BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of Kansas Gas Service Compliance Docket No. 11-KGSG-820-CPL, as Established in Docket No. 06-GIMX-181-GIV.	)))	Docket No. 11-KGSG-820-CPL

PUBLIC (REDACTED)
KANSAS GAS SERVICE'S ANNUAL RING-FENCING COMPLIANCE FILING

Kansas Gas Service, a division of ONE Gas, Inc. ("Kansas Gas Service" or "Company"), in compliance with the State Corporation Commission of the State of Kansas' ("Commission") *Order Adopting Report of Staff and Active Participating Utilities and Approving Procedure for Filing Information*, issued on December 3, 2010 in Docket No. 06-GIMX-181-GIV (hereafter, "Order"), respectfully files its annual Ring-Fencing Compliance Report ("Report"). In support thereof, Kansas Gas Service states the following to the Commission:

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.

2. Pursuant to the Order, annually on or before May 31st, Kansas Gas Service is required to submit certain documents and schedules in conformity with the agreed upon procedures set forth in the *Report of the Commission Staff and the Active Participating Utilities*, as filed on October 28, 2010, (hereafter referred to as "Recommendation") and subsequently adopted by the Commission in its Order. Accordingly, please find Kansas Gas Service's annual Report attached hereto as "KGS PUBLIC REDACTED Exhibit A." Pursuant to K.S.A. 66-1220a and K.A.R. 82-1-221a, the Company has labeled parts of this Report as "Confidential" to protect the non-public proprietary business information contained within the Report in accordance with the Recommendation. Disclosure of this proprietary business information is not in the public interest

and may cause irreparable harm to the Company and/or its customers. Kansas Gas Service respectfully requests the Commission and its Staff deem and treat this information as Confidential as provided by Kansas law.

WHEREFORE, Kansas Gas Service respectfully requests the Commission accept this compliance filing, and for any other such relief as the Commission deems just and reasonable.

Respectfully submitted,

/s/ Robert Elliott Vincent
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KANSAS GAS SERVICE'S

2025 ANNUAL RINGFENCING REPORT

Pursuant to the agreement of the parties as expressed in October 28, 2010, Report of the Commission Staff and the Active Participating Utilities, filed in Docket No. 06-GIMX-181-GIV, Kansas Gas Service, a division of ONE Gas, Inc., hereby submits its annual Ringfencing Report ("Report") in Compliance Docket No. 11-KGSG-820-CPL :

<u>KCC Requirement:</u>

A. To ensure proper allocation or assignment of joint or common costs for non-power goods and services, so a regulated utility bears only its fair share of costs, the public utility shall submit the following information on an annual basis by May 31st:

1. A Cost Allocation Manual (CAM) on a calendar year basis that:

    a. Explains the methodology used for all costs allocated or assigned for non-power goods and services provided by: (i) the regulated utility, (ii) a holding company, or (iii) a centralized corporate services subsidiary to any associate company that is a jurisdictional public utility;

    b. Demonstrates that all costs are allocated or assigned justly and reasonably and that the allocation or assignment of costs is not unduly discriminatory or preferential; and,

    c. If a fully distributed cost methodology is not used, an explanation supporting use of the alternative method of allocation.

With respect to the CAM, it should be filed in the individual utility compliance docket, but if no changes are made to the CAM, a letter in place of the CAM indicating no changes have been made may be filed by the May 31st annual filing date. If the annual filing reflects changes made in the CAM, those changes should be noted and fully described.

2. Any centralized corporate services subsidiary, within a holding company that includes a jurisdictional public utility, required to file FERC Form No. 60, shall file a copy with the Commission by May 31st of the calendar year following the year subject of the report.

KGS Response

A.

1. See the attached Cost Allocation Manual that was revised April 10, 2025. Included in the filing is a red-line version of the Cost Allocation Manual to highlight changes that have occurred. The edits made to the document were focused on refining the language to remove any duplicative content or add additional clarity. No material changes were made to the allocation process.

2. Not Applicable

KCC Requirement

B. Each jurisdictional public utility shall provide annually by May 31st the following information using diagrams, schedules or narrative discussion as may be appropriate:

    1. A complete detailed organization chart identifying each regulated utility and each associate company;

    2. A detailed description of the activities and business conducted at each non-utility associate company;

    3. An organizational chart of personnel that includes a list of all directors, corporate officers, and other key personnel shared by any jurisdictional public utility and any non-utility associate company or holding company, if any, along with a description of each person's duties and responsibilities to each entity;

    4. Summaries of each mortgage, loan document and debt agreement, including a discussion of the type of collateral or security pledged to support the debt. The utility will also describe any loan or debt agreement taken out to finance an unregulated affiliate that encumbers utility property or cash-flow for security;

    5. To the extent financial separations are maintained for either legal or financial accounting purposes and at a level in which financial statements are reasonably capable of being produced by the utility's accounting system, each jurisdictional public utility shall file income statements, balance sheets and cash flow statements for (1) consolidated utility operations; (2) consolidated non-regulated operations; and (3) consolidated corporate financials; (this information is confidential) and

    6. To the extent financial separations are maintained for either legal or financial accounting purposes and at a level in which financial statements are reasonably capable of being produced by the utility's accounting system, each jurisdictional public utility shall file a summary of financial ratios as of the end of the last

completed fiscal year, as described by way of example in the attachment to these rules and consistent with the method used to report such information to the principal bond rating agency or Standard & Poor's for (1) consolidated utility operations; (2) consolidated non-regulated operations; and (3) consolidated corporate financials (this information is confidential).

KGS Response

B.

1. Please see the attached organization chart, containing KGS affiliated companies within ONE Gas, Inc. (ONE Gas) as of December 31, 2024, attached hereto as "Attachment B-1".
2. Please see Attachment B-2 for a description of associated companies.
3. Please see Attachment B-3 for a list of Officers and Directors.
4. Please see Attachment B-4 for a summary of debt agreements. There is no utility debt that encumbers utility property used to finance unregulated affiliates.
5. Please see the attached income statements and balance sheet information for ONE Gas which were included in the Fiscal 2024 10-K filing, attached here as "Attachment B-5".
6. Please see the attached financial ratios for the consolidated utility operation, attached here to as "Attachment B-6".

KCC Requirement

C. Each jurisdictional public utility shall provide to the Director of Utilities and the Chief of Accounting and Financial Analysis at the Commission concurrent with the filing of 8-K disclosures the following:

   1. Written or verbal notice of any affiliate of the jurisdictional public utility or holding company, if any, that has an affiliate that has defaulted on a material obligation or debt for the purpose of 8-K reporting.
   2. Written or verbal notice of any requests by any jurisdictional public utility or holding company, if any, for material waivers or amendments as provided for the purpose of 8-K reporting to debt agreements that secure, encumber, or finance any jurisdictional public utility's assets.
   3. Each jurisdictional public utility shall file reports published by credit rating agencies and equity analysts regarding the utility's regulated and unregulated business within 10 days after publication of the report and its receipt by the

utility. A public utility shall not be required to file reports that the utility has not received, or reports that cannot be disseminated or reproduced because of copyright or contractual restrictions.

4. A summary of any debt secured or encumbered, in any way, by the assets of any jurisdictional public utility on behalf of a non-utility affiliate or holding company, if any.

KGS Response

C.

1. KGS will provide written or verbal notice concurrently, in the event that any affiliate defaults on a material obligation or debt for the purpose of 8-K reporting. Neither ONE Gas, Inc. (ONE Gas) nor any of its affiliates, have defaulted on a material obligation or debt.
2. KGS will provide written or verbal notice of any requests by a jurisdictional public utility or holding company if it seeks a material waiver or amendments as provided for the purpose of 8-K reporting to debt agreements that secure, encumber, or finance any jurisdictional public utility's assets. No such requests have been made.
3. Please see, "CONFIDENTIAL Attachment C-3", for a copy of the credit reports. ONE Gas receives credit rating and equity analyst reports under an agreement with an outside vendor. According to the terms of the agreement, ONE Gas is prohibited from releasing these reports to third parties. ONE Gas obtained permission to provide a confidential copy of S&P Ratings Bulletins dated 12/23/2024, a confidential copy of Moody's Ratings dated 02/12/2024 and 02/20/2025, and a confidential copy of Fitch Ratings Rating Action Commentary for Kansas Gas Service Securitization I, L.L.C. dated 08/31/2023.

   Equity analysts covering ONE Gas include:

   Bank of America Securities
   Guggenheim Partners
   Ladenburg Thalmann
   Mizuho Securities USA
   Morgan Stanley
   Stifel
   UBS Securities
   Wells Fargo

4. ONE Gas does not have any debt issuances that are secured or encumbered with the assets of KGS.

ONE GAS
CORPORATE ALLOCATION MANUAL

CORPORATE ALLOCATION MANUAL
Revised /April 10, 2025~~October 2, 2023~~
Corporate Accounting Department

The Corporate Allocation Manual provides documentation for allocation of corporate administrative costs of ONE Gas, Inc. (ONE Gas to its divisions and subsidiaries.) Direct costs incurred for the direct benefit of a specific business entity of ONE Gas are not addressed in this manual because the objective and scope of this manual pertains to general charges that cannot be assigned directly to a single operating business entity.

ONE Gas maintains a fully distributed cost model that assigns each business entity its proportionate share of corporate administrative costs based on a reasonable and justifiable method.

Proper classification of costs is the responsibility of each employee and his or her supervisor when preparing, approving, and processing any accounting document (invoices, journal entries, etc.). The classification of costs is determined using our Classification of Accounts Manual (which includes codes for each company, cost center, natural account, expense indicator and RFU) when processing the transaction. The account coding string is the basis upon which costs are identified as costs to be allocated in our process.

Three-Step Allocation Process

Our fully distributed cost model occurs through a "three-step" process. The first step begins with the premise that costs specifically attributed to a business entity are charged directly to that business entity to the extent practical. In the second step, costs that are significant in amount and benefit multiple business entities on the basis of a causal relationship are charged to the business entities based on that causal relationship. The causal relationships are specific measurements based on the type of cost, which can be a measure of participation level, activity level, output level, or resource consumption. In the third step, any remaining costs, which are not charged directly or associated with an identifiable causal relationship, are allocated to business entities using the ONE Gas Modified Distrigas Allocation methodology (ONE Gas Distrigas).

ONE GAS Distrigas Methodology

The Distrigas Cost Allocation Methodology (Distrigas Method) is a Federal Energy Regulatory Commission (FERC) approved cost allocation methodology that is considered a reasonable and acceptable methodology for allocating costs for ratemaking purposes. ONE Gas, Inc. has used the Distrigas Method as the basis for its methodology to allocate corporate administrative costs since 1994. It is important to ONE Gas to have a common allocation methodology that is broadly accepted by our regulatory authorities and that results in a justifiable and reasonable allocation of corporate administrative costs to each of ONE Gas's business entities.

The ONE Gas Distrigas methodology uses a ~~three factor~~three-factor formula comprised of the average of gross plant, net operating income and labor expenses (excluding contract labor).

To calculate the overall allocation factor for each business entity, the three allocation factor amounts are determined for each business entity and calculated as a percentage of the combined total. In cases when a business entity has an operating loss, a factor of zero is used for the operating income allocation factor. The three component allocation factors for each business entity are then combined using a simple average to derive the overall allocation factor.

ONE Gas periodically reviews its existing allocation methodologies to ensure that costs are being appropriately allocated. ONE Gas's Distrigas allocation factors are updated quarterly or when significant changes to its corporate structure occur, such as acquisitions, divestitures, or corporate restructuring.

ONE Gas uses the following methodology to allocate costs when costs cannot be charged directly or allocated using a causal relationship to a business entity. The allocation methodology allows the allocation of costs to the business entities that receive the benefit of the administrative costs. The allocation methodology is described as follows:

Methodology Name	Cost Center	Description
OGS-Distrigas	1007	Calculates allocation percentages using the respective allocation factors for the business entities of ONE Gas's business entities including Oklahoma Natural Gas, Kansas Gas Service, Texas Gas Service, and Utility Insurance Company

Appendix A provides an example calculation of ONE Gas's Distrigas methodology.

Allocated Costs

Costs to be allocated can be aggregated in the following general categories:

- Executive
- Human Resources (HR)
- Information Technology (IT)
- Finance and Accounting
- General Counsel
- Corporate Communications
- Corporate Services (~~includes~~ such as Environmental Health & Safety, Engineering, and Resource Management, Facilities, Customer Development or Commercial Activities, and Investor Relations)
- Customer Service
- Other

The costs allocated in these general categories are allocated in accordance with our "three step allocation methodology" described above. The following sections provide a general description of the types of costs allocated in each general category and the method in which those costs are allocated.

Executive

The executive organization provides leadership and strategic direction for ONE Gas's business activities. Examples of costs incurred in this area are related to salaries and expenses of the President and Chief Executive Officer, his or her direct reports, and corporate officers with responsibility for corporate administrative functions that are not assigned to a specific business entity. These costs are primarily allocated through the OGS-Distrigas methodology.

Human Resources

The HR organization supports our various business entities and the employees of ONE Gas by developing and administering plans and processes related to compensation, employee benefits, staffing and recruiting, employee development and ~~payroll~~employee relations. Typical examples of costs incurred in this area are related to:

Types of Costs	Allocation Methodology

Administrative fees for all defined plans, health & welfare and retirement plans	1. These costs are allocated using the causal relationship of plan participant count or employee headcount for each respective business entity. 2. Cost allocated to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Health and welfare benefits for active employees	1. These costs are allocated using the causal relationship of employee headcount or plan participant count for each respective business entity. 2. Cost allocated to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Retirement benefits for active and retired employees	1. These costs are allocated using the causal relationship of plan participant count for each respective business entity where the plan participant works at each measurement date or where the plan participant worked immediately prior to retirement.

	2. Plan participant or retiree costs allocated to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Staffing, recruiting, employee relations, ~~W~~workforce and professional development support and training programs for all active employees	1. These costs are allocated using the causal relationship of employee headcount 2. Cost allocated to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
HR administration and support, including compensation~~,~~ and benefits ~~accounting and IT support~~	1. These costs are allocated using the causal relationship of employee headcount for each respective business entity. 2. Cost allocated to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Inclusion & Diversity	Allocated through the OGS-Distrgas methodology

Information Technology

The IT organization supports our various business entities by developing and administering technology solutions and information security to facilitate day-to-day business activities. Typical examples of costs incurred in this area are related to:

Types of Costs	Allocation Methodology
IT administrative functions such as administration, financial planning, accounting and reporting	Allocated through the OGS-Distrigas methodology
Disaster recovery, data backup and recovery, change management and problem management	Allocated through the OGS-Distrigas methodology.
Websites, intranet, business intelligence, legal applications, imaging and scanning, and document management technologies	Allocated through the OGS-Distrigas methodology.
ONE Gas customer billing system	Allocated using the causal relationship of customer count for each of the business entities.
Data center and general support	1. Allocated through the OGS- Distrigas methodology.
Telecommunications and Mobile Services	~~1. Charged directly to the business entity receiving benefit of the service.~~ Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Financial and ~~HR systems and~~ related systems such as fixed asset accounting, project estimation and accounting, and financial reporting ~~and HR reporting~~	~~Allocated using the causal relationship of employe count for HRIS~~. Allocated through the OGS-Distrigas methodology.
HR Systems and HR Reporting	1. These costs are allocated using the causal relationship of employee headcount for each respective business entity. 2. Cost allocated to corporate departments (Executive, HR,

	Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Supporting the operational accounting systems and the measurement systems used for non-residential gas meters	~~1. Charged directly to the business entity that is providing service to the non- residential gas meter.~~ Costs not attributable to a specific business entity are allocated to the business entities through the OGS- Distrigas methodology.
Support and maintenance of the corporate and operations applications such as cash management systems	~~1. Costs are charged directly to the business entity receiving benefit of the service.~~ Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Supporting systems related to field operations including construction and engineering	~~1. Charged directly to the business entity receiving benefit of the service.~~ Costs not attributable to a specific business entity are allocated to the business entities through the OGS-Distrigas methodology.
Support of compliance and network security monitoring (cyber security)	Costs are allocated through the OGS-Distrigas methodology.
Pipeline Support Systems and Government Mandates	Costs are allocated through the OGS-Distrigas methodology.

Finance and Accounting

The Finance and accounting organization supports our various business entities by administering processes related to corporate accounting, financial reporting, tax, credit, risk and insurance, internal audit, financial planning and business development. Typical examples of costs incurred in this area are related to payroll and business expenses associated with departments responsible for:

Types of Costs	Allocation Methodology
Corporate general accounting and consolidations, corporate financial planning and business development	Allocated through the OGS-Distrigas methodology.
SEC and external reporting for ONE Gas	Allocated through the OGS- Distrigas methodology.
Accounts payable	1. Allocated using a causal relationship derived from an internally developed analysis of invoice processing volume by business entity. 2. Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Treasury Services	Allocated through the OGS-Distrigas methodology.
Federal and state income tax accounting and compliance activities, ad valorem, sales & use tax and franchise tax accounting and compliance activities	~~1. Taxes incurred are charged directly to the business entity incurring the tax obligation.~~ ~~2.~~1. ~~General administrative costs, including labor and benefits are charged directly to the business~~

	~~entity receiving~~ benefit of the service. Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Maintaining long-term financing and short-term working capital	1. General administrative costs associated with our finance department are allocated through the OGS-Distrigas methodology.
Risk mitigation and insurance	1. Labor, benefits and administrative expenses associated with administration of our insurance programs are allocated to the business entities through the OGS- Distrigas methodology. 2. Costs associated with specific insurance programs are allocated as follows: a. Primary & Excess Workers' Compensation: Allocated through the OGS-Distrigas methodology. b. Excess Liability: Allocated through the OGS-Distrigas methodology. c. Directors & Officers Liability: Allocated through the OGS-Distrigas. d. Property and Terrorism: Allocated through the OGS-Distrigas methodology. e. Various others (e.g. Fiduciary Liability, Blanket Crime, Mail and Transit, etc.): Allocated through the OGS- Distrigas methodology

Internal audit services (which includes our costs related to compliance with the Sarbanes-Oxley Act of 2002)	Costs are allocated to the business entities through the OGS-Distrigas methodology.
Independent auditor fees	~~1. Charged directly to the business entity being audited.~~ Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Centralized team responsible for fixed asset accounting	1. Labor and benefits are charged directly to each business entity for which the employee has accounting responsibility. 2. General and administrative supplies and expenses are allocated based on the causal relationship of gross property, plant, and equipment values.
Centralized team responsible for accounting for the customer billing process	Allocated to the business entity based on the causal relationship of customer count.
HR financial services support, including payroll and benefits accounting	1. These costs are allocated using the causal relationship of employee headcount for each respective business entity. 2. Cost allocated to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.

