

**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.)

**REBUTTAL TESTIMONY
OF
ERIC S. SANFORD
ON BEHALF OF KANSAS GAS SERVICE
A DIVISION OF ONE GAS, INC.**

July 22, 2024

REBUTTAL TESTIMONY
OF
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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 Eric S. Sanford, and my business address is 15 East Fifth Street, Tulsa,
4 Oklahoma 74103.

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

6 A. I am employed by ONE Gas, Inc. ("ONE Gas") as Manager of Rates and Regulatory.

7 **Q. Please describe your educational background and professional experience?**

8 A. I received a Bachelor of Business Administration in Accounting from Northeastern
9 State University. I began my employment with ONEOK, Inc., ("ONEOK") in 2001, as
10 a Staff Specialist II within the Information Technology Department. In 2004, I was
11 promoted to Business System Analyst II. In 2006, I accepted a position as Manager
12 of Billing Control in the ONEOK Accounting Department. In 2010, I became the
13 Manager of Property Accounting and retained that position with ONE Gas after its
14 separation from ONEOK. In 2017, during a rotation of managers within the Accounting
15 Department, I became the Manager of Billing Control for a second time. In 2020, I
16 was promoted to Corporate Accounting Manager until February of 2024, when I
17 accepted my current position as Manager of Rates and Regulatory Analysis. Prior to
18 joining ONEOK, I worked as a Billing Specialist at WorldCom.

1 **Q. Have you filed direct testimony in this Docket?**

2 A. On July 8, 2024, I filed direct testimony which adopted the testimony of Ms. Mindy R.
3 Edwards.

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

5 A. Yes. I sponsor Rebuttal Exhibits ESS-1 through ESS-7.

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

7 A. The purpose of my rebuttal testimony is to respond to the direct testimony and
8 recommendations of Kansas Corporation Commission ("KCC") Staff witnesses Mr.
9 Daniel Buller and Mr. Ian Campbell, and Citizens' Utility Ratepayer Board ("CURB")
10 witness Ms. Andrea Crane on the following issues:

- 11 • The inclusion of corporate Construction Work in Progress ("CWIP") projects to
12 be completed and placed in service by September 30, 2024, related to KCC
13 Staff Adjustment RB-3 and RB-4 and CURB Adjustment ACC-5;
- 14 • The calculation of corporate depreciation expense for KCC Staff Adjustment
15 IS-2 and CURB Adjustment ACC-24; and,
- 16 • The recommendation to use an 18-month average for materials and supplies
17 and corporate prepayments in KCC Staff Adjustment RB-6 and RB-7.

18 **II. Corporate CWIP, Plant In Service, and Accumulated Depreciation**

19 **Q. Please discuss Staff Adjustment RB-3 and RB-4 regarding corporate CWIP**
20 **assets allocated to KGS.**

21 A. Mr. Buller recommends, in Staff Adjustment RB-3, a reduction in corporate plant and
22 in RB-4 a reduction to accumulated depreciation allocated to KGS in the amount of
23 \$3,853,575 and \$271,992, respectively. In this adjustment, Staff excluded corporate
24 allocated CWIP projects not placed in service as of April 30, 2024, from rate base. In
25 addition, Staff updated the Distrigas allocation factor to use the second quarter 2024
26 Distrigas allocation percentage to reflect Staff's update period ending April 30, 2024.

1 **Q. Do you agree with Staff Adjustment RB-3 and RB-4 as it relates to corporate**
2 **plant, CWIP, and accumulated depreciation?**

3 A. Partially. The Company agrees with Staff's update to include corporate plant and
4 accumulated depreciation balances allocated to KGS through April 30, 2024. The
5 Company also agrees with Staff's update to the Distrigas allocation factor. However,
6 the Company does not agree with Staff's Adjustment that excludes projects which will
7 be completed by September 30, 2024, and that were provided to the parties during the
8 discovery process in this case in data request 24-610 KCC-170¹.

9 **Q. Will other CWIP projects be placed into service by September 30, 2024?**

10 A. Yes. An additional \$864,721² of allocated corporate CWIP projects will be placed into
11 service by September 30, 2024. If the Commission accepts the Company's proposal
12 to include corporate CWIP placed into service by September 30, 2024, corporate plant
13 allocated to KGS will be \$87,184,756³.

