

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION]
OF KANSAS GAS SERVICE, A DIVISION] KCC Docket No. 18-KGSG-560-RTS
OF ONE GAS, INC. FOR ADJUSTMENT]
OF ITS NATURAL GAS RATES IN THE]
STATE OF KANSAS]

DIRECT TESTIMONY OF

ANDREA C. CRANE

RE: REVENUE REQUIREMENTS

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

October 29, 2018

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1 **I. STATEMENT OF QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Andrea C. Crane and my business address is 2805 East Oakland Park
4 Boulevard, #401, Fort Lauderdale, Florida 33306.

5
6 **Q. By whom are you employed and in what capacity?**

7 A. I am President of The Columbia Group, Inc., a financial consulting firm that
8 specializes in utility regulation. In this capacity, I analyze rate filings, prepare expert
9 testimony, and undertake various studies relating to utility rates and regulatory
10 policy. I have held several positions of increasing responsibility since I joined The
11 Columbia Group, Inc. in January 1989. I have been President of the firm since 2008.

12
13 **Q. Please summarize your professional experience in the utility industry.**

14 A. Prior to my association with The Columbia Group, Inc., I held the position of
15 Economic Policy and Analysis Staff Manager for GTE Service Corporation, from
16 December 1987 to January 1989. From June 1982 to September 1987, I was
17 employed by various Bell Atlantic (now Verizon) subsidiaries. While at Bell
18 Atlantic, I held assignments in the Product Management, Treasury, and Regulatory
19 Departments.

20
21 **Q. Have you previously testified in regulatory proceedings?**

1 A. Yes, since joining The Columbia Group, Inc., I have testified in over 400 regulatory
2 proceedings in the states of Arizona, Arkansas, Connecticut, Delaware, Hawaii, Kansas,
3 Kentucky, Maryland, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania, Rhode
4 Island, South Carolina, Vermont, Washington, West Virginia and the District of Columbia.
5 These proceedings involved gas, electric, water, wastewater, telephone, solid waste, cable
6 television, and navigation utilities. A list of dockets in which I have filed testimony since
7 January 2008 is included in Appendix A.

8

9 **Q. What is your educational background?**

10 A. I received a Master of Business Administration degree, with a concentration in Finance, from
11 Temple University in Philadelphia, Pennsylvania. My undergraduate degree is a B.A. in
12 Chemistry from Temple University.

13

14 **II. PURPOSE OF TESTIMONY**

15 **Q. What is the purpose of your testimony?**

16 A. On June 29, 2018, Kansas Gas Service (“KGS” or “Company”) filed an Application with the
17 Kansas Corporation Commission (“KCC” or “Commission”) seeking a distribution base rate
18 increase of \$45,566,463, or approximately 15.21% over pro forma base operating revenue at
19 present rates. The Company’s filing includes the impact of rolling into base rates \$2,873,286
20 of revenues currently being collected through the Gas System Reliability Surcharge
21 (“GSRS”). Thus, the net impact on customers of the Company’s request would be a net rate

1 increase of \$42,693,177 over gas service distribution revenues at present rates. The
2 Company’s filing is based on a Test Year ending December 31, 2017.

3 The Columbia Group, Inc. was engaged by The State of Kansas, Citizens’ Utility
4 Ratepayer Board (“CURB”) to review the Company’s Application and to provide
5 recommendations to the KCC regarding certain policy issues as well as the Company’s
6 revenue requirement claim. Dr. J. Randall Woolridge is filing testimony on behalf of CURB
7 addressing cost of capital and capital structure issues. In addition, James Garren is filing
8 testimony on behalf of CURB addressing depreciation issues. Finally, Glenn A. Watkins is
9 filing testimony on behalf of CURB addressing rate design and class cost of service issues.

10
11 **III. INTRODUCTION**

12 **Q. What are the most significant issues in this rate proceeding?**

13 A. The most significant policy issue in this case is the Company’s attempt to mitigate revenue,
14 investment, and expense risk to its shareholders. KGS has several proposals that, if adopted,
15 will transfer these risks from shareholders to ratepayers without any commensurate reduction
16 in the return on equity paid by Kansas ratepayers. For example, KGS is proposing to
17 implement a Revenue Normalization Adjustment (“RNA”) mechanism, which would result
18 in a radical change in the underlying regulatory mechanism used to set utility rates of Kansas
19 customers. The Company is also seeking to implement two new expense tracker
20 mechanisms for cyber-security costs and depreciation expenses. KGS is also proposing to
21 establish a Tax Change Rider (“TCR”) to flow-through to ratepayers certain refunds resulting

1 from the Tax Cut and Jobs Act of 2017 (“TCJA”). While each of these proposals will be
2 addressed more fully later in my testimony, it is clear that KGS is attempting to shift risk
3 from the Company’s shareholders to its ratepayers.

4 KGS’s RNA proposal would shield shareholders from the risk of revenue fluctuations
5 between base rate cases. The Company is already protected against the most significant
6 cause of revenue fluctuations due to its Weather Normalization Adjustment (“WNA”).
7 However, shareholders would be held harmless from the risk of revenue fluctuations from
8 any cause if the proposed RNA is adopted.

9 Shareholders also currently have a portion of their investment risk mitigated by the
10 GSRS, which permits KGS to surcharge customers for certain infrastructure investment
11 between base rate cases. Moreover, the Kansas legislature recently increased the amount of
12 the subsidy that can be imposed on residential ratepayers. Nevertheless, KGS is seeking to
13 shield shareholders from additional investment risk by proposing a depreciation tracker,
14 which would defer the difference between actual depreciation expenses and the depreciation
15 expenses included in base rates.

16 The Company is also proposing to implement a cyber-security tracker, to track the
17 difference between its actual cyber-security costs and the amount included in base rates
18 relating to these activities. The Company already has a tracker for pension and other post-
19 employment benefit (“OPEB”) costs, which eliminates the risk of recovery for pension and
20 OPEB expenses. In this case, the Company is also seeking to retain a portion of market
21 returns earned by the pension and OPEB trust funds, a proposal that is inconsistent with the

1 agreement in KCC Docket No. 10-KGSG-130-ACT (“10-130 Docket”) that established the
2 pension and OBEP trackers.

3
4 **Q. Has the Company proposed to balance this further reduction in risk with a lower
5 return on equity or with a reasonable capital structure?**

6 A. No, it has not. Dr. Woolridge will address the Company’s requested cost of equity and
7 capital structure in more detail. However, the Company’s return on equity claim of 10.0% is
8 not only excessive, but it is also based on an excessive equity ratio of 62.19%. Therefore,
9 while the Company is proposing several mechanisms to reduce shareholder risk, it is seeking
10 a high equity return that would be applied to a high equity base, therefore magnifying the
11 impact on Kansas ratepayers.

12
13 **Q. In addition to the policy issues outlined above, what are the most significant accounting
14 issues in the Company’s filing?**

15 A. The most significant accounting issues in the Company’s filing are: a) the Company’s
16 proposal that all excess deferred income taxes be returned to ratepayers using the Average
17 Rate Assumption Method (“ARAM”), b) the inclusion of significant short and long-term
18 incentive compensation costs in its revenue requirement; c) inclusion of construction work in
19 progress (“CWIP”) in rate base, and d) proposed new depreciation rates that will significantly
20 increase annual depreciation expense. In addition, as already noted, the Company is also
21 seeking to retain certain returns related to funding of the pension and OPEB plans, to charge

1 ratepayers a return on equity of 10.0%, and to reflect a common equity ratio of 62.19% in its
2 capital structure.

3
4 **Q. How is your testimony structured?**

5 A. In Section IV of my testimony, I summarize my conclusions and recommendations. In
6 Sections V, VI, VII, and VIII, I address the Company's revenue requirement claim and its
7 various accounting adjustments. In many cases, I propose additional accounting adjustments.
8 These sections of my testimony are supported by the Revenue Requirement Schedules
9 provided in Appendix B. In Section IX, I address the Company's proposed RNA. Finally, in
10 Section X, I address additional policy issues such as the Company's requested deferrals for
11 cyber-security and depreciation expenses and its proposal to change the methodology for
12 calculating normal degree days when determining normal weather.

13
14 **IV. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS**

15 **Q. What are your conclusions and recommendations concerning the Company's revenue
16 requirement and its need for rate relief?**

17 A. Based on my analysis of the Company's filing, on the recommendations of Dr. Woolridge
18 and Mr. Garren, and on other documentation in this case, my conclusions and
19 recommendations are as follows:

- 20 1. The twelve months ending December 31, 2017, is an appropriate Test Year to use in
21 this case to evaluate the reasonableness of the Company's claim.

- 1 2. As discussed by Dr. Woolridge, the Company has a cost of equity of 9.0% and an
2 overall cost of capital of 6.72%, utilizing a capital structure consisting of 55%
3 common equity and 45% long-term debt (see Schedule ACC-2).¹
- 4 3. KGS has pro forma Test Year rate base of \$1,004,865,770 (see Schedule ACC-3).
- 5 4. The Company has pro forma operating income at present rates of \$69,923,726 (see
6 Schedule ACC-11).
- 7 5. KGS has a pro forma base distribution revenue surplus of \$1,860,079 (see Schedule
8 ACC-1). This is in contrast to the Company's claimed revenue requirement
9 deficiency of \$45,566,463.
- 10 6. After consideration of the roll-in of \$2,873,286 that is currently being collected in the
11 GSRS, CURB recommends a net revenue decrease of \$4,733,365.
- 12 7. The amortization of excess deferred income taxes should be reflected in base
13 distribution rates. To calculate the annual amortization credit, the KCC should
14 utilize a five-year amortization period for all unprotected deferred federal income
15 taxes.
- 16 8. In addition to the amortization of excess deferred income taxes, KGS should also
17 refund to customers \$14.1 million, plus interest, associated with federal income tax
18 savings from January 1, 2018 through the effective date of new rates.
- 19 9. The KCC should reject the Company's request to establish an RNA.
- 20 10. The KCC should reject the Company's requests to establish new tracking

¹ Schedules ACC-1, ACC-31, and ACC-32 are summary schedules, ACC-2 is a cost of capital schedule,

1 mechanisms for costs associated with cyber-security activities and for depreciation
2 expenses.

3 11. The Company should continue to utilize a 30-year period for purposes of determining
4 normal degree days. If the KCC believes that a change in methodology may be
5 appropriate, it should initiate a generic investigation and apply the results of that
6 investigation to all utilities in Kansas.

7
8 **Q. In evaluating the Company's case, have you generally attempted to maintain the**
9 **integrity of the Test Year selected by KGS?**

10 A. Yes, I have. The KCC utilizes a historic Test Year in order to calculate regulated utility
11 rates. I am aware that in the past, the KCC Staff has frequently recommended updates to a
12 utility's claim to reflect more recent data. As noted in cross-answering testimony that I have
13 filed in several cases, I believe that the use of extensive updates violates the principle that
14 rates should be set based on the matching of revenues, expenses, and investment over a
15 defined Test Year. Moreover, I believe that extensive updating also violates the historic Test
16 Year concept and can result in rates being set on what amounts to a future Test Year. For
17 these reasons, I have not attempted to update the Company's claim to reflect post-test year
18 data, except in limited circumstances discussed later in my testimony.

19
ACC-3 to ACC-10 are rate base schedules, and ACC-11 to ACC-30 are operating income schedules.

1 **V. COST OF CAPITAL AND CAPITAL STRUCTURE**

2 **Q. What is the capital structure and cost of capital that the Company is requesting in this**
 3 **case?**

4 A. The Company utilized a capital structure consisting of 62.19% common equity and a 10.0%
 5 return on common equity. As shown in Section 7 of the Company's filing, KGS's cost of
 6 capital claim is composed of the following:

7

	Percentage	Cost	Weighted Cost
8 Long Term Debt	37.81%	3.94%	1.49%
9 Common Equity	62.19%	10.00%	6.22%
10 Total	100.00%		7.71%

11

12 **Q. Is CURB recommending any adjustments to this capital structure or cost of capital?**

13 A. Yes, as addressed by Dr. Woolridge in his testimony, CURB is recommending that the KCC
 14 set rates based on a capital structure consisting of 55% common equity and 45% debt. In
 15 addition, CURB is recommending that the KCC authorize a return on equity of 9.0% for
 16 KGS.

17

18 **Q. What is the overall cost of capital that CURB is recommending for KGS?**

19 A. As shown on Schedule ACC-2, CURB is recommending an overall cost of capital for KGS
 20 of 6.72%, based on the following capital structure and cost rates:

21

	Percentage	Cost	Weighted Cost
Long-Term Debt	45.00%	3.94%	1.77%
Common Equity	55.00%	9.00%	4.95%
Total	100.00%		6.72%

1

2

Please see the testimony of Dr. Woolridge for a detailed discussion of CURB's cost of capital and capital structure recommendations.

3

4

5 **VI. RATE BASE ISSUES**

6 **Q. What Test Year did the Company utilize to develop its rate base claim in this**
7 **proceeding?**

8 A. The Company selected the Test Year ending December 31, 2017.

9

10 **Q. Are you recommending any adjustments to the Company's rate base?**

11 A. Yes, I am recommending several adjustments. Specifically, I am recommending adjustments
12 to utility plant-in-service and to gas storage inventory.

13

14 A. **Utility Plant-In-Service**

15 **Q. How did the Company develop its claim for utility plant-in-service?**

16 A. KGS began with its actual utility plant-in-service balance at December 31, 2017. The
17 Company then made adjustments to include CWIP and to include corporate assets that are
18 allocated to KGS from its parent company, ONE Gas, Inc. KGS also made adjustments to
19 remove certain assets that are not used and useful in the provision of utility service, to reflect

1 certain retirements associated with CWIP, and to remove plant associated with Compressed
2 Natural Gas (“CNG”) operations that are used to provide service to the public.

3
4 **Q. What adjustments are you recommending to the Company’s utility plant-in-service**
5 **claim?**

6 A. I am recommending adjustments to the corporate plant allocated to KGS and to both the KGS
7 and corporate claims for CWIP.

8
9 **Q. Please describe your adjustment relating to corporate plant allocated to KGS.**

10 A. As shown in the Company’s workpapers, the Company’s rate base claim includes
11 \$66,310,258 in corporate plant that is allocated to KGS from ONE Gas. As described in the
12 testimony of Mr. Goad, corporate plant can be allocated on either a “casual” basis or by using
13 the indirect composite Distrigas allocation factor. The Distrigas allocation factor is a three-
14 part factor consisting of Gross Plant and Investment, Operating Income, and Labor Expense
15 that is changed quarterly based on the previous twelve months of operating results for each
16 ONE Gas subsidiary. In the Company’s filing, KGS utilized a Distrigas allocation factor of
17 33.04% for corporate plant that was not allocated on a casual basis. The 33.04% allocation
18 factor used to allocation corporate plant is the factor that was calculated for the first quarter,
19 2018.

20
21 **Q. How does the 33.04% allocation factor compare to the allocation factors that were in**

1 **place during the Test Year?**

- 2 A. The 33.04% Distrigas allocation factor is higher than any of the quarterly factors in place
3 during the Test Year, as shown below:

	Distrigas %
1 st Quarter, 2017	30.99%
2 nd Quarter, 2017	31.31%
3 rd Quarter, 2017	31.64%
4 th Quarter, 2017	31.87%
1 st Quarter, 2018	33.04%
2 nd Quarter, 2018	32.80%
3 rd Quarter, 2018	32.84%

4
5
6 Moreover, not only was the 1st Quarter, 2018 factor higher than the factors used during the
7 Test Year, but it was significantly higher. The average Distrigas allocation during the Test
8 Year was 31.45%, or almost 5% lower than the 33.04% used in the Company's filing to
9 allocate corporate plant. The Distrigas allocation factors in the 2nd Quarter, 2018 and 3rd
10 Quarter, 2018 were also higher than the Test Year average, although both of these quarterly
11 factors were lower than the 1st Quarter, 2018 factor.

12
13 **Q. What do you recommend?**

- 14 A. I recommend that the KCC adjust the Company's claim for corporate plant to reflect the 3rd
15 Quarter, 2018 Distrigas allocation factor of 32.84%. While this factor is still high relative to
16 the average Test Year allocation, it is closer to the Test Year results than the 1st Quarter
17 allocator reflected in the filing. My adjustment is shown in Schedule ACC- 4. Alternatively,

1 the KCC may choose to utilize the average Test Year allocation factor of 31.45%, which
2 would result in an additional reduction to my recommended revenue requirement.
3

4 **Q. Do you have any additional comments?**

5 A. Yes, I note that one of the three variables in the Distrigas allocation factor is Operating
6 Income. Thus, if the KCC awards an Operating Income increase that results in KGS's
7 income growing faster than the Operating Income at other ONE Gas subsidiaries, this will
8 have a double impact on Kansas ratepayers. Not only will Kansas ratepayers be forced to pay
9 higher utility rates that reflect increased returns, but the costs allocated to KGS will increase
10 as Operating Income grows relative to other affiliates. The KCC should consider the impact
11 of Operating Income on the Company's Distrigas allocation factor as it examines the
12 Company's revenue requirement claim in this case.
13

14 **Q. Please discuss your adjustments relating to CWIP.**

15 A. The Company's utility plant-in-service claim includes CWIP of \$23,917,948 as shown in
16 Section 3, Schedule 3-C, page 1 of the filing. In addition, the Company's claim for
17 corporate plant includes CWIP of \$11,904,982. I am recommending that the Commission
18 reduce the Company's CWIP claim to remove projects that were not completed by August
19 31, 2018.
20

1 **Q. What is CWIP?**

2 A. CWIP is plant that is under construction but which has not yet been completed and placed
3 into service. Once the plant is completed and serving customers, then the plant is booked to
4 utility plant-in-service and the utility begins to take depreciation expense on the plant.

5
6 **Q. How did KGS develop its claim for CWIP in this case?**

7 A. KGS included in rate base all of its CWIP as of December 31, 2017, the end of the Test Year.
8

9 **Q. Do you believe that CWIP is an appropriate rate base element?**

10 A. No, I do not believe that CWIP is an appropriate rate base element. CWIP does not represent
11 facilities that are used or useful in the provision of utility service. In addition, including this
12 plant in rate base violates the regulatory principle of intergenerational equity by requiring
13 current ratepayers to pay a return on plant that is not providing them with utility service and
14 which may never provide current ratepayers with utility service. However, I understand that
15 the inclusion of CWIP in rate base is governed by statute.²

16 K.S.A. 66-128 provides for the KCC to determine the value of the property included
17 in rate base. The statute generally requires that “property of any public utility which has not
18 been completed and dedicated to commercial service shall not be deemed to be used and
19 required to be used in the public utility’s service to the public.” However, the statute also

²I am not an attorney and my discussion of the CWIP statute is not intended as a legal interpretation of that statute, but rather provides my understanding of the statute from a ratemaking perspective.

1 provides that certain property “shall be deemed to be completed and dedicated to commercial
2 service” under certain circumstances. Specifically, K.S.A. 66-128(b)(2) provides:

3 Any public utility property described in subsection (b)(1) shall be deemed to
4 be completed and dedicated to commercial service if: (A) construction of the
5 property will be commenced and completed in one year or less; (B) the
6 property is an electric generation facility that converts wind, solar, biomass,
7 landfill gas or any other renewable source of energy; (C) the property is an
8 electric generation facility or addition to an electric generation facility; or (D)
9 the property is an electric transmission line, including all towers, poles and
10 other necessary appurtenances to such lines, which will be connected to an
11 electric generation facility.
12

13 **Q. Did the Company demonstrate that the CWIP included in its rate base claim meets the**
14 **criteria outlined in the statute?**

15 A. No, it did not. KGS included all of the CWIP balance as of December 31, 2017 in its rate
16 base claim, regardless of when the investment was first incurred and regardless of the actual
17 (or projected) in-service date. Therefore, KGS did not attempt to demonstrate that each
18 project included in its CWIP claim met the requirement that the project commenced and was
19 completed within one year.
20

21 **Q. What do you recommend?**

22 A. I recommend that the KCC limit CWIP to those projects that were in-service by August
23 31,2018. Since KGS did not demonstrate that its claim for CWIP met the requirements of
24 the Kansas statute, the KCC may choose to eliminate all CWIP from the Company’s rate
25 base claim. However, at a minimum, those projects that are not yet completed and placed
26 into service should be disallowed. Under the one-year requirement discussed above, projects

1 completed by August 31, 2018 should have been started by August 31, 2017 in order to be
2 included in rate base. The Company has included almost 1,200 individual projects in its
3 CWIP claim and many of these are blanket projects with starting dates that are not readily
4 identifiable. Therefore, in some cases, it is difficult to assess exactly which projects
5 commenced by August 31, 2017. Accordingly, I am giving the Company the benefit of the
6 doubt with regard to projects that were completed by August 31, 2018. At Schedule ACC-5,
7 I have made an adjustment to eliminate the KGS projects that were not completed by August
8 31, 2018. At Schedule ACC-6, I have made an adjustment to eliminate the corporate plant
9 projects that were not completed by August 31, 2018.

10
11 **Q. Have you made a corresponding adjustment to retirements?**

12 A. Yes, I have. KGS included an adjustment to reduce utility plant in service by \$4,174,188 to
13 reflect the retirements of plant associated with CWIP projects. The Company's adjustment
14 to retirements was based on an average retirement ratio of 17.45%. Since I am
15 recommending that the KCC reduce the Company's CWIP claim, it is appropriate to make a
16 corresponding adjustment to reduce its associated claim for retirements. Therefore, at
17 Schedule ACC-7, I have made an offsetting adjustment to reduce the Company's claim for
18 retirements, based on my recommended CWIP adjustment and on the Company's retirement
19 factor of 17.45%.

1 **B. Accumulated Depreciation**

2 **Q. How did the Company develop its claim for accumulated depreciation?**

3 A. The Company’s claim for accumulated depreciation is based on its balance for accumulated
4 depreciation at December 31, 2017, adjusted to include accumulated depreciation on
5 corporate assets allocated to KGS, and reduced by retirements and accumulated depreciation
6 on plant that is not used and useful in the provision of utility service.

7
8 **Q. Are you recommending any adjustments to accumulated depreciation?**

9 A. Yes, I am recommending two adjustments, both of which are related to the utility plant-in-
10 service adjustments discussed above. First, the Company’s claim for accumulated
11 depreciation associated with corporate plant was based on the 1st Quarter, 2018 Distrigas
12 allocation factor of 33.04%. Since I am recommending a Distrigas allocation factor of no
13 greater than 32.84%, I have made an adjustment to reduce the depreciation reserve associated
14 with corporate assets, based on lowering the allocation factor from 33.04% to 32.84%. This
15 adjustment is shown in Schedule ACC-8.

16 Second, since I have reflected an adjustment to utility plant-in-service to reduce the
17 Company’s claim for retirements associated with CWIP, it is necessary to make a
18 corresponding adjustment to accumulated depreciation. Therefore, at Schedule ACC-9, I
19 have decreased the Company’s accumulated depreciation reserve to reflect the impact of my
20 adjustment to retirements, discussed earlier in this testimony.

1 **Q. Do both of these adjustments to the reserve for depreciation impact the Company's**
2 **overall rate base?**

3 A. No. My reserve adjustment relating to a change in the Distrigas allocation factor will
4 increase the Company's rate base. However, the second reserve adjustment allocated with
5 retirements has no net impact on rate base because my adjustment to the depreciation reserve
6 is offset by the retirement adjustment to utility plant-in-service. However, the offsetting
7 adjustments related to retirements do impact the Company's pro forma depreciation expense,
8 as discussed later in my testimony.

9
10 **C. Gas Storage Inventory**

11 **Q. How did the Company develop its rate base claim for gas storage inventory?**

12 A. The Company's claim is based on a 13-month average from December 2016 to December
13 2017, as shown in Section 6, Schedule 6-B, of the Company's filing.

14
15 **Q. Are you recommending any adjustment to the Company's claim?**

16 A. Yes, I am recommending that the Commission update the gas storage inventory balance to
17 reflect the most recent 13-month average on August 31, 2018. The Company's gas storage
18 inventory is dependent upon two factors – the volume of gas in storage each month and the
19 unit price for that gas. The unit price of gas increased over the twelve-months of the
20 Company's Test Year. However, since the end of the Test Year, the unit price has declined.
21 The Company's claim is based on a 13-month average of \$27,375,068, which reflects an

1 average price of \$2.70 per Mcf. However, as shown in the response to KCC-338, the 13-
2 month inventory average balance at August 31, 2018 was only \$24,360,143, or \$2.63 per
3 Mcf. Moreover, by August 31, 2018, the monthly average unit cost had declined to only
4 \$2.38 per Mcf. Therefore, reflecting the 13-month average of \$27,375,068 claimed by the
5 Company would clearly overstate the gas storage inventory cost and result in the Company's
6 shareholders earning a higher return than is required to support the Company's investment in
7 gas storage inventory. Accordingly, I recommend that the KCC include a gas storage
8 inventory level of \$24,360,143. Based on the continuing decline in gas storage inventory
9 balances, the most recent 13-month average is more appropriate than the Test Year average
10 included in the Company's rate base claim. I do not recommend that the KCC adopt the
11 August 31, 2018 unit price of \$2.38 per Mcf, or the one-month balance at August 31, 2018,
12 since a one-month balance does not provide sufficient data with regard to either volumes or
13 price fluctuations. My adjustment is shown in Schedule ACC-10.

14
15 **D. Rate Base Summary**

16 **Q. What is the combined impact of your rate base adjustments?**

17 A. My recommended adjustments reduce the Company's rate base claim from \$1,016,084,490 as
18 reflected in its filing, to \$1,004,865,770, as summarized on Schedule ACC-3.

1 **VII. OPERATING INCOME ISSUES**

2 **A. Pro Forma Revenue**

3 **Q. How did the Company develop its pro forma revenue claim in this case?**

4 A. The Company began with its actual Test Year revenue and then made various adjustments to
5 remove unbilled revenues and revenues associated with various surcharges, to remove CNG
6 revenues for activities not included in regulated rates, to adjust for certain changes in
7 contract minimums and discounted rates to certain customers, to weather normalize usage,
8 to annualize for customer growth during the Test Year and to annualize revenues at current
9 tariff rates.

10
11 **Q. Are you recommending any adjustment to the Company's pro forma revenue claim?**

12 A. Yes, I am recommending one adjustment. As described in the testimony of Mr. Raab at
13 pages 32-34, KGS included an adjustment to annualize revenues for customer growth that
14 occurred during the Test Year. This annualization adjustment was based upon the average
15 growth over a three-year period. I am recommending that actual growth during the Test
16 Year be used to annualize revenues, instead of the three-year average reflected in the
17 Company's claim.

18
19 **Q. Why should the customer annualization adjustment be based on actual Test Year
20 growth?**

21 A. The purpose of an annualization adjustment is to assume a full year of revenues for

1 customers added during the Test Year. For example, if the Company added one customer
2 each month, there would be 12 new customers by the end of the year. However, revenues
3 collected during the year would have reflected only one-half of this growth, or six new
4 customers. Therefore, a revenue annualization adjustment would be necessary to include
5 revenues from the remaining six customers.

6 Once the Test Year is over, the actual number of customers added during the year is
7 known. Therefore, there is no reason to use an historic average growth rate or otherwise to
8 estimate customer growth during the year. The Company's methodology may be
9 appropriate if one is attempting to estimate future growth, or if one does not have the
10 underlying data regarding actual Test Year growth, which was the case in the recent Kansas
11 City Power and Light Company ("KCP&L") case. In those situations, it may be appropriate
12 or necessary to use an historic average. However, in this case, the Company had good data
13 regarding actual growth during the Test Year and should have used that data to annualize its
14 Test Year revenues.

15
16 **Q. What would KGS's adjustment have been if actual Test Year growth had been used in**
17 **the customer annualization adjustment?**

18 A. Had KGS annualized revenues for customer growth based on actual Test Year growth, its pro
19 forma revenue adjustment would have been \$386,231, as shown in the response to CURB-
20 101. Therefore, at Schedule ACC-12, I have made an adjustment to reflect this revenue
21 annualization adjustment instead of the Company's adjustment based on a three-year

1 average.

2
3 **B. Incentive Compensation Expense**

4 **Q. Please describe the Company's incentive compensation programs.**

5 A. The Company has several incentive compensation programs. First, as described in the
6 testimony of Mr. Branz at page 9, the Company offers a Short-Term Incentive Plan ("STIP")
7 that provides an annual, lump sum cash award. The STIP award is based on a targeted
8 percentage of each employee's base pay, with the potential award percentage varying
9 depending on the grade level of the employee. All regular, full-time active non-bargaining
10 unit employees are eligible for the STIP.

11 The STIP award payout is based on the attainment of four performance metrics,
12 including total recordable incident rate ("TRIR"), preventable vehicle incident rate
13 ("PVIR"), days away, restricted or transferred ("DART"), and diluted earnings per share
14 ("EPS"). However, the overwhelming majority of the award is based on the EPS parameter.

15 The EPS parameter accounts for 70% of the STIP criteria, with the remaining three
16 operational and safety metrics splitting the remaining 30% evenly.

17 Participants in the STIP can earn up to 150% of the targeted payout, depending on the
18 actual parameters achieved. For example, in 2017, the actual payout was 129.3% of target,
19 as shown on page 48 of Exhibit JDB-1. The vast majority of the 2017 payout was directly
20 related to the earnings per share benchmark, accounting for 90.3% of the 129.3% payout
21 rate. The TRIR and the DART benchmarks each accounted for 15.0%, above their

1 respective 10.0% targets. However, the PVIR target was not met and consequently this
2 metric contributed just 9.0% to the overall performance payout instead of the 10.0% target.

3 The STIP also has an individual performance modifier so these results are further
4 impacted by individual performance. For the Named Executive Officers (“NEOs”)
5 identified in the 2017 Proxy Statement, the individual modifiers ranged from 100% to 112%
6 based on individual performance.

7 In addition to the STIP, KGS also offers two Long-Term Incentive Plans (“LTIP”), a
8 performance share unit (“PSU”) award and a restricted stock unit (“RSU”) award.
9 Participation in the LTI Plan is limited to those Employees and Directors deemed eligible by
10 the Executive Compensation Committee of the ONE Gas Board of Directors.

11
12 **Q. What is the performance metric used to make awards under the Company’s LTIP?**

13 A. As discussed on page 14 of Mr. Branz’s testimony, the PSU awards are based on ONE Gas’s
14 three-year total shareholder return relative to the total shareholder return of a designated
15 group of 13 peer utility companies. Thus, the size of these awards depends upon both the
16 earnings of ONE Gas as well as on the earnings of other utilities. The actual payout of the
17 PSU awards can be up to 200% of the original award target, depending on the relative TSR
18 of ONE Gas. The RSUs have a three-year vesting period and are not based on performance
19 metrics.

20
21 **Q. How much is included in the Company’s pro forma expense claim relating to incentive**

1 **compensation plans?**

2 A. The Company included an adjustment to remove the STIP award in excess of 100% from its
3 revenue requirement claim but included the actual Test Year LTIP awards in its claim.
4 According to the Company’s response to CURB-176, KGS included \$4,286,107 in STIP
5 award expenses and \$2,213,032 in LTIP award expenses in its filing.

6
7 **Q. Do you believe that it is appropriate to recover these incentive award costs from**
8 **ratepayers?**

9 A. No, I do not. I have several objections to programs that recover incentive compensation
10 costs from ratepayers, especially in the manner implemented by KGS. Providing employees
11 with a direct financial interest in the profitability of the Company is an objective that benefits
12 shareholders, but it does not benefit ratepayers. Both the STIP and the LTIP awards are
13 heavily weighted toward corporate financial performance, with the former being weighted
14 70% on financial performance and the latter being 100%-related either to financial
15 performance measures or to time spent with the Company. Incentive payment awards that
16 are based largely on earnings criteria may violate the principle that a utility should provide
17 safe and reliable utility service at the lowest possible cost. This is because these plans
18 require ratepayers to pay higher compensation costs as a consequence of high corporate
19 earnings, a spiral that does not directly benefit ratepayers, but does benefit shareholders and
20 the management to whom such awards are granted. Moreover, such plans typically provide
21 a disproportionate benefit to shareholders and the upper management personnel responsible

1 for establishing such awards. Finally, awards solely or primarily based on improving
2 shareholder earnings should not be included in rates because they are not a necessary
3 component of the cost of serving customers and may actually provide incentives to
4 employees to become less customer-focused.

5 It is especially egregious to ask Kansas ratepayers to fund significant incentive award
6 payments for well-paid executives and officers. In addition, it seems inconsistent to reward
7 executives with large incentive award payments tied to corporate earnings while at the same
8 time arguing that shareholders require a significant rate increase in order to earn a reasonable
9 rate of return.

10 Incentive compensation plans tied to corporate performance result in greater
11 enrichment of company personnel as a company's earnings reach or exceed targets that are
12 predetermined by management. It should be noted that it is the job of regulators, not the
13 shareholders or company management, to determine what constitutes a just and reasonable
14 rate of return award to shareholders in a regulated environment. Regulators make such a
15 determination by establishing a reasonable rate of return award on rate base in a base rate
16 case proceeding.

17 Allowing a utility to charge for additional return that is then distributed to employees
18 as part of some plan to divide extraordinary profits violates all sense of fairness to the
19 ratepayers of the regulated entity. It is certain to result in burdensome and unwarranted rates
20 for its ratepayers, and also violates the principles of sound utility regulation, particularly with
21 regard to the requirement for "just and reasonable" utility rates.

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Q. What would be the appropriate response by the KCC if the earnings of KGS were in excess of its authorized rate of return?

A. If the KCC determined that these excess earnings were expected to continue, the appropriate response would be to initiate a rate investigation, and, if appropriate, to reduce the utility's rates.

Q. Doesn't the Company base its compensation on the level of compensation offered by comparable companies?

A. Yes, it does. As stated by Mr. Branz at page 3 of his testimony, "ONE Gas' objective is to pay its employees, on average at the 50th percentile of the market for total compensation compared to peer companies." However, targeting compensation to the 50th percentile of an industry peer group puts compensation on a continuing upward spiral as each company that falls below the mean or median attempts to increase its position among its peers. For that reason, awards that rely upon industry peer groups can result in inflated salaries that continue to escalate as the companies below the average attempt to raise their standings in the group.

In addition, while Mr. Branz testified extensively about industry surveys used to evaluate ONE Gas compensation levels, he failed to address the extent to which other utilities recover incentive compensation costs from ratepayers. In this period of increasing compensation expense, especially with regard to corporate officers and other executives, more regulatory commissions are limiting or eliminating the recovery of incentive

1 compensation costs from utility rates, especially for officers.

2
3 **Q Has the KCC limited the recovery of incentive compensation costs in prior cases?**

4 A. Yes, it has. In KCC Docket No. 10-KCPE-415-RTS (“415 Docket”), the KCC found that
5 “[i]ncentive compensation awards tied to the Company’s financial interest will improve the
6 profitability of the company and, as a result, benefit shareholders more than ratepayers.”³ The
7 KCC also found that “relying upon the median of peer group statistics for a benchmark to
8 determine appropriate incentive compensation amounts can result in a continuing upward
9 spiral as each company seeks to increase their position among peers.”⁴ In that case, the KCC
10 eliminated certain incentive compensation costs that it found were directly related to
11 financial performance metrics.

12
13 **Q What are you recommending in this case?**

14 A. While I continue to believe that all incentive compensation costs should be borne by
15 shareholders, in the 415 Docket the KCC generally limited its disallowances to incentive
16 compensation costs that were driven by financial criteria that benefitted shareholders, finding
17 that such costs should be borne by those shareholders. Thus, in this case, I am
18 recommending disallowance of 70% of STIP costs and 100% of LTIP costs. With regard to
19 STIP costs, my recommendation is based on the fact that 70% of the awards are based on
20 financial criteria, i.e., EPS. With regard to the LTIP awards, 100% of the awards relate to

³ KCC Order in KCC Docket No. 10-KCPE-415-RTS, November 11, 2010, page 46.

1 financial criteria, i.e., total shareholder return, or vest automatically with no performance
2 criteria. Moreover, the financial parameter used by the LTIP compares ONE Gas's relative
3 TSR to the TSR of other utilities. Therefore, allowing these costs to be recovered in utility
4 rates would make Kansas gas rates dependent not only on the financial performance of ONE
5 Gas, but also on the financial performance of unrelated gas companies, including companies
6 in other jurisdictions. Accordingly, at Schedule ACC-13, I have made an adjustment to
7 eliminate 70% of the costs for the STIP awards, while in Schedule ACC-14, I have
8 eliminated 100% of the costs of the LTIP awards. This recommendation will require the
9 Board of Directors to establish incentive compensation plans that shareholders are willing to
10 finance.

