

**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. for Approval of an Accounting Order to Track Expenses Associated with the Investigating, Testing, Monitoring, Remediating and Other Work Performed at the Manufactured Gas Plant Sites Managed by Kansas Gas Service.)
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) Docket No. 17-KGSG-455-ACT
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**PUBLIC
ANNUAL COMPLIANCE FILING**

In compliance with the State Corporation Commission of the State of Kansas' ("Commission") November 21, 2017, Order Approving Unanimous Settlement Agreement issued in this docket, Kansas Gas Service, a Division of ONE Gas, Inc. ("Kansas Gas Service" or "Company"), respectfully files its annual report. In support thereof, Kansas Gas Service states the following to the Commission:

1. On April 11, 2017, Kansas Gas Service filed an application seeking approval of an Accounting Authority Order ("AAO") to accumulate, defer and recover costs incurred after January 1, 2017, associated with Kansas Gas Service's obligation to perform environmental investigating, testing, monitoring, remediating and other work on specific natural gas facilities used in the past to manufacture gas and the real property where those facilities were located, as well as nearby properties ("MGP Sites"), which are being managed by Kansas Gas Service and performed under a Consent Order with the State of Kansas Department of Health and Environment ("KDHE") in KDHE Case No. 94-E-0172.¹

2. On November 21, 2017, at the recommendation of the Commission Staff ("Staff"), the Citizens' Utility Ratepayer Board ("CURB") and Kansas Gas Service (hereafter collectively referred to as "Parties") to this docket, the Commission issued an Order Approving Unanimous Settlement Agreement which contained a provision requiring Kansas Gas Service to file a report on or before April 1 of each year that includes:

- A. all reports provided to KDHE during the preceding calendar year;
- B. a summary of the MGP Costs incurred in the preceding calendar year;

¹ See generally, Application for Kansas Gas Service Accounting Order (Apr. 11, 2017).

- C. a description of the scheduled work conducted in the preceding calendar year and to be conducted in the subsequent calendar year as well as a cost estimate for such work; and
- D. the amount of insurance proceeds received, if any, associated with MGP Costs in preceding year.

3. Further, to the extent possible, the Order also directed Kansas Gas Service to provide information and invoices on the MGP Costs broken down by site (location) and paired with any proceeds paid by insurance company to reimburse Kansas Gas Service for MGP Costs.²

4. In accordance with the Order Approving Unanimous Settlement Agreement, Kansas Gas Service respectfully submits the following exhibits:

- A. All reports provided to KDHE during the calendar year 2024, attached hereto as KGS Exhibit A;
- B. A summary of MGP Costs³ incurred during calendar year 2024, attached hereto as KGS Exhibit B;
- C. A description of work conducted in 2024 and scheduled to be conducted in 2025 as well as an estimate of cost, attached hereto as KGS Exhibit C;
- D. The amount of insurance proceeds received in 2024, attached hereto as KGS Exhibit D;
- E. MGP Costs and invoices by MGP site, attached hereto as KGS Exhibit E; and,
- F. Insurance proceeds received, by invoice and by site, attached hereto as KGS Exhibit F.

5. Pursuant to K.S.A. 66-1220a, K.A.R. 82-1-221a, and the Protective Order issued in this docket, Kansas Gas Service has deemed certain exhibits CONFIDENTIAL. Certain exhibits contain confidential commercial information and/or trade secrets. Accordingly, Kansas Gas Service requests the Commission and parties receiving this information preserve its confidential nature. Exhibits provided in

² See Order Approving Unanimous Settlement Agreement, ¶16(a), (b) (Nov. 21, 2017).