14 **Q. What is the basis for including plant in Rate Base that will be completed**
15 **subsequent to one year following the end of the test period?**

16 A. The allocated corporate CWIP balance of \$864,721 should be included in rate base to
17 be consistent with K.S.A. 66-128(b) which states:

18 *(b) (1) For the purposes of this act, except as provided by subsection (b)(2),*
19 *property of any public utility which has not been completed and dedicated*
20 *to commercial service shall not be deemed to be used and required to be*
21 *used in the public utility's service to the public.*

22
23 *(2) Any public utility property described in subsection (b)(1) shall be*
24 *deemed to be completed and dedicated to commercial service if: (A)*
25 *Construction of the property will be commenced and completed in one year*
26 *or less; (Emphasis added.)*

¹ See Rebuttal Exhibit ESS-1 which is the Company's 24-610 KCC-170 Attachment B to data request 24-610 KCC-170.

² See Rebuttal Exhibit ESS-2; Worksheet tab named – PLT 3 ADA 2 CWIP which was provided in the Company's response to data request 24-610 KCC-169.

³ See Rebuttal Exhibit ESS-2; Worksheet tab named PLT 3 ADA 2 Summary which was provided in the Company's response to data request 24-610 KCC-169

1 Utilities are allowed to include CWIP in rate base so long as it is completed and placed
2 in service within 12 months after the end of the test year. The CWIP balance the
3 Company is requesting meets this standard.

4 **Q. Do you take issue with Staff's position that CWIP numbers from a past case were**
5 **unreliable and therefore only known and measurable figures can be allowed?**

6 A. Yes, I do. Mr. Buller states in his Direct testimony, "Staff determined that KGS's
7 estimated in service dates were unreliable and now believe that only known and
8 measurable figures can be allowed." Mr. Buller failed to consider the Rebuttal
9 testimony of Company witness Allison Edwards⁴ filed in Docket 18-KGSG-560-RTS.
10 In that prior docket, Ms. Edwards provided evidence showing the vast majority of the
11 actual in-service dates for corporate CWIP occurred on or before the projected in-
12 service dates with all being within three months of the actual in-service dates.⁵ Mr.
13 Buller also provided no evidence in this docket to support his position that the in-
14 service dates for corporate CWIP were unreliable. Furthermore, his position is
15 inconsistent with K.S.A. 66-128(b).

16 **Q. Please discuss CURB Adjustment ACC-5 related to corporate CWIP assets**
17 **allocated to KGS.**

18 A. CURB recommends in Adjustment ACC-5, a reduction in corporate plant allocated to
19 KGS in the amount of \$495,269, which limits corporate allocated CWIP to those
20 projects that were placed into service by April 30, 2024.

⁴ See Rebuttal Exhibit ESS-3 on Bates Stamp page 6, Lines 4-11 of the Rebuttal Testimony of Company witness Allison Edwards, Docket 18-KGSG-560-RTS (Oct. 29, 2018).

⁵ See Rebuttal Exhibit ESS-3 on Bates Stamp page 13 of the Rebuttal Testimony of Company witness Allison Edwards, Docket 18-KGSG-560-RTS (Oct. 29, 2018) containing her Rebuttal Exhibit ANE-1 evidencing CWIP was placed in service in a reasonable timeframe.

1 **Q. Do you agree with the calculation of CURB Adjustment ACC-5 as it relates to the**
2 **corporate CWIP assets allocated to KGS?**

3 A. No, I do not. Like my discussion above, CURB fails to consider that K.S.A. 66-
4 128(b) allows for CWIP projects completed within one year from the end of the test
5 year to be included in rates. The Company's proposal to include corporate CWIP that
6 will be placed into service by September 30, 2024, complies with the statute.

7 **Q. What is your response to CURB's claim that CWIP included by the Company did**
8 **not meet the criteria outlined in the statute?**

9 A. All projects being proposed as CWIP will be completed by September 30, 2024. These
10 costs are known and measurable and are consistent for inclusion in rate recovery in
11 this proceeding. The completed and projected capital additions will be placed into
12 service prior to September 30, 2024, and should be included in the Company's
13 request.

14 **III. Corporate Depreciation/Amortization**

15 **Q. Please discuss Staff Adjustment IS-2 related to corporate depreciation.**

16 A. Staff recommends a decrease of \$499,106 to the Company's filed pro-forma corporate
17 depreciation based on corporate plant in service and construction completed not
18 classified ("CCNC") allocated to KGS as of April 30, 2024. Staff did not include
19 corporate CWIP in the depreciation expense calculation.