11
12 **Q. How have the Company's shareholders fared over the past few years?**

13 A. As noted on page 43 of Exhibit JDB-1, ONE Gas "generated total shareholder return of
14 approximately 140 percent from February 3, 2014 through December 29, 2017. This return
15 exceeded the returns over the same period of eight of the nine companies in our peer group,
16 the S&P MidCap 400 Index (59.66 percent), the S&P MidCap Utilities Index (57.40 percent)
17 and the Dow Jones Industrial Average (77.26 percent)." Moreover, since the end of the Test
18 Year, ONE Gas' stock price has increased by over 12.0%.⁵

19
⁴Id.

⁵ Based on the December 29, 2017 price of \$71.86 and the October 23, 2018 price of \$82.12.

1 **C. Pension and OPEB Expense**

2 **Q. How did the Company develop its pension and OPEB expense claims in this case?**

3 A. In Docket No. 10-KGSG-130-ACT (“10-130 Docket”), the Company received authorization
4 to establish two tracking mechanisms for its pension/OPEB costs. Specifically, the KCC
5 authorized the Company to establish Tracker 1 to record the difference between its annual
6 pension/OPEB expense pursuant to Generally Accepted Accounting Principles (“GAAP”)
7 and the annual expense included in utility rates. The KCC authorized the Company to
8 amortize the associated regulatory asset or liability over a period not to exceed five years in
9 the Company’s next base rate case. In addition, the KCC authorized the Company to
10 establish Tracker 2, a regulatory asset or liability to accumulate the difference between the
11 current year pension/OPEB contributions made by the Company and the current year GAAP
12 pension/OPEB costs. Both trackers were approved effective January 1, 2009. The Order in
13 the 10-130 Docket stated that neither tracker would be included in rate base in the
14 Company’s next base rate case nor would either tracker accrue carrying charges. While the
15 10-130 Docket was being litigated, the KCC was also involved in a generic proceeding
16 examining similar issues.

17 In the current case, KGS is proposing several adjustments relating to its pension and
18 OPEB costs. First, it is proposing that the Test Year amortizations of the prior pension and
19 OPEB deferrals recorded in Tracker 1 be eliminated. Second, it is proposing that the current
20 deferred pension and OPEB balances related to Tracker 1 be amortized over a three-year
21 period. Third, it is proposing adjustments to its annual pro forma pension and OPEB costs

1 based on updated actuarial studies. Finally, it is requesting that the KCC authorize
2 shareholders to retain two-thirds of what it terms “savings” related to funding of the pension
3 and OPEB plans.

4
5 **Q. Are you recommending any adjustments to the Company’s proposals with regard to**
6 **pension and OPEB costs?**

7 A. I am not recommending any adjustments to its proposals to eliminate the prior period Tracker
8 1 amortization or to begin amortization of the current Tracker 1 balances over three years.
9 However, I am recommending that the pension and OPEB costs related to Tracker 1 be
10 updated with actual results through August 31, 2018. In addition, I am vigorously opposed to
11 the Company’s proposal to “share” savings that it alleges are generated by contributions to
12 the pension and OPEB funds.

13
14 **Q. How is pension cost determined for ratemaking purposes?**

15 A. Most state regulatory commissions, including the KCC, utilize the accrual methodology set
16 forth in Statement of Financial Accounting Standard (“SFAS”) 87.⁶ This is the methodology
17 that is required to be used for financial reporting purposes under GAAP. This
18 pronouncement was issued by the Financial Accounting Standards Board (“FASB”) in
19 December 1985. This methodology requires a company to accrue pension costs over the
20 working life of the employee.

6 The Financial Accounting Standards Board has now reclassified its pronouncements into Accounting Standards

1 Under SFAS 87, a company’s annual pension cost is calculated each year based on a
2 multi-factor formula. This calculation determines the amount of pension cost that must be
3 recognized for financial reporting purposes, based on numerous factors. The calculation
4 considers the accumulated amount that should have been accrued at the present time based
5 on the demographics of a company’s employees, the age at which such employees are likely
6 to retire, the expected future return on pension plan assets, assumptions regarding future
7 payroll levels, assumptions regarding an appropriate discount rate, and other factors. When
8 calculating the annual pension cost, certain gains and losses are amortized over a multi-year
9 period. This amortization helps to mitigate significant fluctuations that can occur from year-
10 to-year in pension fund earnings, as well as variations associated with changes in underlying
11 assumptions.

12 Thus, the calculation of the pension cost is a snapshot at a point in time. It is
13 impacted by what has happened in the past as well as what is expected to happen in the
14 future. In addition, there is a gradual true-up of past estimates with actual results over time.
15 Pursuant to SFAS 87, a pension cost can be either positive or negative. If it is positive, then
16 the pension plan does not have sufficient funds pursuant to the formula to meet its required
17 benefits and additional amounts must be accrued. In that case, ratepayers are required to
18 provide for additional recovery of costs in rates. If the pension cost is negative under SFAS
19 87, i.e., the accumulated annual accruals exceed the amounts required pursuant to SFAS 87,
20 then ratepayers receive a credit in cost of service due to the fact that the pension cost was

Codification (“ASC”) categories. SFAS 87 is now identified as ASC-715. In this testimony, I will continue to refer

1 higher than necessary in prior years, perhaps due to higher than anticipated market returns or
2 other factors.

3 The actual cash funding of the plan, i.e., the amount of cash contributions to the
4 dedicated trust that must be made by a company, is governed by the requirements of the
5 Employee Retirement Income Security Act (“ERISA”), the Pension Protections Act (“PPA”)
6 of 2006, and Internal Revenue Service (“IRS”) regulations. The minimum pension plan
7 contribution that must be made each year is determined pursuant to ERISA and the PPA,
8 while the IRS determines the maximum amount of any contribution that is deductible for
9 income tax purposes.

10 Many factors influence a company’s decision with regard to pension funding,
11 including tax considerations, the availability of cash, and a company’s financial position.
12 Thus, a utility’s funding decisions are dependent, at least in part, on its ability to manage its
13 earnings and/or to minimize its tax expense. Ratepayers should not be penalized as a result
14 of pension funding decisions made by Company management, especially when those
15 decisions are based on tax avoidance policies or other motives. Rather, utility rates should be
16 based solely on the annual cost of pension benefits approved by the KCC pursuant to SFAS
17 87. It should be noted that while this discussion has focused on pension costs, OPEB costs
18 are determined in a similar manner and my recommendations extend to OPEB costs as well
19 as to pension costs.

20
to SFAS 87.

1 **Q. Please briefly describe the pension and OBEP trackers that were authorized by the**
2 **KCC.**

3 A. In the 10-130 Docket, the KCC authorized two trackers for pension and OPEB costs –
4 Tracker 1 and Tracker 2. Tracker 1 reflects the difference between the annual pension and
5 OPEB expense incurred by the Company and the amount of pension and OPEB expense
6 included in utility rates. KGS is permitted to defer these amounts to Tracker 1 and to
7 amortize the balance over a period not to exceed five years in a subsequent rate case.

8 Tracker 2 was also authorized in the 10-130 Docket. Tracker 2 reflects the cumulative
9 difference between actual pension and OPEB contributions to the pension trust and the
10 pension/OPEB costs recorded pursuant to GAAP.

11 Subsequent to the Order in the 10-130 Docket, a similar Tracker 2 mechanism was
12 also authorized for KGS in KCC Docket No. 07-GIMX-1041-GIV (“07-1041 Docket”),
13 which was the *Generic Investigation into Commission Policy Regarding Pension and*
14 *Retirement Costs for Investor-Owned Utilities*. As stated on page 5 of the Staff Report and
15 Recommendation filed in the 07-1041 Docket:

16 The utilities’ discretion can be used to manipulate the timing of contributions
17 to achieve maximum return in conjunction with the timing of the rate cases.
18 Furthermore, the timing and amount of contribution of the retirement trust
19 fund is a corporate financial decision. This decision is influenced by factors
20 such as tax considerations and the availability of alternative investments that
21 are unrelated to how the pension obligation is incurred.
22

23 Therefore, in the 07-1041 Docket, utilities were authorized to record Tracker 2 for financial
24 reporting purposes but Tracker 2 was not given ratemaking treatment. At that time, some

1 utilities argued that Tracker 2 should be included in rate base and should be entitled to earn
2 carrying costs. However, CURB and other parties opposed the inclusion of Tracker 2 in
3 utility rates. Accordingly, the parties entered into an agreement that authorized the
4 establishment of a tracking mechanism for pension and OPEB costs, i.e., Tracker 1, but
5 agreed that Tracker 2 would not receive ratemaking treatment. KGS was a signatory to the
6 Settlement Agreement in the 07-1041 Docket.

7
8 **Q. Why was it important that Tracker 2 not be given ratemaking treatment?**

9 A. This was important for several reasons. First, it was important that utilities be prevented
10 from turning the funding of pension and OPEB trusts into a profit center. If the Kansas
11 utilities were permitted to include Tracker 2 in rate base and earn carrying costs at the
12 authorized weighted cost of capital, companies could borrow funds at low debt rates, invest
13 these funds in the pension and OPEB trusts, and then charge ratepayers carrying charges at
14 the overall authorized return on capital, creating a windfall for the Company and its
15 shareholders. Utilities have wide discretion with regard to annual funding of the pension and
16 OPEB plans. There can be millions of dollars between the minimum funding required in any
17 given year and the maximum contributions that are deductible for tax purposes. Utility rates
18 should not be subject to this wide discretion given to utility management on funding
19 decisions regarding pension and OPEB plans.

20 While the Company is not specifically requesting inclusion of a pension or OPEB
21 asset or liability in rate base in this case, its request for shareholders to retain two-thirds of

1 “shared savings” relating to pension and OPEB funding is equivalent to permitting the
2 Company to include a portion of a pension and OPEB asset in rate base. This request
3 represents a material change in the terms of the agreements reached in the 10-130 and 07-
4 1041 Dockets.

5
6 **Q. What are your specific concerns about the Company’s “shared savings” proposal in
7 this case?**

8 A. I have numerous concerns. First, I have general concerns about the overall calculation of the
9 “shared savings” adjustment proposed by KGS. The Company’s adjustment is based on the
10 Tracker 2 balance at December 31, 2017 of \$67,687,815. KGS has reflected an annual return
11 of 7.37% on this balance, which is the return on plan assets projected in its actuarial studies,
12 for an annual “savings” amount of \$4,987,801. It then proposes that two-thirds of this
13 amount, or \$3,325,367 be retained by shareholders, and it has increased its revenue
14 requirement by this amount.

15 As shown on page 10 of Mr. Smith’s testimony, the Tracker 2 balance has been
16 relatively stable over the past three years, and has declined since 2012. A further decline is
17 projected for 2018, as shown on page 4 of his testimony. Therefore, the positive Tracker 2
18 balance is not a new phenomenon. The Tracker 2 balance in 2009, when the trackers were
19 first authorized, was \$21,655,625. The Tracker 2 balance reached a maximum in 2012 and
20 has generally decreased since that time.

21 Mr. Smith states on page 11 of his testimony that the Company is prohibited from

1 recovering a return on investments in its pension plans. He goes on to state that “The
2 purpose of this prohibition was to ensure the Company could not collect more from
3 customers than it contributed to the pension plan. I am not sure that an overfunding scenario
4 was ever considered at that time, because pension plans had lost billions of dollars in the
5 market drop related to the financial crisis.” While Mr. Smith may not be sure, I am sure that
6 an over funding scenario was anticipated when the trackers were considered by the parties to
7 the 10-130 and 07-1041 Dockets. In fact, CURB agreed to the tracker mechanism only
8 because of the prohibition against any ratemaking implications for Tracker 2. Moreover, it
9 is interesting that Mr. Smith argues that shareholders should be compensated for
10 “overfunding” the pension and OPEB plans while he also acknowledges that pension and
11 OPEB trusts lost billions in the financial crisis – amounts that would not have been lost if the
12 funding policies had been less aggressive. He also fails to mention that ratepayers were
13 forced to make up these losses by larger pension costs pursuant to SFAS 87 than would
14 otherwise be the case had these losses not occurred.

15 In addition, there has been no substantial change in the funding requirements that
16 would necessitate a reexamination of the prohibition against ratemaking treatment for
17 Tracker 2. Mr. Smith states that the Pension Protection Act (“PPA”), which became
18 effective with the 2008 plan year, addresses the primary funding requirements. Thus, the
19 PPA was effective prior to the pension and OPEB tracking mechanisms being adopted by the
20 KCC and prior to the prohibition of providing ratemaking treatment for Tracker 2. Clearly,
21 the current Tracker 2 balances are not the result of any unforeseen recent events that

1 impacted the funding of the pension or OPEB trusts.

2
3 **Q. Do you believe that the “shared savings” proposal is an attempt by KGS to get around**
4 **the “prohibition” on the Company recovering a return on the contributions made to the**
5 **pension and OBEP trusts?**

6 A. Yes, absolutely. Mr. Smith acknowledges that the Company was prohibited from earning a
7 return on Tracker 2. Therefore, KGS developed another approach that would allow it to
8 increase shareholder returns while not directly recovering a return on Tracker 2. The “shared
9 savings” proposal is nothing more than an attempt to repackage carrying costs on Tracker 2
10 into another mechanism that the Company can argue does not violate the letter of the
11 Settlement Agreement that originally established the pension trackers. However, the “shared
12 savings” proposal clearly violates the spirit of the Settlement Agreement and is directly
13 contrary to the representations made by the parties at that time.

14
15 **Q. Do you also have disagreements with the mechanics of the sharing proposal?**

16 A. Yes, I do. The earnings rate of 7.37% proposed by the Company is the projected market
17 return on plan assets used in the actuarial studies in 2017. Actual market returns can vary
18 significantly from the projected market returns, as acknowledged by Mr. Smith earlier when
19 he discussed billions of dollars in market losses. More importantly, ratepayers bear the risk
20 of market returns falling below expectations. This is because in the SFAS 87 formula used
21 to determine annual pension cost, the actual market value of the fund is one component used

1 in the calculation. So when market returns fall below expectations, annual pension costs
2 pursuant to SFAS 87 are higher than they would otherwise be, with the higher annual pension
3 costs being recovered from ratepayers.

4 The variances in market returns is another reason why the KCC should deny any
5 request to include Tracker 2 balances in the ratemaking equation. Funding pension and
6 OPEB plans at higher than minimum levels may not always be beneficial. It is not always
7 beneficial to have a well-funded plan because in years when the market falls, the loss to
8 ratepayers is even greater than it would otherwise be.

9 In addition, I am baffled by Mr. Smith's statement on page 12 of his testimony that
10 the savings generated by funding of the pension and OPEB plans "were not contemplated."
11 Surely, Mr. Smith, as Vice President, Treasury of ONE Gas, is familiar with the formula used
12 to calculate pension and OPEB costs pursuant to GAAP. It is inconceivable that the
13 Company was unaware of the impact of funding decisions on the determination of annual
14 pension and OPEB expense under GAAP when it made those funding decisions.

15 Finally, I believe that the Company's proposal is disingenuous. I participated in the
16 10-130 Docket, as well as in the 07-1041 Docket, on behalf of CURB. CURB anticipated
17 that the utilities might seek to include a pension or OPEB asset in rate base, turning the
18 funding of these plans into a profit center for the utilities. We were assured at that time that
19 while the Tracker 2 mechanism was necessary to meet the requirements of the auditors, the
20 utilities would not seek to include a return on Tracker 2 in utility rates. It was only with this
21 assurance that CURB agreed to the Tracker 2 mechanism. Therefore, on behalf of CURB, I

1 feel misled now that we are presented with a request to allow shareholders to profit from
2 contributions made to the pension and OPEB trusts. It should be noted that when SFAS 87
3 was first adopted, many companies found themselves with pension funds that were over-
4 funded relative to the pension costs incurred for financial reporting purposes. It is only over
5 the past few years, as stock market returns have become more volatile and as pension funding
6 mandates have been tightened, that companies have found it necessary to make large cash
7 contributions to their pension funds. In fact, many companies did not make any cash
8 contributions to their funds for many years after the adoption of SFAS 87. Thus, these
9 companies would have been required to include a reduction to rate base under the Company's
10 proposed methodology. I am not aware of any Kansas company that proposed such a rate
11 base reduction relating to the over-funding of pension plans during this period. It is only
12 now, given the requirement to make cash contributions, that some utilities have suddenly
13 decided that a rate base adjustment is appropriate.

14

15 **Q. Did the Settlement Agreement in the 07-1041 Docket address any situations in which**
16 **the terms of the agreement could be revisited?**

17 A. The Settlement Agreement stated:

18

1 The Parties further agree that in the event that a material change affecting
2 the terms of this Stipulation occurs, any signatory to the Stipulation will
3 have the right to request that the Commission modify all or part of the
4 Stipulation. A material change for the purposes of this agreement includes,
5 but is not limited to, a change in GAAP, tax or pension law affecting the
6 deductibility of contributions to the Pension Trust or OPEB trusts or
7 affecting the contribution requirements of the companies.⁷
8

9 The Company has not demonstrated that there has been any material change that
10 necessitates a reexamination of the terms of the Settlement Agreement. However, in the
11 event that there is a material change, then all aspects of the Settlement Agreement should be
12 open for renegotiation. KGS should not be permitted to unilaterally modify the Settlement
13 Agreement to charge ratepayers an additional \$3.3 million in phantom “shared savings.”
14

15 **Q. Do you also have concerns about allocating two-thirds of any “shared savings” to**
16 **shareholders?**

17 A. Obviously, the Company’s proposal allocates more of the “shared savings” to shareholders
18 than to ratepayers. Ordinarily, I would be concerned about an allocation percentage that
19 favored shareholders over ratepayers. However, in this case, there are so many flaws with
20 the basic concept of the Company’s “shared savings” proposal that I don’t believe it is
21 necessary to even address the proposed allocation between ratepayers and shareholders. In
22 my view, the entire “shared savings” adjustment has been fabricated, violates sound
23 ratemaking principles, and is only an attempt to increase shareholder return. The KCC
24 should reject the adjustment outright, and therefore there is no need to address the specific

7 Settlement Agreement in KCC Docket No. 07-GIMX-1041-GIV, January 12, 2010, paragraph 14.

1 allocation methodology proposed by KGS.

2
3 **Q. Please summarize your recommendation.**

4 A. I recommend that the KCC reject the Company's proposed "shared savings" adjustment. The
5 request for such an adjustment is untimely and the Company's proposal is based on a flawed
6 concept. This adjustment is nothing more than an attempt by KGS to turn pension funding
7 into a profit center in violation of the agreements reached among the parties in the 10-130
8 and 07-1041 Dockets. At Schedule ACC-15, I have made an adjustment to eliminate the
9 Company's proposed "shared savings" expense adjustment.

10
11 **Q. In addition to rejection of the Company's shared savings proposal, do you have any
12 other recommendations regarding the Company's claim for pension and OPEB costs?**

13 A. Yes, I recommend that these costs be adjusted to reflect updates provided by the Company in
14 discovery. In response to KCC-163, KGS provided updates based on actual results through
15 August 31, 2018 and projections through February 2019 when new base rates are expected to
16 take effect. These updates included both updated pension and OPEB expense adjustments as
17 well as updated Tracker 1 balances, which the Company proposed to amortize over 3 years.
18 At Schedule ACC-16, I have made an adjustment to reflect the updated pension and OPEB
19 annual expense amounts. At Schedule ACC-17, I have made an adjustment to reflect a three-
20 year amortization of the updated Tracker 1 balance associated with the pension and OPEB
21 deferrals.

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21

Q. Why did you update pension and OPEB expenses, given that you did not update most other aspects of the Company’s revenue requirement?

A. As noted in the beginning of my testimony, I am generally opposed to a post-test year blanket update of adjustments. However, pension and OPEB costs are unusual in that these costs are subject to a tracker that provides for a dollar-for-dollar recovery. Therefore, it is important that the pension and OPEB amounts included in rates reflect the most recent data available. Similarly, it is important that the amortization of pension and OPEB Tracker 1 balances be based on the most recent data. Therefore, while I have not generally updated other elements of the Company’s Test Year claim, I have reflected updated pension and OPEB costs in my revenue requirement recommendation.

D. Rate Case Expense

Q. How did the Company develop its rate case expense claim in this case?

A. KGS is proposing to recover \$1,244,965 associated with the current rate case. In addition, the Company has included \$320,891 of unamortized costs associated with its last base rate case, for a total cost of \$1,565,856. KGS proposes to amortize this amount over three years, for an annual rate case expense claim of \$521,952.

Q. Are you recommending any adjustments to the Company’s claim?

A. Yes, I am recommending that unrecovered rate case costs associated with the last base rate

1 case, Docket 16-KGSG-491-RTS (“16-491 Docket”), be disallowed.

2
3 **Q. What the basis for your recommendation?**

4 A. In the 16-491 Docket, Staff witness Justin Grady recommended that the Company’s rate case
5 costs be normalized, rather than amortized. As described by Mr. Grady, “A normalization
6 approach is an attempt to determine as best as possible, typically using historical or updated
7 known and measurable information, a normal amount of expense that a utility can be
8 expected to [incur] in a normal year.”⁸ Normalization seeks to include a normal level of
9 perspective costs in rates, while amortization seeks to provide for recovery of previously
10 incurred costs.

11 Mr. Grady’s recommendation was based on a concern that the amortization
12 methodology is asymmetric, in that companies can continue to collect rate case costs in rates
13 even after these costs have been fully recovered, depending on the timing of base rate case
14 filings. Mr. Grady also stated that the normalization approach is less complex in that it does
15 not require the tracking of over and under-recoveries.

16
17 **Q. Are there other reasons why the normalization approach may be preferable?**

18 A. Yes, there are. Normalization is prospective in nature while amortization is, by definition,
19 retroactive ratemaking. In addition, the amortization methodology provides a guaranteed
20 dollar-for-dollar return to the Company, while normalization treats rate case costs similarly

8 Testimony of Mr. Grady, KCC Docket No. 16-KGSG-491-RTS, page 22.

1 to other operating costs of the utility. Normalization also provides an incentive for a utility
2 to minimize rate case costs and to extend the time period between base rate case filings.

3
4 **Q. How were rate case costs addressed in the Stipulation in the last base rate case?**

5 A. The Stipulation in that case acknowledged that Staff had recommended a normalization of
6 rate case costs, but the parties to the Stipulation did not specifically agree on the
7 methodology to be used to recover rate case costs. The Stipulation also stated that each party
8 was free to argue in this case as to whether or not any unrecovered costs from the 16-491
9 Docket should be recovered as part of this case.

10
11 **Q. What do you recommend?**

12 A. I recommend that the KCC adopt the normalization methodology in this case and that
13 unrecovered costs of the 16-491 Docket be excluded from the Company's rate case expense
14 allowance. As noted, amortization is asymmetric, provides for retroactive recovery, and does
15 not provide proper incentives to the utility. Therefore, I believe that the normalization
16 methodology is more appropriate. While I am not opposed to normalizing rate case costs
17 using the Company's estimate of costs for the current case, I do recommend that the
18 unrecovered costs from the last case be eliminated. My recommendation is shown in
19 Schedule ACC-18.

1 **E. Research and Development Expense**

2 **Q. Please describe the Company’s claim for costs associated with research and**
3 **development projects.**

4 A. The Company is seeking authorization to recover \$316,479 in rates relating to the proposed
5 funding of the Operations Technology Development (“OTD”) projects sponsored by the Gas
6 Technology Institute (“GTI”). GTI is a not-for-profit industry collaboration established in
7 2003 to undertake certain research and development projects. Local distribution companies
8 and gas pipelines previously funded research and development projects through the Gas
9 Research Institute (“GRI”), which was established in 1977 and was funded through a FERC-
10 approved mechanism. The restructuring of the natural gas industry and increased
11 competition between gas pipelines led to the dissolution of this funding mechanism, and
12 FERC-approved funding for research and development was phased out between 1998 and
13 2004.

14 In this case, the Company is seeking authorization to recover costs associated with
15 participation in the OTD, a member-controlled partnership of natural gas distribution
16 companies that was formed to develop, test, and implement new technologies.⁹ OTD operates
17 in collaboration with GTI. According to the response to CURB-105, the only ONE Gas
18 distribution company that currently funds OTD is Oklahoma Natural Gas (“ONG”).

19
20 **Q. Do you support the funding of these research and development activities by Kansas**

⁹ Per the OTD website.

ratepayers?

1
2 A. No, I do not. Given that Kansas customers are captive monopoly customers, I generally do
3 not believe that ratepayer funds should be used to support research and development
4 activities. Rather, research and development activities should be financed either by the
5 private sector or by public government funds. As various projects and services then become
6 available, the utility can evaluate whether each should be adopted for KGS customers.

7
8 Moreover, in this case, I would note that ONE Gas is already a member of OTD
9 through its Oklahoma operations. According to the response to CURB-106, an OTD member
10 may share information with its affiliates. Therefore, information gathered through OTD
11 participation is already available to customers in Texas and Kansas. While the Company
12 states that Kansas' participation will allow certain projects to be field tested in Kansas, the
13 Company has not shown that local field testing would provide sufficient benefits to justify
14 the additional costs. For all these reasons, I recommend that the Company's request to have
15 Kansas ratepayers fund research and development projects through OTD be denied. My
16 adjustment is shown in Schedule ACC-19.

F. Distrigas Allocation Expense

17
18 **Q. Please describe your operating expense adjustment relating to the Distrigas allocation.**

19 A. As previously discussed in the Rate Base section of my testimony, ONE Gas allocates a
20 portion of its capital and operating costs to KGS and its other subsidiaries based on a multi-
21 factor formula. The Distrigas allocation factor is updated quarterly. The Company included

1 an operating expense adjustment in its claim to restate the Test Year costs allocated to KGS
2 from ONE Gas using an allocation factor of 33.04%, which was the actual factor for the 1st
3 Quarter, 2018. However, as previously discussed, the Distrigas allocation factor in the 1st
4 Quarter, 2018 was higher than any of the actual allocation factors during the Test Year.
5 Moreover, it was also higher than the factors used during the 2nd Quarter and 3rd Quarter,
6 2018. Therefore, the 1st Quarter, 2018 factor does not appear to represent normal ongoing
7 prospective results.

8 I have made an adjustment to restate the Company's Test Year operating expense
9 allocation from ONE Gas using the factor of 32.84%, which was the 3rd Quarter, 2018
10 Distrigas allocation factor. This is the same factor that I recommended for the allocation of
11 corporate plant. My adjustment is shown in Schedule ACC-20.

12
13 **G. Meals and Entertainment Expense**

14 **Q. Are you recommending any adjustment to the Company's meals and entertainment**
15 **expense claim?**

16 A. Yes, I am. The Company has included in its filing \$191,968 of meals and entertainment
17 expenses that are not deductible on the Company's income tax return. The IRS limits the
18 deductibility of meals and entertainments expenses to 50%. These are costs that the IRS has
19 determined are not appropriate deductions for federal tax purposes. If these costs are not
20 deemed to be reasonable business expenses by the IRS, it is reasonable to conclude that they
21 are not appropriate business expenses to include in a regulated utility's cost of service.

1 Accordingly, at Schedule ACC-21, I have made an adjustment to eliminate these costs from
2 the Company’s revenue requirement. While there may be certain costs for meals that should
3 be borne by ratepayers, clearly there are also costs included in this category that should be
4 entirely excluded from the Company’s revenue requirement. Therefore, my recommendation
5 to use the 50% IRS criteria provides a reasonable balance between shareholders and
6 ratepayers and should be adopted by the KCC.

7
8 **H. Membership Dues Expense**

9 **Q. Are you recommending any adjustment to the Company’s claim for membership dues?**

10 A. Yes, I am. K.S.A. 66-101f(a) specifically provides:

11 For the purposes of determining just and reasonable rates, the
12 commission may adopt a policy of disallowing a percentage, not to
13 exceed 50%, of utility dues, donations and contributions to charitable,
14 civic and social organizations and entities, in addition to disallowing
15 specific dues, donations and contributions which are found
16 unreasonable or inappropriate.

17
18
19 KGS eliminated 50% of civic and charitable donations from cost of service, but the Company
20 did not make any adjustment relating to utility dues, except to eliminate \$9,991 that the
21 American Gas Association (“AGA”) had identified as lobbying.

22
23 **Q. Why is it appropriate to eliminate 100% of the dues associated with lobbying?**

24 A. Lobbying costs are not necessary for the provision of safe and adequate utility service.
25 Moreover, the lobbying activities of a regulated utility may be focused on policies and

1 positions that enhance shareholders but may not benefit, and may even harm, ratepayers.
2 Regulatory agencies generally disallow costs involved with lobbying, since most of these
3 efforts are directed toward promoting the interests of the utilities' shareholders rather than its
4 ratepayers. Ratepayers have the ability to lobby on their own through the legislative process.
5 Moreover, lobbying activities have no functional relationship to the provision of safe and
6 adequate gas service. If the Company were immediately to cease contributing to these types
7 of efforts, in no way would utility service be disrupted. Clearly, these costs should not be
8 borne by ratepayers.

9
10 **Q. In addition to eliminating 100% of dues relating to lobbying activities, why is it**
11 **appropriate to eliminate 50% of other utility dues, pursuant to K.S.A. 66-101f(a)?**

12 A. It is appropriate to eliminate such costs because in many cases organizations undertake other
13 activities that do not benefit ratepayers, such as public affairs, promotions and media
14 activities. In addition, when calculating the dues that are attributable to lobbying, many
15 organizations take a very narrow view of what constitutes "lobbying", which effectively
16 results in an underreporting of lobbying costs. Accordingly, the provisions of K.S.A. 66-
17 101f(a) protect ratepayers from paying for membership dues that do not directly result in
18 ratepayer benefits. Therefore, at Schedule ACC-22, I have made an adjustment to eliminate
19 not only 100% of the AGA dues identified as lobbying, but also 50% of the remaining AGA
20 dues, consistent with K.S.A. 66-101f(a).

1 **I. Miscellaneous Operating Expense**

2 **Q. Are you recommending any additional operating expense adjustments?**

3 A. Yes, I am recommending exclusion of certain costs for promotional and sponsorship
4 advertising from the Company’s revenue requirement. In addition, I am recommending that
5 certain other costs, primarily related to scholarship programs, be shared equally between
6 ratepayers and shareholders.

7 The Company has included in its Test Year claim \$500 related to a Kansas Press
8 Association sponsorship and \$9,937 related to promotions at the Kansas State Fair. These
9 costs are related to promotion of KGS and/or ONE Gas. These costs are not necessary to the
10 provision of safe and adequate utility service and accordingly should be disallowed. My
11 adjustment is shown in Schedule ACC-23.

12 In addition, the Company included \$37,332 in scholarship costs for children of its
13 employees in its revenue requirement claim. These costs should be treated in a similar
14 manner as charitable and civic donations. While the Company included only 50% of its
15 charitable and civic donations in this claim, 100% of these scholarship costs were included
16 by KGS. Therefore, at Schedule ACC-23, I have also made an adjustment to eliminate 50%
17 of these scholarship costs.

18
19 **J. Depreciation Expense**

20 **Q. Is the Company proposing new depreciation rates in this case?**

21 A. Yes, it is. In its filing, the Company included new depreciation rates for KGS plant, based on

1 a 2017 Depreciation Rate Study and a 2018 Technical Update performed by Dr. Ron White.
2 CURB's depreciation rate recommendations are discussed in the testimony of James Garren.
3 Mr. Garren has reviewed the Company's proposed depreciation rates and the
4 recommendations made by Dr. White. In many cases, Mr. Garren is recommending
5 depreciation rates that differ from those proposed by Dr. White.
6

7 **Q. Have you made any adjustments to the Company's claim for pro forma depreciation**
8 **expense?**

9 A. Yes, I am recommending several adjustments. First, with regard to the Company's claim for
10 new depreciation rates, CURB witness James Garren is recommending new depreciation
11 rates for KGS that result in a significant reduction in depreciation expense from the amount
12 included in the Company's claim. Therefore, at Schedule ACC-24, I have made an
13 adjustment to reflect the new KGS depreciation rates proposed by Mr. Garren.

14 Second, I have made an adjustment to reduce the KGS depreciation expense,
15 consistent with my recommendation to exclude a portion of the Company's claim for CWIP.
16 This adjustment is shown in Schedule ACC-25.

17 Third, I have reduced the depreciation expense associated with allocated corporate
18 plant, consistent with my earlier recommendations, a) to utilize the 3rd Quarter, 2018
19 Distrigas allocation factor to allocate plant from ONE Gas to KGS and b) to exclude certain
20 CWIP from the corporate allocation. These two corporate depreciation expense adjustments
21 are shown in Schedule ACC-26. Thus, my pro forma depreciation expense is synchronized

1 with CURB's recommended Test Year utility plant in-service-balances and with CURB's
2 proposed depreciation rates.

3
4 **K. Income Tax Issues**

5 **Q. Please summarize the impact of the TCJA on the Company's income tax expense.**

6 A. The TCJA, which became effective January 1, 2018, had a major impact on the cost
7 of service for regulated utilities, including KGS. The most significant feature of the TCJA
8 was the reduction in the corporate federal income tax rate from 35% to 21%. This reduction
9 in the federal income tax rate impacts KGS's cost of service in two ways. First, beginning
10 January 1, 2018, the Company's federal income tax liability was significantly reduced, due to
11 the reduction in the corporate income tax rate. In addition, the lower income tax rate results
12 in excess deferred income taxes that must be refunded to customers.

13
14 **Q. Did the KCC initiate an investigation on this issue?**

15 A. Yes, on January 18, 2018, the KCC issued an Order Opening General Investigation and
16 Issuing Accounting Order Regarding Federal Tax Reform ("Tax Reform Order") in Docket
17 No. 18-GIMX-248-GIV ("18-248 Docket"). The Tax Reform Order was issued in response
18 to a Motion filed by Staff on December 14, 2017 requesting a general investigation on issues
19 relating to anticipated tax reform. The TCJA was signed into law on December 22, 2017 and
20 took effect January 1, 2018.

21 In the Tax Reform Order, the KCC required the Kansas utilities to record a regulatory

1 liability for the difference between their federal income tax liability at the prior federal
2 income tax rate and their tax liability at the current rate. The Tax Reform Order also
3 required that interest be applied monthly based on the KCC's current interest rate for
4 customer deposits. The purpose of the Tax Reform Order was to ensure that the any
5 potential tax benefits could be evaluated on a case-by-case basis by the KCC. The Tax
6 Reform Order also preserved the ability of the KCC to order future refunds relating to the
7 regulatory liability and put the utilities on notice that a portion of their rates should be
8 considered interim. The KCC also noted in its Tax Reform Order that utilities would have
9 the ability to argue that cost of service increases more than offset the reduction in federal
10 income tax expense, and therefore the affected utility should not be required to refund to
11 ratepayers the income tax savings that resulted from the TCJA. Finally, the Tax Reform
12 Order stated that the KCC intended to capture excess accumulated deferred income taxes for
13 the benefit of customers using a method that is consistent with tax normalization
14 requirements.

15
16 **Q. Did KGS, CURB, and Staff subsequently enter into a Settlement Agreement in Docket**
17 **No. 18-GIMX-248-GIV?**

18 A. Yes, they did. The parties entered into a Settlement Agreement on March 29, 2018 and the
19 Settlement Agreement was subsequently approved by the KCC. Pursuant to the Settlement
20 Agreement, KGS agreed to accrue an annual regulatory liability of \$14,126,503. The
21 Company also agreed to accrue interest on the regulatory liability at the customer deposit rate

1 of 1.62%. As part of the Settlement Agreement, KGS reserved its right to argue that the
2 regulatory liability should be reduced or offset by other components of the cost of service
3 that have increased, while Staff and CURB reserved their rights to argue that there should be
4 no such offset. The Company also agreed that it would not begin amortizing the December
5 31, 2017 balance of excess deferred income taxes until its next general rate case, which is the
6 current case.

