

**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., for an Extension of its)
Certificate of Convenience and Necessity to Provide) Docket No. 19-KGSG-005-COC
Service as a Natural Gas Public Utility in an Additional)
Designated Area in Johnson County, Kansas.)

**RESPONSE TO THE PROTEST OF
ATMOS ENERGY CORPORATION**

Kansas Gas Service (“KGS” or the “Company”), a Division of ONE Gas, Inc., files this
Response to the Protest of Atmos Energy Corporation (“Atmos”) and states:

1. On July 6, 2018, KGS filed an Application seeking an extension of its certificate of convenience and authority to permit it to provide natural gas public utility service in a limited area currently certificated to Atmos. Atmos has no pipeline facilities to provide utility service in the designated area and informed a customer that it would not be economically feasible to extend its facilities to provide such service. By contrast, KGS has a main that terminates in close proximity to the area and stands ready to serve the customer.

2. In its Application, KGS explained that it had discussed the possibility of an exchange of service territories with Atmos but that the companies had been unable to identify acceptable “like-kind” territories for such an exchange. In fact, the territory identified by Atmos as acceptable for a “swap” is not of “like-kind” as compared to the territory designated in the Application. Instead Atmos seeks territory in which KGS recently made substantial capital investment in infrastructure to serve a new residential community with existing and planned homes. KGS has reasonably rejected this request but has remained willing to consider other suggestions for territory of “like-kind”.

3. In light of these circumstances and with at least one customer and potentially others needing natural gas utility service, KGS filed its Application suggesting two alternatives. KGS' first and preferred alternative set forth in the Application was to transfer the authority to serve the area to KGS from Atmos. The other alternative was to amend its certificate to authorize service in the designated area without decertifying Atmos. In its Application, KGS specifically indicated that this approach, which would result in dual certification of the limited area, was not preferred. KGS did point out, however, that Atmos' absence of facilities and apparent disinterest in serving the area obviated the policy concerns regarding investment in unnecessary duplicative facilities or the creation of "ruinous competition." It should also be clear that the requested extension of KGS' service territory, with or without dual certification, would not present "inherent" safety concerns as was the primary concern of the Commission's Order in Docket 99-KGSG-233-GIG.

4 In characterizing the Commission's decision in Docket 99-KGSG-233-GIG, Atmos' Protest fails to note the Commission's conclusion that "formulating a general statewide policy [regarding dual certification] is neither appropriate nor realistic. Dual certification is the exception, and the specific circumstances existing in a particular area will have to be considered when a request for dual certification is made." Order Approving Joint Recommendation and Closing Docket, § 7. (December 9, 1999). Moreover, in the subsequent Order on Kansas Gas Service Company's Petition for Reconsideration, the Commission emphasized that the focus of its investigation was to address "specific circumstances" arising from dual certification in the Wichita area and to ensure that public safety was not compromised as a result of such certification. Order on Kansas Gas Service Company's Petition for Reconsideration, §§ 3-5 (January 14, 2002). There can be no suggestion that certifying Kansas Gas Service to provide natural gas distribution service

in the designated area where Atmos has no facilities (and no intention to serve) would in some way compromise public safety.

5. The primary legal and policy concern animating Commission regulatory policy is to serve the public interest. Either alternative proposed by KGS would address that concern in that each would provide expeditious and economic utility service to one or more natural gas utility customers that otherwise would be unable to obtain service.

6. Atmos' Protest stands the underlying legal and policy concern on its head, placing Atmos' perceived interest in securing additional service territory ahead of the interest of one or more customers seeking natural gas public utility service. In effect, Atmos would hold hostage the ability of a potential customer to obtain natural gas service in order to extract territorial concessions from KGS.

7. KGS respectfully submits that defining the public interest as "Atmos' interest," which seems to be the underlying purpose of Atmos' Protest, does not comport with established policy or principles of public utility regulation and should be rejected.

WHEREFORE, Kansas Gas Service respectfully: (a) requests that Atmos' Protest be dismissed; (b) renews its request that its Certificate of Convenience and Necessity be amended as designated in its Application; and (c) requests that the Commission grant such other relief as it deems to be just and reasonable.

Respectfully submitted,

KANSAS GAS SERVICE
A Division of ONE Gas, Inc.

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VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

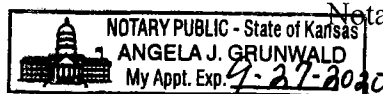
The undersigned, upon oath first duly sworn, states that he is the attorney for Kansas Gas Service, a Division of ONE Gas, Inc., that he has read the foregoing Application that he is familiar with the contents thereof, and that the statements contained therein are true and correct to the best of his knowledge and belief.

Charles Michael Lennen
Charles Michael Lennen, #08505

Subscribed and sworn to before me this 23rd day of July, 2018.

Angela J. Grunwald
Notary Public

My Appointment Expires:



CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via U.S. Mail, postage prepaid, hand-delivery, or electronically, this 23rd day of July, 2018, addressed to:

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