20 **Q. Do you agree with Staff Adjustment IS-2 as it relates to corporate**
21 **depreciation/amortization?**

22 A. Partially. The Company agrees Staff correctly updated the corporate plant balances
23 allocated to KGS through April 30, 2024. The Company also agrees Staff correctly
24 updated the Distrigas allocation factor as of the second quarter of 2024. However, the
25 Company contends that corporate allocated CWIP expected to be placed into service

1 by September 30, 2024, should be included within rate base and as such the
2 depreciation expense of these projects should be included in the cost of service. If the
3 Commission accepts the Company's proposal to include corporate allocated CWIP
4 placed into service since April 30, 2024, and corporate CWIP that will be placed into
5 service by September 30, 2024, then the Company's corporate depreciation expense
6 allocated to KGS will be \$7,516,297⁶ instead of the depreciation expense
7 recommended by Staff.

8 **Q. Please discuss CURB Adjustment ACC-24 related to corporate**
9 **depreciation/amortization.**

10 A. CURB recommends removing depreciation expense on corporate CWIP allocated to
11 KGS that was not completed by April 30, 2024.

12 **Q. Do you agree with the calculation of CURB Adjustment ACC-24 as it relates to**
13 **corporate depreciation?**

14 A. No, I do not. CURB failed to include depreciation expense for corporate CWIP
15 expected to be placed into service by September 2024 based on the April 2024
16 updated CWIP balance. If the Commission accepts the Company's proposal to include
17 corporate allocated CWIP that will be placed into service by September 30, 2024,
18 based on the April 2024 updated balance, the Company's total corporate allocated
19 depreciation and amortization expense should be \$7,516,297⁷.

⁶ See rebuttal Exhibit ESS-2; Worksheet tab named – IS 24.1 Corp Depreciation; provided in the Company's response to 24-610 KCC-169

⁷ See rebuttal Exhibit ESS-2; Worksheet tab named – IS 24.1 Corp Depreciation; provided in the Company's response to 24-610 KCC-169

1 **IV. Corporate Materials and Supplies and Prepayments**

2 **Q. Please discuss Staff Adjustment RB-6 and RB-7 related to corporate materials**
3 **and supplies and prepayments.**

4 A. Staff recommends a reduction in corporate materials and supplies of \$18,194⁸ in Staff
5 Adjustment RB-6. Staff also recommends an increase in corporate prepayments
6 (account 165) and long-term prepayments (account 186) of \$96,355⁹ and \$221,663¹⁰,
7 respectively in Staff Adjustment RB-7.

8 **Q. Do you agree with Staff Adjustment RB-6 and RB-7 related to corporate**
9 **materials and supplies and prepayments?**

10 A. I partially agree. The Company agrees with Staff's update to corporate materials and
11 supplies and prepayments to April 30, 2024, and update to the Distrigas allocation
12 factor as of the second quarter of 2024. However, the Company does not agree with
13 Staff's use of an 18-month average instead of a 13-month average.

14 **Q. Please describe why the Company's use of a 13-month average is the**
15 **appropriate method to use in this case.**

16 A. The corporate materials and supplies and corporate prepayment balances were
17 calculated by taking the average balance over 13 months, which allows KGS to
18 normalize fluctuations in prepayment accounts during the test year. This normalization
19 methodology has been used consistently by the Company and by Staff in settled
20 Docket Nos. 12-KGSG-835-RTS ("12-835 Docket"), 16-KGSG-18 491-RTS ("16-491
21 Docket") and 18-KGSG-560-RTS ("18-560 Docket"). Similarly, this methodology has
22 been approved in Oklahoma and Texas.

⁸ See Rebuttal Exhibit ESS-4

⁹ See Rebuttal Exhibit ESS-5

¹⁰ See Rebuttal Exhibit ESS-5

1 Additionally, KGS uses a 13-month average to be consistent with the Federal Energy
2 Regulatory Commission ("FERC") § 154.312(e) which states:

3 *(e) Statement E. Working Capital. Show the components of working capital*
4 *in sufficient detail to explain how the amount of each component was*
5 *computed. Components of working capital, other than cash working capital,*
6 *may include an allowance for the average of 13 monthly balances of*
7 *materials and supplies and prepayments actually expended and gas for*
8 *resale. To the extent the applicant files to adjust the average of any 13*
9 *monthly balances, workpapers must be submitted that support the*
10 *adjustment(s). (Emphasis added.)*