7
8 **Q. In the current case, how is KGS proposing to treat the regulatory liability of \$14.1**
9 **million agreed to in the Settlement Agreement?**

10 A. As discussed in the testimony of Ms. Buchanan at page 29, KGS proposes that if the KCC
11 authorizes a rate increase in this case, then no refund of the regulatory liability should be
12 required. This is based on the assumption that cost of service increases have offset the
13 federal income tax expense savings. However, if the KCC finds that the Company does not
14 have a revenue deficiency in this case, then KGS would agree to refund the regulatory
15 liability and associated interest to ratepayers through a one-time bill credit.

16
17 **Q. Do you believe that the Company's proposal is appropriate?**

18 A. No, I do not. Even though CURB is recommending a base rate reduction in this case, and
19 therefore the regulatory liability would be refunded under Ms. Buchanan's proposal if
20 CURB's position was adopted by the KCC, the prospective revenue requirement authorized
21 by the KCC in this case should not be used to determine whether or not a refund of the

1 regulatory liability is appropriate. This is because the rates established in this case do not
2 necessarily reflect the average cost of service during the period that the regulatory liability
3 was accrued. For example, any changes to current depreciation rates that are approved by the
4 KCC in this case will not have impacted the Company's earnings during 2018. Similarly, the
5 Company is proposing to recover over \$6 million of annual amortization expense associated
6 with remediation of manufactured gas plant sites. While CURB is not opposed to including
7 this amortization in prospective rates, these amortization expenses will not be incurred by
8 KGS until new rates become effective. These two adjustments alone would increase the
9 Company's 2018 pro forma income by over \$20 million. The Company's cost of service
10 also includes 2018 plant additions which were not completed or in-service on January 1,
11 2018. It also includes other prospective adjustments that were not necessarily being incurred
12 at January 1, 2018. Therefore, I do not believe that the Company's proposal is appropriate
13 for determining whether or not the KCC should order a refund of the regulatory liability.

14
15 **Q. What standard do you recommend that the KCC apply in order to determine whether**
16 **the regulatory liability should be refunded to Kansas ratepayers?**

17 A. First, I note that in its Order initiating the 18-248 Docket, the KCC stated that the purpose of
18 considering refunds "is not to materially impact regulated utilities' profitability, but rather,
19 ensure that the affected utilities are neither positively nor negatively impacted by the passage
20 of federal income tax reform." If the KCC's intent is truly to keep the utilities neutral with
21 regard to federal income tax reform, then clearly the regulatory liability should be refunded to

1 customers. If federal income tax reform is evaluated solely on the basis of its impact on
2 federal income tax expense, then it is undeniable that federal income tax reform will save the
3 Company \$14.1 million in 2018 and these amounts should be returned to ratepayers.

4 But since the KCC has signaled its willingness to comprehensively evaluate this issue, it is
5 interesting to note that ONE Gas's earnings for the first six months of 2018 were \$113
6 million, or 14.6% more than during the first half of 2017. Moreover, ONE Gas' stock price
7 is up over 12% in 2018 to date. Therefore, regardless of whether one uses the standard
8 recommended by Ms. Buchanan, adjusts the pro forma cost of service to remove impacts that
9 will not take place until new rates are effective, or examines earnings and stock market
10 returns for ONE Gas, the data suggests that there is no reason to deny Kansas ratepayers the
11 2018 tax savings to which they would otherwise be entitled under the Tax Reform Order. It
12 should be noted that in their recent rate cases, both Westar Energy and KCP&L agreed to
13 refund to ratepayers the tax savings from January 1, 2018 through the effective date of new
14 rates. I recommend that the KCC similarly order KGS to refund to ratepayers \$14.1 million
15 annually, plus interest at 1.62%, within 60 days after new rates resulting from this case
16 become effective.

17
18 **Q. What are excess deferred income taxes?**

19 A. Excess deferred income taxes are the difference between the accumulated deferred income
20 tax liability booked at the prior tax rate of 35% and the accumulated deferred income tax
21 liability at the new tax rate of 21%.

1

2 **Q. How are excess deferred income taxes treated for ratemaking purposes?**

3 A. There are two types of excess deferred income taxes – protected and unprotected. Protected
4 excess deferred income taxes relate to deferred taxes associated with plant-related balances,
5 primarily related to accelerated depreciation methodologies (including bonus depreciation)
6 that were permissible for tax purposes but which were not reflected for ratemaking purposes.
7 Protected excess deferred income taxes are required to be returned to ratepayers using
8 ARAM, which generally provides that the excess deferred taxes cannot be flowed-through to
9 ratepayers more rapidly than the average remaining life of the underlying property that gave
10 rise to the deferred taxes.

11 Unprotected excess deferred taxes relate to differences between the tax and
12 ratemaking treatments afforded other types of costs, such pension and benefit costs,
13 regulatory costs, and costs for which the Company accrues a reserve. Unprotected excess
14 deferred income taxes can also relate to plant-related timing differences other than those
15 related to depreciation. Utilities are not required to use ARAM to return unprotected excess
16 deferred taxes to ratepayers. Instead, unprotected excess deferred taxes can be flowed-
17 through for ratemaking purposes over any “reasonable” period.

18

19 **Q. Please summarize the Company’s proposal with regard to issues related to the TCJA
20 and its impact on excess deferred income taxes.**

21 A. KGS is proposing that protected excess deferred income taxes be returned to ratepayers using

1 the ARAM methodology. This is the methodology that is required by the IRS and it will
2 result in an amortization period of approximately 35 years for KGS excess deferred income
3 taxes and of approximately 7.1 years for corporate excess deferred income taxes allocated to
4 KGS. The Company is also proposing to use ARAM to return unprotected excess deferred
5 income taxes. In addition, instead of returning these amounts through base rates, KGS is
6 proposing to return these excess deferred income taxes to ratepayers through a separate Tax
7 Change Rider (“TCR”). Therefore, amounts associated with the refunding of excess deferred
8 income taxes are not included in the Company’s proposed base rates.

9
10 **Q. Are you recommending any adjustments to the Company’s proposals regarding the**
11 **treatment of excess deferred income taxes?**

12 A. Yes, I am recommending an adjustment to both the period over which unprotected excess
13 deferred income taxes should be amortized as well as a change to the Company’s proposed
14 TCR mechanism. I am recommending that excess deferred income taxes associated with
15 unprotected plant balances be returned to ratepayers over a period of five years instead of
16 over the ARAM periods proposed in KGS’s filing. The Company is permitted to utilize any
17 reasonable methodology to return the unprotected excess deferred income tax balances to
18 ratepayers. A five-year amortization period was recently adopted for KCP&L and a five-year
19 amortization period is also being used for certain unprotected excess deferred income taxes
20 by Westar.

21 A period of up to 35 years to return these excess deferred income taxes, as proposed

1 by KGS, is unreasonable and unnecessary. In addition, returning these excess deferred
2 income taxes over a period of up to 35 years is likely to result in intergenerational inequity.
3 It also results in a tremendous amount of uncertainty regarding whether ratepayers will
4 actually receive the refunds to which they are entitled. It is difficult to say what might
5 happen over the next 35 years to affect the return of these excess deferred income taxes. For
6 all these reasons, I recommend that the KCC adopt a five-year period for the return of
7 unprotected excess deferred income taxes, consistent with the five-year amortization period
8 adopted by other utilities in the state.

9
10 **Q. Are you recommending that the Company establish a TCR for purposes of returning**
11 **excess deferred income taxes to ratepayers?**

12 A. No, I am not. I am recommending that the Company's request to establish a separate TCR
13 mechanism be denied. Income taxes are an integral part of the ratemaking process and there
14 is no reason why these income tax components should be handled in a separate clause
15 mechanism. Moreover, since the protected excess deferred income taxes are required to be
16 returned using ARAM, flowing these refunds through a separate TCR will require the KCC
17 to commit to the permanent establishment of yet another rider mechanism. The Company
18 handles a variety of amortizations through base rates and there is no reason why the
19 amortizations associated with the TCJA cannot be handled in a similar manner. In addition,
20 the creation of any rider mechanism would make it easier for the Company to argue in future
21 cases that other tax adjustments should be handled outside of base rates. In this case the

1 Company has proposed several other mechanisms in an attempt to shift various risks from
2 shareholders to ratepayers. The KCC should not authorize another unnecessary rider, which
3 the Company could attempt to expand in future cases to encompass a host of tax issues.
4 Therefore, I recommend that the KCC reject the Company's request to establish the TCR and
5 instead reflect the impact of the excess deferred tax amortizations in base rates.

6
7 **Q. How have you quantified your adjustments?**

8 A. Since the Company proposed to flow-back the excess deferred income taxes to ratepayers
9 through a rider mechanism, none of these credits are reflected in its base rate claim.
10 Therefore, at Schedule ACC-27, I have made an adjustment to reflect these amortizations in
11 base rates.

12 The Company's net non-protected excess deferred income tax balance is
13 \$35,959,555. I have amortized this amount over five years, for an annual amortization of
14 \$7,191,911. In addition, I included the annual amortization of protected excess deferred
15 income taxes (both KGS and the corporate allocation to KGS) of \$2,490,739. This is the
16 annual amount calculated by KGS pursuant to ARAM, which is required to be utilized for
17 protected deferred taxes. Therefore, the total annual amortization is \$9,682,650.

18
19 **Q. Is it necessary to gross-up this amortization in order to determine the revenue
20 requirement impact?**

1 A. Yes, it is. The return of these excess deferred income taxes is a direct reduction to the
2 Company's income tax expense due from ratepayers. Reductions to income tax expense
3 impact operating income on a dollar-for-dollar basis. As shown on Schedule ACC-1, the
4 Company's operating income deficiency must be grossed up by the revenue multiplier of
5 1.3611 in order to develop the associated revenue requirement impact. Since I have
6 incorporated the amortization of the excess deferred income taxes as a base rate reduction,
7 the adjustment is grossed up in Schedule ACC-1 through application of the revenue
8 multiplier. If the KCC decides that the amortization of the excess deferred income taxes
9 should be returned to customers through a TCR mechanism, it will still be necessary to gross
10 up the amortization to reflect the revenue requirement impact.

11 The Company has stated in its testimony that no gross-up of the amortization of
12 excess deferred income taxes is necessary. However, they are mistaken, for the reasons
13 stated above. Any operating income adjustment must be grossed up by the revenue
14 multiplier in order to ascertain the revenue requirement impact. The amortization
15 adjustments adopted for Westar and KCP&L were grossed-up in the revenue requirement
16 calculations for those utilities, and a similar gross-up is necessary for the excess deferred
17 income tax amortization for KGS.

18
19 **L. Interest Synchronization and Tax Rates**

20 **Q. Have you adjusted the pro forma interest expense for income tax purposes?**

21 A. Yes, I have made this adjustment at Schedule ACC-28. It is consistent (synchronized) with

1 CURB's recommended rate base, capital structure, and cost-of- capital recommendations.
2 CURB is recommending a higher debt ratio and a lower rate base than the debt ratio and rate
3 base included in the Company's filing. The net result of CURB's recommendation is an
4 increase in pro forma interest expense for the Company. This higher interest expense, which
5 is an income tax deduction for state and federal tax purposes, will result in a decrease to the
6 Company's income tax liability under CURB's recommendations. Therefore, CURB's
7 recommendations require an interest synchronization adjustment to reflect a lower income
8 tax burden for the Company, and an increase to pro forma income at present rates.
9

10 **Q. What income tax factors have you used to quantify your adjustments?**

11 A. As shown on Schedule ACC-29, I have used a composite income tax factor of 26.53%,
12 which includes a state income tax rate of 7.00% and a federal income tax rate of 21%. These
13 are the state and federal income tax rates contained in the Company's filing.
14

15 **Q. What revenue multiplier have you used to calculate the required revenue increase?**

16 A. Based on the state and federal tax rates discussed above, I have used a revenue multiplier of
17 1.3611, as shown in Schedule ACC-30. This is the revenue multiplier used by KGS in its
18 filing.
19

1 **VIII. REVENUE REQUIREMENT SUMMARY**

2 **Q. What is the result of the recommendations contained in your testimony?**

3 A. My adjustments show that KGS has a revenue surplus at present rates of \$1,860,079, as
4 summarized on Schedule ACC-1. CURB's recommendations result in revenue requirement
5 adjustments of \$47,426,542 to the Company's requested revenue requirement increase of
6 \$45,566,463. Given the current GSRS of \$2,873,286, KGS ratepayers will have a net
7 revenue reduction of \$4,733.365 if my recommendations are adopted by the KCC.

8
9 **Q. Have you quantified the revenue requirement impact of each of your**
10 **recommendations?**

11 A. Yes, at Schedule ACC-31, I have quantified the revenue requirement impact of the rate of
12 return, rate base, revenue and expense recommendations contained in this testimony.

13
14 **Q. Have you developed a pro forma income statement?**

15 A. Yes, Schedule ACC-32 contains a pro forma income statement, showing utility operating
16 income under several scenarios, including the Company's claimed operating income at
17 present rates, my recommended operating income at present rates, and operating income
18 under my proposed rate decrease. My recommendations will result in an overall return on
19 rate base of 6.72%, as recommended by Dr. Woolridge.

20

1 **IX. REVENUE NORMALIZATION ADJUSTMENT**

2 **Q. What is the RNA?**

3 A. The RNA is a decoupling mechanism being proposed by KGS that would sever the
4 relationship between sales and revenues and provide the Company with a guaranteed revenue
5 stream. Decoupling mechanisms guarantee a utility a certain revenue (or margin) stream
6 regardless of actual utility sales.

7
8 **Q. Please summarize the Company's proposed revenue decoupling mechanism.**

9 A. KGS is proposing that the KCC establish a baseline revenue level per customer, by
10 rate class, in each base rate case. Each month, a target revenue per customer would be
11 calculated, based on the actual customers during that month and the revenue per customer
12 authorized in the most recent base rate case. That target revenue would then be compared
13 with the actual monthly revenue to determine if an under or over-collection occurred.
14 Differences between the target revenue each month and the actual revenue would be charged
15 to, or credited to, customers with a two-month lag. The Company is not proposing to apply
16 carrying costs to over or under-recoveries. There would be a true-up mechanism between
17 revenues that were approved under the RNA and the actual amounts collected.

18 KGS proposes that RNA adjustments be applied to customer bills as a fixed charge or
19 credit. The Company is not proposing to apply any cap or limit to RNA adjustments. The
20 Company is not proposing any adjustment to return on equity if the RNA is adopted, nor is
21 the Company proposing to apply any earnings test.

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Q. What is the Company’s rationale for requesting the RNA?

A. KGS states that the RNA is necessary due to declines in normalized consumption being experienced by the gas industry. The traditional regulatory ratemaking mechanism that has served Kansas ratepayers well for many years is no longer adequate from the Company’s perspective.

Q. What rate classes does the Company propose to include in its RNA?

A. The Company proposes to apply the RNA to Residential, Small General Sales Service, Large General Sales Service, General Sales Service Transport Eligible, Small Transportation Service-t, and Small Transportation-k rate customers.

Q. Would the RNA permit the Company to recover only the revenue requirement authorized in the most recent base rate case?

A. No, the RNA is calculated by comparing actual revenue per customer to a baseline level of revenue per customer determined in the most recent base rate case. Under KGS’s proposal, if revenues per customer were less than the baseline established in the last rate case, it would be permitted to add a surcharge to all bills, even if the Company had collected the total revenue requirement approved in the last case. Assuming that customers in the impacted rate classes increased, then KGS would collect more in annual revenues than the amount authorized in its last base rate case.

1 Moreover, there is no earnings test proposed by KGS. Thus, the Company would still
2 be permitted to apply a surcharge, even if it was earning its authorized rate of return.

3
4 **Q. Please summarize your concerns regarding KGSs' proposed revenue decoupling**
5 **mechanism.**

6 A. I oppose the RNA for several reasons. First, the RNA is a significant and fundamental
7 change in utility regulation. Second, the Company has not demonstrated that such a
8 mechanism is necessary and it is already largely protected from revenue fluctuations through
9 the WNA rider. Third, KGS's proposal would reduce risk to shareholders and increase costs
10 to ratepayers. Although KGS's proposal will significantly decrease its overall business risk,
11 the Company did not include any reduction in their claimed cost of equity to reflect this risk.
12 Finally, revenue decoupling sends the wrong conservation signals to ratepayers.

13
14 **Q. Please describe why you view the decoupling mechanism as a significant departure**
15 **from traditional ratemaking.**

16 A. Ratemaking was established as a substitute for competition and designed so that utilities
17 would have an opportunity, but not a guarantee, to earn the return on capital awarded in rates.
18 If revenues are trued-up for all changes in sales units, then the utility is approaching a
19 guaranteed rate of return. Traditional regulation bases rates on normal conditions with the
20 understanding that in some years, a utility may over-earn its authorized return and in some
21 years, it may under-earn. The utility can file a rate case if it believes it will under-earn in

1 future periods. If the risk of sales volatility is eliminated, as proposed by KGS, then only
2 expenses, often controllable by the Company, can significantly move the bottom line
3 earnings results. Regulation was supposed to be a substitute for competition. In a
4 competitive market, companies are not guaranteed a certain revenue stream. Such a
5 guarantee should not be provided to utilities either.

6
7 **Q. Why do you believe that the RNA is unnecessary?**

8 A. As shown in Figure 4 to Ms. Buchanan’s testimony, on a weather-normalized basis gas usage
9 has been relatively stable since 2011, at least for residential customers. In fact, the one
10 significant outlier during the 2011-2017 period is 2013, when gas usage was the highest it
11 had been since 2007. On a weather-normalized basis, gas usage in the Test Year was up
12 2.3% from the prior year. Gas usage was also up in 2016 relative to the prior year. Since gas
13 usage has increased in each of the past three years, it does not appear that adoption of an
14 RNA mechanism is necessary. In addition, since the Company has a WNA mechanism, KGS
15 shareholders are already protected against revenue variations caused by weather, which is the
16 most significant factor impacting annual revenue for gas utilities. Thus, KGS is requesting
17 that the KCC approve a fundamental change in the regulatory process without any evidence
18 that such a change is necessary at this time.

19
20 **Q. Why do you believe that a revenue true-up mechanism, such as the RNA, would**
21 **harm utility ratepayers?**

1 A. Ratepayers will suffer for several reasons. First, with a decoupling mechanism, a utility has
2 less incentive to be attentive to its business. If revenues are to be artificially maintained
3 between base rate cases, then the management of a utility can grow inattentive to all aspects
4 of its business, knowing that its bottom line is enormously cushioned through a guarantee of
5 revenues. If its proposal is adopted, KGS can be less concerned with the absolute price of
6 gas service, since decreases in consumption will no longer impact the Company's bottom
7 line. When a utility has no incentive to contain costs, it may devote very little attention to
8 providing utility service at the lowest possible cost. Ratepayers should pay for attentive
9 management, not cosseted management that is immune from the consequences of its own
10 decision-making.

11 In addition, ratepayers value certainty. The RNA will add another element of
12 uncertainty to utility rates, since ratepayers may be responsible for additional costs that will
13 not be known until the end of each year.

14 Finally, the Company's proposal will shift all revenue risk onto ratepayers. However,
15 ratepayers will not be compensated for this additional risk since the Company's proposal
16 does not include any decrease in its cost of equity, even though the RNA greatly reduces the
17 earnings risk of KGS.

18

19 **Q. Why do you believe that KGS's decoupling proposal sends the wrong conservation**
20 **signals to ratepayers?**

21 A. From the ratepayers' perspective, decoupling provides a disincentive to conserve because

1 rates go up the more they conserve (even if the Company is already over-earning from
2 growth in overall customers or from reductions in costs). Therefore, ratepayers will see
3 higher rates as their conservation efforts increase.

4 Decoupling also shifts costs among consumers. Assume a particular customer does
5 not conserve and provides the targeted level of revenue. This customer will still be
6 responsible for paying the surcharge based on the usage of other customers. Thus, additional
7 ratepayer charges, in the form of the RNA surcharge, are possible under KGS's proposal
8 regardless of the actions of any particular customer. In addition, these rate increases will
9 take place without the benefit of a base rate case. I am particularly concerned with the
10 scenario of KGS earning an adequate, or even an excessive, rate of return, and still being
11 allowed to impose a surcharge on customers.

12
13 **Q. Is KGS's proposal a furtive effort to significantly increase their fixed customer service**
14 **charges?**

15 **A.** Absolutely. Decoupling mechanisms are alternatives to high fixed customer service charges.
16 Utilities have been arguing for years that they should recover more of their costs through
17 fixed customer service charges. Adopting a decoupling mechanism is equivalent to adopting
18 fixed service charges that recover 100% of a utility's fixed costs. However, since both
19 utilities and regulatory agencies know that high fixed customer charges are unpopular, they
20 mask these charges through a decoupling surcharge. If the Company believes that it is
21 entitled to guaranteed recovery of fixed costs, the Company should put forth an honest rate

1 design proposal, instead of attempting to impose guaranteed recovery through the RNA.

2
3 **Q. Does the Company’s proposal address the issue of fixed cost recovery?**

4 A. No, it does not. On page 20 of her testimony, Ms. Buchanan states, “the majority of costs
5 incurred by KGS to provide service are fixed in nature.” However, the Company’s proposed
6 RNA isn’t based on recovery of fixed costs. Rather, it is based on recovery of a fixed
7 amount of revenue per customer. If a utility’s costs are truly fixed, then there is no reason to
8 adjust a decoupling mechanism to account for changes in the number of customers.
9 Moreover, the Company hasn’t attempted to identify the fixed cost portion of its revenue
10 requirement but instead has based its proposed RNA on the total base distribution revenue
11 requirement. If the Company’s intent was actually to recover only fixed costs, then the
12 proposed decoupling mechanism should be based only on recovery of fixed costs.
13 In addition, the Company’s proposed mechanism is not limited to the revenue requirement
14 authorized in the most recent base rate case. Instead, the Company’s mechanism is based on
15 revenues per customers authorized in the prior case. Accordingly, changes in customer
16 counts, in addition to usage, will impact the total amount recovered by KGS pursuant to the
17 RNA.

18
19 **Q. What is your recommendation regarding revenue decoupling?**

20 A. I recommend that the KCC deny KGS’s proposal, on the basis that it represents a
21 fundamental change in utility regulation and has not been adequately supported by the

1 Company. In addition, the proposed mechanism significantly decreases risk to shareholders
2 at the expense of ratepayers and provides an opportunity for excessive earnings. Finally, it
3 sends the wrong conservation signal to ratepayers and it will discourage customer
4 conservation.

5
6 **Q. If, in spite of your recommendation, the KCC accepts the Company's proposal, what
7 would be the impact on the Company's cost of equity?**

8 A. If a decoupling proposal is adopted, the impact on cost of equity must be evaluated by the
9 KCC. Since decoupling removes the Company's single largest risk, i.e., revenue risk, there
10 should be a commensurate reduction to cost of equity if the KCC adopts a decoupling
11 mechanism.

12
13 **XI. OTHER POLICY ISSUES**

14 **A. Cyber-Security Tracker**

15 **Q. Please explain the Company's proposal with regard to cyber-security costs.**

16 A. As discussed on pages 27-28 of Ms. Eaton's testimony, the Company is requesting that the
17 actual Test Year cyber-security operating costs of \$2,340,656 be included in the revenue
18 requirement approved in this case. In addition, the Company is requesting that the KCC
19 authorize a tracking mechanism to track the difference between actual cyber-security
20 operating expenses and the amount included in base rates and to seek ratemaking treatment

1 for this deferral in future cases. Ms. Eaton states that the cyber-security tracker is necessary,
2 since “Cyber-security is an issue of utmost importance to ONE gas and KGS.”

3
4 **Q. Do you support the Company’s proposal?**

5 A. No, I do not. Ms. Eaton states that the Company expects that “...the level of costs related
6 to cyber security will continue to increase.” Therefore, the Company’s request to establish a
7 cyber-security tracker is apparently another attempt to shift risk from shareholders to
8 ratepayers. Moreover, while Ms. Eaton states that cyber-security is of “utmost importance,”
9 there are many aspects of the Company’s business that meet this standard. There is no reason
10 to treat cyber-security costs any differently from other costs that are necessary to provide safe
11 and adequate service.

12 In addition, a review of the costs incurred over the past three years, which were
13 provided in response to KCC-121, does not necessarily indicate variability from year-to-year.

14 While these costs have increased over each of the past three years, the increase from 2016 to
15 the Test Year was very modest compared with the increase from 2015 to 2016, suggesting
16 that these costs may be leveling off.¹⁰ In addition, approximately 25% of the Test Year costs
17 related to insurance costs, which are generally relatively stable from year-to-year and are not
18 usually subject to guaranteed recovery from ratepayers. For all these reasons, I recommend
19 that the Company’s proposal to establish a cyber-security tracker in this case be denied. I am

¹⁰ Response to KCC-121.

1 not recommending any adjustment to the Company's request to include the actual Test Year
2 cyber-security operating expenses in prospective rates authorized in this proceeding.

3
4 **B. Depreciation Expense Tracker**

5 **Q. Please explain the Company's proposal to establish a depreciation expense tracker, as**
6 **discussed in the testimony of Mr. Rohlfs.**

7 A. KGS is proposing to establish a depreciation expense tracker to record the difference
8 between the actual depreciation expense incurred each year and the amount included in utility
9 rates. Mr. Rohlfs proposes to amortize this deferral over a three-year period in a subsequent
10 base rate case.

11
12 **Q. What is the purpose of the depreciation expense tracker?**

13 A. Mr. Rohlfs states that KGS does not have the opportunity to earn an appropriate level of
14 return, due largely to regulatory lag. However, this is not a new argument. Over the thirty-
15 year period in which I have worked in utility regulation, companies have continuously argued
16 that regulatory lag prevents shareholders from earning a reasonable return on their
17 investment. It is interesting to note that over this period, utilities have continued to attract
18 investment, often on favorable terms. Moreover, as discussed earlier, ONE Gas shareholders
19 have done very well recently in spite of the regulatory lag referenced by Mr. Rohlfs.

20
21 **Q. Does KGS have another mechanism to address regulatory lag?**

1 A. Yes, it does. Several years ago, the Kansas Legislature authorized a GSRS mechanism for
2 the gas utilities in Kansas to address the argument that regulatory lag was causing financial
3 harm and hindering investment. The GSRS statute was recently amended to provide for even
4 more liberal recovery between base rate cases, including a doubling of the annual amounts
5 that can be charged to residential ratepayers. Therefore, KGS already has an expanded
6 mechanism to address regulatory lag. In addition, allowing KGS to defer increases in
7 depreciation expense between base rate case filings will remove an important incentive for
8 the Company to manage responsibly its investment activities. Once again, this proposal is an
9 attempt to shift risk from the Company’s shareholders to its ratepayers without any
10 commensurate reduction in the authorized return on equity. For all these reasons, I
11 recommend that the Company’s request to establish a depreciation expense tracker be denied.

12

13 **C. Period for Determining Normal Weather**

14 **Q. Is the Company proposing to change the manner in which normal weather is**
15 **determined?**

16 A. Yes, it is. As stated on page 11 of Mr. Raab’s testimony, in prior cases the Company has
17 used a simple decadal average of weather over a thirty-year historical period, which is
18 currently 1981-2010. This average is determined by the National Oceanic and Atmospheric
19 Association (“NOAA”). In this case, KGS has utilized a ten-year period to determine normal
20 heating degree days. It has continued to utilize a thirty-year period for cooling degree days.

21

1 **Q. What is the basis for the Company’s proposal that a ten-year period should be adopted**
2 **for heating degree days?**

3 A. Mr. Raab states that the simple average used in the current NOAA thirty-year is a “static”
4 estimate of normal weather, but that normal weather has not been “static” over the recent
5 historical period. He goes on state that NOAA has noted concerns about the methodology
6 used to calculate normal weather, and has introduced three alternative measures of the thirty-
7 year average in an attempt to address these concerns. For various reasons, Mr. Raab states
8 that none of these alternatives can be applied in this case. Instead, Mr. Raab goes on to state
9 that due to a “cold bias” in the current thirty-year decadal average, the KCC should accept
10 the Company’s proposal to utilize a ten-year average for purposes of determining normal
11 heating degree days.

12
13 **Q. Do you recommend that the KCC adopt a ten-year average in this case?**

14 A. No, I do not, for several reasons. Given CURB’s limited resources and the comprehensive
15 Staff evaluation of weather normalization adjustments proposed by utilities in Kansas, I do
16 not usually address the issue of weather normalization in Kansas. However, I have supported
17 the use of a thirty-year normal in other jurisdictions and the thirty-year normal has been used
18 in Kansas for many years. Moreover, this standard has been established by NOAA, the
19 government organization charged with establishing and recording the climatic conditions of
20 the United States. Although NOAA has been examining alternatives to its traditional thirty-

1 year standard, at this time thirty years is still the objective standard, established by the
2 government body responsible for determining normal weather conditions.

3 Moreover, longer time periods tend to average out extreme weather and temperature
4 much better than shorter periods. A shorter time period may fail to include extreme weather
5 in computing average degree days. It is normal and customary to have a very cold or a very
6 warm year every so often, and the data base of thirty years should include these extremes.

7
8 **Q. Isn't it possible that weather patterns do change over time?**

9 A. Yes, it is. However, permanent changes in weather patterns are likely to take place over a
10 long period of time. NOAA has determined that data from a period of 30 years satisfactorily
11 represents normal weather. To the extent weather patterns do exhibit a permanent change
12 over time, such changes will be reflected in the thirty-year NOAA data. Moreover, the KCC
13 should not confuse the determination of "normal" weather with the issue of how customers
14 will react to variations from normal weather. Therefore, the KCC should be mindful of the
15 difference between changes in weather patterns over time and changes in usage patterns over
16 time. The two are not the same. While NOAA uses a thirty-year period to determine normal
17 degree days, NOAA is not involved in forecasting how gas sales are likely to be impacted
18 due to variations in degree days. Due to conservation efforts, more efficient appliances and
19 other factors, it is entirely possible that the impact of variations in degree days is different in
20 2018 than it was in 1987. My recommendation that the KCC utilize a thirty-year standard
21 does not prevent the utility or other parties from presenting arguments regarding the *impact*

1 of weather variations on energy usage.

2
3 **Q. Do you have other concerns about the Company's proposal?**

4 A. Yes, as noted, the thirty-year standard has been used by the KCC for many years and for all
5 Kansas utilities. The most significant benefit to the thirty-year standard is that it is an
6 objective standard. If utilities were permitted to choose the period of time over which normal
7 weather is defined, each utility would have an incentive to choose the time period that
8 provided the company with maximum benefit at the time of a base rate case filing. The use
9 of the 30-year standard avoids controversy regarding the appropriate time period for normal
10 weather and it avoids attempts by utilities to choose the most advantageous period for
11 determining normal weather.

12
13 **Q. If the KCC believes that the 30-year NOAA standard is no longer reasonable, what
14 would you recommend?**

15 A. Objectivity and certainty are the most important aspects of the 30-year NOAA standard. If
16 the KCC believes that the 30-year NOAA standard may no longer be reasonable, then it
17 should conduct an investigation into which alternative standard or time period should be
18 utilized. I urge the KCC to adopt a consistent standard among all utilities and to require that
19 standard to be utilized in all base rate case filings, for the reasons stated above. Addressing
20 the issue of weather normalization on a case-by-case precedent will lead to confusion,
21 increase the complexity of base rate cases, and cause uncertainty for both utility companies

1 and customers. Therefore, I recommend that the KCC reject the Company's proposal to
2 utilize a ten-year period in this case to determine normal weather. I also recommend that the
3 KCC open a generic investigation on this issue if they have longer-term concerns regarding
4 the continued use of the thirty-year period to determine normal weather. The results of any
5 generic investigation should then be applied to all utilities in the State.

