

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

In the Matter of Staff Recommendation for)
Kansas Gas Service, a Division of ONE Gas,)
Inc., to Show Cause why the Commission Should) Docket No. 21-KGSG-398-SHO
Not Impose Penalties for Violation of Natural)
Gas Pipeline Safety Regulations.)

**RESPONSE TO COMMISSION STAFF'S APRIL 18, 2022
REPORT AND RECOMMENDATION**

Kansas Gas Service, a Division of ONE Gas, Inc. ("Kansas Gas Service" or "Company") respectfully submits the following Response to the Report and Recommendation filed by the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively) on April 18, 2022.¹ In support thereof, Kansas Gas Service states the following to the Commission:

I. RESPONSE

1. Staff's Report and Recommendation provides a comprehensive discussion on the instant proceeding, historical dockets, and calendar year 2021 damages. Kansas Gas Service appreciates Staff's open and constructive dialogue throughout this proceeding and will continue to work to address Staff's core topics.

A. Practice Improvements

2. Staff recognizes Kansas Gas Service has taken action to improve its locating practices, and believes the Company is making a good faith effort to implement previously identified locate initiatives.² Likewise, Staff highlights the significant initiatives the Company

¹ Notice of Filing of Staff's Report and Recommendation (Apr. 18, 2022) (Attached thereto and referred to herein as "Report and Recommendation").

² Report and Recommendation, pp. 2 – 3.

implemented in 2021 (e.g., using more in-house personnel to perform locates).³ While Staff recognizes most violations discussed in its Report and Recommendation were the result of a former contractor, Staff notes the Company has room to improve its locate performance and accuracy.⁴ The Company agrees. Kansas Gas Service is closely monitoring its new contract locator and working to actively reduce the number of inaccurate or untimely locates.

3. Staff reviewed Kansas Gas Service’s “training, evaluation, and quality assurance program with respect to utility locating.”⁵ Staff concluded Kansas Gas Service’s qualification program was sufficient for ensuring properly trained personnel perform utility locates.⁶ The Company agrees.

B. Penalty Amount and Circumstances

4. Staff recommends the Commission issue a \$57,000 civil penalty to Kansas Gas Service for 57 violations (i.e., Notice of Probable Violations, hereinafter “NOPV”) issued to the Company in calendar year 2021 (“CY2021”).⁷ Generally, Kansas Gas Service agrees with Commission Staff’s calculation for CY2021 penalties.

5. The Company believes it is important to highlight how interactions with excavators can limit damages. For example, Kansas Gas Service has added Compliance Specialists to its workforce. Maintaining additional in-house experts allows Kansas Gas Service to expand its interaction, education, and communication efforts. The Company’s ability to collaborate with excavators and locators in the field, and as needs arise, provides additional layers of safety and helps prevent utility damages.

³ See *id.* at p. 3.

⁴ See *id.* at p. 7.

⁵ See *id.*

⁶ See *id.*

⁷ See *id.* at pp. 6 – 7.

C. Penalty Combination, Abeyance, and Compromise

6. Staff recommends the Commission combine penalties from the instant proceeding with CY2021 penalties for a total penalty of \$147,000.⁸ Kansas Gas Service agrees with Staff's recommendation. The penalties at issue, and circumstances surrounding them, are related to Kansas Gas Service's continued focus on improving its facility location practices.

7. As staff notes, the Commission has not yet issued an order on the instant matter's penalty or Staff's proposal to hold a portion of it in abeyance (\$36,000).⁹ Kansas Gas Service recommends the consolidated penalty be subject to revision pending the Commission's determination on penalty abeyance.

8. K.S.A. 66-1,152 allows the Commission to, in lieu of all or part of a civil penalty, approve an agreement negotiated with Staff for projects involving natural gas pipeline safety or underground utility damage prevention and benefits the industry or community. Kansas Gas Service respectfully requests the ability to negotiate with Staff prior to a civil penalty being issued.

D. Excavations and Moving Forward

9. Staff recognized timing may be the primary reason locate accuracy performance has not significantly improved since last evaluated.¹⁰ The Company's transition to in-house locators went fully live in December 2021, and a new third-party locate contractor went live in March 2022. CY2021 NOPVs largely would not have reflected the expanded use of in-house personnel to perform utility locates and would not capture any improvements from changing contractors. Kansas Gas Service appreciates Staff recognizing the efforts undertaken by the Company to improve locates and reduce damages. The open and frank communications between

⁸ See Report and Recommendation, pp. 2, 7.

⁹ See *id.* at p. 4.

¹⁰ See *id.* at p. 7.

Staff and Kansas Gas Service only helps improve the service received by ratepayers, excavators, and the public. The Company is committed to this continued communication.

II. CONCLUSION

10. Kansas Gas Service appreciates the candid dialogue with Staff regarding underground utility damage prevention. The Company is committed to improving its performance to address Staff's core topics. While the Company is working to improve locate performance, CY2021 penalties may not fully reflect these efforts. Reviewing practices, combining relevant penalties, and allowing for settlement negotiations presents an opportunity for the Company, Staff, and Commission to work jointly on improving operator performance and community education.

WHEREFORE, Kansas Gas Service respectfully requests the Commission accept this Response and any other relief the Commission deems just and reasonable.

Respectfully submitted,

/s/ Robert Elliott Vincent
Robert Elliott Vincent, KS Bar #26028
KANSAS GAS SERVICE
7421 West 129th Street
Overland Park, Kansas 66213-2634
(913) 319-8615, telephone
(913) 319-8622, facsimile
robert.vincent@onegas.com

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

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 *Response to Staff's Report and Recommendation* and all the statements therein are true to the best of my knowledge, information and belief.


Robert Elliott Vincent

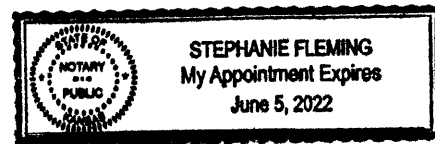
Affiant

SUBSCRIBED AND SWORN to before me on 4/28/22.


Notary public

My Appointment Expires:

6/5/22



CERTIFICATE OF SERVICE

I, Robert Elliott Vincent, hereby certify that a copy of the above and foregoing *Response to Staff* was forwarded this 28th day of April, 2022, addressed to:

DAVID COHEN, ASSISTANT GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
d.cohen@kcc.ks.gov

BRIAN G. FEDOTIN, GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
b.fedotin@kcc.ks.gov

JARED JEVONS, LITIGATION ATTORNEY
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
j.jevons@kcc.ks.gov

ROBERT E. VINCENT, MANAGING ATTORNEY
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
7421 WEST 129th STREET
OVERLAND PARK, KS 66213-2634
robert.vincent@onegas.com

/s/ Robert Elliott Vincent
Robert Elliott Vincent, KS Bar No. 26028
Managing Attorney
KANSAS GAS SERVICE
A Division of ONE Gas, Inc.
7421 West 129th Street
Overland Park, Kansas 66213-5957
(913) 319-8615 Phone
(913) 319-8622 Fax
robert.vincent@onegas.com