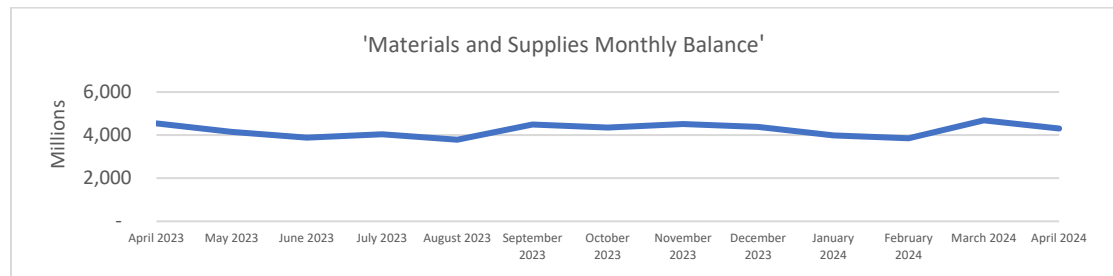
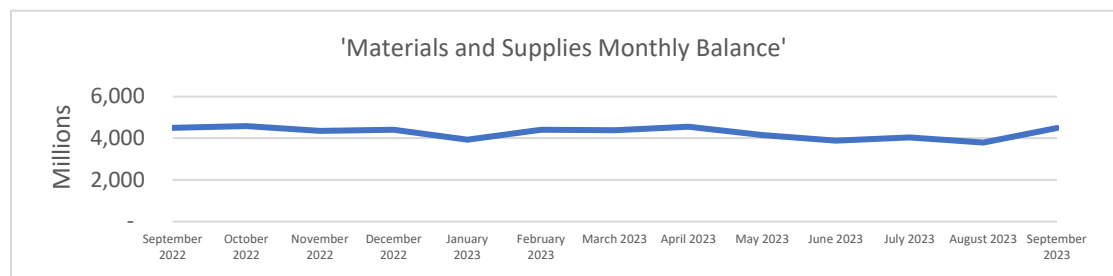
11 **Q. Does Staff provide evidence to support the 18-month timeframe used in Staff**
12 **Adjustment RB-6 and RB-7?**

13 A. No. Mr. Campbell states on page 6 of his testimony that "Staff believes that an 18-
14 month average provides a clearer image of the ongoing corporate material and
15 supplies account balances." As shown in the materials and supplies charts below, a
16 13-month average provides a reasonable normalization of an annual period like the
17 test period in this case; thus, picking an 18-month average timeframe as Staff has
18 done does not provide a clearer image of ongoing Corporate Materials and Supplies
19 account balances. The 13-month average also accounts for a single outlier month
20 over the account value.

21 Staff also states that "Staff believes that similar to materials and supplies,
22 corporate prepayments will likely cool over the next few years." In the Company's
23 responses to Staff data request 24-610 KCC-192¹¹, the Company explained that
24 material and supplies costs began increasing in 2022 to meet customer growth
25 demands and due to rising cost of materials. Inflation is also another factor causing
26 the increase in costs.

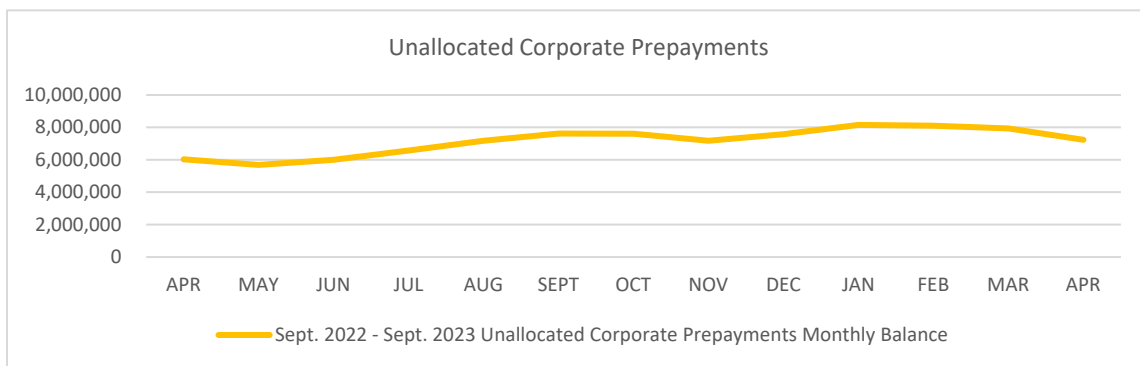
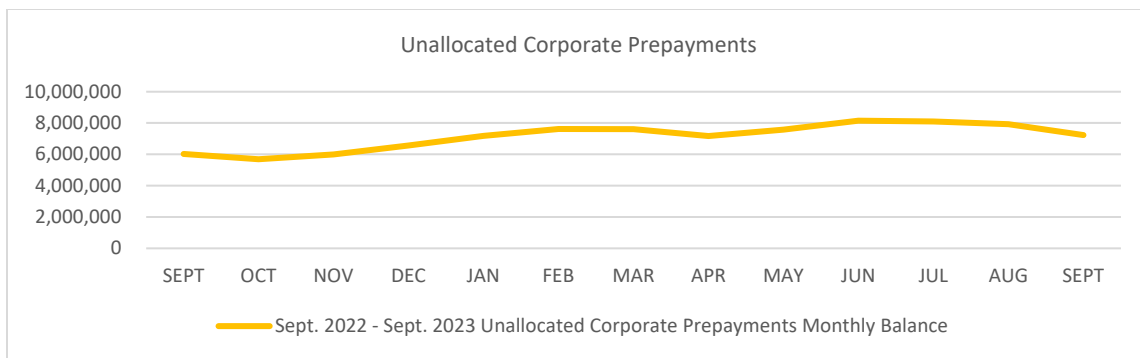
¹¹ See Rebuttal Exhibit ESS-6