6

7 **Q. Does this conclude your testimony?**

8 A. Yes, it does.

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Kansas Gas Service	G	Kansas	18-KGSG-560-RTS	10/18	Revenue Requirements	Citizens' Utility Ratepayer Board
New Mexico Gas Company	G	New Mexico	18-00038-UT	9/18	Testimony in Support of Stipulation	Office of Attorney General
Kansas City Power and Light Company	E	Kansas	18-KCPE-480-RTS	9/18	Revenue Requirements	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Co.	E/G	New Jersey	ER18010029/ GR18010030	8/18	Revenue Requirements	Division of Rate Counsel
Westar Energy, Inc.	E	Kansas	18-WSEE-328-RTS	6/18	Revenue Requirements	Citizens' Utility Ratepayer Board
Southwestern Public Service Company	E	New Mexico	17-00255-UT	4/18	Revenue Requirements	Office of Attorney General
Empire District Electric Company	E	Kansas	18-EPDE-184-PRE	3/18	Approval of Wind Generation Facilities	Citizens' Utility Ratepayer Board
GPE/ Kansas City Power & Light Co., Westar Energy, Inc.	E	Kansas	18-KCPE-095-MER	1/18	Proposed Merger	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Co.	E	New Jersey	GR17070776	1/18	Gas System Modernization Program	Division of Rate Counsel
Southwestern Public Service Company	E	New Mexico	17-00044-UT	10/17	Approval of Wind Generation Facilities	Office of Attorney General
Kansas Gas Service	G	Kansas	17-KGSG-455-ACT	9/17	MGP Remediation Costs	Citizens' Utility Ratepayer Board
Atlantic City Electric Company	E	New Jersey	ER17030308	8/17	Base Rate Case	Division of Rate Counsel
Public Service Company of New Mexico	E	New Mexico	16-00276-UT	6/17	Testimony in Support of Stipulation	Office of Attorney General
Westar Energy, Inc.	E	Kansas	17-WSEE-147-RTS	5/17	Abbreviated Rate Case	Citizens' Utility Ratepayer Board
Kansas City Power and Light Company	E	Kansas	17-KCPE-201-RTS	4/17	Abbreviated Rate Case	Citizens' Utility Ratepayer Board
GPE/ Kansas City Power & Light Co., Westar Energy, Inc.	E	Kansas	16-KCPE-593-ACQ	12/16	Proposed Merger	Citizens' Utility Ratepayer Board
Kansas Gas Service	G	Kansas	16-KGSG-491-RTS	9/16	Revenue Requirements	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	E	New Mexico	15-00312-UT	7/16	Automated Metering Infrastructure	Office of Attorney General
Kansas City Power and Light Company	E	Kansas	16-KCPE-160-MIS	6/16	Clean Charge Network	Citizens' Utility Ratepayer Board
Kentucky American Water Company	W	Kentucky	2016-00418	5/16	Revenue Requirements	Attorney General/LFUCG
Black Hills/Kansas Gas Utility Company	G	Kansas	16-BHCG-171-TAR	3/16	Long-Term Hedge Contract	Citizens' Utility Ratepayer Board
General Investigation Regarding Accelerated Pipeline Replacement	G	Kansas	15-GIMG-343-GIG	1/16	Cost Recovery Issues	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	E	New Mexico	15-00261-UT	1/16	Revenue Requirements	Office of Attorney General
Atmos Energy Company	G	Kansas	16-ATMG-079-RTS	12/15	Revenue Requirements	Citizens' Utility Ratepayer Board

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
El Paso Electric Company	E	New Mexico	15-00109-UT	12/15	Sale of Generating Facility	Office of Attorney General
El Paso Electric Company	E	New Mexico	15-00127-UT	9/15	Revenue Requirements	Office of Attorney General
Rockland Electric Company	E	New Jersey	ER14030250	9/15	Storm Hardening Surcharge	Division of Rate Counsel
El Paso Electric Company	E	New Mexico	15-00099-UT	8/15	Certificate of Public Convenience - Ft. Bliss	Office of Attorney General
Southwestern Public Service Company	E	New Mexico	15-00083-UT	7/15	Approval of Purchased Power Agreements	Office of Attorney General
Westar Energy, Inc.	E	Kansas	15-WSEE-115-RTS	7/15	Revenue Requirements	Citizens' Utility Ratepayer Board
Kansas City Power and Light Company	E	Kansas	15-KCPE-116-RTS	5/15	Revenue Requirements	Citizens' Utility Ratepayer Board
Comcast Cable Communications	C	New Jersey	CR14101099-1120	4/15	Cable Rates (Form 1240)	Division of Rate Counsel
Liberty Utilities (Pine Buff Water)	W	Arkansas	14-020-U	1/15	Revenue Requirements	Office of Attorney General
Public Service Electric and Gas Co.	E/G	New Jersey	EO14080897	11/14	Energy Efficiency Program Extension II	Division of Rate Counsel
Exelon and Pepco Holdings, Inc.	E	New Jersey	EM14060581	11/14	Synergy Savings, Customer Investment Fund, CTA	Division of Rate Counsel
Black Hills/Kansas Gas Utility Company	G	Kansas	14-BHCG-502-RTS	9/14	Revenue Requirements	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	E	New Mexico	14-00158-UT	9/14	Renewable Energy Rider	Office of Attorney General
Public Service Company of New Mexico	E	New Mexico	13-00390-UT	8/14	Abandonment of San Juan Units 2 and 3	Office of Attorney General
Atmos Energy Company	G	Kansas	14-ATMG-320-RTS	5/14	Revenue Requirements	Citizens' Utility Ratepayer Board
Rockland Electric Company	E	New Jersey	ER13111135	5/14	Revenue Requirements	Division of Rate Counsel
Kansas City Power and Light Company	E	Kansas	14-KCPE-272-RTS	4/14	Abbreviated Rate Filing	Citizens' Utility Ratepayer Board
Comcast Cable Communications	C	New Jersey	CR13100885-906	3/14	Cable Rates	Division of Rate Counsel
New Mexico Gas Company	G	New Mexico	13-00231-UT	2/14	Merger Policy	Office of Attorney General
Water Service Corporation (Kentucky)	W	Kentucky	2013-00237	2/14	Revenue Requirements	Office of Attorney General
Oneok, Inc. and Kansas Gas Service	G	Kansas	14-KGSG-100-MIS	12/13	Plan of Reorganization	Citizens' Utility Ratepayer Board
Public Service Electric & Gas Company	E/G	New Jersey	EO13020155 GO13020156	10/13	Energy Strong Program	Division of Rate Counsel
Southwestern Public Service Company	E	New Mexico	12-00350-UT	8/13	Cost of Capital, RPS Rider, Gain on Sale, Allocations	New Mexico Office of Attorney General
Westar Energy, Inc.	E	Kansas	13-WSEE-629-RTS	8/13	Abbreviated Rate Filing	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	13-115	8/13	Revenue Requirements	Division of the Public Advocate
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	13-MKEE-447-MIS	8/13	Abbreviated Rate Filing	Citizens' Utility Ratepayer Board

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Jersey Central Power & Light Company	E	New Jersey	ER12111052	6/13	Reliability Cost Recovery Consolidated Income Taxes	Division of Rate Counsel
Mid-Kansas Electric Company	E	Kansas	13-MKEE-447-MIS	5/13	Transfer of Certificate Regulatory Policy	Citizens' Utility Ratepayer Board
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	13-MKEE-452-MIS	5/13	Formula Rates	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	12-450F	3/13	Gas Sales Rates	Attorney General
Public Service Electric and Gas Co.	E	New Jersey	EO12080721	1/13	Solar 4 All - Extension Program	Division of Rate Counsel
Public Service Electric and Gas Co.	E	New Jersey	EO12080726	1/13	Solar Loan III Program	Division of Rate Counsel
Lane Scott Electric Cooperative	E	Kansas	12-MKEE-410-RTS	11/12	Acquisition Premium, Policy Issues	Citizens' Utility Ratepayer Board
Kansas Gas Service	G	Kansas	12-KGSG-835-RTS	9/12	Revenue Requirements	Citizens' Utility Ratepayer Board
Kansas City Power and Light Company	E	Kansas	12-KCPE-764-RTS	8/12	Revenue Requirements	Citizens' Utility Ratepayer Board
Woonsocket Water Division	W	Rhode Island	4320	7/12	Revenue Requirements	Division of Public Utilities and Carriers
Atmos Energy Company	G	Kansas	12-ATMG-564-RTS	6/12	Revenue Requirements	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	110258	5/12	Cost of Capital	Division of the Public Advocate
Mid-Kansas Electric Company (Western)	E	Kansas	12-MKEE-491-RTS	5/12	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Atlantic City Electric Company	E	New Jersey	ER11080469	4/12	Revenue Requirements	Division of Rate Counsel
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	12-MKEE-380-RTS	4/12	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	11-381F	2/12	Gas Cost Rates	Division of the Public Advocate
Atlantic City Electric Company	E	New Jersey	EO11110650	2/12	Infrastructure Investment Program (IIP-2)	Division of Rate Counsel
Chesapeake Utilities Corporation	G	Delaware	11-384F	2/12	Gas Service Rates	Division of the Public Advocate
New Jersey American Water Co.	W/WW	New Jersey	WR11070460	1/12	Consolidated Income Taxes Cash Working Capital	Division of Rate Counsel
Westar Energy, Inc.	E	Kansas	12-WSEE-112-RTS	1/12	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Puget Sound Energy, Inc.	E/G	Washington	UE-111048 UG-111049	12/11	Conservation Incentive Program and Others	Public Counsel
Puget Sound Energy, Inc.	G	Washington	UG-110723	10/11	Pipeline Replacement Tracker	Public Counsel
Empire District Electric Company	E	Kansas	11-EPDE-856-RTS	10/11	Revenue Requirements	Citizens' Utility Ratepayer Board
Comcast Cable	C	New Jersey	CR11030116-117	9/11	Forms 1240 and 1205	Division of Rate Counsel

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Artesian Water Company	W	Delaware	11-207	9/11	Revenue Requirements Cost of Capital	Division of the Public Advocate
Kansas City Power & Light Company	E	Kansas	10-KCPE-415-RTS (Remand)	7/11	Rate Case Costs	Citizens' Utility Ratepayer Board
Midwest Energy, Inc.	G	Kansas	11-MDWE-609-RTS	7/11	Revenue Requirements	Citizens' Utility Ratepayer Board
Kansas City Power & Light Company	E	Kansas	11-KCPE-581-PRE	6/11	Pre-Determination of Ratemaking Principles	Citizens' Utility Ratepayer Board
United Water Delaware, Inc.	W	Delaware	10-421	5/11	Revenue Requirements Cost of Capital	Division of the Public Advocate
Mid-Kansas Electric Company	E	Kansas	11-MKKE-439-RTS	4/11	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
South Jersey Gas Company	G	New Jersey	GR10060378-79	3/11	BGSS / CIP	Division of Rate Counsel
Chesapeake Utilities Corporation	G	Delaware	10-296F	3/11	Gas Service Rates	Division of the Public Advocate
Westar Energy, Inc.	E	Kansas	11-WSEE-377-PRE	2/11	Pre-Determination of Wind Investment	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	10-295F	2/11	Gas Cost Rates	Attorney General
Delmarva Power and Light Company	G	Delaware	10-237	10/10	Revenue Requirements Cost of Capital	Division of the Public Advocate
Pawtucket Water Supply Board	W	Rhode Island	4171	7/10	Revenue Requirements	Division of Public Utilities and Carriers
New Jersey Natural Gas Company	G	New Jersey	GR10030225	7/10	RGGI Programs and Cost Recovery	Division of Rate Counsel
Kansas City Power & Light Company	E	Kansas	10-KCPE-415-RTS	6/10	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Atmos Energy Corp.	G	Kansas	10-ATMG-495-RTS	6/10	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Empire District Electric Company	E	Kansas	10-EPDE-314-RTS	3/10	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	09-414 and 09-276T	2/10	Cost of Capital Rate Design Policy Issues	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	09-385F	2/10	Gas Cost Rates	Division of the Public Advocate
Chesapeake Utilities Corporation	G	Delaware	09-398F	1/10	Gas Service Rates	Division of the Public Advocate
Public Service Electric and Gas Company	E	New Jersey	ER09020113	11/09	Societal Benefit Charge Non-Utility Generation Charge	Division of Rate Counsel
Delmarva Power and Light Company	G	Delaware	09-277T	11/09	Rate Design	Division of the Public Advocate
Public Service Electric and Gas Company	E/G	New Jersey	GR09050422	11/09	Revenue Requirements	Division of Rate Counsel
Mid-Kansas Electric Company	E	Kansas	09-MKKE-969-RTS	10/09	Revenue Requirements	Citizens' Utility Ratepayer Board

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Westar Energy, Inc.	E	Kansas	09-WSEE-925-RTS	9/09	Revenue Requirements	Citizens' Utility Ratepayer Board
Jersey Central Power and Light Co.	E	New Jersey	EO08050326 EO08080542	8/09	Demand Response Programs	Division of Rate Counsel
Public Service Electric and Gas Company	E	New Jersey	EO09030249	7/09	Solar Loan II Program	Division of Rate Counsel
Midwest Energy, Inc.	E	Kansas	09-MDWE-792-RTS	7/09	Revenue Requirements	Citizens' Utility Ratepayer Board
Westar Energy and KG&E	E	Kansas	09-WSEE-641-GIE	6/09	Rate Consolidation	Citizens' Utility Ratepayer Board
United Water Delaware, Inc.	W	Delaware	09-60	6/09	Cost of Capital	Division of the Public Advocate
Rockland Electric Company	E	New Jersey	GO09020097	6/09	SREC-Based Financing Program	Division of Rate Counsel
Tidewater Utilities, Inc.	W	Delaware	09-29	6/09	Revenue Requirements Cost of Capital	Division of the Public Advocate
Chesapeake Utilities Corporation	G	Delaware	08-269F	3/09	Gas Service Rates	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	08-266F	2/09	Gas Cost Rates	Division of the Public Advocate
Kansas City Power & Light Company	E	Kansas	09-KCPE-246-RTS	2/09	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Jersey Central Power and Light Co.	E	New Jersey	EO08090840	1/09	Solar Financing Program	Division of Rate Counsel
Atlantic City Electric Company	E	New Jersey	EO06100744 EO08100875	1/09	Solar Financing Program	Division of Rate Counsel
West Virginia-American Water Company	W	West Virginia	08-0900-W-42T	11/08	Revenue Requirements	The Consumer Advocate Division of the PSC
Westar Energy, Inc.	E	Kansas	08-WSEE-1041-RTS	9/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Artesian Water Company	W	Delaware	08-96	9/08	Cost of Capital, Revenue, New Headquarters	Division of the Public Advocate
Comcast Cable	C	New Jersey	CR08020113	9/08	Form 1205 Equipment & Installation Rates	Division of Rate Counsel
Pawtucket Water Supply Board	W	Rhode Island	3945	7/08	Revenue Requirements	Division of Public Utilities and Carriers
New Jersey American Water Co.	W/WW	New Jersey	WR08010020	7/08	Consolidated Income Taxes	Division of Rate Counsel
New Jersey Natural Gas Company	G	New Jersey	GR07110889	5/08	Revenue Requirements	Division of Rate Counsel
Kansas Electric Power Cooperative, Inc.	E	Kansas	08-KEPE-597-RTS	5/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Company	E	New Jersey	EX02060363 EA02060366	5/08	Deferred Balances Audit	Division of Rate Counsel
Cablevision Systems Corporation	C	New Jersey	CR07110894, et al..	5/08	Forms 1240 and 1205	Division of Rate Counsel
Midwest Energy, Inc.	E	Kansas	08-MDWE-594-RTS	5/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Chesapeake Utilities Corporation	G	Delaware	07-246F	4/08	Gas Service Rates	Division of the Public Advocate
Comcast Cable	C	New Jersey	CR07100717-946	3/08	Form 1240	Division of Rate Counsel
Generic Commission Investigation	G	New Mexico	07-00340-UT	3/08	Weather Normalization	New Mexico Office of Attorney General
Southwestern Public Service Company	E	New Mexico	07-00319-UT	3/08	Revenue Requirements Cost of Capital	New Mexico Office of Attorney General
Delmarva Power and Light Company	G	Delaware	07-239F	2/08	Gas Cost Rates	Division of the Public Advocate
Atmos Energy Corp.	G	Kansas	08-ATMG-280-RTS	1/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board

APPENDIX B
SUPPORTING SCHEDULES

KANSAS GAS SERVICE**TEST YEAR ENDED DECEMBER 31, 2017****REVENUE REQUIREMENT SUMMARY**

	Company Claim	Recommended Adjustment	Recommended Position	
	(A)			
1. Pro Forma Rate Base	\$1,016,084,260	(\$11,218,490)	\$1,004,865,770	(B)
2. Required Cost of Capital	7.71%	-0.98%	6.72%	(C)
3. Required Return	\$78,315,710	(\$10,758,585)	\$67,557,126	
4. Operating Income @ Present Rates	44,838,030	24,085,696	68,923,726	(D)
5. Operating Income Deficiency	\$33,477,680	(\$34,844,281)	(\$1,366,600)	
6. Revenue Multiplier	1.3611	0.0000	1.3611	(E)
7. Required Base Revenue Increase	<u>\$45,566,463</u>	<u>(\$47,426,542)</u>	<u>(\$1,860,079)</u>	
8. Gas System Reliability Surcharge	(\$2,873,286)	(\$2,873,286)	(\$2,873,286)	
9. Net Revenue Increase	\$42,693,177	(\$50,299,828)	(\$4,733,365)	

Sources:

(A) Company Filing, Section 3, Schedule 3-A.

(B) Schedule ACC-3.

(C) Schedule ACC-2.

(D) Schedule ACC-11.

(E) Schedule ACC-30.

Schedule ACC-2

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

REQUIRED COST OF CAPITAL

	Capital Structure	Cost Rate	Weighted Cost
	(A)	(A)	
1. Long-Term Debt	45.00%	3.94%	1.77%
2. Common Equity	55.00%	9.00%	4.95%
3. Total Cost of Capital			<u>6.72%</u>

Sources:

(A) Testimony of Dr. Woolridge, Exhibit JRW-1.

KANSAS GAS SERVICE**TEST YEAR ENDED DECEMBER 31, 2017****RATE BASE SUMMARY**

	Company Claim (A)	Recommended Adjustment		Recommended Position
1. Total Utility Plant in Service	\$1,915,215,266	(7,576,975)	(B)	\$1,907,638,291
Less:				
2. Accumulated Depreciation	(618,264,167)	(626,591)	(C)	(618,890,758)
3. Net Utility Plant	\$1,296,951,099	(\$8,203,565)		\$1,288,747,534
Plus:				
4. Materials and Supplies	\$8,809,676	\$0		\$8,809,676
5. Gas Storage Inventory	27,375,068	(3,014,925)	(D)	24,360,143
6. Prepayments	5,415,598	0		5,415,598
7. Long Term Prepayments	522,245	0		522,245
Less:				
8. Accumulated Deferred Taxes	(\$202,650,620)	\$0		(\$202,650,620)
9. ADIT Liability Remeasurement	(81,694,900)	0		(81,694,900)
10. Acc. Deferred Taxes - Corporate	(6,282,479)	0		(6,282,479)
11. ADIT Liability Corporate	(3,083,221)	0		(3,083,221)
12. Customer Deposits	(18,742,198)	0		(18,742,198)
13. Customer Advances	(10,536,008)	0		(10,536,008)
14. Total Rate Base	<u>\$1,016,084,260</u>	<u>(\$11,218,490)</u>		<u>\$1,004,865,770</u>

Sources:

(A) Company Filing, Section 3, Schedule 3-A and Section 6, Schedule 6-A.

(B) Schedules ACC-4, ACC-5, ACC-6, and ACC-7.

(C) Schedules ACC-8 and ACC-9.

(D) Schedule ACC-10.

Schedule ACC-4

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

UTILITY PLANT IN SERVICE - CORPORATE PLANT

1. Allocation at 32.84%	\$65,947,472	(A)
2. Company Claim	<u>66,310,258</u>	(B)
3. Recommended Adjustment	<u>(\$362,786)</u>	

(A) Company Workpaper Updated to reflect allocation of 32.84%.

(B) Company Filing, Section 3, Schedule 3-C, Adjustment PLT-3.

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

UTILITY PLANT IN SERVICE - KGS CWIP

1. Company Claim	\$23,917,948	(A)
2. CWIP In-Service by August 31, 2018	<u>19,875,784</u>	(B)
3. Recommended Adjustment	<u>(\$4,042,164)</u>	

Sources:

(A) Company Filing, Section 3, Schedule 3-C, Adjustment PLT-1.

(B) Derived from response to KCC-184.

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

UTILITY PLANT IN SERVICE - CORPORATE CWIP

1. CWIP Not Completed by August 31, 2018	(\$11,806,889)	(A)
2. Allocation to KGS	<u>32.84%</u>	(B)
3. Recommended Adjustment	<u>(\$3,877,382)</u>	

Sources:

(A) Derived from the response to CURB-98.

(B) Distrigas allocator per the response to CURB-98.

Schedule ACC-7

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

UTILITY PLANT IN SERVICE-RETIREMENTS

1. CWIP Adjustment	\$4,042,164	(A)
2. Retirement Percentage	<u>17.45%</u>	(B)
3. Recommended Adjustment	<u>\$705,358</u>	

Sources:

(A) Schedule ACC-5.

(B) Company Filing, Workpapers to Adjustment PLT-2.

Schedule ACC-8

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

ACCUMULATED DEPRECIATION - CORPORATE PLANT

1. Allocation at 32.84%	\$16,215,451	(A)
2. Company Claim	<u>16,294,218</u>	(B)
3. Recommended Adjustment	<u>\$78,767</u>	

(A) Company Workpaper Updated to reflect allocation of 32.84%.

(B) Company Filing, Section 3, Schedule 3-C, Adjustment ADA-2.

Schedule ACC-9

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

ACCUMULATED DEPRECIATION - RETIREMENTS

1. Recommended Plant Adjustment	\$705,358	(A)
2. Recommended Reserve Adjustment	<u>(\$705,358)</u>	

Sources:

(A) Schedule ACC-5.

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

GAS STORAGE INVENTORY

1. Average Balance - 13 Months Ending Aug. 30, 2018	\$24,360,143	(A)
2. Company Claim	<u>27,375,068</u>	(B)
3. Recommended Adjustment	<u>(\$3,014,925)</u>	

Sources:

(A) Response to KCC-157.

(B) Company Filing, Section 6, Schedule 6-B, page 1.

KANSAS GAS SERVICE**TEST YEAR ENDED DECEMBER 31, 2017****OPERATING INCOME SUMMARY**

		Schedule
1. Company Claim	\$44,838,030	1
2. Pro Forma Revenue - Customer Annualization	58,204	12
3. Short-Term Incentive Compensation Expense	2,594,643	13
4. Long-Term Incentive Compensation Expense	1,625,915	14
5. Pension/OPEB - Shared Savings Expense	2,443,147	15
6. Pension/OPEB - Prospective Expense	371,021	16
7. Pension/OPEB - Amortization Expense	227,787	17
8. Rate Case Expense	78,586	18
9. Research and Development Expense	232,517	19
10. Distrigas Allocation Expense	146,695	20
12. Meals and Entertainment Expense	141,039	21
13. Membership Dues Expense	53,676	22
14. Miscellaneous Operating Expense	21,382	23
15. Depreciation Expense - New Rates	5,373,835	24
16. Depreciation Expense - KGS Plant	67,663	25
17. Depreciation Expense - Corporate Plant	254,134	26
18. Excess Deferred Income Tax Amortization	9,682,650	27
19. Interest Synchronization	712,801	28
	<hr/>	
20. Net Operating Income	<u>\$68,923,726</u>	

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

PRO FORMA REVENUE - CUSTOMER ANNUALIZATION

1. Company Claim	\$307,009	(A)
2. Annualization Based on Test Year Actuals	<u>386,231</u>	(B)
3. Total Adjustment	\$79,222	
4. Income Taxes @	26.53% <u>21,018</u>	
5. Operating Income	<u>\$58,204</u>	

Sources:

(A) Company Filing, Section 3, Schedule 3-C, Adjustment IS-9.

(B) Response to CURB-101.

KANSAS GAS SERVICE**TEST YEAR ENDED DECEMBER 31, 2015****SHORT-TERM INCENTIVE COMPENSATION EXPENSE**

1. Company Claim	\$4,286,107	(A)
2. Recommended Adjustment (%)	<u>70.00%</u>	(B)
3. Recommended Adjustment (\$)	\$3,000,275	
4. Related Taxes and 401K Costs	<u>390,341</u>	(C)
5. Total Recommended Adjustment	\$3,390,616	
6. Income Taxes @ 26.53%	<u>795,973</u>	
7. Utility Operating Income	<u>\$2,594,643</u>	

Sources:

(A) Response to CURB-176.

(B) Response to KCC-177.

(C) Derived from the response to CURB-176.

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2015

LONG-TERM INCENTIVE COMPENSATION EXPENSE

1. Restricted Stock Adjustment	\$770,631	(A)
2. Performance Shares Adjustment	<u>1,442,401</u>	(A)
3. Total Recommended Adjustment	\$2,213,032	
4. Income Taxes @ 26.53%	<u>587,117</u>	
5. Utility Operating Income	<u>\$1,625,915</u>	

Sources:

(A) Response to KCC-176.

Schedule ACC-15

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

PENSION/OPEB SHARED SAVINGS EXPENSE

1. Company Claim		\$3,325,367	(A)
2. Income Taxes @	26.53%	<u>882,220</u>	
3. Utility Operating Income		<u>\$2,443,147</u>	

Sources:

(A) Company Filing, Section 3, Schedule 3-C, Adjustment IS-28.

Schedule ACC-16

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

PENSION/OPEB - PROSPECTIVE EXPENSE

1. Original Company Margin Adjustment	\$1,328,672	(A)
2. Revised Company Margin Adjustment	<u>1,833,668</u>	(B)
3. Recommended Adjustment	\$504,996	
4. Income Taxes @ 26.53%	<u>133,975</u>	
5. Operating Income Impact	<u>\$371,021</u>	

Sources:

(A) Company Filing, Section 3, Schedule 3-C, Adjustment IS-26.

(B) Response to KCC-163.

Schedule ACC-17

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

PENSION/OPEB - AMORTIZATION EXPENSE

1. Original Company Adjustment	\$108,302	(A)
2. Revised Company Adjustment	<u>418,343</u>	(B)
3. Recommended Adjustment	\$310,041	
4. Income Taxes @ 26.53%	<u>82,254</u>	
5. Operating Income Impact	<u>\$227,787</u>	

Sources:

(A) Company Filing, Section 3, Schedule 3-C, Adjustment IS-27.

(B) Response to KCC-163.

Schedule ACC-18

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

RATE CASE EXPENSE

1. Costs Related to Prior Rate Case	\$320,891	(A)
2. Revised Company Adjustment	<u>3</u>	(A)
3. Recommended Adjustment	\$106,964	
4. Income Taxes @ 26.53%	<u>28,377</u>	
5. Operating Income Impact	<u>\$78,586</u>	

Sources:

(A) Company Workpapers to Adjustment IS-34.

Schedule ACC-19

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2015

RESEARCH AND DEVELOPMENT EXPENSE

1. Recommended Adjustment		\$316,479	(A)
2. Income Taxes @	26.53%	<u>83,962</u>	
3. Operating Income Impact		<u>\$232,517</u>	

Sources:

(A) Company Filing, Section 3, Schedule 3-C, Adjustment IS-13.

Schedule ACC-20

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2015

DISTRIGAS ALLOCATION EXPENSE

1. Original Company Adjustment	\$1,601,057	(A)
2. Adjustment at 32.84%	<u>1,401,390</u>	(B)
3. Recommended Adjustment	\$199,667	
4. Income Taxes @ 26.53%	<u>52,972</u>	
5. Operating Income Adjustment	<u>\$146,695</u>	

Sources:

(A) Company Filing, Adjustment IS-31.

(B) Based on Company Workpaper revised for new allocation.

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2015

MEALS AND ENTERTAINMENT EXPENSE

1. Recommended Adjustment	191,968	(A)
2. Income Taxes @	26.53% <u>50,929</u>	
3. Operating Income Adjustment	<u>\$141,039</u>	

Sources:

(A) Company filing, Section 11, Schedule 11-F, page 3.

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2015

MEMBERSHIP DUES EXPENSE

1. AGA Dues	\$156,109	(A)
2. Lobbying Adjustment	<u>9,991</u>	(A)
3. Balance of AGA Dues	\$146,118	
4. Recommended Adjustment (%)	<u>50.00%</u>	(B)
5. Recommended Adjustment (\$)	\$73,059	
6. Income Taxes @	26.53% <u>19,383</u>	
7. Operating Income Adjustment	<u>\$53,676</u>	

Sources:

(A) Response to KCC-55.

(B) Recommendation of Ms. Crane.

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2015

MISCELLANEOUS OPERATING EXPENSE

1. Sponsorship Advertising	\$500	(A)
2. State Fair Expense	9,937	(B)
3. Scholarship Expense @ 50%	<u>18,666</u>	(C)
4. Total Recommended Adjustment	\$29,103	
5. Income Taxes @ 26.53%	<u>7,721</u>	
6 Operating Income Impact	<u>\$21,382</u>	

Sources:

(A) Response to KCC-51.

(B) Response to KCC-284.

(C) Response to KCC-282. Reflects 50% disallowance.

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

DEPRECIATION EXPENSE - NEW RATES

1. Depreciation Expense Per Company	\$58,276,982	(A)
2. Depreciation Expense Per CURB Rates	<u>50,962,657</u>	(B)
3. Recommended Adjustment	\$7,314,325	
4. Income Tax 26.53%	<u>1,940,490</u>	(A)
5. Utility Operating Income	<u>\$5,373,835</u>	

Sources:

(A) Company Filing, Section 10, Schedule 10-F, page 3.

(B) Workpaper of Mr. Garren.

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

DEPRECIATION EXPENSE - KGS PLANT

1. Recommended Net CWIP Adjustment	\$3,336,806	(A)
2. Composite Depreciation Rate	<u>2.76%</u>	(B)
3. Recommended Adjustment	\$92,096	
4. Income Taxes @ 26.53%	<u>24,433</u>	(A)
5. Utility Operating Income	<u>\$67,663</u>	

Sources:

(A) Schedule ACC-5 and Schedule ACC-6.

(B) Composite rate per CURB Witness James Garren.

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

DEPRECIATION EXPENSE-CORPORATE PLANT

1. Recommended Corp Plant Adjustment	\$4,240,168	(A)
2. Composite Depreciation Rate	<u>8.16%</u>	(B)
3. Recommended Adjustment	\$345,902	
4. Income Taxes @	26.53% <u>91,768</u>	
5. Utility Operating Income	<u>\$254,134</u>	

Sources:

(A) Schedule ACC-4 and Schedule ACC-6.

(B) Derived from Company Filing, Section 10, Schedule 10-E, page 3.

Schedule ACC-27

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

EXCESS DEFERRED INCOME TAX AMORTIZATION EXPENSE

1. Non Protected EDIT	\$36,884,434	(A)
2. Non Protected Corporate	<u>(924,879)</u>	(A)
3. Net Non Protected EDIT	\$35,959,555	
4. Amortization Period	<u>5</u>	(B)
5. Annual Amortization	\$7,191,911	
6. Amortization of Protected EDIT	<u>2,490,739</u>	(C)
7. Total Annual Amortization	\$9,682,650	
8. Operating Income Impact	<u>\$9,682,650</u>	

Sources:

(A) Derived from Exhibit JJH-1, page 2.

(B) Recommendation of Ms. Crane.

(C) Company Filing, Exhibit JJH-1, page 2.

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

INTEREST SYNCHRONIZATION

1. Pro Forma Rate Base	\$1,004,865,770	(A)
2. Weighted Cost of Debt	<u>1.77%</u>	(B)
3. Pro Forma Interest Expense	\$17,816,270	
4. Company Claim	<u>15,129,495</u>	(C)
5. Decrease in Taxable Income	\$2,686,775	
6. Income Taxes @ 26.53%	<u>\$712,801</u>	

Sources:

(A) Schedule ACC-3.

(B) Schedule ACC-2.

(C) Company Filing, Section 11, Schedule 11-G, page 1.

Schedule ACC-29

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

INCOME TAX FACTOR

1. Revenue	100.00%	
2. State Income Tax Rate	<u>7.00%</u>	(A)
3. Federal Taxable Income	93.00%	
4. Income Taxes @ 21%	<u>19.53%</u>	(A)
5. Operating Income	73.47%	
6. Total Tax Rate	<u>26.53%</u>	(B)

Sources:

(A) Company Filing, Section 11, Schedule 11-G.

(B) Line 2 + Line 4.

KANSAS GAS SERVICE

TEST YEAR ENDED DECEMBER 31, 2017

REVENUE MULTIPLIER

1. Revenue		100.00%	
2. State Income Taxes @	7.00%	<u>7.00%</u>	(A)
3. Federal Taxable Income		93.00%	
4. Income Taxes @	21.00%	<u>19.53%</u>	(A)
5. Operating Income		73.47%	
6. Revenue Multiplier		<u>1.3611</u>	(B)

Sources:

(A) Company Filing, Section 11, Schedule 11-G.

(B) Line 1 / Line 5.

KANSAS GAS SERVICE**TEST YEAR ENDED DECEMBER 31, 2017****REVENUE REQUIREMENT IMPACT OF ADJUSTMENTS**

1. Rate of Return	(\$13,616,940)
Rate Base Adjustments:	
2. Corporate Plant Allocation	(25,990)
3. CWIP - KGS	(369,885)
4. CWIP-Corporate	(354,807)
5. Gas Storage Inventory	(275,886)
Operating Income Adjustments	
6. Pro Forma Revenue - Customer Annualization	(79,222)
7. Short-Term Incentive Compensation Expense	(3,531,568)
8. Long-Term Incentive Compensation Expense	(2,213,032)
9. Pension/OPEB - Shared Savings Expense	(3,325,367)
10. Pension/OPEB - Prospective Expense	(504,996)
11. Pension/OPEB - Amortization Expense	(310,041)
12. Rate Case Expense	(106,964)
13. Resarch and Development Expense	(316,479)
14. Distringas Allocation Expense	(199,667)
15. Meals and Entertainment Expense	(191,968)
16. Membership Dues Expense	(73,059)
17. Miscellaneous Operating Expense	(29,103)
18. Depreciation Expense - New Rates	(7,314,325)
19. Depreciation Expense - KGS Plant	(92,096)
20. Depreciation Expense - Corporate Plant	(345,902)
21. Excess Deferred Income Tax Amortization	(13,179,053)
22. Interest Synchronization	(970,194)
23. Total Recommended Adjustments	(\$47,426,542)
24. Company Claim	<u>45,566,463</u>
25. Revenue Requirement Deficiency	<u>(\$1,860,079)</u>

KANSAS GAS SERVICE**TEST YEAR ENDED DECEMBER 31, 2017****PRO FORMA INCOME STATEMENT**

	Per Company	Recommended Adjustments	Pro Forma Present Rates	Recommended Rate Adjustment	Pro Forma Proposed Rates
1. Operating Revenues	\$299,614,017	\$79,222	\$299,693,239	(\$1,860,079)	\$297,833,160
2. Operating Expenses	152,960,858	(10,802,244)	142,158,614	0	142,158,614
3. Depreciation and Amortization	63,306,825	(7,752,323)	55,554,502	0	55,554,502
4. Taxes Other Than Income	26,480,940	0	26,480,940	0	26,480,940
5. Taxable Income Before Interest Expenses	\$56,865,394	\$18,633,788	\$75,499,182	(\$1,860,079)	\$73,639,103
6. Interest Expense	15,129,495	2,686,775	17,816,270		17,816,270
7. Taxable Income	\$41,735,899	\$15,947,013	\$57,682,912	(\$1,860,079)	\$55,822,833
8. Income Taxes @ 26.53%	12,027,363	(5,451,907)	6,575,456	(493,479)	6,081,977
9. Operating Income	\$44,838,031	\$24,085,696	\$68,923,727	(\$1,366,600)	\$67,557,128
10. Rate Base	\$1,016,084,260		\$1,004,865,770		\$1,004,865,770
11. Rate of Return	<u>4.41%</u>		<u>6.86%</u>		<u>6.72%</u>

APPENDIX C

Referenced Data Requests:

CURB-98
CURB-101*
KCC-51
KCC-55
KCC-121
KCC-157
KCC-163**
KCC-176
KCC-177
KCC-184*
KCC-282**
KCC-284

* Voluminous - only included partial response

** Confidential – not attached

Citizens' Utility Ratepayer Board
Docket Number 18-KGSG-560-RTS
Information Request

Data Request: 18-560 CURB-098: Follow Up to KCC-026 In Service Dates
Company Name: Kansas Gas Service, a Division of ONE Gas, Inc.
Request Date: 9/21/2018
Date Information Needed: 10/5/2018
Requested By: David Nickel

Page 1 of 1

Please provide the following:

Regarding the response to KCC-26, Attachments A and B, please update this response to include a) the starting date of each project and b) the actual or currently anticipated in-service date (for projects that were not completed when the original response was prepared.)

KGS Response:

Please see, "KCC-184 Attachment A" provided in response to data request KCC 184 for updates to Attachment A from KCC-26.

In response to KCC-184, "KCC-026 Attachment B.xlsx" was updated to reflect those corporate work orders in CWIP as of December 31, 2017 which had been placed in service as of August 31, 2018. Please see, "CURB-098 Attachment B.xlsx", containing the start date, in service date, estimated in service date, and the project status as of August 31, 2018 for each corporate work order.

