

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

In the Matter of the Application of Kansas)
Gas Service, a Division of ONE Gas, Inc.)
for Adjustment of its Natural Gas Rates in) Docket No. 24-KGSG-610-RTS
the State of Kansas.)

**PUBLIC REDACTED REBUTTAL TESTIMONY
OF
KEARA J. DOWNUM
ON BEHALF OF KANSAS GAS SERVICE
A DIVISION OF ONE GAS, INC.**

July 22, 2024

PUBLIC REDACTED REBUTTAL TESTIMONY
OF
KEARA J. DOWNUM
ON BEHALF OF KANSAS GAS SERVICE
A DIVISION OF ONE GAS, INC.
DOCKET NO. 24-KGSG-610-RTS

1 **I. Position and Qualifications**

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

3 A. My name is Keara J. Downum. My business address is 15 East Fifth Street in Tulsa,
4 Oklahoma.

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

6 A. I am employed by ONE Gas, Inc. ("ONE Gas") as a Rates Analyst II.

7 **Q. Are you the same Keara Downum who submitted direct testimony in this**
8 **doCKET?**

9 A. Yes.

10 **Q. Do you sponsor any exhibits in connection with your rebuttal testimony?**

11 A. Yes. A list of the exhibits is as follows:

- 12 • CONFIDENTIAL Rebuttal Exhibit KJD-1
- 13 • CONFIDENTIAL Rebuttal Exhibit KJD-2
- 14 • CONFIDENTIAL Rebuttal Exhibit KJD-3
- 15 • Rebuttal Exhibit KJD-4
- 16 • CONFIDENTIAL Rebuttal Exhibit KJD-5

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19 **Q. What is the purpose of your rebuttal testimony?**

20 A. The purpose of my Rebuttal Testimony is to respond to the Direct Testimony and
21 recommendations of Kansas Corporation Commission ("Commission") Staff

1 witnesses: Ms. Andria Jackson, Ms. Katie L. Figgs, and Citizens' Utility Ratepayer
2 Board ("CURB") witness Ms. Andrea Crane on the following issues:

- 3 • The calculation of incentive compensation in Staff Adjustment No. 8 (IS-8);
- 4 • The recommendations and calculation of Staff Adjustment No. 13 (IS-13)
5 related to relocation expense;
- 6 • The recommendations and calculation of Staff Adjustment No. 21 (IS-21)
7 related miscellaneous corporate expenses categorized as entertainment,
8 flowers, promotional items, meals, miscellaneous, other state rate case
9 expense, scholarship, tips, travel, and valet.

10 Company witnesses Megan Gough and Lorna Eaton also address Staff's and CURB's
11 recommendations on incentive compensation.

12 **II. Incentive Compensation**

13 **Q. What is the purpose of your rebuttal testimony related to incentive**
14 **compensation?**

15 A. The purpose of my rebuttal testimony on incentive compensation is to address
16 adjustments made by Commission Staff witness Ms. Figgs. In this section of my
17 testimony, I'll be addressing the calculation of Staff Adjustment IS-8.

18 **Q. Do any other Company witnesses address adjustments to incentive**
19 **compensation proposed by Staff and CURB?**

20 A. Yes. Company witnesses Ms. Gough and Ms. Eaton provide rebuttal testimony to both
21 Ms. Figgs' and Ms. Crane's positions on incentive compensation. In particular, they
22 will explain why ONE Gas' incentive compensation plans and related costs are
23 reasonable and necessary expenses and therefore should be included in the cost of
24 service. Additionally, Company witness Mr. Kenneth Eakens provides rebuttal

1 testimony to KCC Staff Witness Ms. Andria Jackson's position on accumulated
2 deferred income tax ("ADIT") related to incentive compensation.

3 **Q. Please discuss Staff's adjustment IS-8 to incentive compensation.**

4 A. Staff recommends decreasing operating expenses by \$1,673,613¹ by removing 70%
5 of executive and officer short-term incentives ("STI") that are financial performance-
6 based, 50% of executive and officer equity compensation expense associated with
7 restricted stock units, and 100% of executive equity compensation expense
8 associated with performance-based units.