General Counsel

The general counsel organization supports our various business entities by administering processes related to legal aspects of our day-to-day business activities. Typical examples of costs incurred in this area are related payroll and business expenses (including third party legal costs) associated with departments responsible for:

Types of Costs	Allocation Methodology
Third-party damages and workers' compensation claims	~~1. Charged directly to the business entity incurring the damages or workers' compensation claim.~~ Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Commercial contracts	~~Charged directly to the business entity named in the commercial contract~~. Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Regulatory affairs	~~1.~~ Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.~~Charged directly to the business entity receiving benefits of the services provided in certain instances.~~ ~~2.~~1. ~~Costs are allocated to the business entities through the OGS-Distrigas methodology.~~

Human resources	1. Allocated using the causal relationship of employee headcount for each respective business entity. 2. Cost charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Litigation	~~1.~~ Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.~~Charged directly to the business entity receiving benefits of the services provided. Cost charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology~~.
Corporate secretary and board of directors	Allocated through the OGS- Distrigas methodology.
General legal matters, ethics and compliance, data privacy, and pipeline safety	~~1.~~ Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.~~Charged directly to the business entity receiving benefit of the legal services.~~ ~~2.~~1. ~~Costs not attributable to a specific business entity are allocated through the OGS- Distrigas methodology.~~

Corporate Communications

The corporate communications organization supports our various business entities by administering processes related our corporate communications efforts with employees and external stakeholders. Typical examples of costs incurred in this area are related payroll and business expenses associated with departments responsible for:

Types of Costs	Allocation Methodology
Governmental affairs	~~1.~~ Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.~~Costs are charged directly to the business entity receiving benefit of the services provided.~~ ~~All other costs are allocated to the business entities through the OGS-Distrigas methodology.~~
Corporate communications (including advertising costs, costs associated with electronic communications and costs associated with general employee communications)	~~1.~~ Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.~~Costs are charged directly to the~~

	~~business entity receiving benefit of the services provided.~~ ~~All other costs are allocated to the business entities through the OGS-Distrigas methodology.~~
Corporate responsibility (includes civic donations)	Allocated through the OGS-Distrigas methodology.

Corporate Services (~~includes Environmental Health & Safety)~~such as Environmental Health & Safety, Engineering, Resource Management, Facilities, Customer Development or Commercial Activities, Investor Relations)

The corporate services organization supports our various business entities by developing and administering programs and processes that facilitate general day-to-day business activities and environmental safety and health initiatives. Typical examples of costs incurred in this area are related to payroll and business expenses associated with departments responsible for:

Types of Costs	**Allocation Methodology**
Purchasing and materials management	1. Costs are charged directly to the business entity receiving benefit of the services provided. 2. Allocated using a causal relationship derived from miles of pipe in the ground for each respective business entity. 3. Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.

Facilities and fleet management	1. Costs are charged directly to the business entity receiving benefit of the services provided. 2. Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Right-of-way management	1. Allocated using a causal relationship derived from miles of pipe in the ground for each respective business entity. 2. Costs not attributable to a specific business entity are allocated to the business entities through the OGS-Distrigas methodology.
Business continuity planning	These costs are allocated using the causal relationship of employee headcount for each respective business entity.
Environmental management	1. Charged directly to the business entity responsible for the environmental cost incurred. 2. Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated through the OGS-Distrigas methodology.
Safety programs	1. Charged directly to the business entity responsible for the cost incurred. 2. Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT,

	etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Records Retention	~~1. Charged directly to the business entity responsible for the cost incurred.~~ Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Performance Management	~~1. Charged directly to the business entity responsible for the cost incurred.~~ Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Enterprise Resources	~~1. Charged directly to the business entity responsible for the cost incurred.~~ Costs not attributable to a specific business entity or costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Aviation services	Allocated through the OGS-Distrigas methodology.

Engineering	1. Allocated using a causal relationship derived from miles of pipe in the ground for each respective business entity. 2. Costs not attributable to a specific business entity are allocated to the business entities through the OGS-Distrigas methodology
Resource Management (includes costs for workforce strategy and planning, contractor)	1. Allocated using a causal relationship derived from miles of pipe in the ground, employee headcount, or customer count for each respective business. 2. Costs not attributable to a specific business entity are allocated to the business entities through the OGS-Distrigas methodology.
Investor relations	Allocated through the OGS-Distrigas methodology.
Sustainability	Allocated through the OGS-Distrigas methodology.
Rates and Regulatory	Allocated through the OGS-Distrigas methodology.
Commercial Activities	1. Allocated using a causal relationship derived from miles of pipe in the ground, employee headcount, or customer count for each respective business. Costs not attributable to a specific business entity are allocated to the business entities through the OGS-Distrigas methodology.
Capital Management	Allocated through the OGS-Distrigas methodology.
Account Management	Allocated through the OGS-Distrigas methodology.

Technical Training	Allocated through the OGS-Distrigas methodology.

Customer Service

The customer service organization supports our various business entities by providing responsive, flexible, efficient service to our customers. Typical examples of costs incurred in this area are related to payroll and business expenses associated with departments responsible for:

Types of Costs	Allocation Methodology
Customer Service Support	1. Allocated to the business entity based on the causal relationship of customer count.

Other

This section represents miscellaneous costs impacting multiple business entities

Types of Costs	Allocation Methodology
Incentives, short- and long-term (stock-based compensation)	~~1. Short-term incentive costs charged directly to the business entity for which the employee has responsibility.~~ ~~2. Long-term incentive costs are allocated using the causal relationship of plan participant count for each respective business entity.~~ Cost charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the

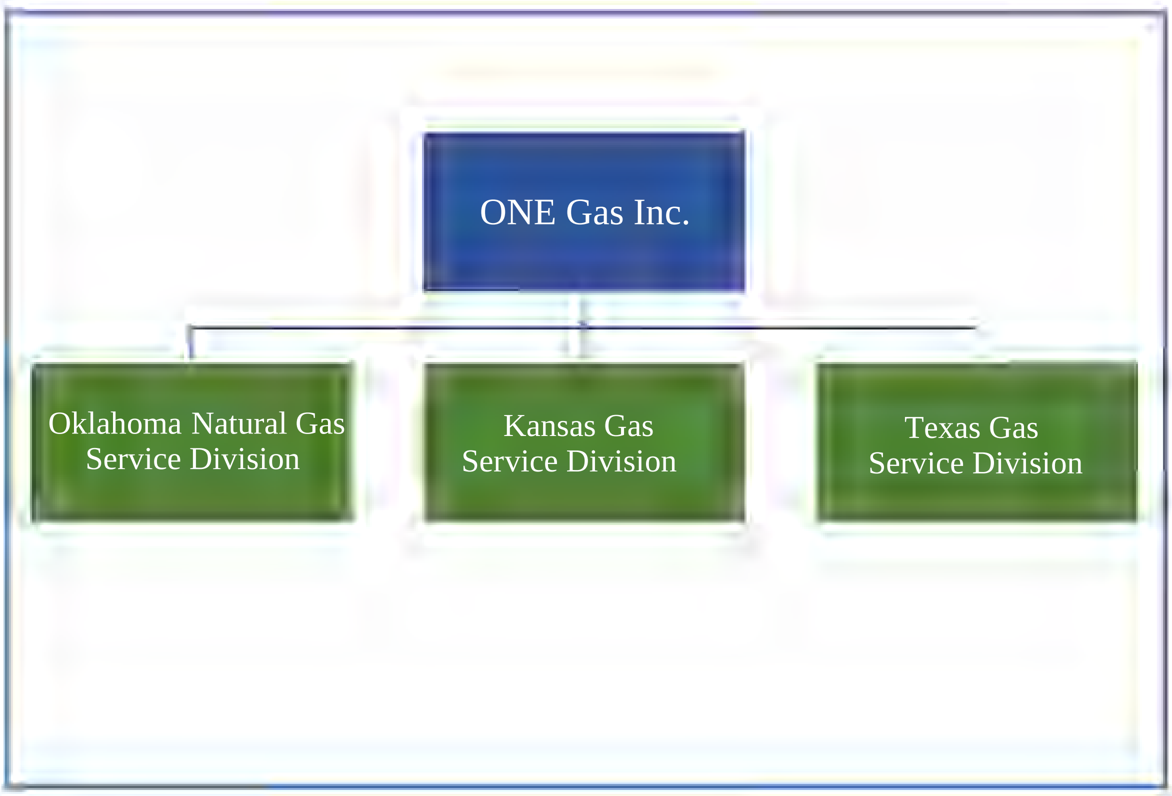
	business entities through the OGS-Distrigas methodology.
Employee stock purchase program, excluding long-term incentives	1. These costs are allocated using the causal relationship of plan participant count for each respective business entity. 2. Costs charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
OGS Meter Shop Expense	Allocated using the causal relationship of customer count for each business entity.
Payroll taxes	1. Charged directly to each employee's respective payroll organization. 2. Cost charged directly to corporate departments (Executive, HR, Accounting, IT, etc.) are allocated to the business entities through the OGS-Distrigas methodology.
Other taxes (ad valorem, franchise, etc.)	1. Charged directly to the business entity incurring the tax obligation. 2. Costs not identifiable to a specific business entity are allocated to the business

	entities through the OGS-Distrigas methodology.
Depreciation associated with general corporate assets	Allocated through the OGS-Distrigas methodology except as follows: a. Banner Customer Information System: Allocated using the causal relationship of customer count for each business entity. b. PowerPlant Fixed Asset Accounting System: Allocated using the causal relationship of Gross PP&E value attributable to each business entity. c. Maximo: Allocated using the causal relationship of miles of pipe for each business entity. d. Concur: Allocated using the causal relationship of employee count for each business entity. e. Certain Journey costs: Allocated using the causal relationship of employee count for each business entity. Costs not identifiable to a specific business entity are allocated to the business entities through the OGS-Distrigas methodology.

Miscellaneous Costs	Costs not identifiable to a specific business entity are allocated to the business entities through the OGS-Distrigas methodology.

ONE Gas, Inc.

Regulated Operating Divisions



ONE Gas, Inc.
Affiliated Companies

ONE Gas, Inc.
Company Descriptions

ONE Gas Associated Company Description:

ONE Gas Foundation, Inc. is an Oklahoma not-for-profit corporation. The entity is a charitable foundation exempt under Section 501(c)(3) of the Internal Revenue Code.

ONE Gas Affiliated Company Descriptions:

Utility Insurance Company is wholly owned by ONE Gas. UIC provides ONE Gas' distribution companies, Kansas Gas Service, Oklahoma Natural Gas and Texas Gas Service, insurance coverage. UIC is regulated by the Oklahoma Insurance Department.

ONE Gas Properties, L.L.C. is an Oklahoma limited liability company. The entity owns intellectual property including the ONE Gas logo and the trade names Kansas Gas Service, Oklahoma Natural Gas and Texas Gas Service. ONE Gas Properties, L.L.C. charges ONG, KGS and TGS a monthly royalty fee for the use of the intellectual properties it owns.

Kansas Gas Service Securitization I L.L.C. is a wholly owned special purpose limited liability company formed under the Delaware Limited Liability Company Act pursuant to a limited liability company agreement executed by Kansas Gas Service, a division of ONE Gas, and the filing of a certificate of formation with the Secretary of State of Delaware.

ONE GAS, INC.
DIRECTOR & OFFICER LIST
December 31, 2024

ONE Gas, Inc. (Oklahoma)
(Formed 8/30/13)

Directors
John W. Gibson, Chairman
Robert S. McAnnally
Tracy E. Hart
Deborah A.P. Hersman
Michael G. Hutchinson
Sanjay D. Meshri
Pattye L. Moore
Eduardo A. Rodriguez
Yves C. Siegel

Positions Appointed by OGS Board

Robert S. McAnnally	President and Chief Executive Officer
Angela E. Kouplen	Senior Vice President and Chief Human Resources Officer
Christopher P. Sighinolfi	Senior Vice President and Chief Financial Officer
Joseph L. McCormick	Senior Vice President, General Counsel and Assistant Secretary
Curtis L. Dinan	Senior Vice President and Chief Operating Officer
Mark A. Bender	Senior Vice President, Administration and Chief Information Officer
W. Kent Shortridge	Senior Vice President, Operations and Customer Service
Brian K. Shore	Vice President, Associate General Counsel and Secretary
Julie A. White	Vice President, Communications
Brian F. Brumfield	Vice President, Chief Accounting Officer and Controller
Mark W. Smith	Vice President, Treasurer

Positions Appointed by OGS CEO

Shantel H. Norman	Managing Vice President, Field Operations
Chris A. Carr	Vice President, Capital Execution
Jeff W. Johns	Vice President, Operations
Sean C. Postlethwait	Vice President, Operations, Kansas Gas Service
Alejandro Limon	Vice President, Operations, Texas Gas Service
David L. Williams	Vice President, Operations, Oklahoma Natural Gas
Ronald D. Bridgewater	Vice President, System Integrity
Todd R. Hohn	Vice President, Environmental, Safety & Health
Samette L. Britt	Vice President, Customer Service
James E. Langster	Vice President, Information Technology
K. Jason Ketchum	Vice President, Commercial
Jeffrey J. Husen	Vice President, Rates and Regulatory

ONE GAS PROPERTIES, L.L.C.
(Oklahoma Corp., Formed 10/30/13, OGS Sole Member)

Robert S. McAnnally	Chairman, President and Chief Executive Officer
Christopher P. Sighinolfi	Senior Vice President and Chief Financial Officer
Joseph L. McCormick	Senior Vice President, General Counsel and Assistant Secretary
Curtis L. Dinan	Senior Vice President and Chief Operating Officer
Mark A. Bender	Senior Vice President, Administration and Chief Information Officer
Angela E. Kouplen	Senior Vice President and Chief Human Resources Officer
W. Kent Shortridge	Senior Vice President, Operations and Customer Service
Brian F. Brumfield	Vice President, Chief Accounting Officer and Controller
Mark W. Smith	Vice President and Treasurer

ONE GAS, INC.
DIRECTOR & OFFICER LIST
December 31, 2024

Brian K. Shore	Vice President, Associate General Counsel and Secretary
Julie A. White	Vice President, Communications

ONE GAS FOUNDATION, INC.
(Oklahoma Not for Profit Corporation, Formed 11/18/13)

Directors/Trustees

Robert S. McAnnally	Director
Curtis L. Dinan	Director
Christopher P. Sighinolfi	Director
Joseph L. McCormick	Director
Mark A. Bender	Director
Angela E. Kouplen	Director
Brian K. Shore	Director
Julie A. White	Director

Officers:

Robert S. McAnnally	Chairman, Chief Executive Officer and President
Christopher P. Sighinolfi	Senior Vice President and Chief Financial Officer
Joseph L. McCormick	Senior Vice President, General Counsel and Assistant Secretary
Brian K. Shore	Vice President, Associate General Counsel & Secretary

UTILITY INSURANCE COMPANY
(Oklahoma Corporation, Formed 8/29/17)

Directors

Robert S. McAnnally	Director
Curtis L. Dinan	Director
Christopher P. Sighinolfi	Director
Joseph L. McCormick	Director

Officers:

Robert S. McAnnally	Chairman, Chief Executive Officer and President
Christopher P. Sighinolfi	Senior Vice President and Chief Financial Officer
Joseph L. McCormick	Senior Vice President, General Counsel and Assistant Secretary
Brian K. Shore	Vice President, Associate General Counsel & Secretary
Mark W. Smith	Vice President and Treasurer

ONE GAS, INC.
DIRECTOR & OFFICER LIST
December 31, 2024

KANSAS GAS SERVICE SECURITIZATION I, L.L.C.
(Delaware Corporation, Formed 8/30/22, Kansas Gas Service, a division of ONE Gas, Inc., sole member)

Managers
Robert S. McAnnally
Christopher P. Sighinolfi
Bernard J. Angelo, independent manager

Officers:

Robert S. McAnnally	President and Chief Executive Officer
Christopher P. Sighinolfi	Senior Vice President and Chief Financial Officer
Joseph L. McCormick	Senior Vice President, General Counsel and Assistant Secretary
Brian F. Brumfield	Vice President, Chief Accounting Officer and Controller
Brian K. Shore	Vice President, Associate General Counsel & Secretary
Mark W. Smith	Vice President and Treasurer

ONE Gas, Inc.