Prepared by: Mindy Edwards and Graham A. Jaynes

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Lorna Esten

Date: 10/5/2018

	A	B	C	D	E	F	G	H	I	J
1	ONE Gas Inc- Kansas Gas Service		CURB-098 Attachment B							
2	Construction Work In Progress									
3	Updated through August 31, 2018									
4										
5	Utility Account	Work Order Number	Work Order Long Desc	Start Date	In Service as of 08/31/2018	Placed In Service Date	Estimated In Service Date	Corporate Unallocated Amount	KGS Allocation %	KGS Allocated Amount
6	375.2 - Other Distr Systems Struct	101.094.1502.010001	IT INFRASTRUCTURE BUSINESS CONTINUITY	11/8/2017	Yes	1/1/2018		38,801	32.84%	12,744
7	375.2 - Other Distr Systems Struct Total							38,801		12,744
8	390.2 - Leasehold Improvements	101.097.1717.010008	PHYSICAL SECURITY 2016	10/3/2016	Yes	3/1/2018		92,036	32.84%	30,228
9	390.2 - Leasehold Improvements	101.097.1717.010015	19TH FLOOR SOC MONITOR PURCHASE	7/12/2017	Yes	12/31/2017		8,456	32.84%	2,777
10	390.2 - Leasehold Improvements	101.091.0101.010002	ONE GAS FIRST TOWER OFFICE FURNITURE	4/18/2014	Yes	1/1/2018		(441)	32.84%	(145)
11	390.2 - Leasehold Improvements Total							100,050		32,861
12	391.1 - Office Furniture & Fixtures	101.091.0101.010002	ONE GAS FIRST TOWER OFFICE FURNITURE	4/18/2014	Yes	2/1/2018		(5,965)	32.84%	(1,959)
13	391.1 - Office Furniture & Fixtures Total							(5,965)		(1,959)
14	391.6 - Purchased Software	101.101.1502.010021	AP ENHANCEMENTS	8/3/2015	Yes	1/1/2018		843,928	32.84%	277,180
15	391.6 - Purchased Software	101.101.1502.010032	LEAK SURVEY 2016	1/8/2016	Active		9/4/2018	1,749,135	32.84%	574,486
16	391.6 - Purchased Software	101.101.1502.010047	ORACLE HYPERION	4/6/2016	Yes	1/1/2018		1,653,408	32.84%	543,045
17	391.6 - Purchased Software	101.101.1502.010050	GAS SUPPLY - TRELIS	4/25/2016	Yes	1/1/2018		2,091,724	32.84%	687,006
18	391.6 - Purchased Software	101.101.1502.010051	ENTERPRISE CONTENT MANAGEMENT PHASE II	4/25/2016	Yes	1/1/2017		(63,600)	32.84%	(20,889)
19	391.6 - Purchased Software	101.101.1502.010052	C55 2016 ENHANCEMENTS	5/2/2016	Yes	1/31/2018		169,991	32.84%	55,832
20	391.6 - Purchased Software	101.101.1502.010055	CONTRACT LIFECYCLE MANAGEMENT NOVATUS	5/17/2016	Yes	1/31/2018		52,706	32.84%	17,311
21	391.6 - Purchased Software	101.101.1502.010057	TRANSMISSION ASSET SYNC	7/27/2016	Active		12/31/2018	23,495	32.84%	7,717
22	391.6 - Purchased Software	101.101.1502.010059	ERP INTERFACE REDESIGN	7/27/2016	Yes	1/1/2018		15,713	32.84%	5,161
23	391.6 - Purchased Software	101.101.1502.010061	GRAPHIC BASED WORK DESIGN	8/24/2016	Active		9/4/2018	379,540	32.84%	124,656
24	391.6 - Purchased Software	101.101.1502.010064	SPLUNK PHASE III	12/28/2016	Yes	1/1/2018		485,905	32.84%	153,022
25	391.6 - Purchased Software	101.100.1502.010035	DESKTOP REPLACEMENTS 2017	1/9/2017	Yes	3/1/2018		1,915,182	32.84%	629,022
26	391.6 - Purchased Software	101.100.1502.010036	NETWORK IMPROVEMENTS 2017	1/10/2017	Yes	1/1/2018		404,170	32.84%	132,746
27	391.6 - Purchased Software	101.100.1502.010038	VOICE IMPROVEMENTS 2017	1/27/2017	Yes	1/1/2018		213,604	32.84%	70,156
28	391.6 - Purchased Software	101.100.1502.010042	DATA CENTER EXPANSION	3/8/2017	Yes	1/1/2018		40,184	32.84%	13,198
29	391.6 - Purchased Software	101.100.1502.010043	NETWORK IDENTITY AND ACCESS MANAGEMENT	4/19/2017	Yes	1/1/2018		573,974	32.84%	188,516
30	391.6 - Purchased Software	101.100.1502.010044	UNIFIED COMMUNICATIONS	4/20/2017	Active		12/31/2018	531,186	32.84%	174,463
31	391.6 - Purchased Software	101.100.1502.010045	STORAGE CONTROLLER AND SERVER GROWTH 2017	4/20/2017	Yes	1/1/2018		7,279,686	32.84%	2,390,940
32	391.6 - Purchased Software	101.100.1502.010048	COMPUTER REFRESH 2017 PHASE 2	9/13/2017	Active		12/31/2018	5,547,177	32.84%	1,821,915
33	391.6 - Purchased Software	101.100.1502.010047	SKYPE AUDIO AND MESSAGING PHASE 2 TELECOM REDUCTIONS	9/13/2017	Active		3/31/2019	640,498	32.84%	210,365
34	391.6 - Purchased Software	101.100.1502.010049	SERVICE NOW PROCESS DEVELOPEMENT 2017	9/13/2017	Yes	1/1/2018		96,000	32.84%	31,530
35	391.6 - Purchased Software	101.100.1502.010050	DATA DESTRUCTION	11/7/2017	Yes	1/1/2018		23,900	32.84%	7,850
36	391.6 - Purchased Software	101.101.1502.010007	APPLICANT TRACKING	2/16/2015	Yes	1/1/2018		63,787	32.84%	20,950
37	391.6 - Purchased Software	101.101.1502.010070	WORK MANAGEMENT PCRS	1/9/2017	Yes	3/1/2018		708,021	32.84%	232,542
38	391.6 - Purchased Software	101.101.1502.010072	GEOCORTEX HTML5	2/10/2017	Yes	1/1/2018		76,769	32.84%	25,214
39	391.6 - Purchased Software	101.101.1502.010073	MICROSOFT CRM 2017 ENHANCEMENTS	2/15/2017	Yes	1/1/2018		739,650	32.84%	242,931
40	391.6 - Purchased Software	101.101.1502.010075	BILLGEN 2017 ENHANCEMENTS	2/15/2017	Yes	1/1/2018		166,063	32.84%	54,542
41	391.6 - Purchased Software	101.101.1502.010074	BANNER 2017 PCR	2/15/2017	Yes	1/1/2018		335,322	32.84%	110,133
42	391.6 - Purchased Software	101.101.1502.010076	BI 2017 PROJECTS	3/3/2017	Yes	3/1/2018		896,201	32.84%	294,348
43	391.6 - Purchased Software	101.101.1502.010078	FLOWCAL 8.2 UPGRADE	3/21/2017	Yes	1/1/2018		150,376	32.84%	49,390
44	391.6 - Purchased Software	101.101.1502.010077	WEB AND MOBILE ENHANCEMENTS 2017	3/21/2017	Yes	1/1/2018		517,454	32.84%	169,953
45	391.6 - Purchased Software	101.101.1502.010080	CUE REDESIGN	4/19/2017	Yes	1/1/2018		161,352	32.84%	52,994
46	391.6 - Purchased Software	101.101.1502.010081	HIGH METER PREDICTIVE ANALYTICS	4/19/2017	Yes	6/1/2018		177,119	32.84%	58,173
47	391.6 - Purchased Software	101.101.1502.010082	ECM PHASE III	4/19/2017	Active		10/31/2018	79,760	32.84%	26,196
48	391.6 - Purchased Software	101.101.1502.010083	TALENT MGMT PERFORMANCE AND COMPENSATION	4/20/2017	Yes	1/1/2018		352,677	32.84%	115,833
49	391.6 - Purchased Software	101.101.1502.010084	MAXIMO FLEET MANAGEMENT ENHANCEMENTS	4/21/2017	Yes	3/1/2018		56,512	32.84%	18,561
50	391.6 - Purchased Software	101.101.1502.010085	TECHNICAL INTEGRATION ARCHITECTURE	6/16/2017	Active		12/31/2018	309,379	32.84%	101,613
51	391.6 - Purchased Software	101.101.1502.010086	DIMP-TIMP APPLICATIONS	6/21/2017	Active		12/31/2018	812,662	32.84%	268,911
52	391.6 - Purchased Software	101.101.1502.010088	ERP HEALTH CHECK - SUPPLY CHAIN	7/17/2017	Active		12/31/2018	938,237	32.84%	308,154
53	391.6 - Purchased Software	101.101.1502.010087	ERP HEALTH CHECK - FINANCE	7/17/2017	Yes	1/1/2018		465,370	32.84%	152,846
54	391.6 - Purchased Software	101.101.1502.010090	DEBT NEXT	7/31/2017	Yes	1/1/2018		231,994	32.84%	76,196
55	391.6 - Purchased Software	101.101.1502.010091	POWERPLANT 2017 ENHANCEMENTS	7/31/2017	Yes	1/1/2018		198,281	32.84%	65,123
56	391.6 - Purchased Software	101.101.1502.010093	VEHICLE INSPECTION APPLICATION	8/25/2017	Yes	1/1/2018		389,025	32.84%	127,771
57	391.6 - Purchased Software	101.101.1502.010097	SOLIDWORKS USERS ADDITIONS	9/29/2017	Yes	3/1/2018		66,270	32.84%	21,766
58	391.6 - Purchased Software	101.101.1502.010098	TARGETED PAYMENT PLAN PROGRAMS PREDICTIVE ANALYTICS POV	10/5/2017	Yes	1/1/2018		43,179	32.84%	14,182
59	391.6 - Purchased Software	101.101.1502.010099	AP MARKVIEW ENHANCEMENTS 2017	10/5/2017	Active		9/4/2018	42,214	32.84%	13,865
60	391.6 - Purchased Software	101.101.1502.010100	NEXT GENERATION PAYROLL PROJECT	10/5/2017	Active		8/1/2019	77,931	32.84%	25,596
61	391.6 - Purchased Software	101.101.1502.010103	TELECOM EXPENSE AND MOBILE DEVICE MANAGEMENT	11/2/2017	Yes	1/1/2018		31,403	32.84%	10,314
62	391.6 - Purchased Software	101.100.1502.010041	DATA DOMAIN AND BACKUP LICENSING	3/8/2017	Yes	1/1/2018		207,059	32.84%	68,007

A	B	C	D	E	F	G	H	I	J	
1	ONE Gas Inc- Kansas Gas Service	CURB-098 Attachment B								
2	Construction Work In Progress									
3	Updated through August 31, 2018									
4										
5	utility account	work order number	work order long desc	Start Date	In Service as of 08/31/2018	Placed in Service Date	Estimated In Service Date	Corporate Unallocated Amount	KGS Allocation %	KGS Allocated Amount
63	391.6 - Purchased Software	101.100.1502.010051	PHYSICAL SECURITY EQUIPMENT	11/7/2017	Yes	1/1/2018		303,368	32.84%	99,638
64	391.6 - Purchased Software	101.100.1502.010052	FPT CONFERENCE CENTER AV AUTOMATION AND STABILIZATION	11/21/2017	Active		9/4/2018	66,440	32.84%	21,822
65	391.6 - Purchased Software	101.101.1502.010094	ONE GAS RATE UPDATE	8/29/2017	Active		9/4/2018	179,040	32.84%	58,804
66	391.6 - Purchased Software	101.101.1502.010096	CONTRACTOR INSPECTOR FIELD ENABLEMENT	9/29/2017	Yes	3/1/2018		34,995	32.84%	11,494
67	391.6 - Purchased Software	101.101.1502.010106	ONE GAS CUSTOMER COMMUNICATION PROJECT	11/7/2017	Active		11/30/2018	11,654	32.84%	3,828
68	391.6 - Purchased Software	101.100.1502.010020	NEW REMOTE SITE SERVERS	2/17/2015	Yes	2/1/2018		(309)	32.84%	(101)
69	391.6 - Purchased Software	101.101.1502.010060	SYSTEM INTEGRITY PHYSICAL RECORDS CAPTURE	8/24/2016	Yes	1/1/2018		280,445	32.84%	85,541
70	391.6 - Purchased Software	101.101.1502.010092	MANAGED FILE TRANSFER	8/18/2017	Active		9/4/2018	4,720	32.84%	1,550
71	391.6 - Purchased Software	101.101.1502.010104	MICROSOFT LICENSING EXPANSION 2017	11/2/2017	Yes	1/1/2018		143,023	32.84%	46,975
72	391.6 - Purchased Software	101.101.1502.010105	COMMON LOGGING AND EXCEPTIONS (CLE) ENHANCEMENT	11/7/2017	Active		9/4/2018	1,405	32.84%	461
73	391.6 - Purchased Software	101.101.1502.010112	TEAMMATE AUDIT SOFTWARE UPGRADE	12/28/2017	Yes	1/1/2018		21,000	32.84%	6,897
74	391.6 - Purchased Software	101.101.1502.010068	CYLANCE PHASE II	1/9/2017	Yes	1/1/2018		2,926	32.84%	961
75	391.6 - Purchased Software	101.101.1502.010071	EMERGENCY MONITORING SYSTEM EMS SEISMIC ENHANCEMENTS	1/9/2017	Yes	3/1/2018		7,766	32.84%	2,551
76	391.6 - Purchased Software	101.101.1502.010102	DATA DOMAIN AND BACKUP LICENSING	11/1/2017	Yes	1/1/2018		192,325	32.84%	63,167
77	391.6 - Purchased Software	101.101.1502.010107	BOMGAR APPLIANCE UPLIFT AND BOMGAR RESTRICTED ACCESS MANAGEMENT	11/7/2017	Active		9/4/2018	57,296	32.84%	18,818
78	391.6 - Purchased Software	101.101.1502.010069	MOBILE WORKFORCE LIVE BI	1/9/2017	Yes	1/1/2018		8,354	32.84%	2,744
79	391.6 - Purchased Software	101.101.1502.010089	AVAYA ENHANCEMENTS 2017	7/31/2017	Yes	6/1/2018		51,231	32.84%	16,826
80	391.6 - Purchased Software	101.101.1502.010101	2G-3G MODEM REPLACEMENTS	11/1/2017	Active		12/31/2018	355,001	32.84%	116,596
81	391.6 - Purchased Software	101.100.1502.010046	SCADA ENHANCEMENTS 2017	6/16/2017	Active		6/30/2019	119	32.84%	39
82	391.6 - Purchased Software	101.101.1502.010095	MANAGEMENT OF CHANGE LICENSING	9/13/2017	Yes	1/1/2018		163,477	32.84%	53,692
83	391.6 - Purchased Software Total							34,805,848		11,431,633
84	391.8 - Micro Computer Equipment	101.100.1502.010038	VOICE IMPROVEMENTS 2017	1/27/2017	Yes	1/1/2018		94,146	32.84%	30,921
85	391.8 - Micro Computer Equipment	101.100.1502.010037	Avaya Infrastructure/Application Enhancements	1/27/2017	Yes	1/31/2018		51,906	32.84%	17,048
86	391.8 - Micro Computer Equipment	101.100.1502.010039	SITE MANAGEMENT 2017	1/27/2017	Yes	1/31/2018		249,260	32.84%	81,867
87	391.8 - Micro Computer Equipment	101.100.1502.010040	RUGGED DEVICE REPLACEMENT 2017	1/27/2017	Yes	1/31/2018		698,309	32.84%	229,353
88	391.8 - Micro Computer Equipment Total							1,093,621		359,189
89								36,032,355		11,834,467

Citizens' Utility Ratepayer Board
Docket Number 18-KGSG-560-RTS
Information Request

Data Request: 18-560 CURB-101: IS-9 Actual Test Year Growth
Company Name: Kansas Gas Service, a Division of ONE Gas, Inc.
Request Date: 9/21/2018
Date Information Needed: 10/5/2018
Requested By: David Nickel

Page 1 of 1

Please provide the following:

Regarding Adjustment IS-9, what would be the resulting adjustment if the Company had utilized actual test year growth (and weather normalized consumption per customer) to annualize revenues?

KGS Response:

The customer annualization adjustment (as filed) using a three-year average growth to annualize actual growth during the test year is \$307,008.90. The customer annualization adjustment using actual test year growth to annualize growth during the test year is \$386,231.47. Please see the attached spreadsheet entitled CURB_101.xlsx.

Prepared by: Paul Raab

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Janet Buchanan

Date: _____

10/5/2018

Kansas Corporation Commission
Docket Number 18-KGSG-560-RTS
Information Request

Data Request: 18-560-KCC-051: Advertising
Company Name: Kansas Gas Service, a Division of ONE Gas, Inc.
Request Date: 2/28/2018
Date Information Needed: N/A
Requested By: Preliminary Data Requests

Page 1 of 1

Please provide the following:

A listing of all advertising incurred by the Applicant during the test year to include; the date paid, amount, payee, brief description of the advertising, account and sub-account where the charges were recorded.

KGS Response:

Please see, "KCC-051 Attachment A" and "KCC-051 Attachment B" for KGS direct advertising expenses and ONE Gas advertising expenses allocated to KGS on a causal basis and through OGS Distrigas, for those advertisements that are related to safety and other essential information provided to customers regarding their natural gas service. A portion of the advertising costs allocated to KGS through OGS Distrigas were removed in adjustment IS 30 and are not included in the attachments.

Prepared by: Darci Kramer and Ashley Davidson

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief, and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Jonna East

Date: _____

7/18/18

2017 Advertising	Vendor	Type	Acct Classification	Amt Paid
Buy - Newspaper/Radio Ads				
Natural Gas Safety Campaign	Hahn Public Communications	Safety	051.1938.1938.9210100.21	129,534.12

Total Broadcast Media 129,534.12

Chamber Directories

Leavenworth	Leavenworth Times	Educational	051.1413.1413.9301100.21	457.00
Look to Leawood Chamber Magazine	MetroMedia Inc	Educational	051.1413.1413.9301100.21	890.00
Kansas City New Resident Guide	MetroMedia Inc	Educational	051.1413.1413.9301100.21	1,395.00
Lenexa Chamber Directory	MetroMedia Inc	Educational	051.1413.1413.9301100.21	1,040.00
Kansas City Kansas Directory	MetroMedia Inc	Educational	051.1413.1413.9301100.21	982.00
Great Bend	MetroMedia Inc	Educational	051.1413.1413.9301100.21	752.79
Topeka Chamber Directory	Peterson Publications	Educational	051.1413.1413.9301100.21	1,700.00
Shawnee Magazine	Sunflower Publishing	Educational	051.1413.1413.9301100.21	736.43

Total Chamber Directories 7,552.22

Fred Arbanas

Telephone Directory	Arbanas	Safety	051.1413.1413.9301100.21	55.74
	Arbanas	Safety	051.1413.1413.9301100.21	636.00
	Arbanas	Safety	051.1413.1413.9301100.21	972.00
	Arbanas	Safety	051.1413.1413.9301100.21	529.80
	Arbanas	Safety	051.1413.1413.9301100.21	241.40
	Arbanas	Safety	051.1413.1413.9301100.21	1,029.00
	Arbanas	Safety	051.1413.1413.9301100.21	1,034.00
	Arbanas	Safety	051.1413.1413.9301100.21	535.87
	Arbanas	Safety	051.1413.1413.9301100.21	732.00
	Arbanas	Safety	051.1413.1413.9301100.21	245.00
	Arbanas	Safety	051.1413.1413.9301100.21	161.41
	Arbanas	Safety	051.1413.1413.9301100.21	2,724.00
	Arbanas	Safety	051.1413.1413.9301100.21	1,089.00
	Arbanas	Safety	051.1413.1413.9301100.21	398.00
	Arbanas	Safety	051.1413.1413.9301100.21	122.98
	Arbanas	Safety	051.1413.1413.9301100.21	475.00
	Arbanas	Safety	051.1413.1413.9301100.21	138.34
	Arbanas	Safety	051.1413.1413.9301100.21	2,465.60
	Arbanas	Safety	051.1413.1413.9301100.21	360.00
	Arbanas	Safety	051.1413.1413.9301100.21	10.00
	Arbanas	Safety	051.1413.1413.9301100.21	1,787.40
	Arbanas	Safety	051.1413.1413.9301100.21	1,187.25
	Arbanas	Safety	051.1413.1413.9301100.21	249.00
	Arbanas	Safety	051.1413.1413.9301100.21	1,194.28
	Arbanas	Safety	051.1413.1413.9301100.21	162.50
	Arbanas	Safety	051.1413.1413.9301100.21	672.00
	Arbanas	Safety	051.1413.1413.9301100.21	387.00
	Arbanas	Safety	051.1413.1413.9301100.21	94.50
	Arbanas	Safety	051.1413.1413.9301100.21	525.00
	Arbanas	Safety	051.1413.1413.9301100.21	432.00
	Arbanas	Safety	051.1413.1413.9301100.21	2,100.00
	Arbanas	Safety	051.1413.1413.9301100.21	181.67
	Arbanas	Safety	051.1413.1413.9301100.21	744.00
	Arbanas	Safety	051.1413.1413.9301100.21	828.00
	Arbanas	Safety	051.1413.1413.9301100.21	121.82
	Arbanas	Safety	051.1413.1413.9301100.21	897.50
	Arbanas	Safety	051.1413.1413.9301100.21	2,220.00
	Arbanas	Safety	051.1413.1413.9301100.21	646.20
	Arbanas	Safety	051.1413.1413.9301100.21	1,382.78
	Arbanas	Safety	051.1413.1413.9301100.21	2,971.00
	Arbanas	Safety	051.1413.1413.9301100.21	1,076.83
	Arbanas	Safety	051.1413.1413.9301100.21	336.00
	Arbanas	Safety	051.1413.1413.9301100.21	480.00
	Arbanas	Safety	051.1413.1413.9301100.21	92.61
	Arbanas	Safety	051.1413.1413.9301100.21	503.10
	Arbanas	Safety	051.1413.1413.9301100.21	759.34
	Arbanas	Safety	051.1413.1413.9301100.21	129.07
	Arbanas	Safety	051.1413.1413.9301100.21	1,151.00

Total Fred Arbanas 37,286.93

Natural Gas Matters - Printing/Design Exp.

Natural Gas Matters - January	Consolidated Printing Solutions / Russell Kaufmann Communications	Educational / Safety	051.1413.1413.9210320.21	12,974.90
Natural Gas Matters - February	Consolidated Printing Solutions / Russell Kaufmann Communications	Educational / Safety	051.1413.1413.9210320.21	12,972.90
Natural Gas Matters - March	Consolidated Printing Solutions / Russell Kaufmann Communications	Educational / Safety	051.1413.1413.9210320.21	12,973.90
Natural Gas Matters - April	Consolidated Printing Solutions / Russell Kaufmann Communications	Educational / Safety	051.1413.1413.9210320.21	13,391.10
Natural Gas Matters - May	Consolidated Printing Solutions / Russell Kaufmann Communications	Educational / Safety	051.1413.1413.9210320.21	13,388.77
Natural Gas Matters - June	Consolidated Printing Solutions / Russell Kaufmann Communications	Educational / Safety	051.1413.1413.9210320.21	13,443.27
Natural Gas Matters - July	Consolidated Printing Solutions / Russell Kaufmann Communications	Educational / Safety	051.1413.1413.9210320.21	13,382.74
Natural Gas Matters - August	Consolidated Printing Solutions / Russell Kaufmann Communications	Educational / Safety	051.1413.1413.9210320.21	12,296.74
Natural Gas Matters - September	Consolidated Printing Solutions / Russell Kaufmann Communications	Educational / Safety	051.1413.1413.9210320.21	13,387.77
Natural Gas Matters - October	Consolidated Printing Solutions / Russell Kaufmann Communications	Educational / Safety	051.1413.1413.9210320.21	14,727.77
Natural Gas Matters - November	Consolidated Printing Solutions / Russell Kaufmann Communications	Educational / Safety	051.1413.1413.9210320.21	13,482.75
Natural Gas Matters - December	Consolidated Printing Solutions / Russell Kaufmann Communications	Educational / Safety	051.1413.1413.9210320.21	13,415.84

Total Natural Gas Meters 159,838.45

Billing Inserts - Printing Exp

Natural Gas Safety Brochure	Mainline	Safety	051.1413.1413.9210211.21	24,411.21
Cold Weather Rule direct mailer	Mainline	Safety	051.1413.1413.9210211.21	1,310.00
Natural Gas Safety Brochure	Mainline / Russell Kaufmann Communications	Safety	051.1413.1413.9210211.21	25,499.48

Total Billing Inserts 51,220.69

Sponsorship Advertising

Kansas Press Association Sponsorship	Kansas Press Association	Sponsorship	051.1413.1413.9301100.21	500.00
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Total Sponsorship Advertising 500.00

A	B	C	D	E	F	G	H	I	J	K	L	M	
1	Advertiser/Type	Vendor Name	Line Description	Trk	Product/Category Description	From Cat	Product/Category Description	Media Account	Advertiser Description	Invoice Date	Commitment	Amount Allocated to KGS on a causal basis	Amount Allocated through OGS Distrigas
2	Staffing and Recruiting	LEADER & TIMES OPUBCO COMMUNICATIONS GROUP	ADVT NO 5307	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	31-JAN-2017	0	102	-
3	Communications	TULSA WORLD	ad placement OGS investor - Oklahoma Inc.	1411	OGS CORP COMMUNICATIONS	1411	OGS CORP COMMUNICATIONS	9130105	ADVERTISING FEES	30-NOV-2017	0	-	1,746
4	Communications	TULSA WORLD	ACCT 1002653 ADVERTISING	1411	OGS CORP COMMUNICATIONS	1411	OGS CORP COMMUNICATIONS	9130105	ADVERTISING FEES	28-FEB-2017	0	-	1,957
5	Workforce Development	TULSA WORLD	ACCT 1002653 ADVERTISING	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	26-FEB-2017	0	2,126	-
6	Communications	TULSA WORLD	IR ad placement	1411	OGS CORP COMMUNICATIONS	1411	OGS CORP COMMUNICATIONS	9130105	ADVERTISING FEES	29-OCT-2017	0	-	746
7	Staffing and Recruiting	WELLS FARGO BANK	820 STILLWATER NEWS PR Misc. Expenses, Supplies, etc. (21) Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	22-MAR-2017	0	127	-
8	Staffing and Recruiting	WELLS FARGO BANK	CAREERBUILDER Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	17-NOV-2016	0	-	134
9	Staffing and Recruiting	WELLS FARGO BANK	CAREERBUILDER Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	534
10	Staffing and Recruiting	WELLS FARGO BANK	CLINTON DAILY NEWS CO Misc. Expenses, Supplies, etc. (21) Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-DEC-2017	0	60	10
11	Staffing and Recruiting	WELLS FARGO BANK	ELK CITY DAILY NEWS IN Misc. Expenses, Supplies, etc. (21) Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-DEC-2017	0	49	8
12	Staffing and Recruiting	WELLS FARGO BANK	INDEED Subscriptions Online Advertising	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	21-SEP-2017	0	-	954
13	Staffing and Recruiting	WELLS FARGO BANK	INDEED Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	01-NOV-2017	0	874	139
14	Staffing and Recruiting	WELLS FARGO BANK	INDEED Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	05-JUL-2017	0	1,019	-
15	Staffing and Recruiting	WELLS FARGO BANK	INDEED Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-JUL-2017	0	1,023	-
16	Staffing and Recruiting	WELLS FARGO BANK	INDEED Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	20-APR-2017	0	170	-
17	Staffing and Recruiting	WELLS FARGO BANK	INDEED Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-FEB-2017	0	1,009	-
18	Staffing and Recruiting	WELLS FARGO BANK	INDEED Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	25-SEP-2017	0	874	138
19	Staffing and Recruiting	WELLS FARGO BANK	INDEED Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	27-DEC-2017	0	868	138
20	Staffing and Recruiting	WELLS FARGO BANK	INDEED Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	31-OCT-2017	0	873	139
21	Staffing and Recruiting	WELLS FARGO BANK	INDEED Subscriptions Online Job Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	01-APR-2017	0	678	-
22	Staffing and Recruiting	WELLS FARGO BANK	INDEED Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	814
23	Staffing and Recruiting	WELLS FARGO BANK	INDEED Subscriptions Online Job Posting	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-JAN-2017	0	1,014	-
24	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN.COM Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-JAN-2017	0	34	-
25	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN.COM Subscriptions Online Job Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	01-APR-2017	0	399	-
26	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN.COM Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	156
27	Staffing and Recruiting	WELLS FARGO BANK	YOURMEMBER-CAREERS Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	48
28	Staffing and Recruiting	WELLS FARGO BANK	INT IN BRIGGS NEWS AL Print Ad Monahans News IRC62414 Field Tech II C&M	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	01-OCT-2017	0	23	4
29	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-307 5887024 Subscriptions 12/19/16.Linkedin.Monthly Subscription	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-JAN-2017	0	41	-
30	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-308 2902954 Misc. Expenses, Supplies, etc. (21) linkedin ad for II overland park	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-JAN-2017	0	102	-
31	Staffing and Recruiting	WELLS FARGO BANK	CAREERBUILDER Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	05-JUL-2017	0	121	-
32	Staffing and Recruiting	WELLS FARGO BANK	CAREERBUILDER Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-FEB-2017	0	121	-
33	Staffing and Recruiting	WELLS FARGO BANK	CAREERBUILDER Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-JAN-2017	0	143	-
34	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN.COM Subscriptions Online Job Ad	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-JAN-2017	0	68	-
35	Staffing and Recruiting	WELLS FARGO BANK	THE OKLAHOMAN-ADVERTIS Subscriptions CSR Advertisement	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-JAN-2017	0	391	-
36	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN.COM Misc. Expenses, Supplies, etc. (21) LinkedIn Recruiter lite 12.7.16	1620	OGS WORKFORCE DEVELOPMENT PLANS	1636	OGS STAFFING & RECRUITING	9301150	A&G ADVERTISING ONLINE	19-JAN-2017	0	41	-
37	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-239 1359076 Registration 12.6.16-LinkedIn Recruiter Monthly Subscription Renewal	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	01-APR-2017	0	41	-
38	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-309 2378864 Membership Dues 1.7.17 LinkedIn.recruiter?lite	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	20-FEB-2017	0	41	-
39	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-305 3283974 Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-FEB-2017	0	68	-
40	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-305 3286724 Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-FEB-2017	0	1	-
41	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-305 4886024 Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-FEB-2017	0	128	-
42	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-305 7868694 Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-FEB-2017	0	10	-
43	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-306 1759414 Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-FEB-2017	0	34	-
44	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-306 5343964 Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-FEB-2017	0	27	-
45	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-307 2239264 Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-FEB-2017	0	14	-
46	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-307 8351244 Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-FEB-2017	0	21	-
47	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-308 2583704 Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-FEB-2017	0	9	-
48	Staffing and Recruiting	WELLS FARGO BANK	MWW MONSTER.COM NETWORK Subscriptions Online Job Posting	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-FEB-2017	0	136	-
49	Staffing and Recruiting	WELLS FARGO BANK	CAREERBUILDER Subscriptions Online Job Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	01-APR-2017	0	506	-
50	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-308 5681154 Subscriptions Online Job Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	01-APR-2017	0	4	-
51	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-309 2359624 Subscriptions Online Job Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	01-APR-2017	0	34	-
52	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-310 1425164 Subscriptions Online Job Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301140	A&G ADVERTISING BRANDING	23-MAR-2017	0	68	-
53	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-311 4776634 Misc. Expenses, Supplies, etc. (21) Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301140	A&G ADVERTISING BRANDING	23-MAR-2017	0	68	-
54	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN.COM Misc. Expenses, Supplies, etc. (21) Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301140	A&G ADVERTISING BRANDING	23-MAR-2017	0	68	-
55	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN.COM Misc. Expenses, Supplies, etc. (21) Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	23-MAR-2017	0	68	-

A	B	C	D	E	F	G	H	I	J	K	L	M		
Advertising Type	Vendor Name	Line Description	To Co	Transaction Description	From Co	From Transaction Description	Natural Account	Account Description	Invoice Date	Commitment	Amount Allocated to KGS on a Causal Basis	Amount Allocated to KGS through OGS Distrigas		
101	Staffing and Recruiting	WELLS FARGO BANK	THE JOURNAL RECORD PUB	Misc. Expenses, Supplies, etc. (21) Advertisement for foreign national Green Card position	1510	OGS IT ENTERPRISE TECHNOLOGY	1510	OGS IT ENTERPRISE TECHNOLOGY	9301150	A&G ADVERTISING ONLINE	16-JUN-2017	0	-	169
102	Staffing and Recruiting	WELLS FARGO BANK	THE JOURNAL RECORD PUB	Misc. Expenses, Supplies, etc. (21) Advertisement for foreign national Green Card position	1518	OGS IT APPL DEV ERP FINANCIALS	1518	OGS IT APPL DEV ERP FINANCIALS	9301150	A&G ADVERTISING ONLINE	16-JUN-2017	0	-	100
103	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-256 0687036	Membership Dues 5.7.17 LinkedIn recruiter?lite	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-JUN-2017	0	41	-
104	Staffing and Recruiting	WELLS FARGO BANK	820 STILLWATER NEWS PR	Misc. Expenses, Supplies, etc. (21) Advertising Stillwater Position	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	22-JUN-2017	0	279	-
105	Staffing and Recruiting	WELLS FARGO BANK	AUSTIN CHRONICLE CORP	Misc. Expenses, Supplies, etc. (21) 5/19/17.Print and Online Advertising one position in newspaper I	1636	OGS STAFFING & RECRUITING	1636	OGS STAFFING & RECRUITING	9301100	A&G ADVERTISING MISC	19-JUN-2017	0	14	-
106	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-328 9760784	Subscriptions LinkedIn recruiter lite subscription	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301140	A&G ADVERTISING BRANDING	14-JUL-2017	0	41	-
107	Staffing and Recruiting	WELLS FARGO BANK	754 ENID NEWS & EAGLE	Misc. Expenses, Supplies, etc. (21) Online and Print Ad	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	05-JUL-2017	0	128	-
108	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN	Subscriptions Online Advertising	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	21-SEP-2017	0	-	382
109	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN	Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	05-JUL-2017	0	170	-
110	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN	Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-JUL-2017	0	80	-
111	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN	Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	31-OCT-2017	0	6	1
112	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-323 3215884	Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	05-JUL-2017	0	34	-
113	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-323 8112784	Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	05-JUL-2017	0	203	-
114	Workforce Development	WELLS FARGO BANK	DIVERSITY AND LEADERSH	Misc. Expenses, Supplies, etc. (21) good faith efforts affirmative action job postings	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	12-JUL-2017	0	128	-
115	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN	Membership Dues LinkedIn Recruiter lite subscription	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-JUL-2017	0	41	-
116	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-328 9205484	Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-JUL-2017	0	122	-
117	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-327 0981874	Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-JUL-2017	0	202	-
118	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-329 4830174	Membership Dues LinkedIn Job ad for Director of Investor Relations irc62234	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-JUL-2017	0	128	-
119	Staffing and Recruiting	WELLS FARGO BANK	WOMENSOBJLISTDOTCOM	Books, Manuals, Training Guides, etc. (21) Job Ad for AA posting IRC62177 Svc Tech II CSF Austin Marburger	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-JUL-2017	0	30	-
120	Staffing and Recruiting	WELLS FARGO BANK	YOURMEMBER-CAREERS	Misc. Expenses, Supplies, etc. (21) NRI Job ad for Director of Investor Relations irc62234	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-JUL-2017	0	119	-
121	Staffing and Recruiting	WELLS FARGO BANK	YOURMEMBER-CAREERS	Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-JUL-2017	0	158	-
122	Staffing and Recruiting	WELLS FARGO BANK	CIVITAS MEDIA, LLC	Misc. Expenses, Supplies, etc. (21) Job Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1636	OGS STAFFING & RECRUITING	9301150	A&G ADVERTISING ONLINE	12-JUL-2017	0	56	-
123	Workforce Development	WELLS FARGO BANK	DIVERSITY AND LEADERSH	Misc. Expenses, Supplies, etc. (21) 8/5/17.IRC62133.Process Improvement Consultant.Diversityfirstjob	1636	OGS STAFFING & RECRUITING	1636	OGS STAFFING & RECRUITING	9301150	A&G ADVERTISING ONLINE	19-JUL-2017	0	34	-
124	Staffing and Recruiting	WELLS FARGO BANK	ANADARKO DAILY NEWS	Misc. Expenses, Supplies, etc. (21) Advertising Anadarko Position	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	18-AUG-2017	0	43	7
125	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN	Membership Dues Sr Comp Analyst linked in job posting	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	21-AUG-2017	0	87	14
126	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-331 0244754	Subscriptions LinkedIn Recruiter lite July	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	21-AUG-2017	0	35	6
127	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN	Subscriptions LinkedIn Recruiter Lite Subscription	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	13-SEP-2017	0	35	6
128	Workforce Development	WELLS FARGO BANK	DIVERSITY AND LEADERSH	Misc. Expenses, Supplies, etc. (21) advertising for Affirmative Action GFE diversity and minority	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	15-SEP-2017	0	109	17
129	Staffing and Recruiting	WELLS FARGO BANK	MINORITY JOBS.NET	Misc. Expenses, Supplies, etc. (21) online advertising for Affirmative Action diversity and minority	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	15-SEP-2017	0	29	5
130	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-330 4256434	Subscriptions Online Advertising - Supervisor Admin Services	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	25-SEP-2017	0	225	36
131	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-331 0578954	Subscriptions Online Advertising - C&M OKC Supervisor	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	25-SEP-2017	0	87	14
132	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-331 2898894	Subscriptions Online Advertising - Admin Services Supervisor	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	25-SEP-2017	0	37	6
133	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-331 9661444	Subscriptions Online Advertising - HR ER Position	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	25-SEP-2017	0	14	2
134	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-331 9786004	Subscriptions Online Advertising - HR ER Position	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	25-SEP-2017	0	95	15
135	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-332 8258074	Subscriptions Online Advertising - HR ER Position	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	25-SEP-2017	0	12	2
136	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-333 5735714	Subscriptions Online Advertising - HR ER Position	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	25-SEP-2017	0	6	1
137	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-333 8474814	Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	25-SEP-2017	0	140	22
138	Staffing and Recruiting	WELLS FARGO BANK	BOXWOOD TECHNOLOGY	Misc. Expenses, Supplies, etc. (21) WEN Sr Comp posting	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	15-SEP-2017	0	28	5
139	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-334 9228094	Subscriptions LinkedIn Recruiter Lite	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	15-SEP-2017	0	35	6