9 **Q. Do you agree with the calculation of Staff Adjustment IS-8 to eliminate STI**
10 **compensation expenses?**

11 A. No, I do not. KGS understands KCC Staff's position on this issue, and KGS witnesses
12 Ms. Eaton and Ms. Gough provide KGS's overall response to the arguments presented
13 by KCC Staff and CURB. If the Commission were to accept KCC Staff's
14 recommendations, further adjustments to Staff Adjustment IS-8 would be required.

15 **Q. Why would adjustments to Staff Adjustment IS-8 be required?**

16 A. Based on my review of the adjustment, there appears to be several calculation errors.
17 First, in Staff Adjustment IS-8, calculations were made to KGS's allocated, "*Adjusted*
18 *Total Amount*". Since KGS's "*Adjusted Total Amount*" already removed 50% of the STI
19 amount based on financial metrics for executives and officers. Staff's Adjustment IS-8
20 results in a double removal of a portion of STI expense. Second, Staff's adjustment
21 was based on a calculation that already reduced STI down to 100 percent of target.
22 This calculation was made using the Company's "*Adjusted Total Amount*" data which
23 already reflected STI at 100% of target. Thus, Staff's adjustment inadvertently results

¹ CONFIDENTIAL Rebuttal Exhibit KJD-1 - 24-610 Exhibits Figgs CONFIDENTIAL, Excel tabs STI KLF-5, KLF-5a and KLF-5b; Removal of \$938,017 of STI, \$192,758 of Restricted Stock and \$542,838 of Performance stock amounts.

1 in a double removal of STI expense down to 100% of target. Staff also applied the
 2 adjustment to the sum of non-officers and the officers and executives amount; thereby,
 3 inadvertently applying the executive and officer adjustment to non-officers. These
 4 same issues apply to KGS direct STI amounts, in addition to applying the Distrigas
 5 allocation to KGS STI.

6 The table below summarizes the calculation issues identified in “24-610 Exhibits
 7 Figgs’ Confidential” file provided by Staff in response to a data request. The table
 8 references columns in CONFIDENTIAL Rebuttal Exhibit KJD-1.

Corporate Allocated and KGS	Company Adjustment IS-27 Filed position for - STI Adjustment Reflected in the	Staff Adjustment IS-8 Applied to the Company’s	Calculation issue
	“KGS Allocated Adjusted Total Amount Column” ⁽¹⁾	“KGS Allocated Adjusted Total Amount” Column	
Executive & officers	Removed 50% of STI amount based on Financial Metrics	Removed 70% of STI that is based on Financial Metrics	Over removed portion of executive and officer STI amount because Staff’s calculations didn’t account for the Company’s adjustment that removed 50% of STI based on financial metrics
	Removed STI amount over 100% of Target	Adjusted STI down to 100%.	Over removed STI to a level below the 100% of target amount, because Staff’s calculations didn’t account for the Company’s adjustment that removed STI above 100%. Additionally, the percent used was incorrect resulting in further over removal of costs. This percent was derived from the Company’s formula that already accounted for the removal of 50% of Financial based STI and removal of STI over 100% of Target.
Non-officer	Removed STI amount over 100% of Target	Removed 70% of STI that is based on Financial Metrics	Inadvertently removed 70% STI amount from non-officers. The formula to remove executive and officer STI was applied to non-officer amounts.

Corporate Allocated and KGS	Company Adjustment IS-27 Filed position for - STI Adjustment Reflected in the	Staff Adjustment IS-8 Applied to the Company's	Calculation issue
	"KGS Allocated Adjusted Total Amount Column" ⁽¹⁾	"KGS Allocated Adjusted Total Amount" Column	
		Adjusted STI down to 100%. Applied the Distrigas Allocation percent to KGS direct STI.	Over removed STI below the 100% of target amount, because Staff's calculations didn't account for the Company's adjustment that already removed STI above 100%. Additionally, an incorrect percent was used resulting in further over removal of costs. This percent was derived using the Company's formula that accounted for the removal of 50% of Financial based STI for executives and officers and removal of STI over 100% of Target.

