

procedures for reporting and reviewing both the accuracy of gas costs passed through to customers and the reasonableness of a natural gas utility's purchasing practices. (Order, June 21, 2001). Among other provisions, the Order required that "[a]ny long-term or seasonal [gas] purchases contracts that are not awarded pursuant to a competitive bidding process are to be filed with the Commission for review and approval prior to the dates they become effective." *Id.*, paragraph 5; Ordering Clause (C). The Order defines long term contracts as having a term of one year or more and seasonal contracts as having a term of more than one month and less than one year. *Id.*, paragraph 5.

4. A subdivision that includes both duplexes and some single-family residences is being constructed in an area of southeast Wichita, Kansas. The subdivision and a new sanitary sewer pump station for the City of Wichita are located within KGS' certificated service territory. It is anticipated these customers will require natural gas service by July 30, 2018. KGS is currently reviewing long-term alternatives for efficient delivery of gas to this area. The Company's underlying objective is to minimize requirements for construction of new pipeline facilities while assuring KGS' ability to provide timely, necessary and sufficient natural gas distribution service.

5. As an interim solution, KGS plans to obtain a tap off a KIESCO/City of Wichita pipeline in the area and to purchase required natural gas supplies from KIESCO under a Wholesale Gas Sales Contract ("Sales Contract"). The Sales Contract is for a primary term of thirty (30) days that will then extend month-to-month until cancelled by either party. A copy of the Confidential Sales Contract is attached hereto as Exhibit A.

6. Reflecting the interim nature of the gas acquisition arrangement and the necessity of obtaining the KIESCO/City of Wichita tap on a timely basis, the Sales Contract was negotiated, rather than being competitively bid. In accordance with requirements of the Order,

commencement of the primary term of the Sales Contract is specifically conditioned upon receipt of KCC approval.

7. KGS respectfully submits that in the circumstances described above, negotiation of the Sales Contract with KIESCO was a reasonable and prudent business decision. On an interim basis, acquisition of the subject natural gas supply facilitates the provision of efficient and adequate service to KGS' customers. Moreover, the limited volumes of gas to be purchased under the Sales Contract will have negligible impact on the cost of the Company's gas portfolio.

WHEREFORE, KGS requests Commission review and approval of the Sales Contract and such other relief as the Commission deems just and reasonable in this matter.

Respectfully submitted,

KANSAS GAS SERVICE
A Division of ONE Gas, Inc.

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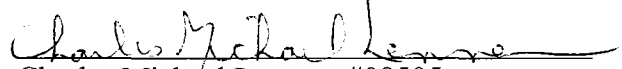
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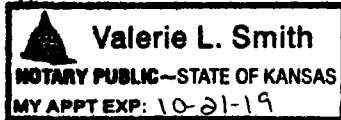
VERIFICATION


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, #08505

Subscribed and sworn to before me this 18th day of ~~May~~ ^{June} 2018.




Notary Public

My Appointment Expires: Oct. 21, 2019