Maturity	2029	2030	2032	2044	2048	5-Year Credit Agreement	Indenture - US Bank	KGSSI - 2032
Issue Date	12/13/23	5/4/20	8/8/22	1/27/14	11/5/18	3/16/23	1/27/14	11/18/22
Maturity Date	4/1/29	5/15/30	9/1/32	2/1/44	11/1/48	3/16/28	-	8/1/34
Rate	5.10%	2.00%	4.25%	4.658%	4.50%	Term SOFR plus 1% Prime, or Fed Funds plus 0.5%	-	5.486%
Principal Outstanding	$550,000,000	$300,000,000	$300,000,000	$600,000,000	$400,000,000	$1,350,000,000	-	$272,798,006
Annual Interest	$28,050,000	$6,000,000	$12,750,000	$27,948,000	$18,000,000	$1,350,000 (Facility Fee)	-	$14,690,565
Payments	4/1, 10/1	5/15, 11/15	3/1, 9/1	2/1, 8/1	5/1, 11/1	-	-	8/1, 2/1
CUSIP	68235PAN8	68235PAH1	68235P AM0	68235PAF5	68235PAG3		-	484915AA1
Trustee	US Bank	US Bank	US Bank	US Bank	US Bank	BOA (Administrative Agent)	-	US Bank
Lead Bank(s)	JPM / Mizuho / US Bank	BOA / Mizuho	US Bank / RBC / Truist / Wells Fargo / BOA / JPM / Mizuho	JPM / RBS / Morgan Stanley	US Bank / JPM	BOA / JPM / Mizuho / RBC / Truist / US Bank / Wells Fargo / BOK / HNB / Regions / Arvest / UMB	US Bank	JPM / RBC
Callable	anytime prior to 3/1/29	anytime prior to 2/15/30	anytime prior to 6/1/32	anytime prior to 8/1/2043	anytime prior to 5/1/2048	-	-	Non-call
Indenture	12/13/23	5/4/20	8/8/22	1/27/14	11/5/18	-	-	11/18/22
Filing	Same as Indenture (Annual compliance cert)	Same as Indenture (Annual compliance cert)	Same as Indenture (Annual compliance cert)	Same as Indenture (Annual compliance cert)	Same as Indenture (Annual compliance cert)	Compliance Certificates	Comp Certificates Certain SEC filings	Same as Indenture (Annual compliance cert)
Events of Def	Fail to pay Int/Princ/Prem Interest: 30 days Covenants: 90 days Def on Agmt>$100MM Bankruptcy, Reorganization	Fail to pay Int/Princ/Prem Interest: 30 days Covenants: 90 days Def on Agmt>$100MM Bankruptcy, Reorganization	Fail to pay Int/Princ/Prem Interest: 30 days Covenants: 90 days Def on Agmt>$100MM Bankruptcy, Reorganization	Fail to pay Int/Princ/Prem Interest: 30 days Covenants: 90 days Def on Agmt>$100MM Bankruptcy, Reorganization	Fail to pay Int/Princ/Prem Interest: 30 days Covenants: 90 days Def on Agmt>$100MM Bankruptcy, Reorganization	CF Events of Default (Sec 8.01)	See Indenture Events of Default	Fail to pay Int/Princ/Prem Interest: 5 days Covenants: 30 days Unpaid principal Bankruptcy, Reorganization Violation of KS pledge
Limitations on Liens	Liens Language 5	Liens Language 3	Liens Language 2	Liens Language 1	Liens Language 2	See CF Covenants (Sec 7.01)	See Indenture Limitation on Liens	N/A
Lim on S/L	S/L Language 5	S/L Language 3	S/L Language 4	S/L Language 1	S/L Language 2	None	See Indenture Limitation on SaleLeaseback	N/A
Amendments, Supplements and Waivers	ASW 6	ASW 3	ASW 4	ASW 1	ASW 2	None	See each note	ASW 5
Defeasance	Defeasance Language 6	Defeasance Language 3	Defeasance Language 4	Defeasance Language 1	Defeasance Language 2	None	See each note	Defeasance Language 5
Covenants	See Covenants 6	See Covenants 3	See Covenants 4	See Covenants 1	See Covenants 2	See CF Covenants (Sec 6.01 - 7.09)	See Indenture Covenants	See Covenants 5

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ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of ONE Gas, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of ONE Gas, Inc. and its subsidiaries (the “Company”) as of December 31, 2024 and 2023, and the related consolidated statements of income, of comprehensive income, of equity and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Accounting for the Effects of Regulatory Matters

As described in Notes 1 and 3 to the consolidated financial statements, the Company is subject to rate regulation and accounting requirements of regulatory authorities in the states in which it operates, and it follows the accounting and reporting guidance for regulated operations, including evaluating regulatory decisions to determine appropriate revenue recognition, cost deferrals, recoverability for regulatory assets and refund requirements for regulatory liabilities. As disclosed by management, regulatory assets are recorded for costs that have been deferred for which future recovery through customer rates is considered probable and regulatory liabilities are recorded when it is probable that revenues will be reduced for amounts that will be credited to customers through the ratemaking process. As a result, certain costs that would normally be expensed under accounting principles generally accepted in the United States of America for non-regulated entities are capitalized or deferred on the balance sheet because it is probable they can be recovered through rates. The amounts to be recovered or recognized are based upon historical experience and management's understanding of regulations and may be affected by decisions of the regulatory authorities or the issuance of new regulations. Should recovery cease due to regulatory actions, certain regulatory assets may no longer meet the criteria for recognition, and accordingly, the Company may be required to write off the regulatory assets at that time. As described in Note 3, as of December 31, 2024, there were $379 million of deferred costs included in regulatory assets and $490 million of regulatory liabilities awaiting cash outflow or potential refund.

The principal considerations for our determination that performing procedures relating to the Company's accounting for the effects of regulatory matters is a critical audit matter are (i) the significant judgment by management in evaluating the impact of regulatory orders and accounting guidance on relevant transactions and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to management's evaluation of revenue recognition, cost deferrals, and recoverability of regulatory assets, including the securitization of the costs related to the winter weather event and the recovery of the related regulatory assets, and refund requirements for regulatory liabilities.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the impact of regulatory orders and accounting guidance on relevant transactions, including controls over management's process for evaluating and recording (i) deferred costs, including the amounts to be deferred and the future recovery, resulting in regulatory assets or (ii) a reduction to revenues for amounts that will be credited to customers, resulting in regulatory liabilities. These procedures also included, among others, (i) evaluating management's process for identifying relevant transactions which require application of regulatory accounting guidance; (ii) evaluating the reasonableness of management's assessment regarding revenue recognition, probability of recovery and establishment of regulatory assets, including the securitization of the costs related to the winter weather event and the recovery of the related regulatory assets, and the establishment of regulatory liabilities; and (iii) testing the regulatory assets and regulatory liabilities considering the provisions and formulas outlined in rate orders and other regulatory correspondence.

/s/ PricewaterhouseCoopers LLP

Tulsa, Oklahoma
February 20, 2025

We have served as the Company's auditor since 2013.

ONE Gas, Inc.
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	2024	**2023**	**2022**
	(Thousands of dollars, except per share amounts)		
Total revenues	**$ 2,083,558**	$ 2,371,990	$ 2,578,005
Cost of natural gas	**778,333**	1,134,510	1,459,087
Operating expenses			
Operations and maintenance	**530,111**	508,399	472,265
Depreciation and amortization	**296,699**	279,830	228,479
General taxes	**79,371**	71,661	68,217
Total operating expenses	**906,181**	859,890	768,961
Operating income	**399,044**	377,590	349,957
Other income, net	**7,427**	9,476	(4,183)
Interest expense, net	**(147,235)**	(115,339)	(77,506)
Income before income taxes	**259,236**	271,727	268,268
Income taxes	**(36,386)**	(40,495)	(46,526)
Net income	**$ 222,850**	$ 231,232	$ 221,742
Earnings per share			
Basic	**$ 3.92**	$ 4.16	$ 4.09
Diluted	**$ 3.91**	$ 4.14	$ 4.08
Average shares (*thousands*)			
Basic	**56,826**	55,600	54,207
Diluted	**57,033**	55,860	54,338
Dividends declared per share of stock	**$ 2.64**	$ 2.60	$ 2.48

See accompanying Notes to Consolidated Financial Statements.

ONE Gas, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31,		
	2024	**2023**	**2022**
	(Thousands of dollars)		
Net income	**$ 222,850**	$ 231,232	$ 221,742
Other comprehensive income, net of tax			
Change in pension and other postemployment benefit plan liability, net of tax of $(281), $140, and $(1,705), respectively	**960**	(478)	5,823
Net unrealized holding gain (loss) on available-for-sale securities, net of tax of $(25), $—, and $—, respectively	**96**	—	—
Total other comprehensive income (loss), net of tax	**1,056**	(478)	5,823
Comprehensive income	**$ 223,906**	$ 230,754	$ 227,565

See accompanying Notes to Consolidated Financial Statements.

ONE Gas, Inc.
CONSOLIDATED BALANCE SHEETS

	December 31, 2024	December 31, 2023
Assets	(*Thousands of dollars*)	
Property, plant and equipment		
Property, plant and equipment	**$ 9,124,134**	$ 8,468,967
Accumulated depreciation and amortization	**2,478,261**	2,333,755
Net property, plant and equipment	**6,645,873**	6,135,212
Current assets		
Cash and cash equivalents	**57,995**	18,835
Restricted cash and cash equivalents	**20,542**	20,552
Total cash, cash equivalents and restricted cash and cash equivalents	**78,537**	39,387
Accounts receivable, net	**408,448**	347,864
Materials and supplies	**91,662**	77,649
Income tax receivable	**53,624**	3,947
Natural gas in storage	**161,184**	187,097
Regulatory assets	**101,210**	75,308
Other current assets	**35,216**	33,952
Total current assets	**929,881**	765,204
Goodwill and other assets		
Regulatory assets	**278,006**	287,906
Securitized intangible asset, net	**265,951**	293,619
Goodwill	**157,953**	157,953
Pension and other postemployment benefits	**42,882**	36,482
Other assets	**105,025**	94,618
Total goodwill and other assets	**849,817**	870,578
Total assets	**$ 8,425,571**	$ 7,770,994

See accompanying Notes to Consolidated Financial Statements.

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ONE Gas, Inc.
CONSOLIDATED BALANCE SHEETS
(Continued)

	December 31, 2024	December 31, 2023
Equity and Liabilities	*(Thousands of dollars)*	
Equity and long-term debt		
Common stock, $0.01 par value: authorized 250,000,000 shares; issued and outstanding 59,876,861 shares at December 31, 2024; issued and outstanding 56,545,924 shares at December 31, 2023	**$ 599**	$ 565
Paid-in capital	**2,294,469**	2,028,755
Retained earnings	**809,606**	737,739
Accumulated other comprehensive loss	**(126)**	(1,182)
Total equity	**3,104,548**	2,765,877
Other long-term debt, excluding current maturities, net of issuance costs	**2,131,718**	1,877,895
Securitized utility tariff bonds, excluding current maturities, net of issuance costs	**253,568**	282,506
Total long-term debt, excluding current maturities, net of issuance costs	**2,385,286**	2,160,401
Total equity and long-term debt	**5,489,834**	4,926,278
Current liabilities		
Current maturities of other long-term debt	**14**	772,984
Current maturities of securitized utility tariff bonds	**28,956**	27,430
Notes payable	**914,600**	88,500
Accounts payable	**261,321**	278,056
Accrued taxes other than income	**75,608**	68,793
Regulatory liabilities	**22,525**	66,901
Customer deposits	**56,243**	62,187
Other current liabilities	**99,009**	112,370
Total current liabilities	**1,458,276**	1,477,221
Deferred credits and other liabilities		
Deferred income taxes	**891,738**	752,068
Regulatory liabilities	**467,563**	500,478
Other deferred credits	**118,160**	114,949
Total deferred credits and other liabilities	**1,477,461**	1,367,495
Commitments and contingencies		
Total liabilities and equity	**$ 8,425,571**	$ 7,770,994

See accompanying Notes to Consolidated Financial Statements.

ONE Gas, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2024	2023	2022
	(Thousands of dollars)		
Operating activities			
Net income	**$ 222,850**	$ 231,232	$ 221,742
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**296,699**	279,830	228,479
Deferred income taxes	**106,522**	24,773	(22,034)
Share-based compensation expense	**13,733**	12,184	10,741
Provision for doubtful accounts	**6,705**	9,698	6,003
Proceeds from government securitization of winter weather event costs	**—**	197,366	1,330,582
Changes in assets and liabilities:			
Accounts receivable	**(67,289)**	196,272	(213,656)
Materials and supplies	**(14,013)**	(6,776)	(15,981)
Income tax receivable	**(49,677)**	(3,947)	—
Natural gas in storage	**25,913**	82,108	(89,559)
Asset removal costs	**(58,952)**	(62,023)	(47,032)
Accounts payable	**(15,014)**	(90,046)	85,915
Accrued taxes other than income	**6,815**	(9,559)	11,317
Customer deposits	**(5,944)**	4,333	(4,600)
Regulatory assets and liabilities - current	**(90,829)**	7,249	52,417
Regulatory assets and liabilities - noncurrent	**19,354**	38,869	53,992
Other assets and liabilities - current	**(17,091)**	30,017	(23,377)
Other assets and liabilities - noncurrent	**(11,371)**	(2,048)	(14,107)
Cash provided by operating activities	**368,411**	939,532	1,570,842
Investing activities			
Capital expenditures	**(703,165)**	(666,634)	(609,486)
Other investing expenditures	**(10,402)**	(8,508)	(8,632)
Other investing receipts	**6,072**	5,499	4,008
Cash used in investing activities	**(707,495)**	(669,643)	(614,110)
Financing activities			
Borrowings (repayments) of notes payable, net	**826,100**	(463,500)	58,000
Issuance of other long-term debt, net of premiums and discounts	**253,467**	299,583	297,591
Issuance of securitized utility tariff bonds, net of discounts	**—**	—	335,931
Long-term debt financing costs	**(2,193)**	(2,508)	(8,567)
Repayment of other long-term debt	**(773,013)**	—	(1,627,000)
Repayment of securitized utility tariff bonds	**(27,939)**	(20,716)	—
Issuance of common stock	**252,379**	85,259	133,711
Dividends paid	**(149,456)**	(144,094)	(133,954)
Tax withholdings related to net share settlements of stock compensation	**(1,111)**	(2,653)	(3,169)
Cash provided by (used in) financing activities	**378,234**	(248,629)	(947,457)
Change in cash, cash equivalents, restricted cash and restricted cash equivalents	**39,150**	21,260	9,275
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	**39,387**	18,127	8,852
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	**$ 78,537**	$ 39,387	$ 18,127
Supplemental cash flow information:			
Cash paid for interest, net of amounts capitalized	**$ 148,987**	$ 80,726	$ 84,871
Cash paid (received) for other state income taxes	**$ 366**	$ 769	$ 621
Cash paid (received) for state income taxes - Oklahoma	**$ (4,546)**	$ 1,571	$ 5,300
Cash paid (received) for federal income taxes	**$ (16,280)**	$ 18,504	$ 61,500

See accompanying Notes to Consolidated Financial Statements.

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ONE Gas, Inc.
CONSOLIDATED STATEMENTS OF EQUITY

	Common Stock Issued	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total Equity
	(Shares)			*(Thousands of dollars)*		
January 1, 2022	53,633,210	$ 536	$ 1,790,362	$ 565,161	$ (6,527)	$ 2,349,532
Net income	—	—	—	221,742	—	221,742
Other comprehensive income (loss)	—	—	—	—	5,823	5,823
Common stock issued and other	1,716,744	17	141,266	—	—	141,283
Common stock dividends - $2.48 per share	—	—	1,086	(135,040)	—	(133,954)
December 31, 2022	55,349,954	553	1,932,714	651,863	(704)	2,584,426
Net income	—	—	—	231,232	—	231,232
Other comprehensive income (loss)	—	—	—	—	(478)	(478)
Common stock issued and other	1,195,970	12	94,779	—	—	94,791
Common stock dividends - $2.60 per share	—	—	1,262	(145,356)	—	(144,094)
December 31, 2023	56,545,924	565	2,028,755	737,739	(1,182)	2,765,877
Net income	**—**	**—**	**—**	**222,850**	**—**	**222,850**
Other comprehensive income (loss)	**—**	**—**	**—**	**—**	**1,056**	**1,056**
Common stock issued and other	**3,330,937**	**34**	**264,187**	**—**	**—**	**264,221**
Common stock dividends - $2.64 per share	**—**	**—**	**1,527**	**(150,983)**	**—**	**(149,456)**
December 31, 2024	**59,876,861**	**$ 599**	**$ 2,294,469**	**$ 809,606**	**$ (126)**	**$ 3,104,548**

See accompanying Notes to Consolidated Financial Statements.

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ONE Gas, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The consolidated financial statements include the accounts of our natural gas distribution business as set forth in "Organization and Nature of Operations" below. All significant balances and transactions between our subsidiaries have been eliminated.

Organization and Nature of Operations - We provide natural gas distribution services to approximately 2.3 million customers in Oklahoma, Kansas and Texas through our three divisions, Oklahoma Natural Gas, Kansas Gas Service and Texas Gas Service, respectively. We primarily serve residential, commercial and transportation customers in all three states. We are a corporation incorporated under the laws of the state of Oklahoma, and our common stock is listed on the NYSE under the trading symbol "OGS."

Segments - We operate in one reportable business segment: regulated public utilities that deliver natural gas primarily to residential, commercial and transportation customers. We define reportable business segments as components of an organization for which discrete financial information is available and operating results are evaluated on a regular basis by the CODM in order to assess performance and allocate resources. Our CODM is our Chief Executive Officer. Characteristics of our organization that were relied upon in making this determination include the similar nature of services we provide, the functional alignment of our organizational structure, and the reports that are regularly reviewed by the CODM for the purpose of assessing performance and allocating resources. Our management is functionally aligned and centralized, with performance evaluated based upon results of the entire distribution business. Capital allocation decisions are driven by asset integrity management, operating efficiency, growth opportunities and government-requested pipeline relocations, not geographic location or regulatory jurisdiction.