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2 **Q. If the Commission adopted Staff's position on STI, what is the correct**
3 **adjustment amount?**

4 A. If the Commission adopted Staff's position regarding STI removing 70% of executive
5 and officer STI that are financial performance-based expenses, the correct adjustment
6 amount to add to the Company's filed adjustment is \$542,249².

7 **Q. Do you agree with the calculation of Staff Adjustment IS-8 to eliminate long-term**
8 **incentives ("LTI") compensation expenses?**

9 A. No, I do not. It appears corrections similar to those described above for STI expense
10 should be made to the LTI component of compensation expense. In short Staff
11 Adjustment IS-8 adjusted the "*Adjusted Total Amount*", resulting in an over-adjusted
12 officer LTI. The Company's "*Adjusted Total Amount*" already reflected the Company's
13 removal of 50% of the officers' performance and restricted LTI.

14 Staff's adjustment:

² CONFIDENTIAL Rebuttal Exhibit KJD-2; See Excel column U cell 49.

- 1 • Removed restricted LTI by 50% using the “*Adjusted Total Amount*”, which
- 2 already reflected an adjustment by the Company to remove 50% of the officers
- 3 restricted LTI;
- 4 • Removed performance LTI by 100% using the “*Adjusted Total Amount*”, which
- 5 already reflected an adjustment by the Company to remove 50% of the officers
- 6 performance LTI;
- 7 • Removed 50% of restricted LTI and 100% of performance LTI for non-officers
- 8 when Staff’s position was to adjust officer LTI only.

9 If the Commission adopted Staff’s position regarding LTI removing 50% of executive
10 and officer equity compensation associated with restricted stock units, and 100% of
11 executive equity compensation associated with performance-based units, the correct
12 adjustment amount to add to the Company’s filed adjustment is \$817,743³.

13 **Q. If the Commission were to remove 70% of executive STI that is financial**
14 **performance-based, 50% of executive equity compensation associated with**
15 **restricted stock units, and 100% of executive equity compensation expense**
16 **associated with performance-based units, what would be the correct**
17 **adjustment?**

18 A. If the Commission were to accept Staff’s incentive compensation recommendation on
19 Staff Adjustment IS-8, the adjustment amount to add to the Company’s filed
20 adjustment is \$1,359,992⁴.

21 **Q. What is your recommendation for incentive compensation?**

22 A. I recommend the Commission approve the Company’s incentive compensation
23 position originally filed for the reasons supported in direct testimony and as explained

³ CONFIDENTIAL Rebuttal Exhibit KJD-2; See Excel column U cell 62.

⁴ CONFIDENTIAL Rebuttal Exhibit KJD-2; See Excel column U cell 78.

1 in my rebuttal testimony and the rebuttal testimony of Ms. Eaton and Ms. Gough. If the
2 Commission approves Staff's recommendation, it should use the corrected amount
3 described in my testimony.

4 **III. Relocation Expense**

5 **Q. Please discuss Staff Adjustment IS-13 to relocation expense.**

6 A. Staff evaluates whether relocation expense is a necessary and reasonable expense.
7 Staff recommends an adjustment to decrease operating expenses by \$149,496, which
8 allows KGS to only recover 50% of relocation expenses.

9 **Q. Do you agree with Staff Adjustment IS-13 to remove 50% of relocation expense?**

10 A. No. KGS's testimony and supporting evidence showed these costs are necessary and
11 reasonable operating expenses. No evidence has been presented showing these were
12 imprudent, unnecessary, unjust, or unreasonable costs. As Company witness Ms.
13 Gough discusses in her rebuttal testimony, relocation is a necessary business
14 expense that assists full-time employees in relocating their residence and families due
15 to a change in their required work location by paying for the employees' reasonable
16 and necessary relocation expenses such as for travel, temporary housing, and the
17 packing, movement, and storage of household goods. In addition, this adjustment
18 would represent a shift in Commission policy. No evidence has been presented that
19 the Commission has accepted such an adjustment in previous KGS cases. Therefore,
20 KGS has been allowed to recover relocation costs in previous rate cases. The
21 relocation costs incurred by the Company and requested in this filing are just and
22 reasonable expenses and the full expense amount of \$298,993⁵ should be approved.