The Company also provided a similar response to Staff data Request 24-610 KCC-193¹² explaining that corporate prepayment costs continue to increase due to increases in information technology software agreements and to comply with Security Directive 2 issued by the United States' Transportation Security Administration in 2021, an addition of a credit revolver and industry-wide increases to liability insurance premiums. Mr. Campbell recognizes corporate prepayments have been steadily increasing. As such, arbitrarily choosing an 18-month average to "capture lower values" does not reflect the Company's most recent and on-going working capital costs which are more accurately reflected in a 13-month average.



As shown in the corporate prepayment charts below, a 13-month average provides a reasonable normalization; thus, picking an 18-month average timeframe as Staff has done does not afford the company the opportunity to recover its reasonable costs. The Company's proposed 13-month normalization is appropriate.

¹² See Rebuttal Exhibit ESS-7



Q. What is your recommendation regarding the corporate materials and supplies and prepayments adjustment?

A. If the Commission accepts a 13-month average for corporate materials and supplies and for corporate prepayments, the average materials and supplies and corporate prepayments allocated to KGS, updated adjustment using a 13-month average as of April 30, 2024, and using the second quarter of 2024 Distrigas allocation factor, the adjustment would decrease materials and supplies \$35,923¹³ and increase the corporate prepayments (account 165) and long-term prepayments (account 186) adjustment \$263,022¹⁴ and \$419,496¹⁵, respectively.

¹³ See Rebuttal Exhibit ESS-4.

¹⁴ See Rebuttal Exhibit ESS-5.

¹⁵ See Rebuttal Exhibit ESS-5.

1 **V. Conclusion**

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

3 **A. Yes, it does.**

4

VERIFICATION

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

Eric Sanford, being duly sworn upon his oath, deposes and states that he is the Manager, Rates and Regulatory for ONE Gas, Inc.; that he has read and is familiar with the foregoing Rebuttal Testimony filed herewith; and that the statements made therein are true to the best of his knowledge, information, and belief.


Eric Sanford

Subscribed and sworn to before me this 15th day of July 2024.




NOTARY PUBLIC

My appointment Expires:

