

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

Before Commissioners:                    Andrew J. French, Chairperson  
   Dwight D. Keen  
   Annie Kuether

In the Matter of the Application of Kansas Gas    )  
Service, a Division of ONE Gas, Inc. for        )  
Approval by the Commission to Revise        ) Docket No. 25-KGSG-394-TAR  
Section 7 of Kansas Gas Service’s General    )  
Terms and Conditions.                                )

**ORDER APPROVING TARIFF REVISIONS**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and determination. Having examined its files and records, the Commission finds and concludes:

**I.       BACKGROUND**

1.       In Docket No. 23-KGSG-282-TAR (“the 23-282 Docket”), the Commission approved Kansas Gas Service, a Division of ONE Gas Inc.’s (“KGS”) request to use an average embedded cost for calculating service line installations and replacements.<sup>1</sup>

2.       Pursuant to KGS’ General Terms and Conditions (“GT&C”) Section 7.04.03(2)(c), KGS must submit its computed Average Embedded Cost per Service Line to the Commission no later than May 1 each year.<sup>2</sup>

3.       On May 1, 2025, KGS filed an Application with the Commission requesting approval of a \$91 increase from its current Average Embedded Cost of \$1,608 to an updated Average Embedded Cost of \$1,699.<sup>3</sup> KGS’ request results in updating its additional Service and/or

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<sup>1</sup> See Order Granting in Part, Denying in Part, Kansas Gas Service’s Application to Revise Its Tariff, Docket No. 23-KGSG-282-TAR (May 5, 2023).

<sup>2</sup> Application for Kansas Gas Service, Docket No. 25-KGSG-394-TAR, p. 2 (May 1, 2025) (“Application”).

<sup>3</sup> See Application, Appendix A.

Yard Line installation or replacement cost from \$8.04 per foot to \$8.50 per foot for services in excess of 200 feet.<sup>4</sup>

4. In accordance with the Commission’s authority pursuant to K.S.A. 66-117(c), the Commission suspended this docket until December 29, 2025, to allow Staff adequate time to analyze the Application and proposed changes to KGS’ tariff.<sup>5</sup>

5. On May 15, 2025, the Commission issued an Order granting the Citizens’ Utility Ratepayer Board (“CURB”) Petition to Intervene and Motion for Protective Order and Discovery Order in the above-captioned docket.

6. On May 27, 2025, Commission Staff (“Staff”) submitted its Report and Recommendation (“R&R”) which is included as an attachment to this Order as **Attachment A**.<sup>6</sup> Staff’s R&R ultimately recommended that the Commission approve KGS’ Application, with the addition of a reminder to KGS to make a correction to a minor error in its red-lined tariff in its compliance tariff filing.<sup>7</sup>

## II. JURISDICTION AND LEGAL STANDARDS

7. The Commission holds full power, authority and jurisdiction to supervise and control KGS, a natural gas public utility as defined in K.S.A. 66-1,200, doing business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority and jurisdiction.<sup>8</sup> The Commission is empowered to require all natural gas public utilities

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<sup>4</sup> *Id.*

<sup>5</sup> Suspension Order: December 29, 2025, Docket No. 25-KGSG-394-TAR (May 13, 2025).

<sup>6</sup> Report and Recommendation, Utilities Division, Docket No. 25-KGSG-394-TAR (May 27, 2025) (“Staff’s R&R” or “R&R”).

<sup>7</sup> Staff’s R&R, p. 1. During its review of KGS’ Application, Staff noticed that paragraph 7.04.03(2)(c) of KGS’ red-lined tariff did not update the Average Embedded Cost per Service Line from \$1,608 to \$1,699 as it is represented in paragraph 7.04.03(2) of KGS’ red-lined tariff. KGS acknowledged this minor error and represented that will correct this mistake when it makes its compliance tariff filing. Therefore, Staff recommended Commission approval of the revised tariff with the addition of this correction.

<sup>8</sup> See K.S.A. 66-1,201.

to establish and maintain just and reasonable rates when the same are reasonably necessary in order to maintain reasonably sufficient and efficient service from such natural gas public utilities.<sup>9</sup>

8. No public utility governed by the Commission shall make effective any changed rate, joint rate, toll, charge, or classification or schedule of charges, or any rule or regulation or practice pertaining to the service or rates of such public utility or common carrier without filing the same with the Commission at least 30 days prior to the proposed effective date of such change.<sup>10</sup>

### **III. FINDINGS AND CONCLUSIONS**

9. The Commission finds that CURB has had the opportunity to review Staff's R&R and has represented that it has no objections to the recommendations contained in Staff's R&R.<sup>11</sup>

10. The Commission finds that the recommendations contained in Staff's May 27, 2025, R&R are reasonable and hereby adopts the same as findings.

11. The Commission concludes that KGS' Application with the addition of the correction KGS will apply to paragraph 7.04.03(2)(c) in its compliance tariff filing is just and reasonable.<sup>12</sup>

### **IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

A. Kansas Gas Service, a Division of ONE Gas, Inc.'s Application and requested tariff changes are approved with the addition of the correction KGS will apply to paragraph 7.04.03(2)(c) in its compliance tariff filing.