23 **IV. Miscellaneous Corporate Expenses**

24 **Q. Please discuss Staff Adjustment IS-21 to miscellaneous corporate charges.**

⁵CONFIDENTIAL Rebuttal Exhibit KJD-3

1 A. Staff recommends the removal of several miscellaneous corporate costs resulting in a
 2 \$170,956 decrease to operating expenses. This adjustment inappropriately removes
 3 certain costs associated with employee appreciation, team building, recruiting,
 4 education and training.

5 **Q. Do you agree with Staff Adjustment IS-21 to miscellaneous corporate charges?**

6 A. Mostly, no. Again, no evidence has been presented showing these were imprudent,
 7 unnecessary, unjust, or unreasonable costs. This adjustment inappropriately removes
 8 several costs that are just and reasonable, including costs associated with training,
 9 scholarships, necessary business travel and meals, and employee appreciation. I
 10 elaborate on these adjustments further below. Outlined in the table below is a
 11 summary of the Company's position to Staff's proposed adjustments:

Category	Staff Proposed Adjustment	Company's Position as it relates to Staff's Proposed Adjustment	Exhibit KJD-3
Entertainment	\$3,499	\$80	
Flowers	\$1,021	\$0	
Logo Items	\$13,003	\$0	
Meals			
<i>Travel Meals</i>	\$41,992	\$0	
<i>Other Meals</i>	\$15,591	\$0	
<i>Alcohol</i>	\$4,520	\$4,520	Do not object to Staff's adjustment
TOTAL MEALS	\$62,103	\$4,600	
Miscellaneous			
<i>Break Room Supplies</i>	\$8,126	\$0	
<i>Donation</i>	\$3,850	\$0	
<i>Gifts</i>	\$8,862	\$0	
<i>Décor</i>	\$307	\$0	
<i>Celebrations</i>	\$4,085	\$0	
<i>Fees</i>	\$51	\$51	Do not object to Staff's adjustment
<i>Marketing</i>	\$3,669	\$0	
<i>Misc</i>	\$11,983	\$0	
TOTAL MISC	\$40,932	\$51	
Other State Rate Case	\$2,765	\$0	
Scholarship	\$35,511	\$0	
Tips	\$320	\$0	
Travel	\$11,426	\$0	
Valet	\$377	\$0	
TOTAL	\$170,956	\$4,651	

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Q. Please discuss Staff adjustments you don't agree with on IS-21.

A. I believe Staff's recommendation for disallowance is misplaced for the following adjustments, identified on Staff Adjustment IS-21. As with previously discussed adjustments, there is no evidence these costs are unjust or unreasonable.

- ENTERTAINMENT - Staff's labeling of all these items as entertainment does not fully capture the expenses' purpose. Most of these costs pertain to team building meetings, conference events, and safety and training meetings in the amount of \$3,499. Events such as these are important to provide continued training, collaboration or education opportunities and assist with employee morale and a positive work environment. The Company should be allowed to recover its reasonable expenses in the amount of \$3,419⁶.
- FLOWERS - Flowers are occasionally appropriate to send for funerals or times of celebration. Sending flowers to employees in a time of loss respects the emotional impact of mourning and demonstrates that the company values an employee's well-being beyond the workplace. Similarly in celebration, flowers can be a recognition of significant accomplishments honoring milestones. Providing flowers to employees and community members is an active demonstration of Service and Inclusion & Diversity. The Company should be allowed to recover its reasonable expenses in the amount of \$1,021⁷.
- PROMOTIONAL LOGO ITEMS - These costs are related to various promotional items engraved or embossed with the Company logo in the amount of \$13,003. Logos are common purchases made by the Company for