In 2024, 2023 and 2022, we had no single external customer from which we received 10 percent or more of our gross revenues.

Revenues - We recognize revenue from contracts with customers to depict the transfers of goods and services to customers at an amount that we expect to be entitled to receive in exchange for these goods and services. Our sources of revenue are disaggregated by natural gas sales, transportation revenues, and miscellaneous revenues, which are primarily one-time service fees, that meet the requirements of ASC 606. Certain revenues that do not meet the requirements of ASC 606 are classified as other revenues in our Notes to Consolidated Financial Statements in this Annual Report.

Our natural gas sales to customers and transportation revenues represent revenues from contracts with customers through implied contracts established by our tariffs approved by regulatory authorities. Our customers receive the benefits of our performance when the commodity is delivered to the customer. The performance obligation is satisfied over time as the customer receives the natural gas.

For deliveries of natural gas, customers are billed on a monthly cycle. We recognize revenues upon the delivery of natural gas or services rendered to customers. The billing cycles for customers do not necessarily coincide with the accounting periods used for financial reporting purposes. We accrue unbilled revenues for natural gas that has been delivered but not yet billed at the end of an accounting period. We use the invoice method practical expedient, where we recognize revenue for volumes delivered for which we have a right to invoice. Our estimate of accrued unbilled revenue is based on a percentage estimate of amounts unbilled each month, which is dependent upon a number of factors, some of which require management's judgment. These factors include customer consumption patterns and the impact of weather on usage. The accrued unbilled natural gas sales revenue is included in accounts receivable on our consolidated balance sheets.

Our miscellaneous revenues from contracts with customers represent implied contracts established by our tariff rates approved by the regulatory authorities and include miscellaneous utility services with the performance obligation satisfied at a point in time when services are rendered to the customer.

Total other revenues consist of revenues associated with regulatory mechanisms that do not meet the requirements of ASC 606 as revenue from contracts with customers, but authorize us to accrue revenues earned based on tariffs approved by regulatory authorities. Other revenues - natural gas sales primarily relate to the WNA mechanism in Kansas. This mechanism adjusts our revenues earned for the variance between actual and normal HDDs. This mechanism can have either positive (warmer than normal) or negative (colder than normal) effects on revenues.

We collect and remit other taxes on behalf of governmental authorities, and we record these amounts in accrued taxes other than income in our consolidated balance sheets. See Note 2 for additional discussion of revenues.

Use of Estimates - The preparation of our consolidated financial statements and related disclosures in accordance with GAAP requires us to make estimates and assumptions with respect to values or conditions that cannot be known with certainty that affect the reported amount of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. These estimates and assumptions also affect the reported amounts of revenue and expenses during the reporting period. Items that may be estimated include, but are not limited to, the economic useful life of assets, fair value of assets and liabilities, provisions for doubtful accounts receivable, unbilled revenues for natural gas delivered but for which meters have not been read, natural gas purchased but for which no invoice has been received, provision for income taxes, including any deferred income tax valuation allowances, the results of litigation and various other recorded or disclosed amounts.

We evaluate these estimates on an ongoing basis using historical experience and other methods we consider reasonable based on the particular circumstances. Nevertheless, actual results may differ significantly from the estimates. Any effects on our financial position or results of operations from revisions to these estimates are recorded in the period when the facts that give rise to the revision become known.

Cost of Natural Gas - Cost of natural gas includes commodity purchases, fuel, storage, transportation, financial derivatives, and other gas purchase costs recovered through our cost of natural gas regulatory mechanisms and does not include an allocation of general operating costs or depreciation and amortization. These cost of natural gas regulatory mechanisms provide a method of recovering natural gas costs on an ongoing basis without a profit. See Note 3 for additional discussion of purchased gas cost recoveries.

Cash, Cash Equivalents and Restricted Cash and Restricted Cash Equivalents - Cash equivalents and restricted cash equivalents consist of highly liquid investments, which are readily convertible into cash and have original maturities of three months or less. At December 31, 2024, we held $45.4 million in highly liquid investments. Highly liquid investments were not material at December 31, 2023. Restricted cash consists of funds that are contractually or legally restricted as to usage or withdrawal and have been presented separately from cash and cash equivalents on our consolidated balance sheets. Restricted cash and restricted cash equivalents accounts were established for payment of Securitized Utility Tariff Bond issuance costs and payment of debt service on those bonds.

Property, Plant and Equipment - Our properties are stated at cost, which includes direct construction costs such as direct labor, materials, burden and AFUDC. Generally, the cost of our property retired or sold, plus removal costs, less salvage, is charged to accumulated depreciation. Gains and losses from sales or retirement of an entire operating unit or system of our properties are recognized in income. Maintenance and repairs are charged directly to expense.

AFUDC represents the cost of borrowed funds used to finance construction activities. We capitalize interest costs during the construction or upgrade of qualifying assets. Capitalized interest is recorded as a reduction to interest expense, net.

Our properties are depreciated using the straight-line method over their estimated useful lives. Generally, we apply composite depreciation rates to functional groups of property having similar economic circumstances. We periodically conduct depreciation studies to assess the economic lives of our assets. These depreciation studies are completed as a part of our regulatory proceedings, and the changes in economic lives, if applicable, are implemented prospectively when the new rates are approved by our regulators and become effective. Changes in the estimated economic lives of our property, plant and equipment could have a material effect on our financial position, results of operations or cash flows.

Property, plant and equipment on our consolidated balance sheets includes construction work in process for capital projects that have not yet been placed in service and therefore are not being depreciated. Assets are transferred out of construction work in process when they are substantially complete and ready for their intended use.

See Note 14 for additional information regarding our property, plant and equipment.

Accounts Receivable, Net - Accounts receivable represent valid claims against nonaffiliated customers for natural gas sold or services rendered. We assess the creditworthiness of our customers. Those customers who do not meet minimum standards may be required to provide security, including deposits and other forms of collateral, when appropriate and allowed by our tariffs. With approximately 2.3 million customers across three states, we are not exposed materially to a concentration of credit risk. We maintain an allowance for doubtful accounts based upon factors surrounding the credit risk of customers, historical trends, consideration of the current environment and other information. We recover natural gas costs related to accounts written off when they are deemed uncollectible through the purchased-gas cost adjustment mechanisms in each of our jurisdictions. At December 31, 2024 and 2023, our allowance for doubtful accounts was $14.9 million and $16.1 million, respectively.

Inventories - Natural gas in storage is accounted for on the basis of weighted-average cost. Materials and supplies inventories are stated at the lower of weighted-average cost or net realizable value.

Leases - We determine if an arrangement is a lease at inception if the contract conveys the right to control the use and obtain substantially all the economic benefits from the use of an identified asset for a period of time in exchange for consideration. We identify a lease as a finance lease if the agreement includes any of the following criteria: transfer of ownership by the end of the lease term; an option to purchase the underlying asset that the lessee is reasonably certain to exercise; a lease term that represents 75 percent or more of the remaining economic life of the underlying asset; a present value of lease payments and any residual value guaranteed by the lessee that equals or exceeds 90 percent of the fair value of the underlying asset; or an underlying asset that is so specialized in nature that there is no expected alternative use to the lessor at the end of the lease term. A lease that does not meet any of these criteria is considered an operating lease.

Lease right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Right-of-use assets and liabilities are recognized at the commencement date of a lease based on the present value of lease payments over the lease term. Our lease terms may include options to extend or terminate the lease. We include these extension or termination options in the determination of the lease term when it is reasonably certain that we will exercise that option. We have lease agreements with lease and non-lease components, which are accounted for separately. Additionally, for certain office equipment leases, we apply a portfolio approach to effectively account for the operating lease right-of-use assets and liabilities. We do not recognize leases having a term of less than one year in our consolidated balance sheets.

For purposes of determining the present value of the lease payments, we use a lease's implicit interest rate when readily determinable. As most of our leases do not provide an implicit interest rate, we use an incremental borrowing rate based on available information at the commencement of the lease. Lease cost for operating leases is recognized on a straight-line basis over the lease term. See Note 6 for additional information regarding our leases.

Derivatives and Risk Management Activities - We record all derivative instruments at fair value, with the exception of certain commodity purchase contracts for which we have chosen the normal purchase normal sale election as they are expected to result in physical delivery. The accounting for changes in the fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so, the reason for holding it, or if regulatory requirements impose a different accounting treatment.

If certain conditions are met, we may elect to designate a derivative instrument as a hedge of exposure to changes in fair values or cash flows. We have not elected to designate any of our derivative instruments as hedges.

The table below summarizes the various ways in which we account for our derivative instruments and the impact on our consolidated financial statements:

	Recognition and Measurement	
Accounting Treatment	**Balance Sheet**	**Income Statement**
Normal purchases and normal sales	- Fair value not recorded	- Change in fair value not recognized in earnings
Mark-to-market	- Recorded at fair value	- Change in fair value recognized in, and recoverable through, the purchased-gas cost adjustment mechanisms

See Note 16 for additional information regarding our economic hedging activities using derivatives.

Fair Value Measurements - We define fair value as the price that would be received from the sale of an asset or the transfer of a liability in an orderly transaction between market participants at the measurement date. We use the market and income approaches to determine the fair value of our assets and liabilities and consider the markets in which the transactions are executed. We measure the fair value of a group of financial assets and liabilities consistent with how a market participant would price the net risk exposure at the measurement date.

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Fair Value Hierarchy - At each balance sheet date, we utilize a fair value hierarchy to classify fair value amounts recognized or disclosed in our consolidated financial statements based on the observability of inputs used to estimate such fair value. The levels of the hierarchy are described below:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Significant observable pricing inputs other than quoted prices included within Level 1 that are, either directly or indirectly, observable as of the reporting date. Essentially, this represents inputs that are derived principally from or corroborated by observable market data; and
- Level 3 - May include one or more unobservable inputs that are significant in establishing a fair value estimate. These unobservable inputs are developed based on the best information available and may include our own internal data.

We recognize transfers into and out of the levels as of the end of each reporting period.

Determining the appropriate classification of our fair value measurements within the fair value hierarchy requires management's judgment regarding the degree to which market data is observable or corroborated by observable market data. We categorize derivatives for which fair value is determined using multiple inputs within a single level, based on the lowest level input that is significant to the fair value measurement in its entirety. See Note 16 for additional information regarding our fair value measurements.

Impairment of Goodwill and Long-Lived Assets - We assess our goodwill for impairment at least annually as of July 1, unless events or a change in circumstances indicate an impairment may have occurred before that time. As part of our goodwill impairment test, we first assess qualitative factors (including macroeconomic conditions, industry and market considerations, cost factors and overall financial performance) to determine whether it is more likely than not that our fair value is less than the carrying amount of our net assets. If further testing is necessary or a quantitative test is elected to refresh our recurring qualitative assessment, we perform a quantitative impairment test for goodwill.

Our impairment assessment is performed by comparing our fair value with our book value, including goodwill. If the fair value is less than the book value, an impairment is measured by the amount of our carrying value that exceeds fair value, not to exceed the carrying amount of our goodwill.

To estimate fair value, we use two generally accepted valuation approaches, an income approach and a market approach, using assumptions consistent with a market participant's perspective. Under the income approach, we use anticipated cash flows over a period of years plus a terminal value and discount these amounts to their present value using appropriate discount rates. Under the market approach, we apply acquisition multiples to forecasted cash flows. The acquisition multiples used are consistent with historical market transactions. The forecasted cash flows are based on average forecasted cash flows over a period of years.

Our goodwill impairment analysis performed in 2024 and 2023 utilized a qualitative assessment and did not result in any impairment indicators, nor did our analysis reflect our reporting unit at risk. Subsequent to July 1, 2024, no event has occurred indicating that it is more likely than not that our fair value is less than the carrying value of our net assets.

We assess our long-lived assets for impairment whenever events or changes in circumstances indicate that an asset's carrying amount may not be recoverable. An impairment is indicated if the carrying amount of a long-lived asset exceeds the sum of the undiscounted future cash flows expected to result from the use and eventual disposition of the asset. If an impairment is indicated, we record an impairment loss equal to the difference between the carrying value and the fair value of the long-lived asset. We determined that there were no material asset impairments in 2024, 2023 or 2022.

Securitized Intangible Asset - On November 18, 2022, KGSS-I acquired the Securitized Utility Tariff Property from Kansas Gas Service for $327.4 million. The Securitized Utility Tariff Property is classified as a securitized intangible asset on our consolidated balance sheets. This securitized intangible asset will be amortized over 10 years, the estimated period needed to collect the required amounts from Kansas Gas Service's customers to service the Securitized Utility Tariff Bonds. The amortization expense related to the securitized intangible asset will be included in depreciation and amortization expense in our consolidated statements of income. For the years ended December 31, 2024 and 2023, we recorded $27.7 million and $30.2 million, respectively, of amortization expense related to the securitized intangible asset. At the end of its life, this securitized intangible asset will have no residual value. See Note 5 for additional information about the Securitized Utility Tariff Bonds.

Finite-lived intangible assets are stated at cost, net of accumulated amortization, which is recorded on a straight-line or accelerated basis over the life of the asset. We review amortizable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If such a review should indicate that the carrying amount of amortizable intangible assets is not recoverable, we reduce the carrying amount of such assets to fair value.

Regulation - We are subject to the rate regulation and accounting requirements of the OCC, KCC, RRC and various municipalities in Texas. We follow the accounting and reporting guidance for regulated operations, including evaluating regulatory decisions to determine appropriate revenue recognition, cost deferrals and recoverability for regulatory assets and refund requirements for regulatory liabilities. During the ratemaking process, regulatory authorities set the framework for what we can charge customers for our services and establish the manner that our costs are accounted for, including allowing us to defer recognition of certain costs and permitting recovery of the amounts through rates over time, as opposed to expensing such costs as incurred. Examples include weather normalization, unrecovered purchased-gas costs, extraordinary costs associated with Winter Storm Uri, pension and postemployment benefit costs and ad-valorem taxes. This allows us to stabilize rates over time rather than passing such costs on to the customer for immediate recovery. Actions by regulatory authorities could have an effect on the amount recovered from customers. Any difference in the amount recoverable and the amount deferred is recorded as income or expense at the time of the regulatory action. A write-off of regulatory assets and costs not recovered may be required if all or a portion of the regulated operations have rates that are no longer:

- established by independent regulators;
- designed to recover our costs of providing regulated services; and
- set at levels that will recover our costs when considering the demand and competition for our services.

Should recovery cease due to regulatory actions, certain of these assets may no longer meet the criteria for recognition and accordingly, a write-off of regulatory assets and stranded costs may be required. There were no write-offs of regulatory assets resulting from the failure to meet the criteria for capitalization during 2024, 2023 and 2022.

See Note 3 for additional information regarding our regulatory assets and liabilities.

Pension and Other Postemployment Employee Benefits - We have defined benefit pension plans covering eligible employees, all of which are closed to new participants. We also sponsor welfare plans that provide other postemployment medical and life insurance benefits to eligible employees who retire with at least five years of service. To calculate the costs and liabilities related to our plans, we utilize an outside actuarial consultant, which uses statistical and other factors to anticipate future events. These factors include assumptions about the discount rate, expected return on plan assets, rate of future compensation increases, age and mortality and employment periods. We use tables issued by the Society of Actuaries to estimate mortality rates. In determining the projected benefit obligations and costs, assumptions can change from period to period and may result in material changes in the cost and liabilities we recognize.

Income Taxes - Deferred income taxes are recorded for the difference between the financial statement and income tax basis of assets and liabilities and carryforward items, based on income tax laws and rates existing at the time the temporary differences are expected to reverse. The effect on deferred income taxes of a change in tax rates is deferred and amortized for operations regulated by the OCC, KCC, RRC and various municipalities in Texas, if, as a result of an action by a regulator, it is probable that the effect of the change in tax rates will be recovered from or returned to customers through future rates. We continue to amortize previously deferred investment tax credits for ratemaking purposes over the periods prescribed by our regulators.

A valuation allowance for deferred income tax assets is recognized when it is more likely than not that some or all of the benefit from the deferred income tax asset will not be realized. To assess that likelihood, we use estimates and judgment regarding our future taxable income, as well as the jurisdiction in which such taxable income is generated, to determine whether a valuation allowance is required. Such evidence can include our current financial position, our results of operations, both actual and forecasted, the reversal of deferred income tax liabilities, as well as the current and forecasted business economics of our industry. We had no valuation allowance at December 31, 2024 and 2023.

We utilize a more-likely-than-not recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position that is taken or expected to be taken in a tax return. We reflect penalties and interest as part of income tax expense as they become applicable for tax provisions that do not meet the more-likely-than-not recognition threshold and measurement attribute. There were no material uncertain tax positions at December 31, 2024 and 2023.

Changes in tax laws or tax rates are recognized in the financial reporting period that includes the enactment date.

See Note 12 for additional information regarding income taxes.

Asset Retirement Obligations - Asset retirement obligations represent legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or normal use of the asset. Certain long-lived assets that comprise our natural gas distribution systems, primarily our pipeline assets, are subject to agreements or regulations that give rise to an asset retirement obligation for removal or other disposition costs associated with retiring the assets in place upon the discontinued use of the natural gas distribution system. We recognize the fair value of a liability for an asset retirement obligation in the period when it is incurred if a reasonable estimate of the fair value can be made. We are not able to estimate reasonably the fair value of the asset retirement obligations for portions of our assets because the settlement dates are indeterminable given our expected continued use of the assets with proper maintenance. We expect our natural gas distribution systems will continue in operation for the foreseeable future. Based on our proximity to significant natural gas reserves and infrastructure and the widespread use of natural gas for heating and cooking activities by residential and commercial customers in our service areas, we expect supply and demand to exist for the foreseeable future.

