

**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 to Cease Providing Natural Gas) Docket No. 24-KGSG- 056CCS
Service in a Portion of McPherson County,)
Kansas.)

APPLICATION FOR APPROVAL TO CEASE SERVICE

Kansas Gas Service, a Division of ONE Gas, Inc. (“Kansas Gas Service” or “Company”), pursuant to K.S.A. 66-131 and K.S.A. 66-1,200 *et seq.*, respectfully files this Application to cease providing natural gas service to specific customers in McPherson County, Kansas. In support thereof, Kansas Gas Service states the following to the State Corporation Commission of the State of Kansas (“Commission”):

I. DESCRIPTION OF KANSAS GAS SERVICE

1. Kansas Gas Service is a natural gas public utility operating in the state of Kansas pursuant to certificates of convenience and necessity issued by the Commission. Kansas Gas Service’s principal place of business within the state of Kansas is located at: 7421 West 129th Street, Overland Park, Kansas 66213.

II. COMMUNICATION

2. The names, addresses, and phone numbers of the persons authorized to receive notices and communications with respect to this Application on behalf of Kansas Gas Service are:

Robert Elliott Vincent, #26028
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III. BACKGROUND

3. Kansas Gas Service currently operates as a natural gas public utility in McPherson County, Kansas, including in and around the City of Lindsborg, Kansas.

4. In the ordinary course of business, and to comply with state and federal regulatory requirements, Kansas Gas Service must replace distribution infrastructure. Depending on the circumstances, Kansas Gas Service evaluates whether it is economically feasible (i.e., just and reasonable) to replace certain distribution assets. Kansas Gas Service has identified a situation where it is uneconomic to replace distribution assets and is requesting Commission approval to terminate service to specific customers. Kansas Gas Service is not seeking Commission approval to abandon any of its service territory in connection with this filing – only the abandonment of the pipeline segment and service to named customers, identified herein.

IV. REQUEST TO ABANDON SERVICE TO SPECIFIC CUSTOMERS

5. Kansas Gas Service respectfully requests approval to terminate and abandon service to the following customer addresses (“Customers”), located on or around 12th Avenue near highway K-7:

- a. 2344 12th Avenue, Lindsborg, Kansas 67456¹
- b. 1210 Sioux Road, Lindsborg, Kansas 67456
- c. 1198 Sioux Road, Lindsborg, Kansas 67456

6. The Customers are served from a former Kansas Gas Service transmission pipeline, which has since been reclassified as a distribution asset. Downstream of the tap into the reclassified Kansas Gas Service transmission system, the Customers receive service from unlocatable polyvinyl chloride (“PVC”) pipe. Due to the age and construction materials used to

¹ A deduct meter (Meter No. 0314B23211) located at 1190 Sioux Road, Lindsborg KS, double meters service provided to 2344 12th Ave, Lindsborg, Kansas. As part of this request, Kansas Gas Service would remove this deduct meter.

provide service to the Customers, Kansas Gas Service has determined the facilities must either be replaced or service terminated and abandoned.

7. Due to ongoing projects, Kansas Gas Service would likely be required to utilize contractors to replace the PVC. The cost to replace the PVC is approximately \$375,000 (before overheads and contingency for additional construction costs). In a recent 12-month period, the total gas usage from the Customers was approximately 309 Mcf. The net revenues to Kansas Gas Service (excluding cost of gas, securitization charges, and taxes) was approximately \$1,700.

8. The burden on other Kansas Gas Service ratepayers to replace the PVC is financially unreasonable. Because ten years of net revenues at current rates does not cover the anticipated facility replacement cost, the replacement project is not economically justifiable. The only practical solution is to convert the Customers to an alternative energy source. A per-customer cash payment of \$5,000.00 to convert to an alternative energy source is more cost effective than replacing the PVC used to serve the Customers. Payment amounts were based on estimates received from local plumbers to convert to an alternative energy source of the Customers' choosing (e.g., propane), with an additional amount to compensate the Customers for: (1) any differences between estimates and actual costs and (2) the inconvenience of conversion. Kansas Gas Service has informed the Customers of the need to convert to an alternative energy source and has presented this financial offer to the Customers for consideration. The Commission has found such action to be in the public interest in other similar cases.²

9. Upon Commission approval, Kansas Gas Service will abandon the pipeline segment downstream of the tap to the reclassified transmission system serving the Customers.

² See Docket No. 18-ATMG-488-CCS, Order dated August 14, 2015; Docket No. 13-KGSG-364-CCS, Order dated January 9, 2013; Docket No. 12-ATMG-048-CCS, Order dated September 8, 2011; and Docket No. 11-ATMG-864-CCS, Order dated September 8, 2011.

Kansas Gas Service will serve a copy of this Application on the Customers concurrent with its filing at the Commission. Kansas Gas Service will also submit late-filed exhibits on the status of reaching financial settlement with the impacted customers.

V. CONCLUSION

10. Kansas Gas Service currently provides service to three customers who are served off PVC, which must be replaced. It would be unjust and unreasonable for other Kansas Gas Service ratepayers to subsidize the replacement cost. Kansas Gas Service has agreed to provide, and the three customers have agreed to accept, cash payments to convert their natural gas service to an alternative energy source. Accordingly, Kansas Gas Service requests permission to terminate and abandon service to specific customers and abandon unlocatable PVC used to serve them.

WHEREFORE, Kansas Gas Service respectfully requests the Commission approve Kansas Gas Service's Application, and any other relief the Commission deems just and reasonable.

Respectfully submitted,

/s/ Robert Elliott Vincent
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VERIFICATION

STATE OF KANSAS)
)
COUNTY OF JOHNSON)

I, Robert Elliott Vincent, of lawful age, being first duly sworn upon oath, states as follows: I am a Managing Attorney for Kansas Gas Service, a Division of ONE Gas, Inc. I have read the above *Application for Approval to Cease Service* and all the statements therein are true to the best of my knowledge, information and belief.

Robert Elliott Vincent

SUBSCRIBED AND SWORN to before me on 7/11/23.

Notary public



My Appointment Expires:

6/5/26

CERTIFICATE OF SERVICE

I, Robert Elliott Vincent, hereby certify that a copy of the above and foregoing *Application for Approval to Cease Service* was forwarded this 19th day of July, 2023, addressed to:

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