⁶ Rebuttal Exhibit KJD-4. See the Excel tabs - MISC Corp Exp KLF-13 and Entertainment

⁷ Rebuttal Exhibit KJD-4. See the Excel tabs - MISC Corp Exp KLF-13 and Flowers

1 vehicles, equipment, supplies, office buildings, and uniforms. The Company
2 logo provides an awareness and unified image to both our customers and
3 employees. The logo also represents the Company's purpose and exhibits a
4 consistent image recognizable to customers and employees. The Company
5 should be allowed to recover its reasonable expenses in the amount of
6 \$13,003⁸.

- 7 • MEALS - These costs are related to various business-related meals while
8 traveling, working lunches, meals or travel costs for employee development
9 and recruiting events, etc. in the amount of \$62,103. The Company's travel and
10 meal policy is that travel and meals should be ordinary, necessary, reasonable,
11 and directly related to or associated with business. However, the Company
12 does not object to the recommendation to remove 100% of expenses related
13 to alcohol in the amount of \$4,520. The Company should be allowed to recover
14 its reasonable expenses in the amount of \$57,584⁹.

- 15 • MISCELLANEOUS - These costs reflect break room supplies, employee
16 recognition, miscellaneous fees, education, and miscellaneous expenses.
 - 17 ○ BREAK ROOM SUPPLIES - Staff's labeling of this item as break room
18 supplies does not capture these expenses purpose. These costs are
19 related to hydration, food, supplies, water, utensils, etc. provided or
20 used during training sessions, meetings, and some items to supply
21 break rooms for employees. Break rooms are designated space within
22 a workplace where employees can take short breaks and/or eat
23 lunches. These items and spaces are provided for the safety and well-

⁸ Rebuttal Exhibit KJD-4. See the Excel tabs - MISC Corp Exp KLF-13 and Logo

⁹ Rebuttal Exhibit KJD-4. See the Excel tab - MISC Corp Exp KLF-13 and Misc

1 being of our employees. The Company should be allowed to recover its
2 reasonable expenses in the amount of \$8,126¹⁰.

- 3 ○ DONATIONS - Staff's labeling of this item as a donation does not
4 capture this expenses' purpose. This expense was for the Company's
5 annual fee for its chief executive officer's membership in the National
6 Petroleum Council. The National Petroleum Council's purpose is to
7 advise, inform, and make recommendations to the United States
8 Secretary of Energy and the entire Executive Branch of the federal
9 government with respect to any matter relating to oil and natural gas.
10 The Secretary of Energy selects and appoints 220 persons for Council
11 membership. Participating in this Council gives a voice to Kansas
12 customers on energy policy issues. The Company included an
13 adjustment in its IS-25 to remove 3.4 percent cost of this invoice that
14 was attributable to lobbying. The Company should be allowed to
15 recover its reasonable expenses in the amount of \$3,850¹¹.

- 16 ○ GIFTS – These costs are for activities such as customer service
17 recognition, career fair supplies used while recruiting talent to join the
18 company, team building activities, safety day supplies, well-being
19 recognition or appreciation, etc. demonstrates that the company values
20 an employee. Small gifts can be a recognition of significant
21 accomplishments honoring milestones, showing appreciation,
22 encouraging teamwork, etc. Providing these recognition items to
23 employees is an active demonstration of Service and Inclusion &

¹⁰ Rebuttal Exhibit KJD-4 See the Excel tab Misc

¹¹ Rebuttal Exhibit KJD-4 See the Excel tab Misc

1 Diversity. The Company should be allowed to recover its reasonable
2 expenses in the amount of \$8,862¹².

3 ○ DÉCOR AND CELEBRATIONS - These costs pertain to retirements,
4 holidays, and celebrations for employee life events in the amount of
5 \$307 and \$4,085, respectively. Events such as these are important for
6 building a positive work environment, providing employee recognition
7 for accomplishments and hard work throughout the year and assist in
8 maintaining company morale. Continued recognition and employee
9 appreciation for dedication and hard work increases camaraderie
10 among employees who serve customers and continuously strive to
11 provide safe and reliable service. The Company should be allowed to
12 recover its reasonable expenses in the amounts of \$307 and \$4,085¹³,
13 respectively.