In accordance with long-standing regulatory treatment, we collect through rates the estimated costs of removal on certain regulated properties through depreciation expense as a portion of the net salvage value component of our composite deprecation rates, with a corresponding credit to accumulated depreciation and amortization. These removal costs collected through our rates include costs attributable to legal and nonlegal removal obligations. These costs are addressed prospectively in depreciation rates in each general rate order.

For financial reporting purposes, if the removal costs collected have exceeded our removal costs incurred, we estimate a regulatory liability using current rates since the last general rate order in each of our jurisdictions. At December 31, 2024 and 2023, we have recorded a regulatory liability, as our removal costs incurred are less than amounts collected through our depreciation rates in one of our service territories. Significant uncertainty exists regarding the recording of these regulatory liabilities, pending, among other issues, clarification of regulatory intent. We continue to monitor the regulatory requirements, and the regulatory liabilities incurred may be adjusted as more information is obtained. To the extent these estimated liabilities are adjusted, such amounts will be reclassified between accumulated depreciation and amortization and regulatory liabilities on our balance sheet and therefore will not have an impact on earnings.

Contingencies - Our accounting for contingencies covers a variety of business activities, including contingencies for legal and environmental exposures. We accrue these contingencies when our assessments indicate that it is probable that a liability has been incurred or an asset will not be recovered and an amount can be estimated reasonably. We expense legal fees as incurred and base our legal liability estimates on currently available facts and our estimates of the ultimate outcome or resolution. Accruals for the estimated cost of environmental remediation obligations generally are recognized no later than the completion of a remediation feasibility study. Recoveries of environmental remediation costs from other parties are recorded as assets when their receipt is deemed probable. Actual results may differ from our estimates resulting in an impact, positive or negative, on earnings.

See Note 15 for additional information regarding contingencies.

Share-Based Payments - We expense the fair value of share-based payments net of estimated forfeitures. We estimate forfeiture rates based on historical forfeitures under our share-based payment plans.

Earnings per share - Basic EPS is calculated by dividing net income by the daily weighted-average number of common shares outstanding during the periods presented, which includes fully vested stock awards that have not yet been issued as common stock. Diluted EPS is based on shares outstanding for the calculation of basic EPS, plus unvested stock awards granted under our compensation plans and equity forward sale agreements, but only to the extent these instruments dilute earnings per share.

Reclassifications - Reclassifications have been made in the prior-year financial statements to conform to the current-year presentation. We have updated our consolidated balance sheet at December 31, 2023, to disaggregate the following line items from their previous presentation to conform to our current-year presentation: “income tax receivable” from “other current assets” and “pension and other postemployment benefits” from “other assets.” We have also updated our consolidated balance sheet at December 31, 2023, to include “employee benefit obligations” within “other deferred credits.”

Recently Issued Accounting Standards Update - In November 2024, the FASB issued ASU-2024-03, “Disaggregation of Income Statement Expenses (Subtopic 220-40).” The amendments in this standard address requests from investors for more detailed information about the types of expenses commonly presented in income statements and will require a footnote disclosure to disaggregate, in a tabular presentation, each relevant expense category on the face of the income statement that includes any of the following natural expenses: purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depreciation, depletion, and amortization recognized as part of oil- and gas-producing activities or other types of depletion expenses. The amendments in this update are effective for annual periods beginning after December 15, 2026, and interim periods within annual periods beginning after December 15, 2027. We are currently assessing the timing and impacts of adopting this standard.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which is intended to enhance annual income tax disclosures to address investor requests for more information about the tax risks and opportunities present in an entity's operations. The amendments in this standard require disclosure of additional information in specified categories with respect to the reconciliation of the effective tax rate to the statutory rate (the rate reconciliation) for federal, state, and foreign income taxes. They also require greater detail about individual reconciling items in the rate reconciliation to the extent the impact of those items exceeds a specified threshold. In addition to new disclosures associated with the rate reconciliation, the amendments in this update require information pertaining to taxes paid (net of refunds received) to be disaggregated for federal, state, and foreign taxes and further disaggregated for specific jurisdictions to the extent the related amounts exceed a quantitative threshold. The amendments in this update are effective for annual periods beginning after December 15, 2024. We adopted this guidance for 2024 — earlier than the effective date. Our adoption did not result in a material impact to our consolidated financial statements. See Note 12 for additional information regarding income taxes.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which is intended to improve annual and interim reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this standard enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. The amendments in this update are effective for annual periods beginning after December 15, 2023, and interim periods within annual periods beginning after December 15, 2024. We adopted this guidance as of the effective date. Our adoption did not result in a material impact to our consolidated financial statements and disclosures.

2. REVENUE

The following table sets forth our revenues disaggregated by source for the periods indicated:

	Year Ended December 31,		
	2024	**2023**	**2022**
	(Thousands of dollars)		
Natural gas sales to customers	**$ 1,841,400**	$ 2,141,908	$ 2,410,048
Transportation revenues	**137,111**	132,945	125,951
Securitization customer charges (Note 17)	**44,390**	48,677	5,769
Miscellaneous revenues	**22,971**	22,791	19,850
Total revenues from contracts with customers	**2,045,872**	2,346,321	2,561,618
Other revenues - natural gas sales related	**24,296**	12,764	3,403
Other revenues	**13,390**	12,905	12,984
Total other revenues	**37,686**	25,669	16,387
Total revenues	**$ 2,083,558**	$ 2,371,990	$ 2,578,005

Accrued unbilled natural gas sales revenues at December 31, 2024 and December 31, 2023, were $212.0 million and $191.4 million, respectively, and are included in accounts receivable on our consolidated balance sheets.

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3. REGULATORY ASSETS AND LIABILITIES

The tables below present a summary of regulatory assets and liabilities, net of amortization, for the periods indicated:

	Recovery Period	December 31, 2024 Current	Noncurrent	Total
		(*Thousands of dollars*)		
Winter weather event costs	(a)	**$ 9,051**	**$ 15,938**	**$ 24,989**
Under-recovered purchased-gas costs	1 year	**43,819**	**—**	**43,819**
Pension and postemployment benefit costs, net	See Note 11	**1,358**	**224,837**	**226,195**
Reacquired debt costs	4 years	**723**	**1,989**	**2,712**
MGP remediation costs	15 years	**1,000**	**30,067**	**31,067**
Ad-valorem tax	1 year	**14,066**	**—**	**14,066**
WNA	1 year	**26,684**	**—**	**26,684**
Customer credit deferrals	1 year	**255**	**3,639**	**3,894**
Other, net	1 to 20 years	**4,254**	**1,536**	**5,790**
Total regulatory assets		**101,210**	**278,006**	**379,216**
Income tax rate changes	(a)	**—**	**(467,563)**	**(467,563)**
Over-recovered purchased-gas costs	1 year	**(22,525)**	**—**	**(22,525)**
Total regulatory liabilities		**(22,525)**	**(467,563)**	**(490,088)**
Net regulatory assets and liabilities		**$ 78,685**	**$ (189,557)**	**$ (110,872)**

(a) Recovery period varies by jurisdiction. See discussion below for additional information regarding our regulatory assets related to winter weather event costs and regulatory liabilities related to income tax rate changes.

	Recovery Period	December 31, 2023 Current	Noncurrent	Total
		(*Thousands of dollars*)		
Winter weather event costs	(a)	$ 22,633	$ 21,495	$ 44,128
Under-recovered purchased-gas costs	1 year	10,391	—	10,391
Pension and postemployment benefit costs	See Note 11	6,379	228,092	234,471
Reacquired debt costs	6 years	723	2,712	3,435
MGP remediation costs	15 years	98	31,893	31,991
Ad-valorem tax	1 year	14,533	—	14,533
WNA	1 year	11,404	—	11,404
Customer credit deferrals	1 year	6,184	—	6,184
Other	1 to 18 years	2,963	3,714	6,677
Total regulatory assets		75,308	287,906	363,214
Income tax rate changes	(a)	—	(500,478)	(500,478)
Over-recovered purchased-gas costs	1 year	(66,901)	—	(66,901)
Total regulatory liabilities		(66,901)	(500,478)	(567,379)
Net regulatory assets and liabilities		$ 8,407	$ (212,572)	$ (204,165)

(a) Recovery period varies by jurisdiction. See discussion below for additional information regarding our regulatory assets related to winter weather event costs and regulatory liabilities related to income tax rate changes.

Regulatory assets in our consolidated balance sheets, as authorized by various regulatory authorities, are probable of recovery. Base rates and certain riders are designed to provide a recovery of costs during the period such rates are in effect, but do not generally provide for a return on investment for amounts we have deferred as regulatory assets. All of our regulatory assets are subject to review by the respective regulatory authorities during future regulatory proceedings.

Other regulatory assets and liabilities - Purchased-gas costs represent the natural gas costs that have been over- or under-recovered from customers through the purchased-gas cost adjustment mechanisms, and includes natural gas utilized in our operations and premiums paid and any cash settlements received from our purchased natural gas call options.

The OCC, KCC and regulatory authorities in Texas have approved the recovery of pension costs and other postemployment benefits costs through rates for Oklahoma Natural Gas, Kansas Gas Service and Texas Gas Service, respectively. The costs recovered through rates are based on the net periodic benefit cost for defined benefit pension and other postemployment costs.

Differences, if any, between the net periodic benefit cost (credit), net of deferrals, and the amount recovered through rates are reflected in earnings. We historically have recovered defined benefit pension and other postemployment benefit costs through rates. We believe it is probable that regulators will continue to include the net periodic pension and other postemployment benefit costs in our cost of service.

We amortize reacquired debt costs in accordance with the accounting guidelines prescribed by the OCC and the KCC.

See Note 15 for additional information regarding our regulatory assets for MGP remediation costs.

Ad-valorem tax represents the difference in Kansas Gas Service's taxes incurred each year above or below the amount approved in base rates. This difference is deferred as a regulatory asset or liability for a 12-month period. Kansas Gas Service then applies an adjustment to customers' bills to refund the over-collected revenue or bill the under-collected revenue over the subsequent 12 months.

Weather normalization represents revenue over- or under-recovered through the WNA rider in Kansas. This amount is deferred as a regulatory asset or liability for a 12-month period. Kansas Gas Service then applies an adjustment to customers' bills for 12 months to refund the over-collected revenue or bill the under-collected revenue.

The customer credit deferrals and the noncurrent regulatory liability for income tax rate changes represents deferral of the effects of enacted federal and state income tax rate changes on our ADIT and the effects of these changes on our rates. See Note 12 for additional information regarding the impact of income tax rate changes.

Recovery through rates resulted in amortization of regulatory assets, net, of approximately $14.4 million, $14.7 million and $9.4 million for the years ended December 31, 2024, 2023 and 2022, respectively.

4. CREDIT FACILITY AND SHORT-TERM DEBT

In June 2024, we entered into an agreement that increased the capacity of the ONE Gas Credit Agreement to $1.275 billion from $1.2 billion with commitments from existing lenders and the addition of a new lender.

In October 2024, we entered into an agreement that increased the capacity of the ONE Gas Credit Agreement to $1.35 billion from $1.275 billion with commitments from existing lenders and the addition of a new lender. Other than the increased commitments and the addition of a new lender, all other terms and conditions of the ONE Gas Credit Agreement remain in full force and effect, including the maturity date of March 16, 2028.

The ONE Gas Credit Agreement provides for a $1.35 billion revolving unsecured credit facility and includes a $20 million letter of credit subfacility and a $60 million swingline subfacility. We can request an increase in commitments of up to an additional $150 million upon satisfaction of customary conditions, including receipt of commitments from either new lenders or increased commitments from existing lenders. The ONE Gas Credit Agreement is available to provide liquidity for working capital, capital expenditures, acquisitions and mergers, the issuance of letters of credit and for other general corporate purposes.

The ONE Gas Credit Agreement contains certain financial, operational and legal covenants. Among other things, these covenants include maintaining ONE Gas' total debt-to-capital ratio of no more than 70 percent at the end of any calendar quarter. At December 31, 2024, our total debt-to-capital ratio was 51.8 percent and we were in compliance with all covenants under the ONE Gas Credit Agreement. Excluding the debt of KGSS-I, which is non-recourse to us, our total debt-to-capital ratio was 49.5 percent. We may reduce the unutilized portion of the ONE Gas Credit Agreement in whole or in part without premium or penalty. The ONE Gas Credit Agreement contains customary events of default. Upon the occurrence of certain events of default, our obligations under the ONE Gas Credit Agreement may be accelerated and the commitments may be terminated.

At December 31, 2024, we had $1.35 million in letters of credit issued and no borrowings under the ONE Gas Credit Agreement, with approximately $1.349 billion of remaining credit, which is available to repay our commercial paper borrowings.

In July 2024, we increased the capacity of our commercial paper program to $1.275 billion from $1.2 billion.

In October 2024, we increased the capacity of our commercial paper program to $1.35 billion from $1.275 billion. Under our commercial paper program, we may issue unsecured commercial paper to fund short-term borrowing needs. The maturities of the commercial paper vary but may not exceed 270 days from the date of issue. Commercial paper is generally sold at par less a

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discount representing an interest factor. At December 31, 2024 and December 31, 2023, we had $914.6 million and $88.5 million of commercial paper outstanding with a weighted-average interest rate of 4.77 percent and 5.60 percent, respectively.

5. LONG-TERM DEBT

The table below presents a summary of our long-term debt outstanding for the periods indicated:

	Interest Rate	December 31, 2024	December 31, 2023
		(Thousands of dollars)	
Senior Notes due:			
February 2024	**3.610%**	**$ —**	$ 300,000
March 2024	**1.100%**	**—**	473,000
April 2029	**5.100%**	**550,000**	300,000
May 2030	**2.000%**	**300,000**	300,000
September 2032	**4.250%**	**300,000**	300,000
February 2044	**4.658%**	**600,000**	600,000
November 2048	**4.500%**	**400,000**	400,000
Total Senior Notes		**2,150,000**	2,673,000
KGSS-I Securitized Utility Tariff Bonds	**5.486%**	**287,345**	315,284
Unamortized discounts, net of premiums, on long-term debt		**(3,624)**	(7,615)
Debt issuance costs (a)		**(20,691)**	(21,092)
Other	**8.000%**	**1,226**	1,238
Total long-term debt, net		**2,414,256**	2,960,815
Less: current maturities of KGSS-I securitized utility tariff bonds, net		**28,956**	27,430
Less: current maturities of other long-term debt, net		**14**	772,984
Noncurrent portion of long-term debt, net		**$ 2,385,286**	$ 2,160,401

(a) Includes issuance costs and discounts for the KGSS-I Securitized Utility Tariff Bonds of $4.8 million and $5.3 million, at December 31, 2024 and December 31, 2023 respectively.

Senior Notes - The indenture governing our Senior Notes includes an event of default upon the acceleration of other indebtedness of $100 million or more. Such events of default would entitle the trustee or the holders of 25 percent in aggregate principal amount of the outstanding Senior Notes to declare those Senior Notes immediately due and payable in full.

Depending on the series, we may redeem our Senior Notes at par, plus accrued and unpaid interest to the redemption date, starting one month, three months or six months before their maturity dates. Prior to these dates, we may redeem these Senior Notes, in whole or in part, at a redemption price equal to the principal amount, plus accrued and unpaid interest and a make-whole premium. The redemption price will never be less than 100 percent of the principal amount of the respective Senior Note plus accrued and unpaid interest to the redemption date. Senior Notes are senior unsecured obligations, ranking equally in right of payment with all of our existing and future unsecured senior indebtedness.

In December 2023, we issued $300 million of 5.10 percent senior notes due April 2029. The proceeds from the issuance were used to repay amounts outstanding under our commercial paper program and for general corporate purposes.

We repaid our $300 million of 3.61 percent senior notes due February 2024 and our $473 million of 1.10 percent senior notes due March 2024 upon maturity with commercial paper.

In August 2024, we reopened our outstanding 5.10 percent senior notes due 2029 and issued an additional $250 million. After the completion of this offering, the aggregate principal amount of the outstanding 5.10 percent senior notes due 2029 is $550 million.

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6. LEASES

We have operating leases for office facilities, gas storage facilities, IT equipment and right-of-way contracts. Our leases have remaining lease terms of less than one year to five years, some of which include options to extend the leases for up to 10 years, and some of which include options to terminate the leases within specified time frames. We have not entered into any finance leases.

Our right-of-use asset is $17.5 million and $21.0 million as of December 31, 2024 and 2023, respectively, and is reported within other assets in our consolidated balance sheets. Operating lease liabilities are reported within our accounts payable and other liabilities in our consolidated balance sheets. Total operating lease cost including immaterial amounts attributable to short-term operating leases was $7.7 million, $7.7 million, and $7.8 million in 2024, 2023 and 2022, respectively.

In 2024, we reassessed certain operating leases for office facilities and IT equipment which were extended or modified, resulting in an increase of $2.7 million in our right-of-use asset and operating lease liability.

Other information related to operating leases	**Year Ended December 31, 2024**	**2023**	**2022**
		(Millions of dollars)	
Weighted-average remaining lease term	**4 years**	4 years	5 years
Weighted-average discount rate	**4.37 %**	4.28 %	4.04 %
Supplemental cash flows information			
Lease payments	**$ (7.9)**	$ (8.3)	$ (8.2)
Right-of-use assets obtained in exchange for lease obligations	**$ 2.7**	$ 3.9	$ 0.3

Future minimum lease payments under non-cancellable operating leases	**December 31, 2024**
	(Millions of dollars)
2025	**$ 5.9**
2026	**4.3**
2027	**3.3**
2028	**3.0**
2029	**1.5**
Thereafter	**—**
Total future minimum lease payments	**$ 18.0**
Imputed interest	**(1.4)**
Total operating lease liability	**$ 16.6**
Consolidated balance sheets as of December 31, 2024	
Current operating lease liability	**$ 5.2**
Long-term operating lease liability	**11.4**
Total operating lease liability	**$ 16.6**

7. EQUITY

Preferred Stock - At December 31, 2024, we had 50 million, $0.01 par value, authorized shares of preferred stock available. We have not issued or established any classes or series of shares of preferred stock.