October 25, 2025

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Kansas Gas Service Company, a Division of ONE Gas, Inc													
2	Construction Work in Progress - Corporate													
3	As of April 30, 2024													
4	Updated CWIP Balance as of April 30, 2024													
5	FERC Account	Project Number	Project Description	Project Start Date	Estimated In Service Date	In Service as of 04/30/24	Date Placed In Service	Q4 2023 KGS Allocation Factor	Filed Corporate Unallocated Amount	Filed KGS Allocated CWIP Amount	Corporate Unallocated Amount	KGS Allocated Amount		
6	390.1 - Structures and Improvements	101.094.1717.010035	ONE GAS (OGS) 2023 GENETEC SECURITY CENTER UPGRADE - 2023	6/20/2023		Yes	12/1/2023	30.39%	13,322	4,049	-	-		
7	390.1 - Structures and Improvements	101.094.1717.010043	OGS-GENETEC SECURITY CENTER UPGRADE-2024	1/29/2024	7/31/2024			30.39%	-	-	16,337	4,965		
8	390.1 - Structures and Improvements Total								13,322	4,049	16,337	4,965		
9	390.2 - Leasehold Improvements	101.097.1717.010077	34TH FLOOR CARPET REPLACEMENT	5/3/2023		Yes	11/1/2023	30.39%	62,453	18,979	-	-		
10	390.2 - Leasehold Improvements	101.097.1717.010078	2023 FIRST PLACE TOWER (FPT) FACILITIES STORAGE ROOM SECURITY INSTALL	5/8/2023		Yes	12/1/2023	30.39%	2,118	644	-	-		
11	390.2 - Leasehold Improvements	101.097.1717.010079	FIRST PLACE TOWER BASEMENT IT ASSET ROOM & STORAGE ROOM ACCESS-2023	5/8/2023		Yes	12/1/2023	30.39%	2,402	730	-	-		
12	390.2 - Leasehold Improvements	101.097.1717.010080	FPT 34TH FLOOR OFFICE BUILD	9/5/2023		Yes	12/1/2023	30.39%	1,854	563	-	-		
13	390.2 - Leasehold Improvements	101.097.1717.010087	FPT 23RD FLOOR REMODEL	1/30/2024	5/31/2024			30.39%	-	-	275,986	83,872		
14	390.2 - Leasehold Improvements	101.097.1717.010088	FPT 29TH AND 30TH FLOOR DIRECTORS OFFICES AND LOCKERS	3/1/2024	6/30/2024			30.39%	-	-	6,168	1,874		
15	390.2 - Leasehold Improvements Total								68,826	20,916	282,154	85,747		
16	391.1 - Office Furniture & Equipment	101.091.1717.010029	2 AMERICANS WITH DISABILITIES ACT (ADA) DESKS FIRST PLACE TOWER	3/7/2023		Yes	11/1/2023	30.39%	11,420	3,470	-	-		
17	391.1 - Office Furniture & Equipment Total								11,420	3,470	-	-		
18	391.6 - Purchased Software	101.100.1502.010114	NETWORK FILE SYSTEM (NFS) STORAGE REPLACEMENT	9/30/2021		Yes	11/1/2023	30.39%	234,295	71,202	-	-		
19	391.6 - Purchased Software	101.100.1502.010128	NETWORK CORE END OF LIFE (EOL) 2022	4/6/2022		Yes	12/1/2023	30.39%	170,967	51,957	-	-		
20	391.6 - Purchased Software	101.100.1502.010133	OKC DISASTER RECOVERY (DR) SERVER CHASSIS REPLACEMENT 2022	4/29/2022		Yes	11/1/2023	30.39%	1,533,267	465,960	-	-		
21	391.6 - Purchased Software	101.100.1502.010138	PHYSICAL SECURITY UPLIFT 2022 PHASE I-II LAPTOP AND DESKTOP EOL REPLACEMENT 2022	6/21/2022		Yes	11/1/2023	30.39%	3,602,010	1,094,651	-	-		
22	391.6 - Purchased Software	101.100.1502.010139	PHASE II	8/18/2022		Yes	12/1/2023	30.39%	2,101,442	638,628	-	-		
23	391.6 - Purchased Software	101.100.1502.010142	COMPUTER MONITORS 2022	9/29/2022		Yes	10/1/2023	30.39%	79,212	24,073	-	-		
24	391.6 - Purchased Software	101.100.1502.010144	SERVER HARDWARE REPLACEMENT 2022	10/3/2022		Yes	4/1/2024	30.39%	702,234	213,409	-	-		
25	391.6 - Purchased Software	101.100.1502.010147	PORTABLE MEDIA SOLUTION PHASE 1	12/4/2022		Yes	12/1/2023	30.39%	153,949	46,785	-	-		
26	391.6 - Purchased Software	101.100.1502.010148	LAPTOP AND DESKTOP GROWTH ? 2023	12/5/2022		Yes	12/1/2023	30.39%	583,915	177,452	-	-		
