lawful age, being first duly sworn upon oath, states as follows: I am a Managing Attorney for Kansas Gas Service, a Division of ONE Gas, Inc. I have read the above *Application to Review Contract with Affiliated Interest* and all the statements therein are true to the best of my knowledge, information, and belief.

  
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Robert Elliott Vincent

*Affiant*

SUBSCRIBED AND SWORN to before me on 2/6/25.

  
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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 *Application to Review Contracts with Affiliated Interest* was forwarded this 11th day of February 2025, addressed to:

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