Common Stock - At December 31, 2024, we had approximately 190.1 million shares of authorized common stock available for issuance.

Equity Issuances - On December 27, 2024, we settled under forward contracts 3,160,465 shares (926,465 shares from forwards related to an at-the-market equity distribution agreement and 2,234,000 from forwards related to underwriting agreements) of our common stock for net proceeds of $245.7 million ($75.2 million from forwards related to an at-the market equity distribution agreement and $170.5 million from forwards related to underwriting agreements).

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In December 2024, we amended the two forward sale agreements we entered into in September 2023 to extend the maturity date of 223,000 and 180,000 shares of our common stock, to December 31, 2025 from December 31, 2024. The amended forward sale agreements provide for settlement on a date, or dates, to be specified at our discretion but which will occur no later than December 31, 2025.

In February 2023, we entered into an at-the-market equity distribution agreement under which we may issue and sell shares of our common stock with an aggregate offering price up to $300 million. This at-the-market equity program replaced our previous at-the-market equity program, which began in February 2020, and expired in February 2023. Sales of common stock are made by means of ordinary brokers' transactions on the NYSE, in block transactions or as otherwise agreed to between us and the sales agent. We are under no obligation to offer and sell common stock under the program. At December 31, 2024, we had $225.5 million of equity available for issuance under the program.

The following table summarizes all of our outstanding forward sale agreements at December 31, 2024:

Maturity	Original Shares	Remaining Shares	Forward Price	Net Proceeds Available
	(Shares)	*(Shares)*	*(Per share)*	*(Thousands of dollars)*
December 31, 2025	**1,200,000**	**223,000**	**$ 74.65**	**$ 16,647**
December 31, 2025	**180,000**	**180,000**	**74.60**	**13,428**
Total forward sale agreements	**1,380,000**	**403,000**	**$ 74.63**	**$ 30,075**

Dividends Declared - For the years ended December 31, 2024 and 2023, we declared and paid dividends of $2.64 per share ($0.66 per share quarterly) and $2.60 per share ($0.65 per share quarterly), respectively. In January 2025, we declared a dividend of $0.67 per share ($2.68 per share on an annualized basis) for shareholders of record as of February 21, 2025, payable on March 7, 2025.

8. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table sets forth the balance in accumulated other comprehensive loss for the periods indicated:

	Accumulated Other Comprehensive Loss
	(Thousands of dollars)
January 1, 2023	$ (704)
Pension plan obligation	
Other comprehensive income (loss) before reclassification, net of tax of $140	(477)
Amounts reclassified from accumulated other comprehensive loss, net of tax of $—	(1)
Other comprehensive income (loss)	(478)
December 31, 2023	(1,182)
Pension plan obligation	
Other comprehensive income (loss) before reclassification, net of tax of $(281)	**961**
Amounts reclassified from accumulated other comprehensive loss, net of tax of $—	**(1)**
Available-for-sale securities	
Other comprehensive income (loss) before reclassification, net of tax of $(24)	**94**
Amounts reclassified from accumulated other comprehensive loss, net of tax of $(1)	**2**
Other comprehensive income (loss)	**1,056**
December 31, 2024	**$ (126)**

The following table sets forth the effect of reclassifications from accumulated other comprehensive loss in our consolidated statements of income for the periods indicated:

Details About Accumulated Other Comprehensive Loss Components	Year Ended December 31, 2024	2023	2022	Affected Line Item in the Consolidated Statements of Income
	(*Thousands of dollars*)			
Pension and other postemployment benefit plan obligations (a)				
Amortization of net gain (loss)	**$ (5,770)**	$ (1,960)	$ (17,010)	
Amortization of unrecognized prior service credit (cost)	**(372)**	(525)	(289)	
	(6,142)	(2,485)	(17,299)	
Regulatory adjustments (b)	**6,143**	2,486	17,141	
Amounts reclassified from accumulated other comprehensive loss	**1**	1	(158)	Other income (expense), net
Available-for-sale securities				
Amounts reclassified from accumulated other comprehensive loss	**(3)**	—	—	Other income (expense), net
Total available-for-sale securities	**(3)**	—	—	
Total reclassifications before tax	**(2)**	1	(158)	Income before income taxes
Tax effect of reclassifications	**1**	—	36	Income tax expense
Net reclassifications for the period	**$ (1)**	$ 1	$ (122)	Net income

(a) These components of accumulated other comprehensive loss are included in the computation of net periodic benefit credit. See Note 11 for additional detail of our net periodic benefit credit.

(b) Regulatory adjustments represent pension and other postemployment benefit credits or costs expected to be recovered through rates and are deferred as part of our regulatory assets. See Note 3 for additional disclosures of regulatory assets and liabilities.

9. EARNINGS PER SHARE

Basic EPS is calculated by dividing net income by the daily weighted-average number of common shares outstanding during the periods presented, which includes fully vested stock awards that have not yet been issued as common stock. Diluted EPS is based on shares outstanding for the calculation of basic EPS, plus unvested stock awards granted under our compensation plans and equity forward sale agreements, but only to the extent these instruments dilute earnings per share.

The following tables set forth the computation of basic and diluted EPS from continuing operations for the periods indicated:

	Year Ended December 31, 2024		
	Income	**Shares**	**Per Share Amount**
	(*Thousands, except per share amounts*)		
Basic EPS Calculation			
Net income available for common stock	**$ 222,850**	**56,826**	**$ 3.92**
Diluted EPS Calculation			
Effect of dilutive securities	**—**	**207**	
Net income available for common stock and common stock equivalents	**$ 222,850**	**57,033**	**$ 3.91**

	Year Ended December 31, 2023		
	Income	**Shares**	**Per Share Amount**
	(*Thousands, except per share amounts*)		
Basic EPS Calculation			
Net income available for common stock	$ 231,232	55,600	$ 4.16
Diluted EPS Calculation			
Effect of dilutive securities	—	260	
Net income available for common stock and common stock equivalents	$ 231,232	55,860	$ 4.14

	Year Ended December 31, 2022		
	Income	**Shares**	**Per Share Amount**
	(*Thousands, except per share amounts*)		
Basic EPS Calculation			
Net income available for common stock	$ 221,742	54,207	$ 4.09
Diluted EPS Calculation			
Effect of dilutive securities	—	131	
Net income available for common stock and common stock equivalents	$ 221,742	54,338	$ 4.08

10. SHARE-BASED PAYMENTS

The ECP provides for the granting of stock-based compensation, including incentive stock options, nonstatutory stock options, stock bonus awards, restricted stock awards, restricted stock unit awards, performance stock awards and performance unit awards to eligible employees and the granting of stock awards to non-employee directors. At December 31, 2024, we have 4.3 million shares of common stock reserved for issuance under the ECP. At December 31, 2024, we had approximately 1.7 million shares available for issuance under the ECP, which reflect shares issued and estimated shares expected to be issued upon vesting of outstanding awards granted under the plan, less forfeitures. The plan allows for the deferral of awards granted in stock or cash, in accordance with the Code section 409A requirements.

Compensation expense for our ECP share-based payment plans was $8.8 million, net of tax benefits of $2.9 million, for 2024, $7.8 million, net of tax benefits of $2.6 million, for 2023, and $6.8 million, net of tax benefits of $2.3 million, for 2022.

Restricted Stock Unit Awards - We have granted restricted stock unit awards to key employees that vest over a service period of generally three years and entitle the grantee to receive shares of our common stock. Restricted stock unit awards granted accrue dividend equivalents in the form of additional restricted stock units prior to vesting. Restricted stock unit awards are measured at fair value as if they were vested and issued on the grant date and adjusted for estimated forfeitures. Compensation expense is recognized on a straight-line basis over the vesting period of the award. A forfeiture rate of 3 percent per year based on historical forfeitures under our share-based payment plans is used.

Performance Stock Unit Awards - We have granted performance stock unit awards to key employees. The shares of common stock underlying the performance stock units vest at the expiration of a service period of generally three years if certain performance criteria are met by us as determined by the Executive Compensation Committee of the Board of Directors. Upon vesting, a holder of performance stock units is entitled to receive a number of shares of common stock equal to a percentage (0 percent to 200 percent) of the performance stock units granted, based on our total shareholder return over the vesting period, compared with the total shareholder return of a peer group of other utilities over the same period.

If paid, the outstanding performance stock unit awards entitle the grantee to receive shares of our common stock. The outstanding performance stock unit awards are equity awards with a market-based condition, which results in the compensation expense for these awards being recognized on a straight-line basis over the requisite service period, provided that the requisite service period is fulfilled, regardless of when, if ever, the market condition is satisfied. The performance stock unit awards granted accrue dividend equivalents in the form of additional performance stock units prior to vesting. The fair value of these performance stock units was estimated on the grant date based on a Monte Carlo model. The compensation expense on these awards will only be adjusted for forfeitures. A forfeiture rate of 3 percent per year based on historical forfeitures under our share-based payment plans is used.

Restricted Stock Unit Award Activity

Total unrecognized compensation expense related to the nonvested restricted stock unit awards was $4.2 million and $4.0 million as of December 31, 2024 and 2023, respectively, which is expected to be recognized over a weighted-average period of 1.7 years. The following tables set forth activity and various statistics for restricted stock unit awards outstanding under the respective plans for the period indicated:

	Number of Units	Weighted-Average Grant Date Fair Value
Nonvested at December 31, 2023	126,948	$ 77.50
Granted	**67,432**	**60.74**
Vested	**(41,168)**	**72.46**
Forfeited	**(4,175)**	**71.40**
Nonvested at December 31, 2024	**149,037**	**$ 68.79**

	2024	2023	2022
Weighted-average grant date fair value *(per share)*	**$ 60.74**	$ 81.79	$ 76.96
Fair value of shares granted *(thousands of dollars)*	**$ 4,096**	$ 3,995	$ 4,342

For the years ended December 31, 2024, 2023 and 2022, the fair value of restricted stock vested was $3.2 million, $2.8 million, and $2.9 million, respectively.

Performance Stock Unit Award Activity

Total unrecognized compensation expenses related to the nonvested performance stock unit awards was $10.0 million and $9.7 million as of December 31, 2024 and 2023, respectively, which is expected to be recognized over a weighted-average period of 1.7 years. The following tables set forth activity and various statistics related to our performance stock unit awards and the assumptions used by us in the valuations of the 2024, 2023 and 2022 grants at the grant date:

	Number of Units	Weighted-Average Grant Date Fair Value
Nonvested at December 31, 2023	247,326	$ 95.23
Granted	**139,727**	**67.83**
Vested	—	—
Forfeited	**(81,568)**	**82.85**
Nonvested at December 31, 2024	**305,485**	**$ 86.00**

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	2024	2023	2022
Volatility (a)	**26.63%**	29.20%	34.00%
Dividend yield	**4.35%**	3.18%	3.22%
Risk-free interest rate (b)	**4.46%**	4.37%	1.65%

(a) - Volatility based on historical volatility over three years using daily stock price observations of our peer utilities.
(b) - Using 3-year treasury rate.

	2024	2023	2022
Weighted-average grant date fair value *(per share)*	**$ 67.83**	$ 105.74	$ 95.80
Fair value of shares granted *(thousands of dollars)*	**$ 9,478**	$ 10,095	$ 8,360

For the year ended December 31, 2024, there was no vested performance stock. For the years ended December 31, 2023 and 2022, the fair value of performance stock vested was $3.7 million and $5.2 million, respectively.

Employee Stock Purchase Plan

We have reserved a total of 1.25 million shares of common stock for issuance under our ESPP. Employees can choose to have up to 10 percent of their annual base pay withheld to purchase our common stock, subject to terms and limitations of the plan. The purchase price of the stock is 85 percent of the lower of the average market price of our common stock on the grant date or exercise date. Approximately 44 percent, 45 percent and 42 percent of employees participated in the plan in 2024, 2023 and 2022, respectively. For the years ended December 31, 2024, 2023 and 2022, employees purchased 122,906, 108,875, and 86,657 shares, respectively, at an average price of $53.98, $58.98 and $65.21, respectively.

Compensation expense related to our ESPP, before taxes, was $1.5 million, $1.2 million and $1.1 million for the years ended December 31, 2024, 2023 and 2022, respectively.

11. EMPLOYEE BENEFIT PLANS

Defined Benefit Pension and Other Postemployment Benefit Plans

Defined Benefit Pension Plans - We have a defined benefit pension plan and a supplemental executive retirement plan for certain eligible employees, both of which are closed to new participants. Certain employees of the Texas Gas Service division are entitled to benefits under a frozen cash-balance pension plan. We fund our defined benefit pension costs at a level needed to maintain or exceed the minimum funding levels required by the Employee Retirement Income Security Act of 1974, as amended, and the Pension Protection Act of 2006.

Other Postemployment Benefit Plans - We sponsor health and welfare plans that provide postemployment medical and life insurance benefits to certain eligible employees who retire with at least five years of service. The postemployment medical plan is contributory based on hire date, age and years of service, with retiree contributions adjusted periodically, and contains other cost-sharing features such as deductibles and coinsurance.

Actuarial Assumptions - The following table sets forth the weighted-average assumptions used to determine benefit obligations for pension and postemployment benefits for the periods indicated:

	December 31,	
	2024	2023
Discount rate - pension plans	**5.70%**	5.30%
Discount rate - other postemployment plans	**5.75%**	5.40%
Compensation increase rate	**3.50% - 4.30%**	3.50% - 4.30%

The following table sets forth the weighted-average assumptions used by us to determine the periodic benefit costs for pension and postemployment benefits for the periods indicated:

	Year Ended December 31,		
	2024	**2023**	**2022**
Discount rate - pension plans	**5.30%**	5.60%	3.05%/4.55% (a)
Discount rate - other postemployment plans	**5.40%**	5.70%	3.00%
Expected long-term return on plan assets - pension plans	**6.70%**	6.75%	6.40%
Expected long-term return on plan assets - other postemployment plans	**5.20%**	5.55%	5.85%
Compensation increase rate	**3.50% - 4.30%**	3.60% - 5.00%	3.10% - 5.00%

(a) Pension plans were remeasured as of April 30, 2022.

We determine our discount rates annually. We estimate our discount rate based upon a comparison of the expected cash flows associated with our future payments under our defined benefit pension and other postemployment obligations to a hypothetical bond portfolio created using high-quality bonds that closely match expected cash flows. Bond portfolios are developed by selecting a bond for each of the next 60 years based on the maturity dates of the bonds. Bonds selected to be included in the portfolios are only those rated by Moody’s as AA- or better and exclude callable bonds, bonds with less than a minimum issue size, yield outliers and other filtering criteria to remove unsuitable bonds.

We determine our overall expected long-term rate of return on plan assets based on our review of historical returns and economic growth models. We update our assumed mortality rates to incorporate new tables issued by the Society of Actuaries as needed.

Regulatory Treatment - The OCC, KCC and regulatory authorities in Texas have approved the recovery of pension and other postemployment benefits costs through rates for Oklahoma Natural Gas, Kansas Gas Service and Texas Gas Service, respectively. The costs recovered through rates are based on current funding requirements and the net periodic benefit cost for defined benefit pension and other postemployment costs. Differences, if any, between the net periodic benefit cost (credit), net of deferrals, and the amount recovered through rates are reflected in earnings.

We historically have recovered defined benefit pension and other postemployment benefit costs (credit) through rates. We believe it is probable that regulators will continue to include the net periodic pension and other postemployment benefit costs (credit) in our cost of service.

We capitalize all eligible service cost and non-service credit components pursuant to the accounting requirements of ASC Topic 980 (Regulated Operations) for rate-regulated entities, as these components are authorized by our regulators to be included in capitalized costs. Noncurrent regulatory liabilities in our consolidated balance sheets reflect the capitalized non-service credit components of $6.7 million and $2.2 million as of December 31, 2024 and 2023, respectively. See Note 3 for additional information.

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Obligations and Funded Status - The following table sets forth our defined benefit pension and other postemployment benefit plans, benefit obligations and fair value of plan assets for the periods indicated:

	Pension Benefits		Other Postemployment Benefits	
	December 31,		December 31,	
	2024	**2023**	**2024**	**2023**
Changes in Benefit Obligation	*(Thousands of dollars)*			
Benefit obligation, beginning of period	**$ 803,605**	$ 784,633	**$ 158,535**	$ 168,342
Service cost	**6,204**	7,242	**610**	730
Interest cost	**41,123**	42,428	**8,179**	9,154
Plan participants' contributions	**—**	—	**2,631**	2,823
Actuarial loss (gain)	**(27,026)**	23,015	**(3,267)**	(5,551)
Benefits paid	**(54,099)**	(53,713)	**(15,704)**	(16,963)
Settlements	**(38,690)**	—	**—**	—
Benefit obligation, end of period	**$ 731,117**	$ 803,605	**$ 150,984**	$ 158,535
Change in Plan Assets				
Fair value of plan assets, beginning of period	**$ 795,381**	$ 768,961	**$ 181,608**	$ 181,877
Actual return on plan assets	**22,322**	78,827	**8,404**	11,325
Employer contributions	**1,559**	1,306	**—**	2,546
Plan participants' contributions	**—**	—	**2,631**	2,823
Benefits paid	**(54,099)**	(53,713)	**(13,154)**	(16,963)
Settlements	**(39,762)**	—	**—**	—
Fair value of assets, end of period	**725,401**	795,381	**179,489**	181,608
Benefit asset (obligation), net	**$ (5,716)**	$ (8,224)	**$ 28,505**	$ 23,073
Pension and other postemployment benefits	**$ 14,377**	$ 13,409	**$ 28,505**	$ 23,073
Current liabilities	**(1,409)**	(1,368)	**—**	—
Noncurrent liabilities	**(18,684)**	(20,265)	**—**	—
Benefit asset (obligation), net	**$ (5,716)**	$ (8,224)	**$ 28,505**	$ 23,073

The accumulated benefit obligation for our defined benefit pension plans was $703.4 million and $772.1 million at December 31, 2024 and 2023, respectively.