27	391.6 - Purchased Software	101.100.1502.010149	NETWORK IMPROVEMENTS 2023	12/5/2022		Yes	12/1/2023	30.39%	177,431	53,921	-	-		
28	391.6 - Purchased Software	101.100.1502.010151	LAPTOP AND DESKTOP REPLACEMENTS EOL 2023	12/14/2022		Yes	12/1/2023	30.39%	1,726,854	524,791	-	-		
29	391.6 - Purchased Software	101.100.1502.010153	COMMVAULT SERVER REPLACEMENT 2023	3/30/2023		Yes	12/1/2023	30.39%	100,013	30,394	-	-		
30	391.6 - Purchased Software	101.100.1502.010154	SITE INFRASTRUCTURE IMPROVEMENTS 2023	3/31/2023		Yes	12/1/2023	30.39%	7,036	2,138	-	-		
31	391.6 - Purchased Software	101.100.1502.010156	SMARTPHONE GROWTH AND REPLACEMENT 2023	3/31/2023		Yes	12/1/2023	30.39%	29,466	8,955	-	-		
32	391.6 - Purchased Software	101.100.1502.010157	WINDOWS SERVER 2012 UPGRADE	4/3/2023		Yes	12/1/2023	30.39%	34,244	10,407	-	-		
33	391.6 - Purchased Software	101.100.1502.010158	PRINTER AND SCANNER REPLACEMENT 2023	6/9/2023		Yes	12/1/2023	30.39%	10,941	3,325	-	-		
34	391.6 - Purchased Software	101.100.1502.010159	UNIFIED COMMUNICATIONS 2023	6/9/2023		Yes	4/1/2024	30.39%	6,983	2,122	-	-		
35	391.6 - Purchased Software	101.100.1502.010162	OPERATIONAL SECURITY NETWORK VIDEO RECORDER (NVR)	7/20/2023		Yes	10/1/2023	30.39%	23,580	7,166	-	-		
36	391.6 - Purchased Software	101.100.1502.010163	NETWORK CORE EOL 2023	8/3/2023	7/31/2024			30.39%	28,111	8,543	51,531	15,660		
37	391.6 - Purchased Software	101.101.1502.010086	DISTRIBUTION INTEGRITY MMANAGEMENT PPROGRAM (IMP) -TRANSPORTATION IMP	6/21/2017		Yes	12/1/2023	30.39%	1,958,507	595,190	-	-		
38	391.6 - Purchased Software	101.101.1502.010283	APPLICATIONS	2/4/2021		Yes	12/1/2023	30.39%	375,445	114,098	-	-		
39	391.6 - Purchased Software	101.101.1502.010310	SYNERGI ENHANCEMENTS PHASE II	10/11/2021		Yes	12/1/2023	30.39%	273,459	83,104	-	-		
40	391.6 - Purchased Software	101.101.1502.010321	ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) DATA STRATEGY	10/18/2021		Yes	11/1/2023	30.39%	532,303	161,767	-	-		
41	391.6 - Purchased Software	101.101.1502.010322	BANNER AUTOMATED TESTING	10/22/2021	8/31/2024			30.39%	471,121	143,174	477,535	145,123		
42	391.6 - Purchased Software	101.101.1502.010327	LANTERN LEAK SURVEY UPGRADE 2021	12/22/2021		Yes	12/1/2023	30.39%	1,042,209	316,727	-	-		
43	391.6 - Purchased Software	101.101.1502.010333	GAS SUPPLY QUORUM IMPLEMENTATION	1/6/2022		Yes	12/1/2023	30.39%	79,360	24,118	-	-		
44	391.6 - Purchased Software	101.101.1502.010337	ENTERPRISE PORTAL ENVIRONMENT	1/10/2022		Yes	12/1/2023	30.39%	128,285	38,986	-	-		
45	391.6 - Purchased Software	101.101.1502.010338	BILLGEN 2022 ENHANCEMENTS											
46	391.6 - Purchased Software	101.101.1502.010340	BANNER REFRESH BUSINESS PROCESS IMPROVEMENTS RELEASE 2	1/12/2022	6/30/2024			30.39%	437,005	132,806	456,878	138,845		
47	391.6 - Purchased Software	101.101.1502.010340	DYNAMICS PROJECT OPERATIONS UPGRADE 2022	1/12/2022		Yes	12/1/2023	30.39%	63,829	19,398	-	-		
48	391.6 - Purchased Software	101.101.1502.010355	CYBERSECURITY NATURAL GAS TESTING											
49	391.6 - Purchased Software	101.101.1502.010355	ENVIRONMENT	6/21/2022		Yes	12/1/2023	30.39%	573,985	174,434	-	-		
50	391.6 - Purchased Software	101.101.1502.010357	APPLICATION ALLOWLISTING	8/16/2022		Yes	12/1/2023	30.39%	155,796	47,747	-	-		
51	391.6 - Purchased Software	101.101.1502.010358	MULTI-FACTOR AUTHENTICATION	8/16/2022		Yes	12/1/2023	30.39%	1,282,755	389,829	-	-		

