

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

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Dwight D. Keen

In the Matter of a General Investigation into)
the Operations of Atmos Energy Regarding a)
Natural Gas Incident that Occurred at 14201) Docket No. 19-ATMG-181-GIP
Linwood in Bonner Springs, 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 pleadings and record, the Commission makes the following findings and conclusions:

I. BACKGROUND

1. The Natural Gas Pipeline Safety Act of 1968 (49 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.

2. The Commission, under authority of K.S.A. 66-1,150, has 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 of natural gas, and/or other incidents otherwise considered significant.

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3. On October 31, 2018, Commission Staff (Staff) filed its Motion to Open Docket.¹ Staff requested the Commission open a general investigation docket to examine a natural gas explosion that occurred in a small structure located at 14201 Linwood on the outskirts of the city of Bonner Springs. While no injuries have been associated with this specific incident, the preliminary estimate of costs associated with the loss of the structure and its contents have exceeded \$50,000.² Atmos Energy (Atmos) operates the pipeline associated with this incident. Atmos operates within the State of Kansas as a natural gas public utility and is lawfully certified to operate as such.

4. Staff's Motion to Open Docket states the proposed docket will allow Staff to track costs associated with the general investigation, report its findings to the Commission, and allow the Commission to rule on any matter pertaining to Staff's investigation and initiate further action as necessary.³

II. FINDINGS AND CONCLUSIONS

5. Pursuant to K.S.A. 66-1,150 *et seq.*, the Commission is authorized to adopt rules and regulations as may be necessary to be in conformance with the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. § 60101 *et seq.*), as amended. Accordingly, pursuant to this authority 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.⁴

¹ Motion to Open Docket (Oct. 31, 2018).

² *Id.*, pg. 1.

³ *Id.*, pg. 2.

⁴ For reference, the Commission's adoption of PHMSA regulations, reporting requirements and enforcement procedures may be found at K.A.R. 82-1-11 *et seq.*

6. Staff's initial Report and Recommendation, filed in this docket on October 31, 2018, is hereby adopted and incorporated by reference.

7. The Commission finds and concludes the events described in Staff's Report and Recommendation merit further investigation. The Commission finds the incident described above involves monetary damages rising to the level dictating Commission investigation.

8. Pursuant to K.S.A. 66-1,150 *et seq.*, described above, the Commission's regulations regarding natural gas pipeline safety, K.A.R. 82-11-1 *et seq.*, and the Commission's general authority to investigate natural gas public utilities, K.S.A. 66-1,200 *et seq.*, the Commission hereby finds and concludes a general investigation docket shall be opened to permit the Commission and Staff to conduct its investigation as appropriate.

9. Accordingly, the Commission finds and concludes Staff's request to investigate the incident as described in its October 31, 2018 Motion, and its request for the Commission to open a general investigation docket for the reasons stated in its Motion and Report and Recommendation are just and reasonable.

THEREFORE, THE COMMISSION ORDERS:

A. A general investigation to examine various issues surrounding the incident described in paragraph 3, above, is hereby opened.

B. Pursuant to K.S.A. 66-1,204, any hearings required in this proceeding shall be conducted in accordance with the Kansas Administrative Procedures Act.

C. Atmos Energy 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. 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).⁵

F. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it deems necessary.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 11/202/2018



Lynn M. Retz
Secretary to the Commission

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⁵ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

19-ATMG-181-GIP

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of electronic service on 11/20/2018.

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/S/ DeeAnn Shupe

DeeAnn Shupe