For the years ended December 31, 2024 and 2023, the pension benefit obligations experienced actuarial gains and losses of $27.0 million and $23.0 million, respectively, primarily due to the impact of increases in the discount rates used to calculate the benefit obligations.

In 2025, our contributions are expected to be $9.8 million to our defined benefit pension plans, and no contributions are expected to be made to our other postemployment benefit plans. In October 2024, we purchased group annuity contracts and transferred approximately $39 million of the assets and liabilities related to certain participants in our deferred benefit pension plan to a third-party insurance company.

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The following tables set forth the components of net periodic benefit cost for our pension and other postemployment benefit plans for the periods indicated:

	Pension Benefits		
	Year Ended December 31,		
	2024	2023	2022
	(Thousands of dollars)		
Components of net periodic benefit cost (credit)			
Service cost	**$ 6,204**	$ 7,242	$ 10,369
Interest cost (a)	**41,123**	42,428	36,150
Expected return on assets (a)	**(59,027)**	(59,518)	(58,528)
Amortization of unrecognized prior service cost (a)	**372**	372	248
Amortization of net loss (a)	**5,786**	2,008	16,793
Net periodic benefit cost (credit)	**$ (5,542)**	$ (7,468)	$ 5,032

(a) These amounts, net of any amounts capitalized as a regulatory asset, have been recognized as other (income) expense, net in the consolidated statement of income. See Note 13 for additional detail.

	Other Postemployment Benefits		
	Year Ended December 31,		
	2024	2023	2022
	(Thousands of dollars)		
Components of net periodic benefit cost (credit)			
Service cost	**$ 610**	$ 730	$ 1,274
Interest cost (a)	**8,179**	9,154	6,448
Expected return on assets (a)	**(9,134)**	(9,728)	(13,181)
Amortization of unrecognized prior service cost (credit) (a)	—	153	41
Amortization of net loss (gain) (a)	**(16)**	(48)	217
Net periodic benefit cost (credit)	**$ (361)**	$ 261	$ (5,201)

(a) These amounts, net of any amounts capitalized as a regulatory asset, have been recognized as other (income) expense, net in the consolidated statement of income. See Note 13 for additional detail.

We use a December 31 measurement date for our plans. On April 30, 2022, we amended our defined benefit pension plans to change the variable cost of living adjustment for eligible participants to a fixed rate. Accordingly, we remeasured our net benefit obligations as of April 30, 2022, resulting in an adjustment of approximately $7.2 million to our pension expense, net of capitalization and regulatory deferrals, for the year ended December 31, 2022.

Other Comprehensive Income (Loss) - The following table sets forth the amounts recognized in other comprehensive income (loss), net of regulatory deferrals, related to our defined benefit pension benefits for the period indicated:

	Pension Benefits		
	Year Ended December 31,		
	2024	2023	2022
	(Thousands of dollars)		
Net gain (loss) arising during the period	**$ 1,242**	$ (619)	$ 7,369
Amortization of net loss (gain)	**(1)**	1	159
Deferred income taxes	**(281)**	140	(1,705)
Total recognized in other comprehensive income (loss)	**$ 960**	$ (478)	$ 5,823

Due to our regulatory deferrals, there were no amounts recognized in other comprehensive income (loss) related to our other postemployment benefits for the periods presented.

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The tables below set forth the amounts in accumulated other comprehensive loss that had not yet been recognized as components of net periodic benefit credit for the periods indicated:

	Pension Benefits December 31, 2024	Pension Benefits December 31, 2023
	(Thousands of dollars)	
Prior service cost	**$ (1,720)**	$ (2,091)
Accumulated loss	**(251,952)**	(246,988)
Accumulated other comprehensive loss before regulatory asset	**(253,672)**	(249,079)
Regulatory asset for regulated entities	**253,517**	247,684
Accumulated other comprehensive loss after regulatory asset	**(155)**	(1,395)
Deferred income taxes	**(67)**	213
Accumulated other comprehensive loss, net of tax	**$ (222)**	$ (1,182)

	Other Postemployment Benefits December 31, 2024	Other Postemployment Benefits December 31, 2023
	(Thousands of dollars)	
Prior service cost	**$ —**	$ —
Accumulated gain (loss)	**1,065**	(1,457)
Accumulated other comprehensive loss before regulatory asset	**1,065**	(1,457)
Regulatory asset for regulated entities	**(1,065)**	1,457
Accumulated other comprehensive loss after regulatory asset	**$ —**	$ —

Health Care Cost Trend Rates - The following table sets forth the assumed health care cost-trend rates for the periods indicated:

	2024	2023
Health care cost-trend rate assumed for next year	**7.00%**	6.00%
Rate to which the cost-trend rate is assumed to decline (the ultimate trend rate)	**4.50%**	4.50%
Year that the rate reaches the ultimate trend rate	**2035**	2030

Plan Assets - Our investment strategy is to invest plan assets in accordance with sound investment practices that emphasize long-term fundamentals. The goal of this strategy is to maximize investment returns while managing risk in order to meet the plan’s current and projected financial obligations. To achieve this strategy, we have established a liability-driven investment strategy to change the allocations as the funded status of the defined benefit pension plan increases. The plan’s investments include a diverse blend of various domestic and international equities, investment-grade debt securities which mirror the cash flows of our liability, insurance contracts and alternative investments. The current target allocation for the assets of our defined benefit pension plan is as follows:

Investment-grade bonds	70.0 %
U.S. large-cap equities	13.0 %
Alternative investments	7.0 %
Developed foreign equities	5.0 %
Mid-cap equities	3.0 %
Emerging markets equities	1.0 %
Small-cap equities	1.0 %
Total	100.0 %

As part of our risk management for the plans, minimums and maximums have been set for each of the asset classes listed above. All investment managers for the plan are subject to certain restrictions on the securities they purchase and, with the exception of indexing purposes, are prohibited from owning our stock.

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The current target allocation for the assets of our other postemployment benefits plan is 90 percent fixed income securities and 10 percent equity securities.

The following tables set forth our pension and other postemployment benefits plan assets by fair value category as of the measurement date:

	Pension Benefits December 31, 2024			
Asset Category	**Level 1**	**Level 2**	**Level 3**	**Total**
	(Thousands of dollars)			
Investments:				
Equity securities (a)	**$ 81,459**	**$ —**	**$ —**	**$ 81,459**
Government obligations	**—**	**213,572**	**—**	**213,572**
Corporate obligations (b)	**—**	**328,915**	**—**	**328,915**
Cash and money market funds (c)	**5,871**	**24,737**	**—**	**30,608**
Insurance contracts and group annuity contracts	**—**	**—**	**11,177**	**11,177**
Other investments (d)	**—**	**—**	**59,670**	**59,670**
Total assets	**$ 87,330**	**$ 567,224**	**$ 70,847**	**$ 725,401**

(a) - This category represents securities of the various market sectors from diverse industries.
(b) - This category represents bonds from diverse industries.
(c) - This category primarily represents money market funds.
(d) - This category represents alternative investments such as hedge funds and other financial instruments.

	Pension Benefits December 31, 2023			
Asset Category	**Level 1**	**Level 2**	**Level 3**	**Total**
	(Thousands of dollars)			
Investments:				
Equity securities (a)	$ 88,477	$ —	$ —	$ 88,477
Government obligations	—	204,669	—	204,669
Corporate obligations (b)	—	366,482	—	366,482
Cash and money market funds (c)	5,300	28,977	—	34,277
Insurance contracts and group annuity contracts	—	—	12,350	12,350
Other investments (d)	—	—	89,126	89,126
Total assets	$ 93,777	$ 600,128	$ 101,476	$ 795,381

(a) - This category represents securities of the various market sectors from diverse industries.
(b) - This category represents bonds from diverse industries.
(c) - This category primarily represents money market funds.
(d) - This category represents alternative investments such as hedge funds and other financial instruments.

	Other Postemployment Benefits December 31, 2024			
Asset Category	**Level 1**	**Level 2**	**Level 3**	**Total**
	(Thousands of dollars)			
Investments:				
Equity securities (a)	**$ 7,226**	**$ —**	**$ —**	**$ 7,226**
Government obligations	**—**	**41,982**	**—**	**41,982**
Corporate obligations (b)	**—**	**36,411**	**—**	**36,411**
Cash and money market funds (c)	**806**	**12,167**	**—**	**12,973**
Insurance contracts and group annuity contracts (d)	**—**	**80,897**	**—**	**80,897**
Total assets	**$ 8,032**	**$ 171,457**	**$ —**	**$ 179,489**

(a) - This category represents securities of the various market sectors from diverse industries.
(b) - This category represents bonds from diverse industries.
(c) - This category primarily represents money market funds.
(d) - This category includes equity securities and bonds held in a captive insurance product.

	Other Postemployment Benefits December 31, 2023			
Asset Category	**Level 1**	**Level 2**	**Level 3**	**Total**
		(Thousands of dollars)		
Investments:				
Equity securities (a)	$ 7,031	$ —	$ —	$ 7,031
Government obligations	—	41,863	—	41,863
Corporate obligations (b)	—	38,615	—	38,615
Cash and money market funds (c)	751	13,245	—	13,996
Insurance contracts and group annuity contracts (d)	—	80,102	—	80,102
Total assets	$ 7,782	$ 173,825	$ —	$ 181,607

(a) - This category represents securities of the various market sectors from diverse industries.
(b) - This category represents bonds from diverse industries.
(c) - This category primarily represents money market funds.
(d) - This category includes equity securities and bonds held in a captive insurance product.

Insurance contracts and group annuity contracts include investments in the Immediate Participation Guarantee Fund ("IPG Fund") with John Hancock and are valued at fair value. John Hancock invests the IPG Fund in its general fund portfolio. The contract value of the IPG Fund at the end of the year, which approximates fair value, is estimated. The difference between this estimated balance and the actual balance, as subsequently determined by John Hancock, is charged or credited to the net assets of the plans.

Certain investments that are categorized as money market funds in Level 2 and other investments in Level 3 represent alternative investments such as hedge funds and other financial instruments measured using the net asset value per share (or its equivalent) practical expedient.

The following tables set forth additional information regarding commitments and redemption limitations of these other investments at the periods indicated:

	December 31, 2024			
	Fair Value	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
	(in thousands)			*(in days)*
Grosvenor Registered Multi Limited Partnership	**$ 29,642**	**$ —**	**quarterly**	**65**
K2 Institutional Investors II Limited Partnership	**$ 30,028**	**$ —**	**quarterly**	**91**

	December 31, 2023			
	Fair Value	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
	(in thousands)			*(in days)*
Grosvenor Registered Multi Limited Partnership	$ 40,872	$ —	quarterly	65
K2 Institutional Investors II Limited Partnership	$ 48,254	$ —	quarterly	91

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The following table sets forth the reconciliation of Level 3 fair value measurements of our pension plans for the periods indicated:

	Pension Benefits		
	Insurance Contracts	Other Investments	Total
	(Thousands of dollars)		
January 1, 2023	$ 14,480	$ 87,031	$ 101,511
Unrealized gains	—	2,095	2,095
Unrealized losses	(618)	—	(618)
Purchases	1,562	—	1,562
Settlements	(3,074)	—	(3,074)
December 31, 2023	$ 12,350	$ 89,126	$ 101,476
Unrealized gains	**445**	—	**445**
Unrealized losses	—	**(2,984)**	**(2,984)**
Expense	**(167)**	—	**(167)**
Purchases	—	**1,408**	**1,408**
Sales	—	**(27,880)**	**(27,880)**
Benefits paid	**(1,451)**	—	**(1,451)**
December 31, 2024	**$ 11,177**	**$ 59,670**	**$ 70,847**

Pension and Other Postemployment Benefit Payments - Benefit payments for our defined benefit pension and other postemployment benefit plans for the year ended December 31, 2024 were $54.1 million and $15.7 million, respectively. The following table sets forth the pension benefits and other postemployment benefits payments expected to be paid in 2025-2034:

	Pension Benefits	Other Postemployment Benefits
Benefits to be paid in:	(Thousands of dollars)	
2025	$ 52,832	$ 14,127
2026	53,298	13,734
2027	53,470	13,431
2028	54,189	13,069
2029	54,094	12,745
2030 through 2034	271,532	58,985

The expected benefits to be paid are based on the same assumptions used to measure our benefit obligations at December 31, 2024, and include estimated future employee service.

Other Employee Benefit Plans

401(k) Plan - We have a 401(k) plan which covers all eligible employees. Employee contributions are discretionary and we match 100 percent of each participant's eligible contribution up to 6 percent of eligible compensation, subject to certain limits. Our contributions to the plan were $17.7 million, $16.7 million and $15.3 million in 2024, 2023 and 2022, respectively.

We plan to make a discretionary profit-sharing contribution to the 401(k) Plan each quarter equal to 1 percent of each participant's eligible compensation during the quarter. Additional discretionary profit-sharing contributions may be made after the end of each year. Our profit-sharing contributions made to the plan were $10.9 million, $12.6 million and $10.9 million in 2024, 2023 and 2022, respectively.

Nonqualified Deferred Compensation Plan - We have a nonqualified deferred compensation plan with obligations of $18.9 million and $16.0 million at December 31, 2024 and 2023, respectively, which are reported within other deferred credits in our consolidated balance sheets. These obligations represent the amount owed to plan participants and are treated as if invested in specified investment options. A significant portion of the obligation is indirectly funded with key-person corporate-owned life insurance policies to offset costs associated with our nonqualified deferred compensation plan and the supplemental executive retirement plan. These corporate-owned life insurance policies are measured at cash surrender value of $41.5 million and $37.9 million at December 31, 2024 and 2023, respectively, and are reported within other assets in our consolidated balance sheets.

Gains (losses) on the corporate-owned life insurance policies are recognized in other income (expense), net within our consolidated statements of income; see Note 13 for additional detail of our other income (expense), net. Deferred compensation expense (income) associated with the nonqualified deferred compensation plan is recognized in operations and maintenance expense within our consolidated statements of income and was $2.4 million, $2.3 million, and $(2.3) million for the years ended December 31, 2024, 2023 and 2022, respectively.

12. INCOME TAXES

The following table sets forth our provision for income taxes for the periods indicated:

	Year Ended December 31, 2024	2023	2022
	(*Thousands of dollars*)		
Current income tax provision (benefit)			
Federal	**$ (68,660)**	$ 16,551	$ 61,745
State	**(1,476)**	(829)	6,815
Total current income tax provision (benefit)	**(70,136)**	15,722	68,560
Deferred income tax provision (benefit)			
Federal	**110,717**	21,905	(22,234)
State	**(4,195)**	2,868	200
Total deferred income tax provision (benefit)	**106,522**	24,773	(22,034)
Total provision for income taxes	**$ 36,386**	$ 40,495	$ 46,526

The following table is a reconciliation of our income tax provision for the periods indicated:

	Year Ended December 31, 2024		2023		2022	
	(*Thousands of dollars, except percentages*)					
Income before income taxes	**$259,236**		$ 271,727		$ 268,268	
Federal statutory income tax rate	**21 %**		21 %		21 %	
Provision for federal income taxes	**54,439**	**21%**	57,063	21%	56,335	21%
State income taxes, net of federal tax benefit	**4,333**	**2%**	3,834	1%	7,016	3%
Tax effect of permanent differences	**2,018**	**1%**	1,860	1%	1,369	1%
Tax effect of state income tax deduction	**(209)**	**—%**	(443)	—%	(1,254)	—%
Amortization of excess deferred federal income taxes	**(15,680)**	**(6)%**	(20,565)	(8)%	(17,986)	(7)%
Amortization of excess deferred state income taxes	**(10,004)**	**(4)%**	(1,795)	(1)%	—	—%
Tax (expense) benefit for employee share-based compensation	**1,063**	**—%**	418	—%	350	—%
Other, net	**426**	—%	123	—%	696	—%
Total provision for income taxes and effective income tax rate	**$ 36,386**	**14%**	$ 40,495	14%	$ 46,526	18%

As of December 31, 2024, we have no uncertain tax positions. Changes in tax laws or tax rates are recognized in the financial reporting period that includes the enactment date. Oklahoma accounts for over 50 percent of state income taxes, net of federal tax benefits, and effect of state income taxes. In 2024, the IRS issued Revenue Procedure 2024-15, which allows for the deferral of income taxes on securitization bond proceeds received from a qualifying state financing entity. In 2022, Oklahoma Natural Gas received $1.3 billion in securitization bond proceeds and reported this amount as income on its federal income tax return for that year. Following the new revenue procedure, we amended our 2022 federal tax return to request a refund of $55.5 million, pending review and approval by the IRS. Additionally, we plan to file an amended Oklahoma corporate income tax return in the first quarter of 2025 to request a state refund of $1.5 million.

Income tax expense reflects credits for the amortization of the regulatory liability associated with EDIT, embedded in base rates, of $25.7 million and $22.4 million for the years ending December 31, 2024, and 2023, respectively.