³ MGP Costs are defined as the actual and prudent external costs incurred after January 1, 2017, and which are necessary for the investigation and remediation work at MGP sites approved by KDHE. MGP Costs also include regulatory costs incurred in Docket No. 17-KGSG-455-ACT and any compliance docket. MGP Costs will include actual and prudent costs incurred in pursuit of insurance recoveries to reimburse KGS for MGP Costs. MGP costs will not include internal labor costs or any cost incurred by KGS relating to any causes of action or any third-party claims relating to MGP sites. See Unanimous Settlement Agreement, ¶8 (filed October 12, 2017; approved by the Commission on November 21, 2017).

this compliance filing contain information concerning trade secrets, and/or private technical, financial, and business information. Publicly disclosing this information may cause irreparable harm to Kansas Gas Service and its customers by revealing material non-public operational, security, financial, or business information, including but not limited to forecasts and strategic analysis.

WHEREFORE, Kansas Gas Service respectfully requests the Commission accept this filing as being made subject to requirements of Docket No. 17-KGSG-455-ACT, and any other relief the Commission deems just and reasonable.

Respectfully submitted,

/s/ Robert Elliott Vincent
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VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF JOHNSON)

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 **Annual Compliance Filing**, 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.



Robert Elliott Vincent

Subscribed and sworn to before me this 27th day of March, 2025.



Notary Public

My Appointment Expires: 6/5/26



MGP Compliance Filing

Exhibit A

Docket No. 17-KGSG-455-ACT

Reports provided to KDHE in 2024

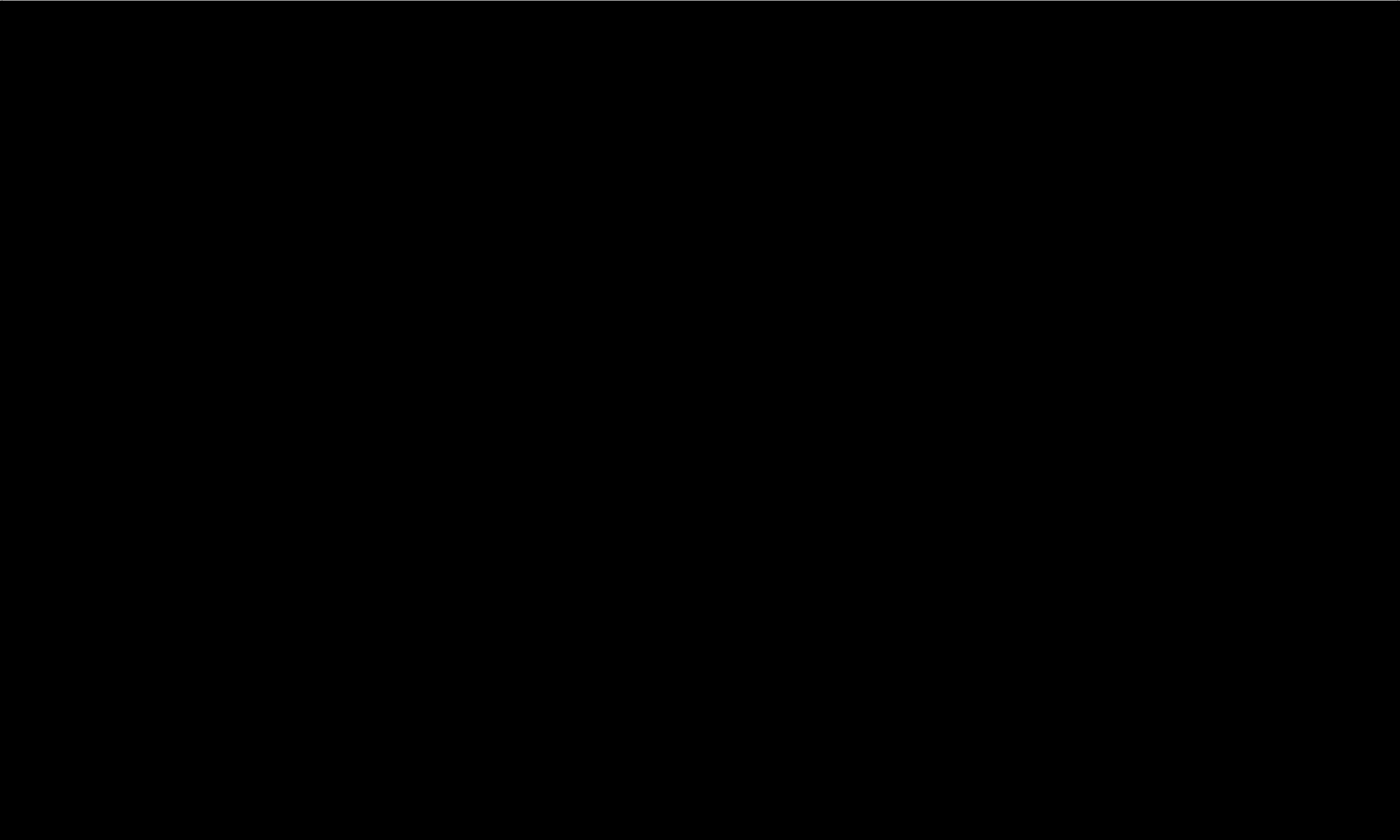
Please see the attached electronic files referenced herein for all reports provided to KDHE in 2024.