A	B	C	D	E	F	G	H	I	J	K	L	M	
1	Advertising Type	Vendor Name	Line Description	Rate	Target/Category Description	Rate	Product/Service Description	Media Account	Account Description	Invoice Date	Comment	Amount Allocated to KGS on a Causal Basis	Amount Allocated to KGS through OGS Distrigas
140	Staffing and Recruiting	WELLS FARGO BANK	TULSA AREA HUMAN RESOU Misc. Expenses, Supplies, etc. (21) TAHRA Sr comp job posting	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	15-SEP-2017	0	29	5
141	Staffing and Recruiting	WELLS FARGO BANK	ENTERPRISE RENT-A-CAR Rental Car KGS Wichita KS Veteran Job Fair Renee and Aydre	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	13-SEP-2017	0	11	2
142	Staffing and Recruiting	WELLS FARGO BANK	MINORITY JOBS.NET Misc. Expenses, Supplies, etc. (21) Affirmative Action advertising for diversity and minority website WOMENSJOBLISTDOTCOM Misc. Expenses, Supplies, etc. (21) 7/31/17.IRC62341.Sr Bus System Analyst.Womensenergynewt	1636	OGS STAFFING & RECRUITING	1636	OGS STAFFING & RECRUITING	9301150	A&G ADVERTISING ONLINE	15-SEP-2017	0	29	5
143	Staffing and Recruiting	WELLS FARGO BANK	WOMENSJOBLISTDOTCOM Misc. Expenses, Supplies, etc. (21) 8/22/17.IRC62440.Process Improvement Analyst II.Womensenergynewt	1636	OGS STAFFING & RECRUITING	1636	OGS STAFFING & RECRUITING	9301150	A&G ADVERTISING ONLINE	29-SEP-2017	0	84	10
144	Staffing and Recruiting	WELLS FARGO BANK	WOMENSJOBLISTDOTCOM Misc. Expenses, Supplies, etc. (21) 8/22/17.IRC62440.Process Improvement Analyst II.Womensenergynewt	1636	OGS STAFFING & RECRUITING	1636	OGS STAFFING & RECRUITING	9301150	A&G ADVERTISING ONLINE	29-SEP-2017	0	64	10
145	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-376 6450523 Subscriptions LinkedIn Recruiter Lite subscription	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	16-OCT-2017	0	64	10
146	Staffing and Recruiting	WELLS FARGO BANK	HUGO NEWS Misc. Expenses, Supplies, etc. (21) Newspaper Ad for a Hugo Position	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	16-OCT-2017	0	35	6
147	Staffing and Recruiting	WELLS FARGO BANK	INDEPENDENCE DAILY R Misc. Expenses, Supplies, etc. (21) Newspaper ad for a Kansas position.	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	17-OCT-2017	0	73	12
148	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-338 2365854 Misc. Expenses, Supplies, etc. (21) LinkedIn Comp consultant ad	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	17-OCT-2017	0	47	7
149	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-338 8760454 Misc. Expenses, Supplies, etc. (21) LinkedIn Recruiter Lite	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	17-OCT-2017	0	22	3
150	Staffing and Recruiting	WELLS FARGO BANK	PAYPAL IOLA Misc. Expenses, Supplies, etc. (21) Newspaper Ad Kansas position.	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	17-OCT-2017	0	35	6
151	Workforce Development	WELLS FARGO BANK	SHAWNEE NEWS STAR Misc. Expenses, Supplies, etc. (21) Placed an ad in the Shawnee Newspaper	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	17-OCT-2017	0	28	4
152	Staffing and Recruiting	WELLS FARGO BANK	DIVERSITY AND LEADERSH Misc. Expenses, Supplies, etc. (21) affirmative action good faith advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	17-OCT-2017	0	155	25
153	Workforce Development	WELLS FARGO BANK	QT 23 01000231 Gasoline 9.16.16.osu career fair.gas	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	18-OCT-2017	0	109	17
154	Staffing and Recruiting	WELLS FARGO BANK	DIVERSITY AND LEADERSH Misc. Expenses, Supplies, etc. (21) job posting purchase for diversity website for affirmative actio	1000	OGS GENERAL	1000	OGS GENERAL	9301100	A&G ADVERTISING MISC	16-OCT-2016	0	-	4
155	Workforce Development	WELLS FARGO BANK	GUYMON DAILY HERALD Misc. Expenses, Supplies, etc. (21) 9.30.16.16guymon newspaper ad. control tech ll irc61029	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	17-NOV-2016	0	-	72
156	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-292 7144104 Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	16-NOV-2016	0	-	63
157	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-293 5161864 Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	36
158	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-293 5209034 Misc. Expenses, Supplies, etc. (21) 9.7.16LinkedIn.recruiter7lite	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	32
159	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-294 2475304 Subscriptions Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	16-OCT-2016	0	-	38
160	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-294 3776464 Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	11
161	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-294 5639484 Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	63
162	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-294 5838784 Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	63
163	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-294 5841224 Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	63
164	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-295 0684764 Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	31
165	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-295 1937594 Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	38
166	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-295 8856704 Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	63
167	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-295 9242394 Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	63
168	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-296 4444854 Subscriptions Online Job Posting	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	19-OCT-2016	0	-	29
169	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-297 6966774 Misc. Expenses, Supplies, etc. (21) 10.7.16LinkedIn.recruiter7lite	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	17-NOV-2016	0	-	63
170	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-298 4054134 Misc. Expenses, Supplies, etc. (21) 10.12.16LinkedIn.online.ad.managing attorney.lrc61294	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	18-NOV-2016	0	-	38
171	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-298 6764774 Misc. Expenses, Supplies, etc. (21) 10.14.16LinkedIn.online.ad.manager contractor sourcing.lrc61176	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	18-NOV-2016	0	-	95
172	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-334 1270884 Subscriptions Online Advertising	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	16-NOV-2016	0	-	95
173	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-335 7931914 Subscriptions Online Advertising	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	21-SEP-2017	0	-	10
174	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN.COM Misc. Expenses, Supplies, etc. (21) 10.14.16LinkedIn.online.ad.manager procurement.lrc61176	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	21-SEP-2017	0	-	37
175	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN.COM Misc. Expenses, Supplies, etc. (21) 10.20.16LinkedIn.online.ad.industrial service rept.lrc61209	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	16-NOV-2016	0	-	120
176	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN.COM Misc. Expenses, Supplies, etc. (21) 10.25.16LinkedIn.online.ad.compensation.lrc61212	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	16-NOV-2016	0	-	63
177	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN.COM Misc. Expenses, Supplies, etc. (21) 9.21.16LinkedIn.online.it.auditor.lrc61004	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	16-NOV-2016	0	-	95
178	Staffing and Recruiting	WELLS FARGO BANK	THEJOBNETWORK.REALMATC Misc. Expenses, Supplies, etc. (21) 10.03.16 hutch news ad.online. Control tech ll lrc61029	1000	OGS GENERAL	1000	OGS GENERAL	9301150	A&G ADVERTISING ONLINE	16-OCT-2016	0	-	95
179	Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-342 0884034 Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	16-NOV-2016	0	-	79
180	Staffing and Recruiting	WELLS FARGO BANK		1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	01-NOV-2017	0	45	7

Attachment B
Advertising Allocated to KGS on a causal basis and through OGS Districts

A	B	C	D	E	F	G	H	I	J	K	L	M
Advertising Type	Vendor Name	Line Description	To Co	Product/Service Description	From Co	Promo/Account Description	Media Account	Account Description	Invoice Date	Comment	Amount Allocated to OGS on a causal basis	Amount Allocated to KGS through OGS Districts
181 Staffing and Recruiting	WELLS FARGO BANK	SNAGAJOB Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	01-NOV-2017	0	29	5
182 Staffing and Recruiting	WELLS FARGO BANK	SNAGAJOB Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	27-DEC-2017	0	29	5
183 Staffing and Recruiting	WELLS FARGO BANK	SNAGAJOB Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	31-OCT-2017	0	29	5
184 Staffing and Recruiting	WELLS FARGO BANK	THE OKLAHOMAN-ADVERTIS Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	01-NOV-2017	0	334	53
185 Staffing and Recruiting	WELLS FARGO BANK	WOMENS.JOBLISTDOTCOM Misc. Expenses, Supplies, etc. (21) 10/25/17.REQ186.Foreman C&M Austin.Womensjoblist.com.online	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	01-NOV-2017	0	64	10
186 Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-338 1748074 Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	31-OCT-2017	0	5	1
187 Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-338 2035214 Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	31-OCT-2017	0	169	27
188 Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-339 6862274 Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	31-OCT-2017	0	26	4
189 Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-340 5487884 Subscriptions Online Advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	31-OCT-2017	0	156	25
190 Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-379 3578853 Subscriptions LinkedIn Recruiter Lite Monthly Subscription	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	14-NOV-2017	0	35	6
191 Staffing and Recruiting	WELLS FARGO BANK	820 STILLWATER NEWS PR Misc. Expenses, Supplies, etc. (21) Newspaper Ad for a Stillwater position	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	16-NOV-2017	0	127	20
192 Staffing and Recruiting	WELLS FARGO BANK	BOXWOOD TECHNOLOGY Misc. Expenses, Supplies, etc. (21) ad worldworks Sr comp consultant	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	16-NOV-2017	0	115	18
193 Staffing and Recruiting	WELLS FARGO BANK	IOLA REGISTER, INC. Misc. Expenses, Supplies, etc. (21) Newspaper Ad for a Kansas position	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	16-NOV-2017	0	62	10
194 Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-377 5221103 Misc. Expenses, Supplies, etc. (21) LinkedIn Ad compensation consultant	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	16-NOV-2017	0	156	25
195 Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-378 0279203 Misc. Expenses, Supplies, etc. (21) LinkedIn Compensation Consultant - HR	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	16-NOV-2017	0	22	3
196 Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-378 1004183 Membership Dues linkedin recruiter lite 10.17	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	16-NOV-2017	0	35	6
197 Staffing and Recruiting	WELLS FARGO BANK	THE DAILY ARDMOREITE Misc. Expenses, Supplies, etc. (21) Newspaper Ad for a Ardmore position	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	16-NOV-2017	0	87	14
198 Staffing and Recruiting	WELLS FARGO BANK	MINORITY JOBS.NET Misc. Expenses, Supplies, etc. (21) advertising for good faith efforts. for october	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	19-NOV-2017	0	29	5
199 Staffing and Recruiting	WELLS FARGO BANK	INT IN BRIGGS NEWS AL Books, Manuals, Training Guides, etc. (21) Monahans Newspaper Ad	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301100	A&G ADVERTISING MISC	11-DEC-2017	0	19	3
200 Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-350 0228914 Subscriptions Recruiter Lite Monthly Subscription	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	07-DEC-2017	0	35	6
201 Staffing and Recruiting	WELLS FARGO BANK	MINORITY JOBS.NET Misc. Expenses, Supplies, etc. (21) minority job.net online advertising for AAP goals	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	11-DEC-2017	0	29	5
202 Staffing and Recruiting	WELLS FARGO BANK	MINORITY JOBS.NET Misc. Expenses, Supplies, etc. (21) monthly fee for online advertising for AAP Minority Goals	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	11-DEC-2017	0	29	5
203 Staffing and Recruiting	WELLS FARGO BANK	WOMEN FOR HIRE LLC Misc. Expenses, Supplies, etc. (21) female AAP online advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	11-DEC-2017	0	87	14
204 Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-381 4357793 Subscriptions 11.7.17 LinkedIn Recruiter Lite	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	18-DEC-2017	0	35	6
205 Staffing and Recruiting	WELLS FARGO BANK	WOMENS.JOBLISTDOTCOM Misc. Expenses, Supplies, etc. (21) Womens Job posting Risk analyst	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	18-DEC-2017	0	64	10
206 Staffing and Recruiting	WELLS FARGO BANK	LINKEDIN-346 8031854 Subscriptions online advertising	1620	OGS WORKFORCE DEVELOPMENT PLANS	1620	OGS WORKFORCE DEVELOPMENT PLANS	9301150	A&G ADVERTISING ONLINE	27-DEC-2017	0	110	17
207 Grand Total											2574646	1047263

Kansas Corporation Commission
Docket Number 18-KGSG-560-RTS
Information Request

Data Request: 18-560-KCC-055: Dues
Company Name: Kansas Gas Service, a Division of ONE Gas, Inc.
Request Date: 2/28/2018
Date Information Needed: N/A
Requested By: Preliminary Data Requests

Page 1 of 1

Please provide the following:

1. Please provide a listing of all payments made to industry associations, including memberships, included in the Applicant's test year expenses. Please include the amount paid, date paid, payee, and the account to which the payments were recorded.
2. If any association listed in response to this DR is involved in lobbying or political activity, please provide the percentage of dues or amount of payment(s) made to each association that are related to lobbying or political activity.

KGS Response:

1. Please see, "KCC-055 Attachment A.xlsx" for the listing of payments made to industry associations. For corporate industry association payments allocated to KGS, please see, "KCC-055 Attachment B.xlsx."
2. Please see, KGS response to "KCC-050."

Prepared by: Ashley D. Davidson and Victoria Noriega-Reyes

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Lorna Estrada

Date: 7/10/18

Kansas Gas Service
 18-KGSG-560-RTS
 DR 18-560 KCC-055 Attachment A
 December 31,2017

Registrations

Natural Account	Invoice Date	Vendor Name	Merchant	Line Description	KGIS Net Activity
8800100	4/13/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Training (22) AGA Conference	850.00
8800100	4/13/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration REGISTRATION / AGA CONFERENCE - POSTLETHWAIT	675.00
8800100	5/11/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Fall Comm - Registration	1,100.00
8800100	9/11/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration REGISTRATION / AGA FALL COMM MTG - POSTLETHWAIT	750.00
8510100	5/9/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Training (22) SGA Conference	595.00
8510100	8/21/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration SGA Operating Conference Registration fee	595.00
8510100	8/27/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Seminar Fees SGA Operating Conference	595.00
9210221	8/10/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Training (22) SGA Conference	755.00
9210221	9/13/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Training (22) Registration for conference	795.00
					6,710.00

Kansas Gas Service
 18-KGSG-560-RTS
 DR 18-560 KCC-055 Attachment A
 December 31, 2017

Natural Account	Posting Date	Vendor Name	Merchant	Line Description	KGSS Net Activity
9302106	31-Jan-2017		AMERICAN GAS ASSOCIATION	American Gas Association 2017 Dues (01/01/17 - 12/31/17)	13,001.00
9302106	28-Feb-2017		AMERICAN GAS ASSOCIATION	American Gas Association 2017 Dues (01/01/17 - 12/31/17)	12,998.00
9302106	31-Mar-2017		AMERICAN GAS ASSOCIATION	American Gas Association 2017 Dues (01/01/17 - 12/31/17)	13,001.00
9302106	30-Apr-2017		AMERICAN GAS ASSOCIATION	American Gas Association 2017 Dues (01/01/17 - 12/31/17)	13,001.00
9302106	31-May-2017		AMERICAN GAS ASSOCIATION	American Gas Association 2017 Dues (01/01/17 - 12/31/17)	13,001.00
9302106	30-Jun-2017		AMERICAN GAS ASSOCIATION	American Gas Association 2017 Dues (01/01/17 - 12/31/17)	13,001.00
9302106	31-Jul-2017		AMERICAN GAS ASSOCIATION	American Gas Association 2017 Dues (01/01/17 - 12/31/17)	13,001.00
9302106	31-Aug-2017		AMERICAN GAS ASSOCIATION	American Gas Association 2017 Dues (01/01/17 - 12/31/17)	13,001.00
9302106	30-Sep-2017		AMERICAN GAS ASSOCIATION	American Gas Association 2017 Dues (01/01/17 - 12/31/17)	13,001.00
9302106	31-Oct-2017		AMERICAN GAS ASSOCIATION	American Gas Association 2017 Dues (01/01/17 - 12/31/17)	13,001.00
9302106	30-Nov-2017		AMERICAN GAS ASSOCIATION	American Gas Association 2017 Dues (01/01/17 - 12/31/17)	13,001.00
9302106	31-Dec-2017		AMERICAN GAS ASSOCIATION	American Gas Association 2017 Dues (01/01/17 - 12/31/17)	13,001.00
					156,109.31
Removed 6.4% for Lobbying - IS 22					9,991.00
AGA Dues included in filing					146,118.31

KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
 Docket No. 18-KGSG-560-RTS
 KCC Data Request 1-55
 Attachment B

Amount allocated to KGS Payments to Industry associations for January 1, 2017 - December 31, 2017

Account	Posting Date	Vendor Name	Merchant	Line Description	Corporate Adjusted Test Year	Adjusted Test Year Allocated to KGS
9210221	9/30/2017	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCIATION	EMPLOYEE MOBILIZATION PROJECT	10,000.00	3,163.68
9302100	10/31/2017	AMERICAN GAS FOUNDATION	AMERICAN GAS FOUNDATION	American Gas Foundation	10,000.00	3,188.00
9302107	1/31/2017	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCIATION	SGA DISTRIBUTION MEMBERSHIP	41,400.00	12,829.86
8560250	3/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration Registration costs for AGA DIMP Committee Meetings and Operating	975.00	298.45
8560250	4/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA TIMP Committee	675.00	206.62
8560250	8/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Fall Conference Registration	675.00	206.62
8700100	6/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Executive Leadership Development Program	4,500.00	1,377.45
8800100	4/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Managing Comm Mtg * Conf	975.00	305.24
8800100	4/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA PSMS Workshop (2X)	950.00	297.42
8800100	6/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Peer Review Workshop	450.00	140.88
8800100	10/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Mtg Registration Fee	750.00	239.10
9050100	7/31/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration Credit for Registration fee - unable to attend	(655.00)	(193.75)
9050100	7/31/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration Customer Service Conference	655.00	193.75
9210100	3/31/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration SGA Registration	850.00	289.20
9210100	4/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Semlnar Fees AGA Taxation Committee Registration	1,095.00	342.81
9210100	4/30/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI SO Semlnar Fees SGA HR Executive Dinner	100.00	34.02
9210100	5/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Conference	975.00	305.24
9210100	5/31/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Meal - Individual SGA HR Networking event	100.00	34.02
9210100	7/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration Registration for Mark & Cathy to the AGA Risk Meeting	550.00	174.00
9210100	9/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Fall S&H meeting	675.00	213.55
9210100	9/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA/EEI Fall Security Conference registration fees	750.00	237.28
9210100	10/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Vehicle Safety Roundtable	495.00	157.81
9210201	3/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Spring Finance Committee Meeting Mar 20-22 2017	450.00	139.46
9210201	3/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration 2017 AGA Spring Finance Committee Meeting	450.00	139.46
9210201	3/31/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration SGA-Charlotte NC March2017	640.00	198.34
9210201	3/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Conf - Schoonover	775.00	240.17
9210201	3/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Spring Conf-Alliget	775.00	240.17
9210201	4/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Operations Conference	975.00	305.24
9210201	4/30/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration SGA Management Conference	850.00	266.11
9210201	4/30/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration SGA Executive Round Table	545.00	170.62
9210201	4/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration registration for 2017 AGA/EEI Spring Acctg conference	1,285.00	402.29
9210201	4/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA - Registration	975.00	298.45
9210201	5/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration Legal Forum	1,270.00	397.60
9210201	5/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Operations Conference Refund	(825.00)	(258.28)
9210201	5/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration Registration-AGA-Nashville	750.00	234.80
9210201	5/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Conference	1,285.00	402.29
9210201	5/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Acctg Leadership Meeting	1,200.00	375.68
9210201	5/31/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration Registration-SGA Conference-Baltimore	850.00	251.43
9210201	5/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Registration Fee	775.00	237.23
9210201	5/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Spring Conference	775.00	237.23
9210201	6/30/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Training (22) SGA Conference Emergency response Plan	500.00	156.53
9210201	6/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration Registration fee for AGA Best Practices Follow-Up Meeting	575.00	180.01
9210201	6/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA attendee registration	2,685.00	840.59
9210201	6/30/2017	WELLS FARGO BANK	TEXAS GAS ASSOCIATION	TEXAS GAS ASSOCIATION Registration Registration-TGA Operations/Mgmt Conf-Dallas	320.00	100.18
9210201	8/31/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	Reclass SOUTHERN GAS ASSOCI Training (22) SGA Conference Emergency response Plan - JOHNSON JOHNETTA DENISE 01/31/2017 03993	500.00	158.18
9210201	8/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration financial accounting training	450.00	142.37
9210201	8/31/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration Conference Fee	595.00	188.24
9210201	8/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Fall Ops	675.00	206.62
9210201	9/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Executive Conference - Sea Island, GA	995.00	314.79
9210201	9/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Fall Finance Committee Meeting - NYC	450.00	142.37
9210201	9/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Executive Conference	995.00	314.79
9210201	9/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Mini Forum	450.00	142.37
9210201	9/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA-Committee Mtg Registration	675.00	227.32
9210201	9/30/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration Registration-SGA Conf-Palm Beach	1,495.00	442.22
9210201	10/31/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration SGA Executive Conference	2,685.00	855.98
9210201	10/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Legal Committee Meeting - Fall 2017	200.00	63.76
9210201	10/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration 2017 AGA Executive Leadership Mtg	695.00	221.57
9210201	10/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Fall Meetings	750.00	229.58
9210201	10/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration Registration-AGA State Affairs-Scottsdale	850.00	270.98
9210201	10/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Seminar Fees Refund for AGA Damage Prevention Roundtable	(395.00)	(120.91)
9210201	11/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Legal Meeting	175.00	55.79
9210201	11/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Executive Leadership Safety Summit	695.00	221.57
9210201	11/30/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration SGA Executive Conference - Registration cancelled	(1,190.00)	(379.37)
9210207	2/28/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Seminar Fees AGA Conference	550.00	170.45
9210207	4/30/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Training (22) Conference Registration fees	795.00	248.89

KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
 Docket No. 18-KGSG-560-RTS
 KCC Data Request 1-55
 Attachment B

Amount allocated to KGS Payments to industry associations for January 1, 2017 - December 31, 2017

Account	Posting Date	Vendor Name	Merchant	Line Description	Corporate Adjusted Test Year	Adjusted Test Year Allocated to KGS
9210207	4/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration Registration fees for AGA Conference in FL	975.00	331.73
9210207	5/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Conference Webinar - Resource Management	225.00	76.55
9210207	7/31/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration SGA management conference registration	850.00	268.91
9210207	9/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration Registration for AGA Financial Forum for Cyndi and Mark	900.00	284.73
9210207	9/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration Registration for AGA Treasurers Round Table for Mark & Cyndi	500.00	158.18
9210207	11/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Seminar Fees AGA Tracking and Traceability conference fees	1,150.00	352.02
9210220	1/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Meeting for TVC	550.00	168.36
9210220	5/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Membership Dues Membership-AGA Dues	1,200.00	375.68
9210220	8/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Seminar Fees AGA Fall Security Conference	675.00	213.55
9210221	3/31/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration Registration fee for Spring SGA management conference	850.00	263.42
9210221	3/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Training (22) AGA Forum	1,300.00	402.87
9210221	4/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Seminar Fees AGA Conference	975.00	298.45
9210221	4/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Training (22) AGA Spring Accounting Conference	1,285.00	402.29
9210221	4/30/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Training (22) SGA Manangement Conference	850.00	266.11
9210221	4/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Training (22) AGA Chief Audit Exec Conference	1,200.00	375.68
9210221	4/30/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration SGA L&D Conference	525.00	178.62
9210221	4/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Environmental, Safety, and Health (ESH) (24) AGA Ops Conference Registration	975.00	305.24
9210221	5/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Spring Accounting Conference	1,285.00	402.29
9210221	5/31/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration SGA I&D Roundtable	525.00	164.36
9210221	5/31/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Seminar Fees SGA leadership conference registration	850.00	289.20
9210221	7/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Seminar Fees AGA Conference	1,033.76	327.05
9210221	7/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration registration for AGA Acctg Principles Comm mtg	1,050.00	332.19
9210221	8/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA/EEI lease and rev rec seminar	1,100.00	348.01
9210221	8/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Registration AGA Tax Cmte Mtg	1,095.00	346.42
9210221	8/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Seminar Fees AGA Roundtable on damage prevention industry best practices.	495.00	151.52
9210221	8/31/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Seminar Fees AGA Conference fee	495.00	151.52
9210221	8/31/2017	WELLS FARGO BANK	OKLAHOMA GAS ASSOCIATION	PAYPAL OKLAHOMAGAS Seminar Fees Oklahoma Gas Association Conference	240.00	73.46
9210221	9/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Seminar Fees AGA Rev Rec Conference	1,100.00	348.01
9210221	9/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Training (22) AGA Comm and Marketing Meeting	245.00	77.51
9210221	11/30/2017	WELLS FARGO BANK	AMERICAN GAS ASSOCIATION	AMERICAN GAS ASSOCIATI Seminar Fees AGA Cyber Risk Management Executive Summit	495.00	157.81
9302107	6/30/2017	WELLS FARGO BANK	SOUTHERN GAS ASSOCIATION	SOUTHERN GAS ASSOCI Registration SGA Conference Registration	655.00	205.06
GRAND TOTAL					72,458.76	22,629.63

Kansas Corporation Commission
Docket Number 18-KGSG-560-RTS
Information Request

Data Request: 18-560 KCC-121: Cyber Security Tracker
Company Name: Kansas Gas Service, a Division of ONE Gas, Inc.
Request Date: 8/3/2018
Date Information Needed: 8/13/2018
Requested By: Leo Haynos

Page 1 of 1

Please provide the following:

- | |
|--|
| A. Please provide an overview of the cyber security cost categories for the 2015 costs of \$908,241.
B. Please provide an overview of the cyber security cost categories for the 2016 costs of \$2,340,656. |
|--|

KGS Response:

The amount of \$2,340,656 in Lorna Eaton's testimony was the 2017 test year unadjusted amount. Please see, 18-560 KCC-121 Attachment A for the cyber security cost by category for years 2015 through 2017.

Prepared by: Lorna Eaton

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Lorna Eaton
Date: 8/13/18

Docket No: 18-KGSG-560-RTS
Data Request No. KCC-121
Attachment A

Cyber Security Costs - OGS Total Unallocated Book Amounts

Description	2015	2016	2017
S & E	5,960	17,936	50,886
INSURANCE	188,077	626,107	589,182
TRAINING S&E	5,125	1,380	4,212
CONTRACTOR	626,284	1,050,374	1,484,530
TOOLS		1,233	1,498
FREIGHT			220
TRAVEL	21,941	35,049	33,962
MAINTENANCE/PARTS			52
CONSULTANT	57,158	263,119	162,132
MEALS	3,508	8,828	8,998
ENTERTAINMENT	38		758
DIRECT MATERIALS PURCHASES	188	223	4,226
	908,279	2,004,249	2,340,656

Kansas Corporation Commission
Docket Number 18-KGSG-560-RTS
Information Request

Data Request: 18-560 KCC-157: Working Capital
Company Name: Kansas Gas Service, a Division of ONE Gas, Inc.
Request Date: 9/4/2018/2018
Date Information Needed: 9/13/2018
Requested By: Tim Rehagen

Page 1 of 1

Please provide the following:

Please update the response to Staff Data Request No. 38 to include monthly balances for all non-cash working capital components through August 31, 2018. Please provide this information in Excel format.

KGS Response:

Please see, 18-560 KCC 157 Attachment. Corporate prepayment information will be included in 18-560 KCC 155, which is due 9/18/2018.

Prepared by: Lorna Eaton

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Lorna Eaton

Date: 9/13/2018

Kansas Gas Service

2014

Account	YTD-Actual JAN, 2014	YTD-Actual FEB, 2014	YTD-Actual MAR, 2014	YTD-Actual APR, 2014	YTD-Actual MAY, 2014	YTD-Actual JUN, 2014	YTD-Actual JUL, 2014	YTD-Actual AUG, 2014	YTD-Actual SEP, 2014	YTD-Actual OCT, 2014	YTD-Actual NOV, 2014	YTD-Actual DEC, 2014
154000 Materials	\$ 4,011,921	\$ 4,193,312	\$ 4,278,491	\$ 3,934,866	\$ 4,449,927	\$ 4,756,205	\$ 4,940,022	\$ 5,176,054	\$ 5,796,885	\$ 7,062,050	\$ 7,891,487	\$ 8,239,373
1630 Stores Expense	(87,651)	(160,146)	(175,063)	(551,503)	(533,107)	(541,152)	(531,358)	(329,560)	(150,948)	191,777	144,707	202,912
1641 Gas Stored U/G Current	24,839,991	15,457,673	11,140,924	16,795,994	28,276,805	38,646,274	47,331,570	56,287,636	62,391,976	66,359,300	61,345,007	47,778,181
1650 Prepayments	645,195	548,875	622,005	533,607	460,044	614,393	552,107	777,702	507,888	466,566	523,072	551,254
1823260 REG ASSETS FLOW THROUGH	1,347,746	1,335,308	1,308,016	1,282,625	1,260,917	1,239,209	1,217,501	1,195,793	1,174,085	1,152,377	1,130,669	1,108,963
2350 - Customer Dep. Net	18,319,013	18,889,893	19,238,537	19,207,734	19,006,569	18,735,500	18,590,893	18,634,887	18,845,258	19,146,162	19,551,295	19,819,337
2520 - Customer Adv. for Const.	3,804,242	4,034,931	4,039,082	4,033,931	3,853,539	3,756,291	3,863,653	3,850,150	4,001,256	5,425,801	5,493,554	5,888,065
2830 - Accum Def. Inc Tax	261,241,727	261,151,426	271,609,636	271,587,544	271,443,386	272,185,620	272,758,059	272,881,066	271,376,108	271,295,619	271,215,130	282,160,704
1650 Corporate Allocated Prepayments		5,670,594	5,307,225	5,060,513	4,579,062	4,423,395	4,058,108	3,728,007	3,267,661	2,669,320	3,949,933	3,801,736
1860 Corporate Allocated Deferred Prepayments		-	527,169	516,603	593,808	591,264	553,150	552,548	565,507	545,522	527,973	509,150
1641 Gas Stored U/G Current	24,839,991	15,457,673	11,140,924	16,795,994	28,276,805	38,646,274	47,331,570	56,287,636	62,391,976	66,359,300	61,345,007	47,778,181
Storage Volumes MMBTU	6,207,365	3,630,925	2,350,657	3,649,846	6,298,861	8,664,687	10,631,405	12,952,157	14,448,798	15,444,035	14,299,951	11,135,307

Kansas Gas Service

Account	2016											
	YTD-Actual JAN, 2015	YTD-Actual FEB, 2015	YTD-Actual MAR, 2015	YTD-Actual APR, 2015	YTD-Actual MAY, 2015	YTD-Actual JUN, 2015	YTD-Actual JUL, 2015	YTD-Actual AUG, 2015	YTD-Actual SEP, 2015	YTD-Actual OCT, 2015	YTD-Actual NOV, 2015	YTD-Actual DEC, 2015
154000 Materials	\$ 8,470,313	\$ 8,540,867	\$ 8,936,718	\$ 9,053,044	\$ 10,029,828	\$ 9,780,260	\$ 9,586,068	\$ 9,430,580	\$ 9,238,490	\$ 8,769,990	\$ 8,645,609	\$ 8,846,862
1630 Stores Expense	412,184	286,187	(65,510)	(98,753)	(20,701)	(109,760)	(101,362)	(40,888)	(3,030)	(99,216)	(181,363)	(53,824)
1641 Gas Stored U/G Current	35,087,177	14,240,348	13,936,282	15,194,179	20,265,193	25,587,311	31,991,337	37,141,614	40,909,265	42,984,099	41,212,831	33,796,837
1650 Prepayments	565,603	527,442	703,270	674,587	797,558	748,743	746,738	720,411	711,474	664,906	693,236	671,676
1823260 REG ASSETS FLOW THROUGH	1,088,139	1,065,548	1,043,840	1,022,132	1,000,424	978,716	957,008	935,300	913,582	891,884	870,176	848,468
2350 - Customer Dep. Net	20,388,939	20,831,267	20,283,793	20,202,928	20,030,307	19,866,207	19,461,250	19,472,278	19,450,066	19,601,284	19,877,704	20,122,287
2520 - Customer Adv. for Const.	5,671,177	5,730,034	5,913,659	5,856,941	5,838,406	6,676,839	6,946,195	6,948,333	7,095,139	7,175,832	7,395,579	7,380,439
2830 - Accum Def. Inc Tax	281,697,522	281,635,226	281,346,449	281,083,710	280,820,870	281,883,423	283,767,895	284,001,213	287,250,942	287,819,417	289,926,259	305,138,409
1650 Corporate Allocated Prepayments	4,289,362	4,462,282	4,241,882	3,893,756	4,306,112	3,858,779	3,736,217	3,331,641	2,950,083	2,415,884	4,068,762	4,307,653
1860 Corporate Allocated Deferred Prepayments	505,697	493,108	477,752	684,167	675,267	647,384	690,443	658,983	777,689	723,596	672,143	629,223
1641 Gas Stored U/G Current	35,087,177	14,240,348	13,936,282	15,194,179	20,265,193	25,587,311	31,991,337	37,141,614	40,909,265	42,984,099	41,212,831	33,796,837
Storage Volumes MMBTU	8,215,705	3,397,102	3,742,055	4,377,632	6,574,917	8,587,448	10,998,247	12,916,967	14,444,840	15,321,932	15,024,476	12,408,528

Kansas Gas Service

2016

Account	YTD-Actual JAN, 2016	YTD-Actual FEB, 2016	YTD-Actual MAR, 2016	YTD-Actual APR, 2016	YTD-Actual MAY, 2016	YTD-Actual JUN, 2016	YTD-Actual JUL, 2016	YTD-Actual AUG, 2016	YTD-Actual SEP, 2016	YTD-Actual OCT, 2016	YTD-Actual NOV, 2016	YTD-Actual DEC, 2016
1540xxx Materials	\$ 8,900,121	\$ 8,798,599	\$ 9,003,652	\$ 9,002,206	\$ 9,170,879	\$ 9,170,417	\$ 9,401,795	\$ 9,090,641	\$ 9,188,330	\$ 9,177,359	\$ 9,273,207	\$ 9,362,919
1630 Stores Expense	(58,216)	(145,276)	(243,019)	(90,218)	(114,035)	(20,485)	53,241	(129,818)	(63,809)	(52,269)	(108,235)	(97,877)
1641 Gas Stored U/G Current	19,710,408	15,282,267	14,743,078	14,720,571	16,039,438	19,522,960	24,909,613	31,391,417	35,452,762	38,236,855	37,020,516	29,220,824
1650 Prepayments	798,355	779,470	739,791	508,481	896,547	893,938	890,849	816,345	748,640	884,138	663,033	636,509
1823260 REG ASSETS FLOW THROUGH	826,884	805,300	783,716	762,132	740,548	718,964	697,380	675,798	654,212	632,628	611,034	589,449
2350 - Customer Dep. Net	20,375,328	20,702,986	20,662,269	20,674,536	20,364,716	20,092,394	19,717,290	19,485,917	19,304,940	19,364,729	19,302,671	19,367,469
2520 - Customer Adv. for Const.	7,729,367	7,729,154	7,661,852	7,656,393	8,435,470	8,706,147	8,986,899	8,940,814	9,070,862	9,262,910	9,694,435	9,697,240
2830 - Accum Def. Inc Tax	306,869,696	308,600,982	309,415,663	310,841,414	312,055,869	314,475,138	316,031,259	317,587,381	301,944,273	303,524,841	305,105,409	316,370,854
1650 Corporate Allocated Prepayments	4,228,871	5,035,914	4,528,319	4,031,787	4,369,257	4,674,980	4,159,014	3,663,194	3,156,426	2,915,150	4,763,396	4,522,588
1660 Corporate Allocated Deferred Prepayments	606,875	568,280	554,917	519,600	487,604	753,924	739,521	729,997	689,219	637,689	595,972	575,154
1641 Gas Stored U/G Current	19,710,408	15,282,267	14,743,078	14,720,571	16,039,438	19,522,960	24,909,613	31,391,417	35,452,762	38,236,855	37,020,516	29,220,824
Storage Volumes MMBTU	7,172,414	5,623,441	5,740,378	5,685,312	6,623,189	8,298,235	10,303,670	12,799,781	14,292,770	15,290,845	14,784,431	11,677,624

Kansas Gas Service

2017

Account	YTD-Actual JAN, 2017	YTD-Actual FEB, 2017	YTD-Actual MAR, 2017	YTD-Actual APR, 2017	YTD-Actual MAY, 2017	YTD-Actual JUN, 2017	YTD-Actual JUL, 2017	YTD-Actual AUG, 2017	YTD-Actual SEP, 2017	YTD-Actual OCT, 2017	YTD-Actual NOV, 2017	YTD-Actual DEC, 2017
154000 Materials	\$ 9,297,916	\$ 9,055,621	\$ 9,301,706	\$ 9,328,045	\$ 9,085,997	\$ 8,866,896	\$ 8,800,777	\$ 8,991,372	\$ 8,561,470	\$ 8,950,410	\$ 9,159,758	\$ 9,101,002
1630 Stores Expense	(152,139)	(215,761)	(249,368)	(183,465)	(491,058)	(395,944)	(367,334)	(372,990)	(280,214)	(215,953)	(215,922)	(90,276)
1641 Gas Stored U/G Current	21,727,066	20,416,738	17,848,617	16,093,968	17,751,623	22,216,338	28,986,105	33,966,228	38,749,082	40,658,949	39,117,881	29,122,864
1650 Prepayments	658,682	613,863	551,825	552,638	515,009	553,036	548,786	530,193	520,347	950,884	2,066,300	1,945,540
1823260 REG ASSETS FLOW THROUGH	568,198	546,946	525,695	504,444	483,192	461,941	440,680	419,438	398,187	376,936	376,936	334,433
2350 - Customer Dep. Net	19,188,650	19,416,930	19,349,188	19,191,690	18,994,693	18,657,257	18,427,101	18,273,725	18,313,618	18,377,267	18,551,388	18,742,198
2520 - Customer Adv. for Const.	9,813,642	9,608,585	9,658,965	9,767,079	9,747,020	9,815,468	9,912,641	9,935,362	10,249,234	10,486,812	10,532,828	10,536,008
2830 - Accum Def. Inc Tax	316,120,767	319,870,881	323,866,033	325,126,671	326,527,197	328,414,142	329,361,200	328,148,343	337,684,151	337,488,367	345,047,305	249,509,781
1650 Corporate Allocated Prepayments	5,393,692	5,673,772	5,081,280	4,872,901	5,440,858	5,355,113	4,823,340	4,250,684	3,626,475	3,251,793	3,654,865	3,811,603
1860 Corporate Allocated Deferred Prepayments	545,789	521,458	488,188	487,840	417,847	379,577	349,087	313,644	286,321	812,577	799,492	832,211
1641 Gas Stored U/G Current	21,727,066	20,416,738	17,848,617	16,093,968	17,751,623	22,216,338	28,986,105	33,966,228	38,749,082	40,658,949	39,117,881	29,122,864
Storage Volumes MMBTU	8,472,296	7,632,598	6,885,664	5,960,883	6,546,974	8,081,025	10,495,980	12,338,693	14,045,591	14,760,910	14,262,886	10,602,403

Kansas Gas Service

2018

Account	YTD-Actual JAN, 2018	YTD-Actual FEB, 2018	YTD-Actual MAR, 2018	YTD-Actual APR, 2018	YTD-Actual MAY, 2018	YTD-Actual JUN, 2018	YTD-Actual JUL, 2018	YTD-Actual AUG, 2018	YTD-Actual SEP, 2018	YTD-Actual OCT, 2018	YTD-Actual NOV, 2018	YTD-Actual DEC, 2018
1540xx Materials	\$ 9,434,564	\$ 9,518,897	\$ 9,497,894	\$ 9,766,217	\$ 9,886,233	\$ 9,882,494	\$ 9,957,707	\$ 10,388,347				
1630 Stores Expense	(174,588)	(227,372)	(326,311)	(188,161)	(290,311)	(248,848)	(402,888)	(291,851)				
1641 Gas Stored U/G Current	20,069,833	11,523,508	6,959,832	7,207,415	13,973,449	19,040,780	25,413,575	30,879,078				
1650 Prepayments	1,807,063	1,651,770	1,533,899	1,352,582	1,854,503	1,497,517	1,295,781	1,082,950				
1623260 REG ASSETS FLOW THROUGH	313,887	293,301	272,735	252,169	231,803	211,037	190,471	169,905				
2350 - Customer Dep. Net	18,365,444	18,676,383	18,931,478	19,008,040	18,949,073	18,856,776	18,831,256	18,936,733				
2520 - Customer Adv. for Const.	10,659,451	10,783,614	10,661,884	10,553,904	10,448,439	9,589,850	9,437,100	9,367,771				
2830 - Accum Def. Inc Tax	255,362,399	252,065,637	248,849,443	249,685,959	248,485,322	249,920,580	248,729,153	247,687,872				
1650 Corporate Allocated Prepayments												
1660 Corporate Allocated Deferred Prepayments												
1641 Gas Stored U/G Current	20,069,833	11,523,508	6,959,832	7,207,415	13,973,449	19,040,780	25,413,575	30,879,078				
Storage Volumes MMBTU	7,199,631	4,054,547	2,458,532	2,794,899	5,946,771	8,054,753	10,659,501	12,973,893				

Kansas Corporation Commission
Docket Number 18-KGSG-560-RTS
Information Request

Data Request: 18-560 KCC-176
Company Name: Kansas Gas Service, a Division of ONE Gas, Inc.
Request Date: 9/5/2018/2018
Date Information Needed: 9/14/2018
Requested By: Adam Gatewood

Page 1 of 1

Please provide the following:

Please identify the amount included in the Company's filing relating to items listed below. Please break down between KGS and corporate employees, employees, officers and executives, and FERC account(s):

- a. Short-term incentive awards
- b. Restricted LTI awards
- c. Performance LTI awards
- d. Employee share award plan

KGS Response:

For questions "a" through "c," please see, "KCC 176 Attachment" containing KGS and corporate amounts for short-term incentive, restricted Long Term Incentive (LTI), and performance LTI included in the Company's filing.

