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 |) | 19 |
| Certificate of Convenience and Necessity to Provide |) | Docket No. 18-KGSG-005-COC |
| Service as a Natural Gas Public Utility in an Additional |) | |
| Designated Area in Johnson County, Kansas. |) | |

APPLICATION

Kansas Gas Service ("KGS" or the "Company"), a Division of ONE Gas, Inc., files this Application for an Extension of its Certificate of Convenience and Necessity to Provide Service as a Natural Gas Public Utility in an Additional Designated Area in Johnson County, Kansas. In support of its Application, the Company states:

- 1. KGS is a natural gas public utility operating within the state of Kansas in accordance with certificates of convenience and necessity issued by the State Corporation Commission of the State of Kansas ("KCC" or "Commission"). KGS' principal place of business within the state of Kansas is located at 7421 West 129th Street, Overland Park, Kansas 66213.
- 2. In addition to signatory counsel, Judy Y. Jenkins and C. Michael Lennen, all correspondence, pleadings, orders, decisions and communications regarding this docket should be directed to:

Janet Buchanan
Director of Rates and Regulatory
7421 W. 129th Street
Overland Park, KS 66213
janet.buchanan@onegas.com

Lyn Leet Manager, Customer Development 7421 W. 129th Street Overland Park, KS 66213 lyn.leet@onegas.com

3. KGS has been contacted by Mr. John Wiegers, the property owner who is constructing a residence at 9200 West 191st Street, Overland Park, KS and wishes to receive natural

gas distribution service. The residence (and other nearby potential natural gas consumers) are located in an area currently certificated to Atmos Energy ("Atmos"). KGS has been informed that the subject Property Owner contacted Atmos seeking natural gas service. Atmos reportedly stated its closest line was approximately four (4) miles away from the individual's residence and it would not be economically feasible for Atmos to extend a line to that location. (KGS is uncertain of the precise distance from the termination of Atmos' line to the individual's property, but believes it is not in close proximity). The cost (as well as the physical and legal difficulty for an individual residential consumer or group of consumers) to attempt to connect with the Atmos line would be prohibitive – if it could be accomplished at all.

- 4. KGS' certificated service territory is immediately adjacent to the area where the residence is being constructed. A KGS main terminates approximately 650' from the eastern boundary of the requested extension. The location of the currently certificated territories of KGS and Atmos, the area of the requested extension of KGS certificated service territory, and the location of the KGS main are shown on the Kansas Gas Service Map attached as Exhibit 1.
- 5. The legal description of the requested extension is: the West Half (W2) of the Southeast Quarter (SE4) of Section 36, Township 14 South, Range 24 East and the Northwest Quarter (NW4) of the Northeast Quarter (NE4) of Section 1, Township 15 South, Range 24 East, Johnson County, Kansas.
- 6. KGS and Atmos have discussed the possibility of effecting a swap of service territories between the two companies to facilitate the extension. Neither company, however, has been able to identify territories that would be acceptable for such a transaction.

- 7. KGS is prepared to make line extensions necessary to provide natural gas service to the designated area and can do so efficiently and expeditiously. Accordingly, the Company would request that its Certificate of Convenience and Necessity be amended to extend its authorized service territory to the area described in paragraph 5.
- 8. The amendment could be accomplished by either (a) transferring the authority to serve the designated area from Atmos to KGS, based on Atmos' inability economically to provide service to this area, or (b) granting KGS the authority to serve the area without a transfer of authority from Atmos. While the latter option is not preferable to KGS, it would result in dual certification of the area, but would not run afoul of historic concerns that such certification would result in "ruinous competition" or "unnecessary duplication" of facilities. *Central Kansas Power Co.v. State Corp. Commission*, 206 Kan. 670, 677, 42 P.2d 1 (1971), *Kansas Gas & Elec. Co. v. Public Service Comm.*, 122 Kan. 462, 466, 251 P. 902 (1927) Public convenience is to be the primary concern in determining whether a certificate should be granted to a natural gas public utility to serve a particular territory and the interest of the serving utility is to be secondary. *Id.* In this instance, no natural gas public utility is serving the subject area, even though it is certificated to Atmos. Approving the requested amendment to KGS' Certificate of Convenience and Necessity would advance the public interest and convenience.

WHEREFORE, KGS requests that its Certificate of Convenience and Necessity be amended to permit it to transact the business of a natural gas public utility in the area described in paragraph 5 and shown on Exhibit 1, and that the Commission grant such other relief as it deems to be just and reasonable in this matter.

Respectfully submitted,

KANSAS GAS SERVICE A Division of ONE Gas, Inc.

/s/ Judy Y. Jenkins

Judy Y. Jenkins, Kansas Bar #23300 7421 West 129th Street Overland Park, Kansas 66213-5957 (913) 319-8615 Phone (913) 319-8622 Facsimile judy.jenkins@onegas.com

/s/ Charles Michael Lennen

C. Michael Lennen, # 08505 800 SW Jackson Street, Suite 1310 Topeka, Kansas 66612-1216 (785) 232-2662 Phone (785) 232-9983 Facsimile mlennen@morrislaing.com

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 6th day of July 2018.

Valerie L. Smith
NOTARY PUBLIC - STATE OF KANSAS
MY APPT EXP: (0 - 21 -) 7

My Appointment Expires: Oct 21, 2019

Notary Public

CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that a true and correct copy of the attached Application has been served to the following parties by means of Electronic Service on this 6^{th} day of July, 2018.

JENNIFER G. RIES VICE PRESIDENT, RATES AND REGULATORY AFFAIRS – COLORADO/KANSAS ATMOS ENERGY CORPORATION jennifer.ries@atmosenergy.com

/s/ Charles Michael Lennen

C. Michael Lennen, # 08505