14 ○ MARKETING - These costs are related to public education and
15 communication, advertising at community events, Company
16 communication videos, and other supplies. These costs were incurred
17 to familiarize potential employees with the Company and educate
18 customers on the benefits and use of natural gas. The Company should
19 be allowed to recover its reasonable expenses in the amount of
20 \$3,669¹⁴.

21 ○ MISCELLANEOUS - These costs are related to retiree education, safe
22 digging communications, social media marketing used for recruiting,
23 public communications, and professional development. The Company

¹² Rebuttal Exhibit KJD-4 See the Excel tab Misc

¹³ Rebuttal Exhibit KJD-4 See the Excel tab Misc

¹⁴ Rebuttal Exhibit KJD-4. See the Excel tab Misc

1 should be allowed to recover its reasonable expenses in the amount of
2 \$11,983¹⁵.

3 The Company should be allowed to recover these reasonable expenses in the
4 amount of \$40,881¹⁶.

5 • OTHER STATE RATE CASE - These costs are related to training for the
6 Corporate Rates and Regulatory group and/or other departments assisting the
7 regulatory group. Participating and/or attending regulatory activities for each of
8 the divisions provides on the job training applicable to each state's regulatory
9 filings and is necessary as it builds employees understanding of the regulatory
10 process. The Company should be allowed to recover its reasonable expenses
11 in the amount of \$2,765¹⁷.

12 • SCHOLARSHIP - The purpose of the ONE Gas Scholarship Program is to
13 encourage ONE Gas employees' children to achieve high academic standards,
14 to assist children in acquiring higher education at a college or university of their
15 choice or attend a junior college or a technical college that is an accredited
16 institution. The Scholarship Program is a company benefit awarded to selected
17 employees' children; moreover, 66%¹⁸ of the total scholarships granted during
18 the test year were awarded to children of KGS or OGS employees. These costs
19 are related to providing adequate benefits to the Company's employees and
20 encouraging employees to have a vested interest in the success of the
21 Company. Additionally, the Company competes for employees in the broader
22 marketplace where similar benefits are offered. Thus, these are reasonable
23 and necessary costs incurred to attract and retain the employees that will

¹⁵ Rebuttal Exhibit KJD-4. See the Excel tab Misc

¹⁶ Rebuttal Exhibit KJD-4. See the Excel tab - MISC Corp Exp KLF-13 and Misc

¹⁷ Rebuttal Exhibit KJD-4. See the Excel tab - MISC Corp Exp KLF-13 and Other State Rate Cases

¹⁸ CONFIDENTIAL Rebuttal Exhibit KJD-5

1 support our business of providing natural gas to our customers safely and
2 reliably. I recommend the Commission allow full recovery of the scholarship
3 expenses of \$35,511¹⁹. Alternatively, I request at a minimum the Commission
4 allow recovery of 66% of the scholarship expenses in the amount of 22,812²⁰.

- 5 • TRAVEL (including tips and valet) - These costs are related to travel for
6 investor meetings, customer relations, intern launch week, and certain flight
7 fees. Staff also proposed removing travel costs related to tips and valet. Events
8 such as these are important to provide continued training, collaboration or
9 education opportunities and assist with employee morale and a positive work
10 environment. The majority of the tips are for transportation services such as
11 Uber or Lyft. These transportation service expenses are incurred to reduce the
12 cost during travel that employees would incur by renting a car instead. It would
13 be unreasonable to allow KGS and ONE Gas employees to take advantage of
14 ridesharing services, which can offer savings over renting a car when traveling,
15 but not allow KGS or ONE Gas to tip the driver. The Company should be
16 allowed to recover these reasonable expenses in the amount of \$12,122²¹.