Expenses By Sites in 2024

No additional expenses were recorded to the regulatory asset in 2024 as the \$15 million cap was reached in 2022.

ONE Gas
36 Month Tentative MGP Schedule
March 12, 2025

PUBLIC
Exhibit C



Description of Work Conducted in 2024

Abilene

In March 2025, Burns & McDonnell conducted biannual site maintenance activities including spraying weeds, removal of brush, and mulching of tree planters.

Post-remediation groundwater monitoring samples were collected at and surrounding the site in August 2024 as part of the annual groundwater sampling effort.

Atchison

In December 2023, Burns & McDonnell began a pre-design investigation to collect data to support the design of the planned groundwater treatment barrier. High-resolution site characterization borings and soil and groundwater samples were collected at the North Parcel in December 2023. Four monitoring wells were installed in January 2024 and were subsequently sampled in January and February 2024.

In November 2023, ONE Gas and Burns & McDonnell met with the Atchison Housing Authority (AHA) to discuss the planned pre-design investigation which included the collection of data required to design the proposed groundwater treatment barrier and the Sub-Slab Depressurization System (SSDS). Following this meeting, the director of the AHA expressed concern with the installation of the SSDS and performing any work within the AHA apartment building. On January 10, 2024, the director of the AHA informed ONE Gas that they do not want any work associated with the remedy to be performed inside the building. ONE Gas is continuing discussions with the AHA regarding this matter and plans to conduct a follow-up meeting with the building residents to discuss the change in approach if the SSDS is not installed. In response to the AHA declining access to install the SSDS, ONE Gas reevaluated the proposed remedy and developed an alternate approach to further evaluate vapor intrusion (VI) risks at the site, prior to installing an SSDS if data indicate it is necessary. In November 2024, ONE Gas sent a letter to the AHA, informing them of the planned soil gas investigation. The letter indicated that the residents of the building would need to be informed of the change in plans. ONE Gas is awaiting access from the AHA to complete the investigation and will submit a Soil Gas Investigation Work Plan to KDHE for their review and approval prior to commencing investigation activities.

In accordance with the approved Corrective Action Study (CAS) Report, ONE Gas submitted an application, on behalf of the South Parcel property owner, to the KDHE to establish an Environmental Use Control Agreement (EUCA) on the property. KDHE provided a draft EUCA to ONE Gas for review in February 2024. ONE Gas provided a draft document to the South parcel property owner in 2024. In May 2024, ONE Gas received comments from the South Parcel owner and incorporated them into the draft EUCA. KDHE reviewed the comments and a final draft of the EUCA was issued back to the property owner for signature. The KDHE approved the final EUCA in July 2024. The EUCA was officially recorded with the Atchison County Register of Deeds in August 2024.