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<sup>9</sup> See K.S.A. 66-1,202.

<sup>10</sup> See K.S.A. 66-117(a).

<sup>11</sup> Communications between Counsel for Staff and Counsel for CURB are available upon request.

<sup>12</sup> See *supra*. fn. 7.

B. 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).<sup>13</sup>

**BY THE COMMISSION IT IS SO ORDERED.**

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 06/05/2025



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Celeste Chaney-Tucker  
Executive Director

MKH

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<sup>13</sup> K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

## **ATTACHMENT “A”**

**REPORT AND RECOMMENDATION  
UTILITIES DIVISION**

**TO:** Andrew J. French, Chairperson  
Dwight D. Keen, Commissioner  
Annie Kuether, Commissioner

**FROM:** Justin Prentiss, Senior Rate Analyst  
Justin Grady, Director of Utilities

**DATE:** May 27, 2025

**SUBJECT:** Docket No. 25-KGSG-394-TAR – In the Matter of the Application of Kansas Gas Service, a Division of ONE Gas, Inc. for Approval by the Commission to Revise Section 7 of Kansas Gas Service’s General Terms and Conditions.

**EXECUTIVE SUMMARY:**

Kansas Gas Service (KGS), a division of ONE Gas, Inc., filed an Application with the Kansas Corporation Commission (Commission) to revise Section 7 of its General Terms and Conditions. Staff has verified KGS’ proposed average embedded cost per service line (AECS) calculations for company service and/or yard line installations (Services) and recommends Commission approval of KGS’ revised costs. Furthermore, Staff noticed that paragraph 7.04.03 (2) (c) was not updated to reflect the updated cost in 7.04.03 (2). The company clarified that the correction will be applied with its compliance tariff filing. Staff recommends Commission approval of the revised tariff with the addition of this correction.

**BACKGROUND:**

On May 1, 2025, KGS submitted an Application requesting Commission approval to revise Section 7.04.03 of its General Terms and Conditions (2025 Application). The new AECS becomes effective beginning on the date of Commission approval.

The Average Embedded Cost for Services is the cost of service lines, meters and meter installations of Kansas distribution plant in service divided by the average number of customers. Once the AECS is established, it serves as a basis for both advances due from customers and for developers seeking a main or service line extension and refunds to those customers and developers as new meters are installed and service is taken by other customers on the newly constructed line.<sup>1</sup>

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<sup>1</sup> The cost is for lengths up to 200ft. Projects in excess of 200ft have a separate, additional charge.

**ANALYSIS:**

KGS' 2025 Application contains a cover letter, a redlined tariff, and the Embedded Cost Analysis. Staff reviewed KGS' Embedded Cost Analysis in order to confirm that the plant account balances and the number of customers used in the AECS calculation matched the data reported in KGS' 2024 Annual Report (Annual Report).<sup>2</sup> The total number of customers used in the AECS calculation is 650,585. This includes 644,992 sales customers and 5,593 transportation customers.<sup>3</sup>

Staff has verified the calculation of the revised AECS. This calculation covers service lines up to 200ft in length. The cost beyond 200ft is the per foot average embedded cost.<sup>4</sup> Staff has also verified the revised AECS in excess of 200ft. Table 1 below shows the changes to the AECS values contained in the Section 7 tariff.

**Table 1: Average Embedded Costs**

	Existing AES	Proposed (Revised) AECS
Services up to and including 200ft	\$1,608	\$1,699
Services in excess of 200ft	\$8.04/ft	\$8.50/ft

Staff also noticed a minor omission in the red-lined tariff included in the Application. The updated AECS as listed in 7.04.03 (2) was not updated in 7.04.03 (2) (c). Staff has shared this omission with the company, and KGS agreed that this omission would be addressed in the compliance tariff filing.

**RECOMMENDATION:**

Staff has verified that the data supplied in KGS' 2025 Application matches KGS' Annual Report and determined that the updated AECS calculation is correct. Therefore, Staff recommends approval of KGS' proposed changes to Section 7 of its General Terms and Conditions. Additionally, Staff recommends approval of the revised tariff in KGS' application, with the addition of the change to 7.04.03 (2) (c) as discussed above.

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<sup>2</sup> This information is found on page 39 of KGS' Annual Report. FERC Accounts for the cost of Service Line, Meter, and Meter Installation – 380, 381, 382, 383, 384 and 385.

<sup>3</sup> These customer totals can be found on page 127 of KGS' Annual Report. The 644,992 total is on line 9, labeled 'Total Gas Service Revenues.' The 5,593 total is on line 16, titled 'Total Revenue from Transportation.'

<sup>4</sup> The Average Embedded Cost for services beyond 200ft is the revised AES of \$1,699/200ft or \$8.50/ft.

## **CERTIFICATE OF SERVICE**

25-KGSG-394-TAR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 06/05/2025.

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