17 The expenses discussed above are common expenses incurred by other companies and
18 an important part of ONE Gas' goal to encourage employees to collaborate, build
19 camaraderie, travel for training or business purposes or to further obtain education related
20 to their positions. Because the Company competes in the broader marketplace for
21 employees, it must be mindful of the benefits offered by other companies competing for
22 the same employees. Many in the marketplace offer similar benefits. The vast majority of
23 our employees have transferable skills, meaning they can go work in the broader energy

¹⁹ CONFIDENTIAL Rebuttal Exhibit KJD-5

²⁰ CONFIDENTIAL Rebuttal Exhibit KJD-5

²¹ Rebuttal Exhibit KJD-4. See the Excel tab - MISC Corp Exp KLF-13 and Tips, Travel, Valet

1 industry or a completely unrelated industry. These are reasonable and necessary costs
2 incurred to attract, retain, and support the employees that support the Company's
3 business of providing natural gas to our customers safely and reliably. The Company
4 should be allowed to recover its reasonable expenses in the amount of \$166,306²².

5 **V. Conclusion**

6 **Q. Does this conclude your testimony.**

7 A. Yes, it does.

²² Rebuttal Exhibit KJD-4. See the Excel tab - MISC Corp Exp KLF-13

VERIFICATION

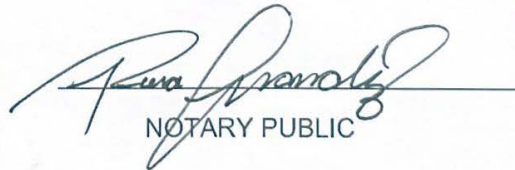
STATE OF KANSAS)
) ss.
COUNTY OF JOHNSON)

Keara J. Downum, being duly sworn upon her oath, deposes and states that she is the Rates Analyst II for ONE Gas, Inc.; that she has read and is familiar with the foregoing Rebuttal Testimony filed herewith; and that the statements made therein are true to the best of her knowledge, information, and belief.

Keara J. Downum



Subscribed and sworn to before me this 11 day of July 2024.


NOTARY PUBLIC

My appointment Expires:

09/30/24

Kansas Gas Service
Staff Adjustment to Incentive Compensation
Income Statement Adjustment No. 8
Test Year Ended September 30, 2023

Line No.	Description	Staff Total Adjustment
1	To remove 70% of Costs Related to Short-Term Incentive	\$ (938,017)
2	To remove 50% of Costs Related to Officer Portion of Long-Term Incentive - Restricted Stock	(192,758)
3	To remove 100% of Costs Related to Officer Portion of Long-Term Incentive - Performance	(542,838)
4	Staff Total Adjustment to Incentive Compensation	\$ (1,673,613)

Line No.	Account No.	Staff Total Adjustment by FERC Account No.
5	408.1	\$ (49,418)
6	920	(321,404)
7	930.2	(1,302,791)
8	Staff Total Adjustment to Incentive Compensation	\$ (1,673,613)

Sources: Exhibit KLF-5(a) - CONFIDENTIAL
Exhibit KLF-5(b) - CONFIDENTIAL

Line No.	Account No.	Description	Test Year Per Book Amount
1	9302120	A&G Misc Employee Moving - KGS	\$ 241,577
2	9302120	A&G Misc Employee Moving - Corporate	57,416
		Total	<u>\$ 298,993</u>

Kansas Gas Service
Staff Adjustment to Miscellaneous Corporate Expense
Income Statement Adjustment No. 21
Test Year Ended September 30, 2023