Hutchinson

In May 2024, Burns & McDonnell completed a survey and title search of the City of Hutchison owned alleyway to the north of the site to support an EUCA application.

Kansas City

In November 2023, ONE Gas submitted an application to the Union Pacific Railroad (UPRR) for an Environmental Right of Entry (ROE) Agreement to access the railroad ROW area directly adjacent to the former MGP property to perform investigation activities in accordance with the KDHE approved Supplemental Site Investigation (SSI) Work Plan. UPRR provided a draft ROE Agreement in December 2023 and ONE Gas provided edits to the terms of the agreement that are needed to support access. Over the following months (May, July, August, and September 2024), ONE Gas submitted multiple rounds of comments and revisions to the proposed agreement and requested meetings with UPRR to resolve comments on the ROE Agreement. However, on October 29, 2024, UPRR denied access to the property and requested that the permit be revisited in 2025 when field work will be completed.

Manhattan

Burns & McDonnell conducted a soil gas investigation at the Manhattan Traffic Operations Facility from 2022-2024 to evaluate the potential for vapor intrusion risks. Quarterly sampling events were completed, and the final report titled *On-Site Soil Gas Investigation Report, January 5, 2024*, was approved by KDHE in January 2024. In February of 2024, a meeting was held with the City of Manhattan to discuss the City's understanding of and compliance with the existing EUCA and how the EUCA may affect impacted future capital projects at the Site. At this meeting, ONE Gas also discussed a proposed remedial approach with the City to seek input prior to finalizing a CAS for submittal to KDHE. Additional discussions with the City occurred in May and August to discuss the upcoming remediation and public outreach strategies to support the project. A technical memo outlining the site remediation plans was submitted to the City of Manhattan for review and comment in November. The City of Manhattan provided comments to ONE Gas on February 14, 2025. ONE Gas and Burns & McDonnell are in the process of reviewing and addressing comments.

Multiple Sites

The 2024 Groundwater Monitoring Report was submitted to KDHE in February 2025 summarizing groundwater sampling activities completed in 2024 at the Abilene, Atchison, Hutchinson, Junction City, Kansas City, Manhattan, and Salina, Kansas Sites.

The 2024 annual groundwater monitoring was performed from July through August 2024 at the following former MGP Sites: Abilene, Atchison, Hutchinson, Junction City, Kansas City, Manhattan, and Salina. Monitoring well SLMW-3 at the Salina Site was resampled on February 6, 2025 and analyzed for benzene to evaluate questionable results observed in the 2024 samples. Groundwater Sampling activities included gauging and sampling of monitoring wells at each site. Wells were sampled using low-flow sampling procedures and samples were analyzed for BTEX, PAHs, RCRA 8 Metals, and total Cyanide. As of March 2025, IDW is staged in 55-gallon drums onsite and awaiting transport for offsite disposal.

In August 2024, Burns & McDonnell, on behalf of ONE Gas, completed voluntary site inspections of the Abilene, Atchison, Concordia, Emporia, Hutchinson, Junction City, Kansas City, Leavenworth, Manhattan, Parsons, Salina, and Topeka sites to document site use and current conditions.

MGP Compliance Filing

Exhibit D

Docket No. 17-KGSG-455-ACT

Insurance Proceeds Received in 2024

This information has been deemed confidential.

MGP Compliance Filing

Exhibit E

Docket No. 17-KGSG-455-ACT

MGP Costs and Invoices by MGP Site for 2024

This information has been deemed confidential.

MGP Compliance Filing

Exhibit F

Docket No. 17-KGSG-455-ACT

Insurance Proceeds Received in 2024 by Invoice and by Site

This information has been deemed confidential.

CERTIFICATE OF SERVICE

I, Robert Elliott Vincent, hereby certify that a copy of the above and foregoing *Compliance Filing* was forwarded this 31st day of March 2025, addressed to:

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