In response to "d," as of May 2017, the Employee Stock Award program was discontinued. The program was designed to end at the point when all the shares were distributed. In May of 2017, all authorized shares were issued when the ONE Gas share price closed at \$70 per share. The Company has reduced its requested O&M expenses to reflect the removal of test year level Employee Stock Awards within adjustment IS 30.

Prepared by: Crystal Turner

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief, and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

James Buchanan

Date: _____

9/14/2018

2017 Per book

2017 Per Book Expensed Amount

ADJUST STI DOWN TO 100%

ADJUSTED DIRECT & ALLOCATED STI EXPENSE INCLUDED IN THIS FILING

Account Number	Account Title	Total	Named Executives	Officers	Employees
4081104	Gen Tax FICA Reserve				
	KGS	\$ 176,726	\$ -	\$ -	\$ 176,726
	Corporate	\$ 620,887	\$ 35,142	\$ 45,325	\$ 540,420
Total		\$ 797,613	\$ 35,142	\$ 45,325	\$ 717,146

Total	Named Executives	Officers	Employees
99,275	-	-	99,275
620,887	35,142	45,325	540,420
\$ 720,162	\$ 35,142	\$ 45,325	\$ 639,895

77.34% Adjustment Ratio			
Total	Named Executives	Officers	Employees
76,779	-	-	76,779
490,191	27,179	35,054	417,958
\$ 566,970	\$ 27,179	\$ 35,054	\$ 494,737

33.04% Q1 2018 DISTRIGAS ALLOCATION			
Total	Named Executives	Officers	Employees
76,779	-	-	76,779
158,654	8,980	11,582	138,092
\$ 235,432	\$ 8,980	\$ 11,582	\$ 214,871

6200700 A&G SALARIES INCENTIVE PLAN					
Account Number	Account Title	Total	Named Executives	Officers	Employees
	KGS	\$ 3,033,897	\$ -	\$ -	\$ 3,033,897
	Corporate	\$ 10,655,299	\$ 2,132,868	\$ 1,722,180	\$ 6,800,251
Total		\$ 13,689,196	\$ 2,132,868	\$ 1,722,180	\$ 9,834,148

Total	Named Executives	Officers	Employees
2,021,458	-	-	2,021,458
10,655,299	2,132,868	1,722,180	6,800,251
\$ 12,676,757	\$ 2,132,868	\$ 1,722,180	\$ 8,821,709

Total	Named Executives	Officers	Employees
1,563,386	-	-	1,563,386
8,240,757	1,649,550	1,331,925	5,259,282
\$ 9,804,143	\$ 1,649,550	\$ 1,331,925	\$ 6,822,668

Total	Named Executives	Officers	Employees
1,563,386	-	-	1,563,386
2,722,721	545,006	440,064	1,737,651
\$ 4,286,107	\$ 545,006	\$ 440,064	\$ 3,301,037

3200197 A&G Emp Ben Accr 401(k) Cr Match					
Account Number	Account Title	Total	Named Executives	Officers	Employees
	KGS	\$ 144,320	\$ -	\$ -	\$ 144,320
	Corporate	\$ 507,818	\$ 89,071	\$ 87,243	\$ 331,504
Total		\$ 652,138	\$ 89,071	\$ 87,243	\$ 475,824

Total	Named Executives	Officers	Employees
144,320	-	-	144,320
507,818	89,071	87,243	331,504
\$ 652,138	\$ 89,071	\$ 87,243	\$ 475,824

Total	Named Executives	Officers	Employees
111,616	-	-	111,616
392,744	68,887	67,473	256,383
\$ 504,360	\$ 68,887	\$ 67,473	\$ 368,000

Total	Named Executives	Officers	Employees
111,616	-	-	111,616
129,761	22,760	22,293	84,708
\$ 241,378	\$ 22,760	\$ 22,293	\$ 196,326

0200198 A&G Emp Ben Accr PSP on 83					
Account Number	Account Title	Total	Named Executives	Officers	Employees
	KGS	\$ 48,272	\$ -	\$ -	\$ 48,272
	Corporate	\$ 170,182	\$ 10,028	\$ 21,898	\$ 138,256
Total		\$ 218,454	\$ 10,028	\$ 21,898	\$ 186,528

Total	Named Executives	Officers	Employees
48,272	-	-	48,272
170,182	10,028	21,898	138,256
\$ 218,454	\$ 10,028	\$ 21,898	\$ 186,528

Total	Named Executives	Officers	Employees
37,333	-	-	37,333
131,618	7,755	16,936	106,927
\$ 168,951	\$ 7,755	\$ 16,936	\$ 144,260

Total	Named Executives	Officers	Employees
37,333	-	-	37,333
43,486	2,562	5,596	35,328
\$ 80,820	\$ 2,562	\$ 5,596	\$ 72,662

Total STI Components					
Account Number	Account Title	Total	Named Executives	Officers	Employees
		\$ 13,967,401	\$ 2,297,108	\$ 1,875,643	\$ 11,213,649

Total	Named Executives	Officers	Employees
\$ 13,967,401	\$ 2,297,108	\$ 1,875,643	\$ 11,213,649

Total	Named Executives	Officers	Employees
\$ 11,004,249	\$ 1,743,372	\$ 1,441,369	\$ 7,820,508

Total	Named Executives	Officers	Employees
\$ 4,245,718	\$ 579,508	\$ 479,954	\$ 3,766,256

NOTE 1: The ADJUSTED DIRECT & ALLOCATED STI EXPENSE INCLUDED IN THIS FILING Corporate Totals will differ from the IS 32 adjustment supporting workpaper totals because IS 32 is based on the actual 2017 quarterly allocations whereas this response is based upon the Q1 2018 allocation. Proforma Adjustment IS 30 accounts for the first quarter 2018 change in the DISTRIGAS allocations.

2017 Per book

2017 Per Book Expensed Amount

DIRECT & ALLOCATED LTI INCLUDED IN THIS FILING

0200713 A&G Salaries LT Incent - Restricted					
Account Number	Account Title	Total	Named Executives	Officers	Employees
	KGS	\$ 210,431	\$ -	\$ 17,949	\$ 192,482
	Corporate	\$ 1,695,536	\$ 462,581	\$ 382,145	\$ 850,810
Total		\$ 1,905,967	\$ 462,581	\$ 400,094	\$ 1,043,292

Total	Named Executives	Officers	Employees
210,431	-	17,949	192,482
1,695,536	462,581	382,145	850,810
1,905,967	462,581	400,094	1,043,292

33.0397% Q1 2016 DISTRIGAS ALLOCATION			
Total	Named Executives	Officers	Employees
210,431	-	17,949	192,482
560,200	152,835	126,260	281,105
770,631	162,835	144,209	473,587

0200714 A&G Salaries LT Incent - Performance					
Account Number	Account Title	Total	Named Executives	Officers	Employees
	KGS	\$ 174,605	\$ -	\$ 58,459	\$ 116,145.78
	Corporate	\$ 3,837,191	\$ 2,176,270	\$ 1,266,135	\$ 394,787
Total		\$ 4,011,796	\$ 2,176,270	\$ 1,324,594	\$ 510,933

Total	Named Executives	Officers	Employees
174,605	-	58,459	116,146
3,837,191	2,176,270	1,266,135	394,787
\$ 4,011,796	\$ 2,176,270	\$ 1,324,594	\$ 510,933

Total	Named Executives	Officers	Employees
174,605	-	58,459	116,146
1,267,796	719,033	418,327	130,436
\$ 1,442,401	\$ 719,033	\$ 476,786	\$ 246,582

Total LTI					
Account Number	Account Title	Total	Named Executives	Officers	Employees
		\$ 5,917,763	\$ 2,638,850	\$ 1,724,980	\$ 1,554,226

Total	Named Executives	Officers	Employees
\$ 5,917,763	\$ 2,638,850	\$ 1,724,980	\$ 1,554,226

Total	Named Executives	Officers	Employees
\$ 2,213,037	\$ 871,468	\$ 620,904	\$ 720,665

Kansas Corporation Commission
Docket Number 18-KGSG-560-RTS
Information Request

Data Request: 18-560 KCC-177
Company Name: Kansas Gas Service, a Division of ONE Gas, Inc.
Request Date: 9/5/2018/2018
Date Information Needed: 9/14/2018
Requested By: Adam Gatewood

Please provide the following:

1. Regarding business unit performance and individual performance factors, please provide the range of factors (0-100%, 0-200%, etc.) that each modifier could represent for the calendar year 2017.
2. For each business unit that has a business unit modifier for the year 2017, please provide an explanation of what the modifier was and the supporting detail behind the calculation of each factor.

KGS Response:

1. The company modifier can be in the range of 50% to 150%. If the company performance is below the established threshold of 50%, then it would result in an STI payout of zero. The individual performance modifier is generally between 0 to 125%. An individual modifier may be up to 200% with approval from the Chief Executive Officer.
2. The company no longer has a business unit modifier. Rather, the company modifier is applied to all employees based on the overall ONE Gas performance. The range, assuming the threshold has been met, is 50% to 150%. The table below contains the established threshold, target, maximum and 2017 actual results for calendar year 2017. The performance criteria are discussed in Jeff Branz's Direct testimony and further defined in Exhibit JDB-8a on pages 6-7.

Company Performance Criteria	2017 Threshold	2017 Target	2017 Maximum	2017 Actual Results
Total Recordable Incident Rate (TRIR)	5%	10%	15%	15%
Preventable Vehicle Incident Rate (PVIR)	5%	10%	15%	9%
Days Away, Restricted, or Transferred (DART)	5%	10%	15%	15%
Diluted Earnings per Share	35%	70%	105%	90.3%
Overall Company Performance Modifier	50%	100.00%	150.00%	129.03%

Prepared by: Jeff Branz

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: *Joseph Buchanan*

Date: 9/14/2018

Kansas Corporation Commission
Docket Number 18-KGSG-560-RTS
Information Request

Data Request: 18-560 KCC-184 Revised: CWIP
Company Name: Kansas Gas Service, a Division of ONE Gas, Inc.
Request Date: 9/7/2018/
Date Information Needed: 9/18/2018
Requested By: Tim Rehagen

Page 1 of 1

Please provide the following:

REVISED VERSION OF DR 184.

1. Of the projects listed in the response to Staff Data Request No. 26 (in both Attachment A and Attachment B), please provide the projects that were in-service as of August 31, 2018. Please include when the project was placed in service and the amount of each project. For all other projects in both attachments that are not yet in service, please provide the estimated in-service dates for each individual project as of August 31, 2018.
2. For each project listed in Attachment A of the response to DR 26, please provide the original estimated in-service dates as of December 31, 2017.
3. Regarding the status of each project (Column D in 'KCC-026 Attachment A'), please provide definitions of the terms, 'active,' 'unitized' and 'field completed.'

KGS Response:

Please see, "KCC-184 Attachment A.xlsx", containing project status as of August 31, 2018, in-service dates for those placed in-service, original estimated in-service dates, and estimated in-service dates for those which were not yet in-service. When placing projects 'in service', a manual procedure allows predating in order to match when gas flowed to recorded 'in service' dates. This process reverses AFUDC charges and brings depreciation up to date. As a result of matching 'gas-flow' date with in-service date, projects can be dated in-service prior to the date they are removed from CWIP. Service Blankets are typically closed monthly, but may have some charges at the end of each month.

"Active" refers to projects that are in CWIP and have not yet been placed in service. AFUDC charges are accruing.

"Field Completed" is a project that is in service and ready for property accounting to unitize the project.

"Unitized" refers to a project for which the accounting process by which project costs are accumulated and amounts are assigned FERC accounts has been completed.

Please see, "KCC-184 Attachment B.xlsx", containing a list of corporate work orders/projects in CWIP as of December 31, 2017 and included in adjustment PLT 3 and ADA 2. Work orders placed in service as of August 31, 2018 have been designated as 'in service' with the corresponding in service date in the attachment.

Prepared by: Mindy Edwards and Graham A. Jaynes

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Lorna Eaton

Date: 9/24/2018

	A	B	C	D	E	F	G	H	I
1	ONE Gas Inc- Kansas Gas Service								
2	Construction Work In Progress								
3	Updated through August 31, 2018								
4									
5	utility account	work order number	work order long desc	In Service as of 06/31/2018	Placed in Service Date	Estimated In Service Date	Corporate Unallocated Amount	KGS Allocation %	KGS Allocated Amount
6	375.2 - Other Distr Systems Struct	101.094.1502.010001	IT INFRASTRUCTURE BUSINESS CONTINUITY	Yes	1/1/2018		38,801	32.84%	12,744
7	375.2 - Other Distr Systems Struct Total						38,801		12,744
8	390.2 - Leasehold Improvements	101.097.1717.010008	PHYSICAL SECURITY 2016	Yes	3/1/2018		92,036	32.84%	30,228
9	390.2 - Leasehold Improvements	101.097.1717.010015	19TH FLOOR SOC MONITOR PURCHASE	Yes	12/31/2017		8,456	32.84%	2,777
10	390.2 - Leasehold Improvements	101.091.0101.010002	ONE GAS FIRST TOWER OFFICE FURNITURE	Yes	1/1/2018		(441)	32.84%	(145)
11	390.2 - Leasehold Improvements Total						100,050		32,861
12	391.1 - Office Furniture & Fixtures	101.091.0101.010002	ONE GAS FIRST TOWER OFFICE FURNITURE	Yes	2/1/2018		(5,965)	32.84%	(1,959)
13	391.1 - Office Furniture & Fixtures Total						(5,965)		(1,959)
14	391.6 - Purchased Software	101.101.1502.010021	AP ENHANCEMENTS	Yes	1/1/2018		843,928	32.84%	277,180
15	391.6 - Purchased Software	101.101.1502.010032	LEAK SURVEY 2016	Active		9/4/2018	1,749,135	32.84%	574,486
16	391.6 - Purchased Software	101.101.1502.010047	ORACLE HYPERION	Yes	1/1/2018		1,653,408	32.84%	543,045
17	391.6 - Purchased Software	101.101.1502.010050	GAS SUPPLY - TRELIS	Yes	1/1/2018		2,091,724	32.84%	687,006
18	391.6 - Purchased Software	101.101.1502.010051	ENTERPRISE CONTENT MANAGEMENT PHASE II	Yes	1/1/2017		(63,600)	32.84%	(20,889)
19	391.6 - Purchased Software	101.101.1502.010052	C55 2016 ENHANCEMENTS	Yes	1/31/2018		169,991	32.84%	55,832
20	391.6 - Purchased Software	101.101.1502.010055	CONTRACT LIFECYCLE MANAGEMENT NOVATUS	Yes	1/31/2018		52,706	32.84%	17,311
21	391.6 - Purchased Software	101.101.1502.010057	TRANSMISSION ASSET SYNC	Active		12/31/2018	23,495	32.84%	7,717
22	391.6 - Purchased Software	101.101.1502.010059	ERP INTERFACE REDESIGN	Yes	1/1/2018		15,713	32.84%	5,161
23	391.6 - Purchased Software	101.101.1502.010061	GRAPHIC BASED WORK DESIGN	Active		9/4/2018	379,540	32.84%	124,656
24	391.6 - Purchased Software	101.101.1502.010064	SPLUNK PHASE III	Yes	1/1/2018		465,905	32.84%	153,022
25	391.6 - Purchased Software	101.100.1502.010035	DESKTOP REPLACEMENTS 2017	Yes	3/1/2018		1,915,182	32.84%	629,022
26	391.6 - Purchased Software	101.100.1502.010036	NETWORK IMPROVEMENTS 2017	Yes	1/1/2018		404,170	32.84%	132,746
27	391.6 - Purchased Software	101.100.1502.010038	VOICE IMPROVEMENTS 2017	Yes	1/1/2018		213,604	32.84%	70,156
28	391.6 - Purchased Software	101.100.1502.010042	DATA CENTER EXPANSION	Yes	1/1/2018		40,184	32.84%	13,198
29	391.6 - Purchased Software	101.100.1502.010043	NETWORK IDENTITY AND ACCESS MANAGEMENT	Yes	1/1/2018		573,974	32.84%	188,516
30	391.6 - Purchased Software	101.100.1502.010044	UNIFIED COMMUNICATIONS	Active		12/31/2018	531,186	32.84%	174,463
31	391.6 - Purchased Software	101.100.1502.010045	STORAGE CONTROLLER AND SERVER GROWTH 2017	Yes	1/1/2018		7,279,686	32.84%	2,390,940
32	391.6 - Purchased Software	101.100.1502.010048	COMPUTER REFRESH 2017 PHASE 2	Active		12/31/2018	5,547,177	32.84%	1,821,915
33	391.6 - Purchased Software	101.100.1502.010047	SKYPE AUDIO AND MESSAGING PHASE 2 TELECOM REDUCTIONS	Active		3/31/2019	640,498	32.84%	210,365
34	391.6 - Purchased Software	101.100.1502.010049	SERVICE NOW PROCESS DEVELOPEMENT 2017	Yes	1/1/2018		96,000	32.84%	31,530
35	391.6 - Purchased Software	101.100.1502.010050	DATA DESTRUCTION	Yes	1/1/2018		23,900	32.84%	7,850
36	391.6 - Purchased Software	101.101.1502.010007	APPLICANT TRACKING	Yes	1/1/2018		63,787	32.84%	20,950
37	391.6 - Purchased Software	101.101.1502.010070	WORK MANAGEMENT PCRS	Yes	3/1/2018		708,021	32.84%	232,542
38	391.6 - Purchased Software	101.101.1502.010072	GEOCORTEX HTML5	Yes	1/1/2018		76,769	32.84%	25,214
39	391.6 - Purchased Software	101.101.1502.010073	MICROSOFT CRM 2017 ENHANCEMENTS	Yes	1/1/2018		739,650	32.84%	242,931
40	391.6 - Purchased Software	101.101.1502.010075	BILLGEN 2017 ENHANCEMENTS	Yes	1/1/2018		166,063	32.84%	54,542
41	391.6 - Purchased Software	101.101.1502.010074	BANNER 2017 PCR	Yes	1/1/2018		335,322	32.84%	110,133
42	391.6 - Purchased Software	101.101.1502.010076	BI 2017 PROJECTS	Yes	3/1/2018		896,201	32.84%	294,348
43	391.6 - Purchased Software	101.101.1502.010078	FLOWCAL 8.2 UPGRADE	Yes	1/1/2018		150,376	32.84%	49,390
44	391.6 - Purchased Software	101.101.1502.010077	WEB AND MOBILE ENHANCEMENTS 2017	Yes	1/1/2018		517,454	32.84%	169,953
45	391.6 - Purchased Software	101.101.1502.010080	CUE REDESIGN	Yes	1/1/2018		161,352	32.84%	52,994
46	391.6 - Purchased Software	101.101.1502.010081	HIGH METER PREDICTIVE ANALYTICS	Yes	6/1/2018		177,119	32.84%	58,173
47	391.6 - Purchased Software	101.101.1502.010082	ECM PHASE III	Active		10/31/2018	79,760	32.84%	26,196
48	391.6 - Purchased Software	101.101.1502.010083	TALENT MGMT PERFORMANCE AND COMPENSATION	Yes	1/1/2018		352,677	32.84%	115,833
49	391.6 - Purchased Software	101.101.1502.010084	MAXIMO FLEET MANAGEMENT ENHANCEMENTS	Yes	3/1/2018		56,512	32.84%	18,561
50	391.6 - Purchased Software	101.101.1502.010085	TECHNICAL INTEGRATION ARCHITECTURE	Active		12/31/2018	309,379	32.84%	101,613
51	391.6 - Purchased Software	101.101.1502.010086	DIMP-TIMP APPLICATIONS	Active		12/31/2018	812,662	32.84%	266,911
52	391.6 - Purchased Software	101.101.1502.010088	ERP HEALTH CHECK - SUPPLY CHAIN	Active		12/31/2018	938,237	32.84%	308,154
53	391.6 - Purchased Software	101.101.1502.010087	ERP HEALTH CHECK - FINANCE	Yes	1/1/2018		465,370	32.84%	152,846
54	391.6 - Purchased Software	101.101.1502.010090	DEBT NEXT	Yes	1/1/2018		231,994	32.84%	76,196
55	391.6 - Purchased Software	101.101.1502.010091	POWERPLANT 2017 ENHANCEMENTS	Yes	1/1/2018		198,281	32.84%	65,123
56	391.6 - Purchased Software	101.101.1502.010093	VEHICLE INSPECTION APPLICATION	Yes	1/1/2018		389,025	32.84%	127,771
57	391.6 - Purchased Software	101.101.1502.010097	SOLIDWORKS USERS ADDITIONS	Yes	3/1/2018		66,270	32.84%	21,766
58	391.6 - Purchased Software	101.101.1502.010098	TARGETED PAYMENT PLAN PROGRAMS PREDICTIVE ANALYTICS POV	Yes	1/1/2018		43,179	32.84%	14,182
59	391.6 - Purchased Software	101.101.1502.010099	AP MARKVIEW ENHANCEMENTS 2017	Active		9/4/2018	42,214	32.84%	13,865

	A	B	C	D	E	F	G	H	I
1	ONE Gas Inc- Kansas Gas Service								
2	Construction Work In Progress								
3	Updated through August 31, 2018								
4									
5	utility account	work order number	work order long desc	In Service as of 08/31/2018	Placed in Service Date	Estimated In Service Date	Corporate Unallocated Amount	KGS Allocation %	KGS Allocated Amount
60	391.6 - Purchased Software	101.101.1502.010100	NEXT GENERATION PAYROLL PROJECT	Active		8/1/2019	77,931	32.84%	25,596
61	391.6 - Purchased Software	101.101.1502.010103	TELECOM EXPENSE AND MOBILE DEVICE MANAGEMENT	Yes	1/1/2018		31,403	32.84%	10,314
62	391.6 - Purchased Software	101.100.1502.010041	DATA DOMAIN AND BACKUP LICENSING	Yes	1/1/2018		207,059	32.84%	68,007
63	391.6 - Purchased Software	101.100.1502.010051	PHYSICAL SECURITY EQUIPMENT	Yes	1/1/2018		303,368	32.84%	99,638
64	391.6 - Purchased Software	101.100.1502.010052	FPT CONFERENCE CENTER AV AUTOMATION AND STABILIZATION	Active		9/4/2018	66,440	32.84%	21,822
65	391.6 - Purchased Software	101.101.1502.010094	ONE GAS RATE UPDATE	Active		9/4/2018	179,040	32.84%	58,804
66	391.6 - Purchased Software	101.101.1502.010096	CONTRACTOR INSPECTOR FIELD ENABLEMENT	Yes	3/1/2018		34,995	32.84%	11,494
67	391.6 - Purchased Software	101.101.1502.010106	ONE GAS CUSTOMER COMMUNICATION PROJECT	Active		11/30/2018	11,654	32.84%	3,828
68	391.6 - Purchased Software	101.100.1502.010020	NEW REMOTE SITE SERVERS	Yes	2/1/2018		(309)	32.84%	(101)
69	391.6 - Purchased Software	101.101.1502.010060	SYSTEM INTEGRITY PHYSICAL RECORDS CAPTURE	Yes	1/1/2018		260,445	32.84%	85,541
70	391.6 - Purchased Software	101.101.1502.010092	MANAGED FILE TRANSFER	Active		9/4/2018	4,720	32.84%	1,550
71	391.6 - Purchased Software	101.101.1502.010104	MICROSOFT LICENSING EXPANSION 2017	Yes	1/1/2018		143,023	32.84%	46,975
72	391.6 - Purchased Software	101.101.1502.010105	COMMON LOGGING AND EXCEPTIONS (CLE) ENHANCEMENT	Active		9/4/2018	1,405	32.84%	461
73	391.6 - Purchased Software	101.101.1502.010112	TEAMMATE AUDIT SOFTWARE UPGRADE	Yes	1/1/2018		21,000	32.84%	6,897
74	391.6 - Purchased Software	101.101.1502.010088	CYLANCE PHASE II	Yes	1/1/2018		2,926	32.84%	961
75	391.6 - Purchased Software	101.101.1502.010071	EMERGENCY MONITORING SYSTEM EMS SEISMIC ENHANCEMENTS	Yes	3/1/2018		7,766	32.84%	2,551
76	391.6 - Purchased Software	101.101.1502.010102	DATA DOMAIN AND BACKUP LICENSING	Yes	1/1/2018		192,325	32.84%	63,167
77	391.6 - Purchased Software	101.101.1502.010107	BOMGAR APPLIANCE UPLIFT AND BOMGAR RESTRICTED ACCESS MANAGEMENT	Active		9/4/2018	57,296	32.84%	18,818
78	391.6 - Purchased Software	101.101.1502.010069	MOBILE WORKFORCE LIVE BI	Yes	1/1/2018		8,354	32.84%	2,744
79	391.6 - Purchased Software	101.101.1502.010089	AVAYA ENHANCEMENTS 2017	Yes	6/1/2018		51,231	32.84%	16,826
80	391.6 - Purchased Software	101.101.1502.010101	2G-3G MODEM REPLACEMENTS	Active		12/31/2018	355,001	32.84%	116,596
81	391.6 - Purchased Software	101.100.1502.010046	SCADA ENHANCEMENTS 2017	Active		6/30/2019	119	32.84%	39
82	391.6 - Purchased Software	101.101.1502.010095	MANAGEMENT OF CHANGE LICENSING	Yes	1/1/2018		163,477	32.84%	53,692
83	391.6 - Purchased Software Total						34,805,848		11,431,633
84	391.8 - Micro Computer Equipment	101.100.1502.010038	VOICE IMPROVEMENTS 2017	Yes	1/1/2018		94,146	32.84%	30,921
85	391.8 - Micro Computer Equipment	101.100.1502.010037	Avaya Infrastructure/Application Enhancements	Yes	1/31/2018		51,906	32.84%	17,048
86	391.8 - Micro Computer Equipment	101.100.1502.010039	SITE MANAGEMENT 2017	Yes	1/31/2018		249,260	32.84%	81,867
87	391.8 - Micro Computer Equipment	101.100.1502.010040	RUGGED DEVICE REPLACEMENT 2017	Yes	1/31/2018		698,309	32.84%	229,353
88	391.8 - Micro Computer Equipment Total						1,093,621		359,189
89							36,032,365		11,834,467

Kansas Corporation Commission
Docket Number 18-KGSG-560-RTS
Information Request

Data Request: 18-560 KCC-284: State Fair
Company Name: Kansas Gas Service, a Division of ONE Gas, Inc.
Request Date: 9/26/2018
Date Information Needed: 10/5/2018
Requested By: Katie Figgs

Page 1 of 1

Please provide the following:

Please reference the workpaper (provided in response to Staff Data Request No. 1) "IS 22 2017 Community Contributions - Confidential" and the tab within labeled "State Fair". Please explain and/or provide the following:

1. What was the purpose of the KGS booth at the State Fair?
2. How many employees worked the KGS booth?
3. Detailed description of items handed out to attendees
4. Provide copies of all paper handouts
5. Has KGS had booths at the State Fair in the previous 5 years? If so, please provide total costs for each year

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

KGS Response:

1. The KGS booth at the Kansas State Fair provides the Company with an opportunity to interact with the general public. We provide information to customers regarding the following subjects: general question & answer, Pipeline Safety, Natural Gas Education, Kansas Gas Service Education, Mobile Bill Pay, Energy Savings and 811 Dig Safe information.
2. A total of 15 KGS employees worked the KGS booth at the State Fair in 2017.
3. The following items were handed out to attendees: informational brochures, ink pens with KGS logo, 811 Dig Safe jar grippers with KGS logo, refrigerator clip magnets with KGS Logo, and 811 Dig Safe wooden pencils with KGS logo.
4. Please see the attached, "18-560 KCC-284 Attachment A" for copies of all paper handouts.
5. Yes, KGS has had informational booths at the State Fair from 2013-2017. Below is a summary of the costs for each year:

Kansas State Fair Costs For Last 5 Years			
Year	State Fair Costs	Travel Costs	Total
2017	\$ 4,245.88	\$ 5,690.88	\$ 9,936.76
2016	\$ 6,785.86	\$ 5,884.84	\$ 12,670.70
2015	\$ 4,430.80	\$ 5,244.10	\$ 9,674.90
2014	\$ 9,780.14	\$ 5,780.74	\$ 15,560.88
2013	\$ 4,946.56	\$ 6,541.20	\$ 11,487.76

Prepared by: Victoria Noriega-Reyes and James Lambert

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Lorna Eaton

Date: 10/5/2018

CUSTOMER CHOICE BILL PAYMENT OPTIONS

AUTOMATIC BILL PAYMENT PLAN

Sign up for our Automatic Bill Payment Plan and have your monthly bill automatically deducted, on the due date, from your checking or savings account.

CREDIT CARD / ATM DEBIT CARD

You can pay your monthly natural gas service bill with Visa, MasterCard, Diners Club or Discover credit cards, and Star or Pulse issued ATM/debit cards. A convenience fee of \$2.13 per transaction will be charged by the authorized agent for charges up to \$500.



IN PERSON AT A PAYMENT CENTER

If you prefer to pay in person, take your natural gas billing statement to an authorized payment center.

MOBILE APP

Pay bills, view payment history and more from the convenience of your smartphone with the Kansas Gas Service mobile app, available in both Apple® and Android® app stores. You must have a Kansas Gas Service online account to gain account access using the mobile app.



ONLINE

Pay your bill online by check, credit card or ATM/debit card through our website at www.kansasgasservice.com.



TELEPHONE

You have two ways to pay by phone, 24 hours a day, seven days a week.

Phone Check – 1-800-794-4780

Credit Card/ATM Debit Card – 877-822-8808

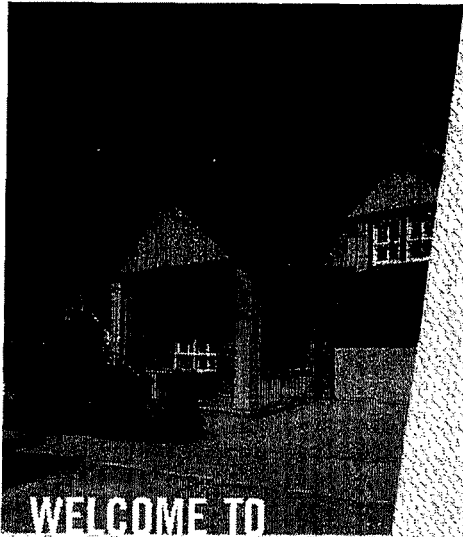
U.S. MAIL

Please allow three to seven days for mailed payments to be received and posted to your account.

The use of any payment location or method not specifically authorized by Kansas Gas Service may cause a delay in your payment posting to your account in a timely manner.

For more information about Customer Choice Bill Payment Options, or for a listing of authorized payment centers, visit our website at www.kansasgasservice.com or call **1-800-794-4780**.

May 2017 Kansas Gas Service



WELCOME TO THE NEIGHBORHOOD.

Kansas Gas Service is your natural gas provider. We provide clean, reliable natural gas to more than 635,000 customers in about 360 communities in Kansas. Kansas Gas Service is a division of ONE Gas, Inc., one of the largest natural gas utilities in the United States.



www.kansasgasservice.com

To report a natural gas leak call: 1-888-482-4950 or dial 911

www.kansasgasservice.com

IMPORTANT INFORMATION ABOUT YOUR BILLING STATEMENT

Your Kansas Gas Service billing statement will be issued about the same time each month.

- ① **Contact Information:** Information Center telephone number, natural gas leak emergency number, Kansas Gas Service website and customer inquiry address
- ② **Payment Plan Summary**
- ③ **Your Energy Usage** for the previous 13 months
- ④ **Your 18-Digit Kansas Gas Service Account Number**
- ⑤ **Rate and Security Deposit Information**
- ⑥ **Summary of Rates and Charges**

Service Charge partially covers the fixed costs of providing natural gas service to our customers.

Delivery Charge reflects the cost of maintaining and operating the company's natural gas delivery system.