The following table sets forth the tax effects of temporary differences that gave rise to significant portions of the deferred tax assets and liabilities for the periods indicated:

	December 31, 2024	December 31, 2023
	(*Thousands of dollars*)	
Deferred tax assets		
Employee benefits and other accrued liabilities	**$ —**	$ —
Regulatory adjustments for enacted tax rate changes	**100,718**	107,948
Net operating loss	**405,316**	93,255
Lease obligation basis	**3,669**	4,500
Purchased-gas cost adjustment	**—**	5,232
Other	**—**	—
Total deferred tax assets	**509,703**	210,935
Deferred tax liabilities		
Excess of tax over book depreciation	**930,680**	822,619
Winter weather event costs	**381,818**	56,914
Purchased-gas cost adjustment	**8,654**	—
Other regulatory assets and liabilities, net	**73,904**	70,384
Employee benefits and other accrued liabilities	**934**	205
Right-of-use asset basis	**3,866**	4,662
Other	**1,585**	8,219
Total deferred tax liabilities	**1,401,441**	963,003
Net deferred tax liabilities	**$ 891,738**	$ 752,068

At December 31, 2024 we had $378.9 million (tax effected) of federal net operating loss carryforwards and $26.4 million (tax effected) of state net operating loss carryforwards available to offset future taxable income.

We have filed our consolidated federal and state income tax returns for years 2021, 2022 and 2023. We are no longer subject to income tax examination for years prior to 2020.

13. OTHER INCOME AND OTHER EXPENSE

The following table sets forth the components of other income and other expense for the periods indicated:

	Year Ended December 31, 2024	2023	2022
	(*Thousands of dollars*)		
Net periodic benefit credit other than service cost	**$ 3,600**	$ 4,017	$ 3,766
Gain (loss) on investments associated with nonqualified deferred compensation plans	**3,653**	4,826	(7,197)
Other income (expense), net	**174**	633	(752)
Total other income, net	**$ 7,427**	$ 9,476	$ (4,183)

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14. PROPERTY, PLANT AND EQUIPMENT

The following table sets forth our property, plant and equipment by property type, for the periods indicated:

	December 31, 2024	December 31, 2023
	(*Thousands of dollars*)	
Natural gas distribution pipelines and related equipment	**$ 7,278,542**	$ 6,716,074
Natural gas transmission pipelines and related equipment	**736,229**	713,505
General plant and other	**942,677**	907,946
Construction work in process	**166,686**	131,442
Property, plant and equipment	**9,124,134**	8,468,967
Accumulated depreciation and amortization	**(2,478,261)**	(2,333,755)
Net property, plant and equipment	**$ 6,645,873**	$ 6,135,212

We compute depreciation expense by applying composite, straight-line rates of approximately 2.7 percent to 3.2 percent as approved by various regulatory authorities.

We recorded capitalized interest of $8.2 million, $5.7 million and $4.5 million for the years ended December 31, 2024, 2023 and 2022, respectively. We incurred liabilities for construction work in process and asset removal costs that had not been paid at December 31, 2024, 2023 and 2022 of $33.7 million, $36.2 million and $28.6 million, respectively. Such amounts are not included in capital expenditures or in the change of working capital items on our consolidated statements of cash flows.

15. COMMITMENTS AND CONTINGENCIES

Leases - See Note 6 of the Notes to Consolidated Financial Statements in this Annual Report for discussion of operating leases.

Environmental Matters - We are subject to multiple laws and regulations regarding protection of the environment and natural and cultural resources, which affect many aspects of our present and future operations. Regulated activities include, but are not limited to, those involving air emissions, storm water and wastewater discharges, handling and disposal of solid and hazardous wastes, wetland preservation, plant and wildlife protection, hazardous materials use, storage and transportation, and pipeline and facility construction. These laws and regulations require us to obtain and/or comply with a wide variety of environmental clearances, registrations, licenses, permits and other approvals. Failure to comply with these laws, regulations, licenses and permits or the discovery of presently unknown environmental conditions may expose us to fines, penalties and/or interruptions in our operations that could be material to our results of operations. In addition, emission controls and/or other regulatory or permitting mandates under the CAA and other similar federal and state laws could require unexpected capital expenditures. We cannot assure that existing environmental statutes and regulations will not be revised or that new regulations will not be adopted or become applicable to us. Revised or additional statutes or regulations that result in increased compliance costs or additional operating restrictions could have a material adverse effect on our business, financial condition and results of operations. Our expenditures for environmental investigation and remediation compliance to-date have not been significant in relation to our financial position, results of operations or cash flows, and our expenditures related to environmental matters had no material effects on earnings or cash flows during 2024, 2023 and 2022.

We own or retain legal responsibility for certain environmental conditions at 12 former MGP sites in Kansas. These sites contain contaminants generally associated with MGP sites and are subject to control or remediation under various environmental laws and regulations. A consent agreement with the KDHE governs all environmental investigation and remediation work at these sites. The terms of the consent agreement require us to investigate these sites and set remediation activities based upon the results of the investigations and risk analysis. Remediation typically involves the management of contaminated soils and may involve removal of structures and monitoring and/or remediation of groundwater. We have completed or are addressing removal of the source of soil contamination at all 12 sites and continue to monitor groundwater at seven of the 12 sites according to plans approved by the KDHE. Regulatory closure has been achieved at five of the 12 sites, but these sites remain subject to potential future requirements that may result in additional costs.

We have an AAO that allows Kansas Gas Service to defer and seek recovery of costs necessary for investigation and remediation at, and nearby, these 12 former MGP sites that are incurred after January 1, 2017, up to a cap of $15.0 million, net of any related insurance recoveries. Costs approved for recovery in a future rate proceeding would then be amortized over a 15-year period. The unamortized amounts will not be included in rate base or accumulate carrying charges. Following a determination that future investigation and remediation work approved by the KDHE exceeds $15.0 million, net of any related insurance recoveries, Kansas Gas Service is required to file an application with the KCC for approval to increase the $15.0 million cap. During 2024, we received $1.7 million in insurance proceeds for remediation costs related to these sites. At December 31, 2024 and December 31, 2023, we have deferred $31.1 million and $32.0 million, respectively, for accrued investigation and remediation costs pursuant to our AAO. On January 3, 2025, Kansas Gas Service requested to increase the cap on the AAO from $15.0 million to $32 million. The original $15.0 million cap approved in 2017 was the result of a unanimous settlement agreement and contained additional reporting requirements and obligations. Kansas Gas Service's request to increase the cap leaves all these additional provisions in place.

We also own or retain legal responsibility for certain environmental conditions at a former MGP site in Texas. At the request of the TCEQ, we began investigating the level and extent of contamination associated with the site under their Texas Risk Reduction Program. A preliminary site investigation revealed that this site contains contaminants generally associated with MGP sites and is subject to control or remediation under various environmental laws and regulations. At December 31, 2024, estimated costs associated with expected remediation activities for this site are not material.

Our expenditures for environmental evaluation, mitigation, remediation and compliance to date have not been significant in relation to our financial position, results of operations or cash flows, and our expenditures related to environmental matters had no material effects on earnings or cash flows during the years ended December 31, 2024, 2023 and 2022. The reserve for remediation of our MGP sites was $14.3 million in December 31, 2024 and December 31, 2023.

Environmental issues may exist with respect to these MGP sites that are unknown to us. Accordingly, future costs are dependent on the final determination and regulatory approval of any remedial actions, the complexity of the site, level of remediation required, changing technology and governmental regulations, and to the extent not recovered by insurance or recoverable in rates from our customers, could be material to our financial condition, results of operations or cash flows.

We are subject to environmental regulation by federal, state and local authorities. Due to the inherent uncertainties surrounding the development of federal and state environmental laws and regulations, we cannot determine with specificity the impact such laws and regulations may have on our existing and future facilities. With the trend toward stricter standards, greater regulation and more extensive permit requirements for the types of assets operated by us, our environmental expenditures could increase in the future, and such expenditures may not be fully recovered by insurance or recoverable in rates from our customers, and those costs may adversely affect our financial condition, results of operations and cash flows.

Pipeline Safety - We are subject to regulation under federal pipeline safety statutes and any analogous state regulations. These include safety requirements for the design, construction, operation, and maintenance of pipelines, including transmission and distribution pipelines. At the federal level, we are regulated by PHMSA. PHMSA regulations require the following for certain pipelines: inspection and maintenance plans; integrity management programs, including the determination of pipeline integrity risks and periodic assessments on certain pipeline segments; an operator qualification program, which includes certain trainings; a public awareness program that provides certain information; and a control room management plan.

As part of regulating pipeline safety, PHMSA promulgates various regulations. As part of the Consolidated Appropriations Act, 2021, the PIPES Act reauthorized PHMSA through 2023 and directed the agency to move forward with several regulatory actions, including the “Pipeline Safety: Class Location Change Requirements” and the “Pipeline Safety: Safety of Gas Transmission and Gathering Pipelines” proposed rulemakings. Congress has also instructed PHMSA to issue final regulations that will require operators of new and existing transmission and distribution pipeline facilities to conduct certain leak detection and repair programs and to require facility inspection and maintenance plans to align with those regulations. To the extent such rulemakings impose more stringent requirements on our facilities, we may be required to incur expenditures that may be material.

Legal Proceedings - We are a party to various litigation matters and claims that have arisen in the normal course of our operations. While the results of litigation and claims cannot be predicted with certainty, we believe the reasonably possible losses from such matters, individually and in the aggregate, are not material. Additionally, we believe the probable outcome of such matters will not have a material adverse effect on our results of operations, financial position or cash flows.

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16. DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Derivative Instruments - Our derivatives are comprised of over-the-counter natural gas fixed price swaps and call options.

Swaps - At December 31, 2024, we held over-the-counter natural gas fixed-price swaps for the heating season ending March 2025 with a total notional amount of 6.20 Bcf. At December 31, 2023, we held over-the counter natural gas fixed-prices swaps for the heating season ending March 2024 with a total notional amount of 5.1 Bcf.

Options - At December 31, 2024, we held purchased natural gas call options for the heating season ending March 2025 with the total notional amount of 0.60 Bcf, for which we premiums paid of $0.6 million. At December 31, 2023, we held purchased natural gas call options for the heating season ended March 2024 with total notional amount of 0.5 Bcf, for which we paid premiums of $0.5 million.

We have not designated any of our derivative instruments as accounting hedges. These contracts are included in, and recoverable through, our purchased-gas cost adjustment mechanisms. Additionally, premiums paid, changes in fair value and any settlements received associated with these contracts are deferred as part of our unrecovered purchased-gas costs in our consolidated balance sheets. There were no transfers between levels for the periods presented.

Other Financial Instruments - The approximate fair value of cash and cash equivalents, restricted cash and cash equivalents, accounts receivable and accounts payable is equal to book value, due to the short-term nature of these items. Commercial paper is due upon demand and, therefore, the carrying amounts approximate fair value.

The following tables summarize, by level within the fair value hierarchy, our derivative and other assets and liabilities that were accounted for at fair value on a recurring basis at December 31, 2024 and 2023:

	December 31, 2024			
	Level 1	**Level 2**	**Netting (c)**	**Total**
	(Thousands of dollars)			
Assets:				
Derivative instruments - swaps (a)	**$ —**	**$ 25**	**$ (25)**	**$ —**
United States treasury notes (b)	**8,721**	**—**	**—**	**8,721**
Corporate bonds (b)	**—**	**13,171**	**—**	**13,171**
Total assets	**$ 8,721**	**$ 13,196**	**$ (25)**	**$ 21,892**
Liabilities:				
Derivative instruments - swaps (a)	**$ —**	**$ 3,238**	**$ (25)**	**$ 3,213**

(a) The fair value is included in other current assets and other current liabilities in our consolidated balance sheets.
(b) The fair value is included in other current and noncurrent assets in our consolidated balance sheets.
(c) Our over-the-counter natural gas fixed-price swaps are presented on a net basis when the right of offset exists.

	December 31, 2023		
	Level 1	**Level 2**	**Total**
	(Thousands of dollars)		
Assets:			
United States treasury notes (b)	$ 6,496	$ —	$ 6,496
Corporate bonds (b)	—	11,080	11,080
Total assets	$ 6,496	$ 11,080	$ 17,576
Liabilities:			
Derivative instruments - swaps (a)	$ —	$ 13,920	$ 13,920

(a) The fair value is included in other current assets and other current liabilities in our consolidated balance sheets.
(b) The fair value is included in other current and noncurrent assets in our consolidated balance sheets.

The estimated fair value of our long-term debt, including current maturities, was $2.2 billion and $2.8 billion at December 31, 2024 and December 31, 2023, respectively. The estimated fair value of our long-term debt was determined using quoted market prices, and is classified as Level 2.

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17. VARIABLE INTEREST ENTITY

KGSS-I is a special-purpose, wholly owned subsidiary of ONE Gas that was formed for the purpose of issuing securitized bonds to recover extraordinary costs incurred by Kansas Gas Service resulting from Winter Storm Uri. KGSS-I's assets cannot be used to settle ONE Gas' obligations and the holders of the Securitized Utility Tariff Bonds have no recourse against ONE Gas. See Note 5 for additional information about the securitization financing.

KGSS-I is considered to be a variable interest entity. As a result, KGSS-I is included in the consolidated financial statements of ONE Gas. No gain or loss was recognized upon initial consolidation.

The following table summarizes the impact of KGSS-I on our consolidated balance sheets:

	December 31,	
	2024	**2023**
	(Thousands of dollars)	
Restricted cash and cash equivalents	**$ 20,542**	$ 20,552
Accounts receivable	**4,659**	5,133
Securitized intangible asset, net	**265,951**	293,619
Total assets	**$ 291,152**	$ 319,304
Current maturities of securitized utility tariff bonds	**28,956**	27,430
Accounts payable	**319**	393
Accrued interest	**6,568**	7,207
Securitized utility tariff bonds, excluding current maturities, net of discounts and issuance costs $4.8 million and $5.3 million, as of December 31, 2024 and December 31, 2023, respectively	**253,568**	282,506
Equity	**1,741**	1,768
Total liabilities and equity	**$ 291,152**	$ 319,304

The following table summarizes the impact of KGSS-I on our consolidated statements of income:

	Year Ended December 31,		
	2024	**2023**	**2022**
		(Thousands of dollars)	
Operating revenues	**$ 44,390**	$ 48,677	$ 5,769
Operating expense	**(443)**	(440)	(52)
Amortization expense	**(27,668)**	(30,219)	(3,521)
Interest income	**671**	696	6
Interest expense	**(16,806)**	(18,552)	(2,202)
Income before income taxes	**$ 144**	$ 162	$ —
Income Taxes	**(26)**	26	—
Net Income	**$ 118**	$ 188	**$ —**

The following table summarizes the amortization expense related to the securitized intangible asset expected to be recognized in our consolidated statements of income:

For the year ending:	*(Thousands of dollars)*
2025	**$ 29,102**
2026	**30,736**
2027	**32,462**
2028	**34,283**
2029	**36,206**
Thereafter	**103,162**

ONE Gas, Inc.
Financial Ratios
For the Year Ended December 31, 2024

	Utility Operations
Total debt to total capitalization	
Notes payable (includes commercial paper)	914,600
Current maturities of long-term debt	28,970
Current portion of capitalized lease obligations	-
Long-term debt	2,399,217
Capitalized lease obligation	-
Total off balance sheet debt	3,342,787
Notes payable (includes commercial paper)	914,600
Current maturities of long-term debt	28,970
Current portion of capitalized lease obligations	-
Long-term debt	2,399,217
Capitalized lease obligation	-
Total equity	3,104,548
Total capitalization	6,447,335
Total debt to total capitalization	**52%**
Funds from operations interest coverage	
Net income from continuing operations	222,850
Depreciation & amortization	296,699
Deferred income taxes (excluding investment tax credit)	106,522
Investment tax credit	-
Allowance for debt funds used during construction	(8,211)
Allowance for equity funds used during construction	-
Equity earnings from investments	-
Distributions received	-
Gain (loss) on sale of assets	-
Deferred income tax adjustment	-
	617,860
Cash paid for interest, net of amounts capitalized	148,987
Allowance for debt funds used during construction	8,211
Interest expense adjustment	-
Interest on off balance sheet debt	-
	157,198
	775,058
Interest expense, net	147,235
Interest expense adjustment	
Allowance for debt funds used during construction	8,211
Interest on off balance sheet debt	-
	155,446
Funds from operations interest coverage	**4.99**

Funds from operations as a percentage of total debt

Net income from continuing operations	222,850
Depreciation & amortization	296,699
Deferred income taxes (excluding investment tax credit)	106,522
Investment tax credit	-
Allowance for equity funds used during construction	-
Allowance for debt funds used during construction	(8,211)
Equity earnings from investments	-
Distributions received	-
Gain (loss) on sale of assets	-
Deferred income tax adjustment	-
	617,860
Depreciation adj for operating leases	-
Notes payable (includes commercial paper)	914,600
Current maturities of long-term debt	28,970
Current portion of capitalized lease obligations	-
Long-term debt	2,399,217
Capitalized lease obligations	-
Total off balance sheet debt	-
	3,342,787
Funds from operations as a percentage of total debt	**18%**

THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION
NOT AVAILABLE TO THE PUBLIC

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 *PUBLIC (Redacted) 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

Affiant

SUBSCRIBED AND SWORN to before me on 5/29/25.

Notary public

My Appointment Expires:

6/5/26

STATE OF KANSAS NOTARY PUBLIC
STEPHANIE FLEMING
My Appointment Expires
June 5, 2026

CERTIFICATE OF SERVICE

I, Robert Elliott Vincent, hereby certify that a copy of the above and foregoing *Compliance Filing* was forwarded this 30 day of May, 2025, addressed to:

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