Line No.	FERC Account	Staff Proposed Entertainment	Company Adjustment Entertainment	Staff Proposed Flowers	Staff Proposed Logo Items	Staff Proposed Meals	Company Adjustment Meals - Alcohol	Staff Proposed Misc	Company Adjustment	Staff Proposed Other State Rate Case	Staff Proposed Scholarships	Staff Proposed Tips	Staff Proposed Travel	Company Adjustment	Staff Proposed Valet	Company Adjustment	Total expense removed	Company's Total
1	8530					(81.35)											(81.35)	-
2	8560					(223.70)											(223.70)	-
3	8700			(34.76)		(1,563.98)	(304.55)	(271.96)				(9.34)	(24.00)				(1,904.03)	(304.55)
4	8740					(126.96)											(126.96)	-
5	8780					(432.01)		(203.75)					(51.70)				(687.46)	-
6	8800					(861.11)		(48.72)									(909.83)	-
7	8870					(46.54)											(46.54)	-
8	9010					(73.16)							(43.12)				(116.28)	-
9	9030					(102.64)		(44.88)					(19.82)				(167.34)	-
10	9050			(10.97)		(168.68)		(211.45)									(391.11)	-
11	9080	(1.95)			(4,187.75)	(3,588.49)	(513.95)	(814.82)				(5.45)	(305.69)				(8,904.15)	(513.95)
12	9090							(55.55)									(55.55)	-
13	9130							(127.03)									(127.03)	-
14	9210	(3,377.83)	(79.89)	(934.07)	(5,040.67)	(51,426.54)	(3,701.36)	(14,349.45)	(50.51)	(1,338.16)		(289.25)	(8,135.07)		(376.82)		(85,267.86)	(3,831.76)
15	9230							(10,919.80)		(1,426.77)							(12,346.57)	-
16	9260			(4.37)	(2,025.78)	(2,101.76)		(2,831.27)			(35,510.60)		(2,830.02)				(45,303.79)	-
17	9302	(118.81)		(37.29)	(1,748.63)	(1,306.56)		(11,053.05)				(15.76)	(16.23)				(14,296.32)	-
Company		\$ (3,499)	\$ (80)	\$ (1,021)	\$ (13,003)	\$ (62,103)	\$ (4,520)	\$ (40,932)	\$ (51)	\$ (2,765)	\$ (35,511)	\$ (320)	\$ (11,426)	\$ -	\$ (377)	\$ -	\$ (170,956)	\$ (4,650)

\$ 166,306 Total
4,650 Adj
\$ 170,956 Check to Staff

Sources: KGS Response to Staff Data Request No. 283 - CONFIDENTIAL
Exhibits KLF-13 through KLF-13(j) CONFIDENTIAL

Entertainment	(80)
Flowers	-
Logos	-
Meals - Alcohol	(4,520)
subtotal	(4,600)
Break Room Supplies	-
Donation	-
Gifts	-
Décor	-
Celebrations	-
Fees	(51)
Marketing	-
Misc	0
Other State Rate C	0
Scholarship	0
Tips	0
Travel	-
Valet	-
subtotal	(51)
Other State Rate Case	-
Scholarship	-
Tips	-
Travel	-
Valet	-
subtotal	-
Total	(4,650)
Staff Adj	170,957
Company	166,307

KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
 24-KGSG-610-RTS
 Staff Adjustment IS-21, Miscellaneous Corporate Charges (Scholarship)

FERC Clearing Account	Year	Month	Account Description	Vendor Name	Business Entity	Line Description	Division Distrigas Allocation %	Corporate Adjusted Test Year (Gross)	Distrigas Allocated Per Book	Company's Proposed Distrigas Percentage	Company's Allocated Amount	KCC's Exclusion	Adjustment	Category
9302	2023	4												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
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9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	7												Scholarship
9302	2023	8												Scholarship
9302	2023	8												Scholarship
9302	2023	8												Scholarship
Total								116,500.00	35,510.60		34,740.30		34,740.30	

Business Entities	Unallocated Total	% of Total Scholarship	KGS and Corporate	Total
KGS	30,000.00	25.75%		
OGS	46,500.00	39.91%	65.67%	22,812.30
ONG	22,000.00	18.88%		
TGS	18,000.00	15.45%		
Total	116,500.00	100.00%		

CERTIFICATE OF SERVICE

I, Robert Elliott Vincent, hereby certify that a copy of the above and foregoing *Rebuttal Testimony* was served via electronic service this 22nd day of July, 2024, addressed to:

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