Gas System Reliability Surcharge (GSRS) is a monthly charge that recovers the costs associated with pipeline safety and governmental mandated projects. These costs are subject to change once a year.

Weather Normalization Adjustment (WNA) is based on a comparison of historical temperature data to normal temperature data resulting in an adjustment that reduces the impact of weather extremes on the Delivery Charge portion of your bill. It appears as a credit if the weather was colder than normal or as a debit if the weather was warmer than normal.

Gas Hedge charge is billed only during the months of April through October and is used to purchase financial protection from extreme price increases that might otherwise impact our customers' wintertime Cost of Gas (COG).

Cost of Gas (COG) charge represents the total of the COG Factor multiplied by your usage for this billing cycle.

Franchise Fees are established by and paid to cities.

City or County Tax includes sales tax assessed on utility service by some cities and counties.

Total Amount Due

- ⑦ **Meter Number**
- ⑧ **Meter Reading Dates**
- ⑨ **Number of Days in this Billing Cycle**
- ⑩ **Meter Readings Previous/Present** If an "E" appears after the "previous" or "present" date, your meter reading has been estimated.

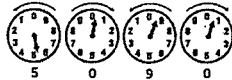
- ⑪ **Constant** is a pressure factor or meter factor used to convert metered volume to billing volume.
- ⑫ **Mcf Billed** is the natural gas energy used during the billing cycle, measured in thousands of cubic feet (Mcf).
- ⑬ **Weather Normalization Adjustment (WNA) Factor** is based on a comparison of historical temperature data to normal temperature data resulting in an adjustment that reduces the impact of weather extremes on your bill. The WNA Factor changes annually.
- ⑭ **Cost of Gas (COG) Factor** changes monthly to reflect charges by natural gas suppliers and transporters.
- ⑮ **Share The Warmth Program** contribution box. Please check this box when making a contribution.
- ⑯ **Billing Statement Summary Box** shows your bill's total amount and due date. To avoid a late payment charge, please pay your bill by this date.
- ⑰ **Bill Payment Address**

Your actual bill may include additional information and show other adjustments that may not appear on this sample billing statement.

READING THE METER

We encourage you to check the index readings on your natural gas meter if you have questions about your usage.

Start with the dial on the right and read the number the hand has just passed. When the hand is between numbers, always use the smaller number. Natural gas usage is determined by taking sequential readings. To find out how much natural gas you used since the last time your meter was read, subtract the previous reading from the present reading shown on your natural gas bill.



Visit www.kansasgasservice.com for more information about your natural gas account, customer choice programs, safety information, energy saving tips and factors affecting the cost of natural gas and industry related information.

CALL BEFORE YOU DIG

If you are planning to dig or perform excavation work, we need your help in preventing damage to underground facilities. For your safety, before you dig, excavate, plant a tree, till soil, install a deck or set fence posts, call 811. If you call two full working days (48 hours) in advance, underground pipelines and facilities will be marked at no charge. Records show that damage from excavation related activities, particularly from equipment digging into pipelines, is the number one cause of pipeline accidents.



For service, bill inquiries, or assistance, call
Phone: 1-800-794-4780
Gas leaks: 1-888-482-6850
www.kansasgasservice.com
Kansas Gas Service
 PO Box 3535
 Topeka KS 66601-3535

Kansas Gas Service provides several ways to get answers to your questions. You may use our automated telephone system, our interactive website (www.kansasgasservice.com) or call our Information Center: (800-794-4780).

① **CUSTOMER NAME**
CUSTOMER ADDRESS
ANYTOWN KS 66601-0000

② **Average Payment Plan and/or Pay Agreement Account Summary Area**

③ **Your Energy Use by Month**

Period	Days	Mcf	Mcf/Day
Current	29	10,000	.3449
Last Year	29	10,000	.3449

④ **Amount Due After Due Date**

⑤ **Account Number**

⑥ **Rate** RESIDENTIAL
Active Deposit NONE **Statement Date**

⑦ **Meter Number**

⑧ **Service Period From To**

⑨ **Number Days**

⑩ **Meter Readings Previous Present**

⑪ **Constant**

⑫ **Mcf Billed**

⑬ **WNA/Mcf**

⑭ **Cost of Gas/Mcf**

⑬ **Weather Normalization Adjustment (WNA) Factor** is based on a comparison of historical temperature data to normal temperature data resulting in an adjustment that reduces the impact of weather extremes on your bill. The WNA Factor changes annually.

⑭ **Cost of Gas (COG) Factor** changes monthly to reflect charges by natural gas suppliers and transporters.

⑮ **Share The Warmth Program** contribution box. Please check this box when making a contribution.

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⑯ **Billing Statement Summary Box** shows your bill's total amount and due date. To avoid a late payment charge, please pay your bill by this date.

⑰ **Bill Payment Address**



P:00000 I:NNNNYN 16 0123456789
 #BWNKPCV
 #0000000000000000#

CUSTOMER NAME
CUSTOMER ADDRESS
ANYTOWN KS 66601-0000

Please return this portion when paying by mail.
Share The Warmth is designed to assist Kansas families with winter heating bills. To participate, please check the box and include your Share The Warmth contribution. Thank you.

When paying in person, please bring this entire bill with you.

⑰ **Account Number**

⑰ **Amount Due After Due Date**

Total Enclosed \$

Customer Address
 Anytown, KS

⑰ **KANSAS GAS SERVICE**
PO BOX 219046
KANSAS CITY MO 64121-9046

SCALDING HAZARDS

Make sure your water heater is set to a safe temperature. Check the water temperature before placing a child in the bathtub; never leave a child alone or with other young children in the bathtub.

EMPLOYEE IDENTIFICATION

Kansas Gas Service employees carry a company photo identification card. Before allowing anyone to enter your home, please ask to see proof of identification. If you suspect someone is impersonating a Kansas Gas Service employee or authorized agent, please call 911.

For more information about Kansas Gas Service or this message on natural gas safety, please visit our website at www.kansasgasservice.com, download our mobile app or call 1-800-794-4780.

CALL BEFORE YOU DIG

If you are planning to dig or perform excavation work, we need your help in preventing damage to underground facilities. Before you dig, excavate, plant a tree, till a garden or set fence posts, state law requires calling 811 two full working days prior to the planned excavation start date. A Kansas Gas Service representative will mark the location of their natural gas facilities at no charge to you. Records show that damage from excavation related activities, particularly from equipment digging into pipelines, is the number one cause of pipeline accidents.

For natural gas emergencies call 911 and call Kansas Gas Service, toll free: 1-888-482-4950



PELIGROS DE QUEMADURAS

Asegúrese de que su calentador esté configurado a una temperatura segura. Compruebe la temperatura del agua antes de poner a un niño en la bañera; nunca deje a un niño solo o con otros niños pequeños en la bañera.

IDENTIFICACIÓN DE LOS EMPLEADOS

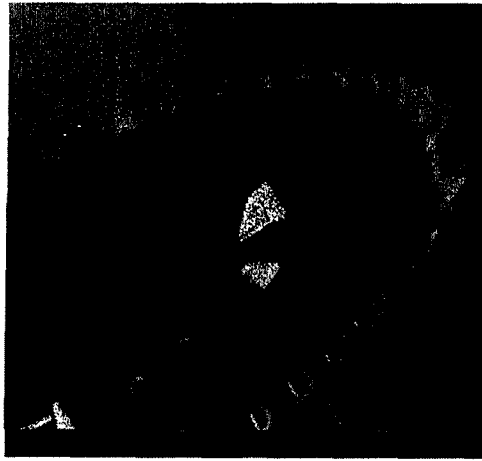
Los empleados de Kansas Gas Service llevan una tarjeta de identificación de la empresa con foto. Antes de permitir la entrada de una persona a su hogar, pida ver la identificación. Si sospecha que una persona se hace pasar por un empleado o agente autorizado de Kansas Gas Service, llame al 911. Para obtener más información sobre Kansas Gas Service o sobre este mensaje sobre la seguridad del gas natural, por favor visite nuestra página de internet al www.kansasgasservice.com, descargue nuestra aplicación móvil o llame al 1-800-794-4780.

LLAME ANTES DE CAVAR

Si planea cavar o realizar tareas de excavación, necesitamos su ayuda para evitar dañar las instalaciones subterráneas. Antes de cavar, excavar, plantar un árbol, labrar un jardín o colocar cercas, la ley estatal exige que llame al 811 dos días laborales antes de la fecha de inicio de su trabajo de excavación. Un representante de Kansas Gas Service marcará la ubicación de sus instalaciones de gas natural sin cargo. Los registros muestran que los daños por actividades relacionadas con la excavación, especialmente por equipos de excavación en los gasoductos, son la principal causa de accidentes en gasoductos.

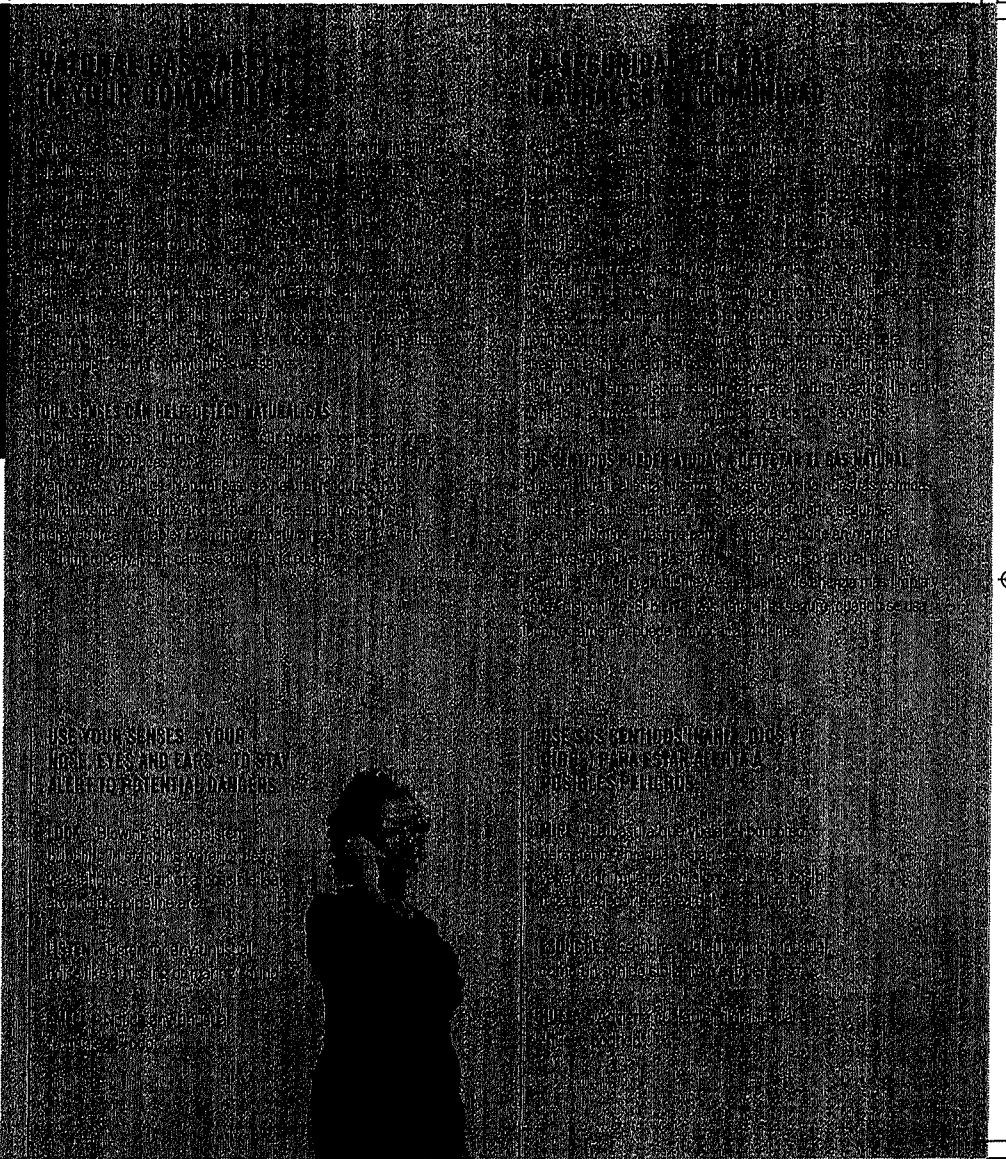
Para emergencias de gas natural, llame al 911 y comuníquese sin cargo con Kansas Gas Service al 1-888-482-4950

October 2017



A message for you about
NATURAL GAS SAFETY

Un mensaje sobre
**LA SEGURIDAD
DEL GAS NATURAL**



WHAT TO DO IF YOU SUSPECT A NATURAL GAS LEAK IN OR AROUND YOUR HOME

While natural gas is naturally colorless and odorless, we've added a odorant called mercaptan, which has an unnatural scent, to warn you if a natural gas leak is present. Natural gas is highly flammable and can easily be ignited by heat, sparks or flames.

IF YOU SMELL a "rotten egg" or pungent odor in or around your home, at work or in your neighborhood, this odor may be the result of a natural gas leak.

IF YOU SEE a yellow flame instead of a blue flame on your furnace or water heater, it's a warning sign that natural gas fuel is burning inefficiently. It means an increased potential for carbon monoxide poisoning and higher fuel bills. Have natural gas appliances checked regularly by a qualified technician. If you see unexplained dead vegetation or bubbling puddles of water in or around your yard or your natural gas meter outside, you may have a natural gas leak.

IF YOU HEAR a hissing noise around your natural gas meter, around appliances or if your appliances fail to ignite, you may have a natural gas leak.

If you think you have any of these warning signs, leave the area immediately!

- DO NOT** flip a light switch.
- DO NOT** light a match.
- DO NOT** use your telephone or wireless phone.

Any of these actions can cause a fire or explosion.

- DO** extinguish cigarettes or other smoking materials.

To report a natural gas leak or emergency, leave the area immediately and then call 911 and Kansas Gas Service at 1-888-482-4950.

Remain away from the building until an official familiar with the situation tells you it is safe to return. Once your natural gas has been shut off, do not try to turn it back on. Only a qualified service person may perform this task.

FOR YOUR SAFETY

Do not use or store flammable liquids or combustible materials near your appliances. Invisible vapors from flammable liquids such as gasoline, paint, solvents and adhesives are heavier than air and can travel great distances along the floor. A pilot light or lighted burner of a natural gas appliance can ignite these vapors.

Keep all combustible materials, including cloth rags and paper, away from your water heater, furnace and other natural gas or electric appliances. Store all flammable liquids in tightly closed containers outside and away from children and natural gas and electric appliances. If you detect a fire, leave immediately and call 911.

The National Fuel Gas Code requires that if appliances are installed in residential garages or in areas where the open use, handling or dispensing of flammable liquids occurs, the appliances must be placed so that the main burner and pilot light are elevated at least 18 inches above the floor, unless the appliance is listed as

flammable vapor ignition resistant. A qualified appliance service contractor or plumber can check this for you. For more information about natural gas safety, visit www.kansasgasservice.com.

CARBON MONOXIDE POISONING

Carbon monoxide is an odorless, colorless and tasteless gas that can make you sick and, under some circumstances, may be deadly. Carbon monoxide is created when fuel does not burn completely. Sources include improperly vented or malfunctioning appliances, auto exhaust and blocked chimney flues.

The presence of carbon monoxide in your home or business might appear as black soot around vents, flues, furnace filters, burners or appliance access openings; as condensation on windows or interior walls; as a yellow flame instead of a blue flame on appliance burners; as the absence of a draft in your fireplace; or as dying house plants or unexplained illnesses in pets. Note: Humidifiers or vaporizers can also cause condensation on windows.

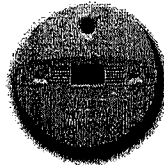
Carbon monoxide poisoning may be easily mistaken for another illness. Symptoms may include headache, dizziness, ringing in the ears, fatigue, increased perspiration, nausea, weakness and vomiting. As carbon monoxide levels increase, symptoms may become more severe and include shortness of breath, extreme muscular weakness, intermittent convulsions, mental confusion and unconsciousness. In addition, severe poisoning can cause these symptoms: change in skin color; lips and mucous membranes change in color to cherry red; and heart and lung failure.

Carbon monoxide detectors can alert you to the presence of carbon monoxide. If you install a detector, follow the manufacturer's directions regarding installation. If you suspect the presence of carbon monoxide in your home or business, leave immediately and use a phone located away from the potential hazard to call 911.

HELPFUL PREVENTION TIPS

- Check and maintain proper ventilation of flue and chimney.
- Clean or replace furnace filters regularly.
- Don't block air intake areas near appliances.
- Don't use a natural gas range or space heater to heat your home.
- Don't start your car, lawn mower, snow blower or any combustion engine in a closed garage.
- Do not operate a natural gas or propane grill in an enclosed area.
- Notice the color of the flame on a natural gas appliance. A yellow flame instead of a blue one is a warning sign that the appliance is not operating or vented properly.
- Have a qualified contractor inspect your heating and cooling equipment annually.

Protect yourself and your family. Check flammable containers, appliances and smoke and carbon monoxide detectors now!



QUÉ HACER SI SOSPECHA DE UNA FUGA DE GAS NATURAL EN SU CASA O EN SUS ALREDEDORES

Si bien el gas natural es, por naturaleza, incoloro e inodoro, hemos añadido un odorante llamado mercaptano que tiene un aroma no natural para advertirle si hay una fuga de gas natural. El gas natural es altamente inflamable y puede muy fácilmente ser encendido por el calor, chispas o llamas.

SI SIENTE olor a "huevo podrido" o acre en su hogar o alrededor de este, en el trabajo o en su barrio, este olor puede deberse a una fuga de gas natural.

SI VE una llama amarilla en lugar de una llama azul en el sistema de calefacción o en el calentador de agua, es un signo de advertencia de que el gas natural combustible se está quemando de forma ineficaz. Esto significa una mayor posibilidad de que se produzca intoxicación por monóxido de carbono y de recibir facturas de gas más altas. Someta sus artefactos de gas natural a revisiones periódicas a cargo de un técnico calificado. Si ve vegetación muerta sin explicación o borboteo en charcos de agua en su patio o en el medidor de gas natural ubicado en el exterior, o alrededor de estos, es posible que tenga una fuga de gas natural.

SI ESCUCHA un ruido sibilante alrededor de su medidor de gas natural, alrededor de los artefactos o si sus artefactos no se encienden, es posible que tenga una fuga de gas natural. Si piensa que tiene algunos de estos signos de advertencia, abandone el área de inmediato!

- NO** accione un interruptor de luz.
- NO** encienda un fósforo.
- NO** use su teléfono o teléfono inalámbrico.

Cualquiera de estas acciones puede causar un incendio o una explosión.

SI apague los cigarrillos u otros materiales fumíferos.

Para notificar una fuga de gas natural o una emergencia, marque 911 y comuníquese con Kansas Gas Service de un teléfono que no sea el particular al 1-888-482-4950.

Permanezca fuera del edificio hasta que un funcionario familiarizado con la situación le diga que es seguro regresar. Una vez que el gas natural ha sido cerrado, no intente volver a abrirlo. Únicamente un técnico calificado puede realizar esa tarea.

PARA SU SEGURIDAD

No use ni almacene líquidos inflamables o materiales combustibles cerca de sus artefactos. Los vapores invisibles de los líquidos inflamables, como gasolina, pinturas, solventes y adhesivos, son más pesados que el aire y pueden recorrer grandes distancias por el suelo. Una luz piloto o el encendido de un quemador de un artefacto de gas natural pueden encender estos vapores.

Mantenga los materiales combustibles, como trapos de tela y papeles, lejos de su calentador de agua, sistema de calefacción y otros artefactos de gas natural o eléctricos. Almacene todos los líquidos inflamables en recipientes herméticamente cerrados en el exterior y lejos de los artefactos de gas natural y eléctrico, y fuera del alcance de los niños. Si detecta fuego, abandone el lugar de inmediato y llame al 911.

El Código Nacional de Gas Combustible establece que si los artefactos están instalados en garajes residenciales o en zonas donde se produce el uso, el manejo o la administración abierta de líquidos inflamables, los artefactos se deben colocar de manera que el quemador principal y la luz piloto estén a una altura mínima de 18 pulgadas sobre el piso, a menos que el artefacto sea

catalogado como resistente a la ignición de vapores inflamables. Un plomero o contratista de mantenimiento de artefactos calificado puede comprobar esto por usted. Para obtener más información acerca de la segura, visite la sección de seguridad en nuestra página de internet www.texasgasservice.com.

INTOXICACIÓN POR MONÓXIDO DE CARBONO

El monóxido de carbono es un gas inodoro, incoloro e insípido que puede provocar enfermedades o causar la muerte. El monóxido de carbono se produce cuando el combustible no se quema por completo. Las fuentes incluyen artefactos para calentar agua o cocinar mal ventilados, escapes de automóviles, conductos de chimeneas obstruidos y el mal funcionamiento de artefactos que queman combustible.

La presencia de monóxido de carbono en su hogar o negocio podría reconocerse por los siguientes indicios: hollín negro alrededor de orificios de ventilación, conductos de humo, filtros de sistemas de calefacción, aberturas de acceso de artefactos o quemadores; condensación en ventanas o paredes interiores; llama de color amarilla en lugar de azul en los quemadores de artefactos; ausencia de corriente de aire en su chimenea; o plantas domésticas muertas o enfermedades inexplicables en las mascotas. Nota: Los humidificadores o vaporizadores también pueden generar condensación en las ventanas.

Los síntomas de intoxicación por monóxido de carbono son similares a los de otras enfermedades. Estos síntomas incluyen dolor de cabeza, mareos, zumbido en los oídos, cansancio, aumento de la sudoración, náuseas, debilidad y vómitos.

A medida que aumentan los niveles de monóxido de carbono, los síntomas pueden ser más severos e incluir dificultad para respirar, debilidad muscular extrema, convulsiones intermitentes, confusión mental y pérdida del conocimiento. Además, la intoxicación aguda puede causar estos síntomas: cambios en el color de la piel; cambios en el color de los labios y las membranas mucosas a rojo cereza; e insuficiencia cardíaca y pulmonar.

Los detectores de monóxido de carbono pueden alertar de la presencia de monóxido de carbono. Si instala un detector, siga las instrucciones del fabricante respecto de la instalación. Si sospecha que hay monóxido de carbono en su hogar o negocio, abandone el lugar de inmediato y use un teléfono ubicado lejos del peligro potencial para llamar al 911.

CONSEJOS ÚTILES PARA LA PREVENCIÓN

- Cométese y mantenga la ventila (m)ada de conductos de humo y chimeneas.
- Limpie o reemplaz los filtros de aire periódicamente.
- No obstruya las áreas de admisión de aire cerca de los artefactos.
- No use un calentador de espacio o una estufa de gas natural para calentar su casa.
- No encienda el vehículo, la computadora o espere el removedor de nieve ni el motor de combustión en un garaje cerrado.
- No encienda una parrilla de gas natural o prepare en un garaje.
- Si ve una llama amarilla en vez de una azul en un quemador, advertencia de que su artefacto de gas natural está funcionando correctamente o no está debidamente ventilado.
- Haga que un contratista calificado revise sus equipos de calefacción y ventilación una vez al año.

Protégase y proteja a su familia. ¡Revise los envases inflamables, los aparatos y los detectores de humo y monóxido de carbono ahora!

ALWAYS CALL BEFORE YOU DIG

Know what's below.
Call 811 before you dig.

One free, easy call gets your utility lines marked AND helps protect you from injury and expense.

Know what's below. Always call 811 before you dig.
Visit www.kansasgasservice.com for more information.



**Kansas
Gas Service®**

A Division of ONE Gas

SIEMPRE LLAMA ANTES DE EXCAVAR

Know what's below.
Call 811 before you dig.

Una llamada gratis y fácil consigue que las líneas de servicios públicos sean marcadas Y ayuda a protegerte de heridas y gastos.

Determina lo que está bajo tierra. Siempre llama al 811 antes de excavar. Visite www.kansasgasservice.com para más información.



**Kansas
Gas Service®**

A Division of ONE Gas

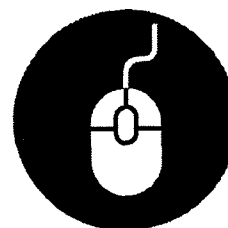


Convenience for Our Customers



At Kansas Gas Service, we like to make things easy for our customers. That's why we offer several customer choice programs that give you a variety of options for making your life easier.

Paperless Billing: Enroll in our Paperless Billing Program and enjoy the convenience of receiving and viewing your monthly statement online with just the click of a mouse. Each month when your billing statement is ready for online viewing, you will receive an email with a link to our website where you can review your statement and even pay your bill online.



Automatic Bank Draft: Let us do the work for you. With Automatic Bank Draft, we will automatically withdraw funds from your checking or savings account on your due date each month to pay your bill. Never worry about missing or being late on a payment again.

Average Payment Plan: Got budget on the brain? Check out the Kansas Gas Service Average Payment Plan. Enrolling in this program reduces the fluctuations in your bill amount each month by spreading your natural gas expenses throughout the year. This allows you to avoid wide swings in monthly payments of your natural gas bill, which can fluctuate seasonally.

Here's how it works: Your monthly bill will be calculated based on a rolling 12-month average, allowing your bills to be relatively stable from month to month, regardless of usage. Your bills will fluctuate slightly each month; however, the change should be modest since it will be based upon actual costs over a 12-month period.



Mobile App: You can pay bills, view payment history and more from the convenience of your smartphone with the Kansas Gas Service mobile app. The app is available in both Apple® and Android® app stores by searching "Kansas Gas Service." You must have a Kansas Gas Service online account to gain account access using the mobile app. You may register for an online account at www.kansasgasservice.com.

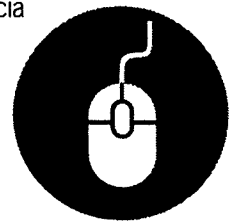
To sign up for our Average Payment Plan, Paperless Billing or Automatic Bank Draft, log on to your account at www.kansasgasservice.com or contact our information center at 1-800-794-4780.

Comodidad para nuestros clientes



En Kansas Gas Service, nos gusta facilitarle las cosas a nuestros clientes. Por eso ofrecemos varios programas de elección para que nuestros clientes puedan contar con una variedad de opciones que les simplificarán la vida.

Facturas Electrónicas: Inscríbese en el Programa de Facturas Electrónicas y disfrute de la conveniencia de recibir y revisar sus facturas mensuales en línea, sólo haciendo clic con el ratón de su computadora. Cada mes, cuando su factura esté lista para ser visualizada en línea, usted recibirá un correo electrónico con un enlace a nuestra página de internet, donde usted podrá revisar su factura electrónica e inclusive pagar su cuenta en línea.



Transferencia Bancaria Automática: Permítanos hacer el trabajo por usted.

Automáticamente retiraremos fondos de su cuenta monetaria o de ahorros en la fecha de vencimiento de su factura cada mes para pagar su cuenta. Nunca más tendrá que preocuparse de olvidar hacer un pago o hacerlo tarde.

Plan de Pago Promedio: ¿Le preocupa mantener su presupuesto? Consulte el Plan *Average Payment Plan* (*Plan de Pago Promedio*) de Kansas Gas Service. Al inscribirse en este programa usted reducirá las fluctuaciones en sus facturas mensuales, distribuyendo sus gastos por gas de natural a lo largo del año. De esta manera evitará fluctuaciones en sus pagos mensuales por facturas de gas natural, que normalmente fluctúan de temporada en temporada.

Funciona de la siguiente manera: Su factura mensual será calculada basada en un promedio de 12 meses consecutivos, permitiendo que las facturas esten relativamente estables mes tras mes, independientemente del consumo. Sus facturas fluctuarían un poco cada mes; sin embargo, el cambio va a ser modesto ya que estará basado en los costos actuales durante un período de 12 meses.



Aplicación para móviles: Puedes pagar tus facturas, consultar tu historial de pagos, y mucho más, desde la comodidad de tu teléfono móvil. Los clientes de Kansas Gas Service pueden encontrar nuestra aplicación en las tiendas de aplicaciones Apple® y Android®, buscando la frase "Kansas Gas Service". Para poder utilizar la aplicación para teléfonos móviles, debes tener una cuenta activa de Kansas Gas Service en línea. Para abrir una cuenta en línea, visita nuestra página de internet www.kansasgasservice.com.

Para inscribirse en el Plan de Pago Promedio, las Facturas Electrónicas o la Transferencia Bancaria Automática, ingrese a su cuenta en la página de internet www.kansasgasservice.com o llame al 1-800-794-4780.

KOHLER Generators

Backup Power

401

777-222-2222

The Answer to Mother Nature's Mood Swings.

Keep the movie on, the coffee brewing and the moment alive. Whatever the weather's doing doesn't matter. When a bad storm or utility failure knocks out your power, KOHLER® generators keep you connected to what you love to do.

We have a Ph.D. in power.

In just 10 seconds, KOHLER generators can automatically power your AC, heat, sump pump and major appliances like your fridge and oven – all at the same time.†

We eat, sleep and breathe quality.

KOHLER generators are meticulously quality-tested, start to finish. Once the design passes our inspection, they are ready for production. Before they leave our factory, we put them through the paces one more time. The result is total reliability.

We build them to outlast the outage.

Inside every KOHLER generator is a commercial-grade engine built to withstand extreme workloads over many years. (Think heavy-duty construction equipment.)

We back them with a premium warranty.

You get our 5-year, 2,000-hour protection, plus a corrosion-proof enclosure that's built to last.††

We're trusted everywhere.

Hospitals, nuclear power plants and even the National Weather Service trust in hard-working, long-lasting KOHLER generators.

We're over 90. And only getting better with age.

We built our first generator in 1920. Since then we've had one simple goal: build the best generators in the world.

† Based on generator and load size.

†† 14- and 20-kW models feature corrosion-proof enclosures; all other models feature corrosion-resistant enclosures.

Find Your Perfect Generator



6 kW



8.5 kW



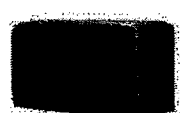
10 kW



12 kW



14 kW

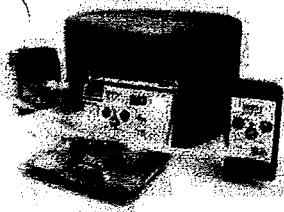


20 kW

Rated Power (LPG/NG/Propane)/Net (Natural Gas) (kW)	9/7	8.5/7.0	10/9	12/11	14/12	20/18
Voltage @ 60 Hz Single Phase	120/240					
Amps (LPG/NG @ 240 V) Single Phase	33/32/22	36/29	41.7/37.5	50/45.8	58/50	83/75
Engine/Alternator RPM	3600					
Three Phase Available	No			Yes		
Engine	597 cc	624 cc	725 cc	725 cc	999 cc	
	14.8 hp	15.4 hp	21.4 hp	23.6 hp	30.9 hp	
	KOHLER OHV SV620	KOHLER Command PRO OHV CH640	KOHLER 7000 Series OHV KT725	KOHLER Command PRO OHV CH740	KOHLER Command PRO OHV CH1000	
	Single Cylinder	V-Twin				
Fuel	LPG/NG					
Engine Cooling	Air-Cooled					
Enclosure	Steel				100% Corrosion-Proof Composite	
Average Sound Output dBA at 23 Ft. (during exercise/normal operation)*	66/72	n.a./65	67/71	63/67	64/69	
Single Point Sound Output dBA at 23 Ft. (during exercise/normal operation)**	63/68	n.a./63	64/69	58/63	62/67	
Dimensions (L x W x H) in.	28 x 30 x 32	44 x 29 x 32	28 x 30 x 32	48 x 26 x 29		
Digital Voltage Regulation†††	±1.0%		±1.5%		±1.0%	
Response Time	10 Seconds			10 Seconds		
Warranty	5-Year Limited***					

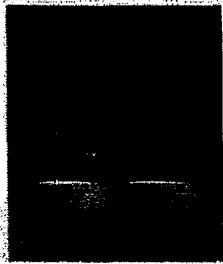
NOTES: Standby ratings apply to installations served by a reliable utility source. All single-phase units are rated at 1.0 power factor. The standby rating is applicable to variable loads with an average load factor of 80% for the duration of the power outage. No overload capacity is specified at this rating. Ratings are in accordance with ISO-3046/1, BS6514, AS2798 and DIN 6271.
*6-point logarithmic average. **Single-point sound levels are compared to competitive ratings. Lowest of 8 points measured around the generator. Sound levels at other points around generator may be higher depending on installation. ***Non-standby warranty of 18 months or 1000 hours available on 6560, 6596B and 1492BA.

Accessories



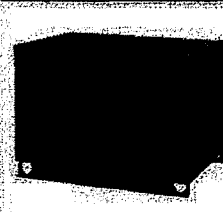
OnCue Plus Generator Management System

Peace of mind in the palm of your hand. Whether you're home or on the go, OnCue Plus lets you monitor your generator system from your mobile device or computer, either Mac® or PC, and get instant updates via text or email.



PowerSync Automatic Paralleling Module

Runs one generator when power requirements are low; automatically starts, syncs and connects your second generator when power demand increases. Requires two 14RESA or 20RESA models.



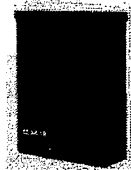
6VSG Generator

For renewable energy such as solar power and remote applications. Battery-charging generator efficiently charges battery banks when energy sources can't keep up with demand.



Load Control Module (LCM)

Prioritize what you power, even if you buy a smaller generator. During a power outage, the LCM cycles circuits on and off to prevent overloading.



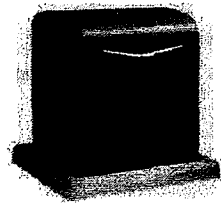
Programmable Interface Module (PIM)

Lets you activate critical items like storm shutters or security system when you're away (when used with OnCue Plus).



RXT and RDT Transfer Switches

Required with every generator. Automatically transfer power from utility to generator and back to utility when power is restored.



Concrete Pads


Optional concrete pads are available in 3- and 4-inch models for KOHLER air-cooled generators. The flat bottom helps your installer easily mount and level the generator and prevent it from sinking into the ground.



24 kW 38 kW 48 kW 60 kW 80 kW 100 kW 125 kW 150 kW

24/21	38/36	48/48	59/57	NA/80	100/100	105/125	134/144
120/240							
100/87	158/158	200/200	249/236	NA/133	417/417	438/521	567/600
1800							
Yes							
2.2 L	4.3 L	6.0 L	5.7 L	5.7 L Turbo		8.8 L Turbo	
39 hp	75 hp	89 hp	113 hp	133 hp	162 hp	190 hp	259 hp
KOHLER KG2204 Naturally Aspirated	General Motors Vortec						
In-line 4	V-6	V-8					
Hydraulic Valve Lifters							
LPG/NG				NG		LPG/NG	
Liquid-Cooled							
Corrosion-Resistant Aluminum (Steel Also Available)	Corrosion-Resistant Aluminum				Steel (Aluminum Also Available)		
55/61	57/61	58/61	60/61	n.a./71		n.a./73	
53/60	56/59	58/60	58/59	n.a./70		n.a./72	
74 x 34 x 45	90 x 34 x 45				139 x 45 x 66		
77-100%				77-0.5%			
10 Seconds							
5-Year Limited				5-Year Limited			

RATINGS: Standby ratings apply to installations served by a reliable utility source. All single-phase units are rated at 1.0 power factor. The standby rating is applicable to variable loads with an average load factor of 80% for the duration of the power outage. No overload capacity is specified as this rating. Ratings are in accordance with ISO-3048/1, BS5514, ANSI789 and DIN 6271.
*1-point logarithmic average. **Single-point sound levels are compared to competitive ratings. Lowest of 8 points measured around the generator. Sound levels at other points around generator may be higher depending on installation. ***5-year warranty is an included option for quick ship 80-kW - 150-kW models.



Take Your Power on the Go.
You trust KOHLER generators to go on when the power goes out. Now take them to your jobsites and campsites. KOHLER portable power equipment – including diesel or gas engine generators, inverters, pumps and customizable accessory kits – travels wherever you work or play.

Visit Power.Kohler.com

KOHLER. Generators

KohlerGenerators.com

KOHLER GENERATORS ■ KOHLER, WISCONSIN 53044

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CERTIFICATE OF SERVICE

18-KGSG-560-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 29th day of October 2018, to the following:

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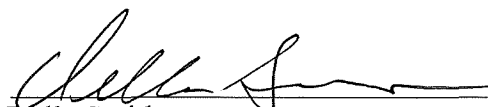
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