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Kansas Gas Service Company, a Division of ONE Gas, Inc													
2	Construction Work in Progress - Corporate													
3	As of April 30, 2024													
4													Updated CWIP Balance as of April 30, 2024	
5	FERC Account	Project Number	Project Description	Project Start Date	Estimated In Service Date	In Service as of 04/30/24	Date Placed In Service	Q4 2023 KGS Allocation Factor	Filed Corporate Unallocated Amount	Filed KGS Allocated CWIP Amount	Corporate Unallocated Amount	KGS Allocated Amount		
50	391.6 - Purchased Software	101.101.1502.010362	DATA SYSTEMS INTERNATIONAL (DSI)-MOBILE	8/18/2022		Yes	11/1/2023	30.39%	82,067	24,940	-	-		
51	391.6 - Purchased Software	101.101.1502.010364	ENTERPRISE PLATFORM (MEP) 9.5 UPGRADE	9/28/2022		Yes	10/1/2023	30.39%	184,586	56,096	-	-		
			POWERPLAN COST OF REMOVAL SPLIT											
			DYNAMICS PROGRAM CHANGE RREQUEST (PCR)											
52	391.6 - Purchased Software	101.101.1502.010371	ENHANCEMENTS 2023	12/5/2022		Yes	12/1/2023	30.39%	195,678	59,466	-	-		
53	391.6 - Purchased Software	101.101.1502.010373	BUSINESS INTELLIGENCE 2023	12/5/2022		Yes	3/1/2024	30.39%	260,792	79,255	-	-		
54	391.6 - Purchased Software	101.101.1502.010374	ADVANCED ANALYTICS 2023	12/5/2022		Yes	12/1/2023	30.39%	16,265	4,943	-	-		
55	391.6 - Purchased Software	101.101.1502.010375	WORK MANAGEMENT PCR 2023	12/5/2022		Yes	12/1/2023	30.39%	72,059	21,899	-	-		
56	391.6 - Purchased Software	101.101.1502.010376	PERCEPTIVE CONTENT UPGRADE 2023	12/5/2022		Yes	11/1/2023	30.39%	13,632	4,143	-	-		
57	391.6 - Purchased Software	101.101.1502.010377	BUSINESS AUTOMATION DEVELOPMENT 2023	12/5/2022		Yes	12/1/2023	30.39%	42,904	13,038	-	-		
58	391.6 - Purchased Software	101.101.1502.010378	BUSINESS AUTOMATION UPGRADES 2023	12/5/2022		Yes	12/1/2023	30.39%	82,373	25,033	-	-		
59	391.6 - Purchased Software	101.101.1502.010381	GEOGRAPHIC INFORMATION SYSTEM (GIS) PCR 2023	12/5/2022	8/31/2024			30.39%	-	-	3,102	943		
60	391.6 - Purchased Software	101.101.1502.010382	POWERPLAN SYSTEM UPGRADE 2023	12/13/2022	9/30/2024			30.39%	355,578	108,060	791,567	240,557		
61	391.6 - Purchased Software	101.101.1502.010383	WEB AND MOBILE ENHANCEMENTS 2023	12/13/2022		Yes	12/1/2023	30.39%	456,490	138,727	-	-		
62	391.6 - Purchased Software	101.101.1502.010384	SPLUNK 2023-2025 LICENSE EXPANSION	12/21/2022		Yes	12/1/2023	30.39%	437,760	133,035	-	-		
63	391.6 - Purchased Software	101.101.1502.010386	BANNER PCRS 2023	1/23/2023		Yes	1/1/2024	30.39%	77,041	23,413	-	-		
64	391.6 - Purchased Software	101.101.1502.010387	FIDELITY FILE IMPLEMENTATION	3/1/2023	5/31/2024			30.39%	18,827	5,722	53,035	16,117		
			ALORICA AMHS CUSTOMER SATISFACTION (CSAT)											
65	391.6 - Purchased Software	101.101.1502.010388	SURVEY	3/30/2023		Yes	12/1/2023	30.39%	17,291	5,255	-	-		
66	391.6 - Purchased Software	101.101.1502.010391	FLOWCAL 10.5 UPGRADE	3/30/2023		Yes	12/1/2023	30.39%	21,137	6,424	-	-		
67	391.6 - Purchased Software	101.101.1502.010392	ROMET INTERFACE 2023	3/31/2023		Yes	10/1/2023	30.39%	25,640	7,792	-	-		
			FEATURE MANIPULAITON ENGINE (FME) SERVER											
68	391.6 - Purchased Software	101.101.1502.010393	IMPLEMENTATION 2023	3/31/2023		Yes	11/1/2023	30.39%	146,400	44,491	-	-		
69	391.6 - Purchased Software	101.101.1502.010394	LINE LOCATE INVOICING	3/31/2023	5/31/2024			30.39%	227,986	69,285	434,780	132,130		
70	391.6 - Purchased Software	101.101.1502.010396	MARKVIEW 10.4 UPGRADE	4/11/2023	6/30/2024			30.39%	25,815	7,845	82,064	24,939		
			OPTICAL CHARACTER RECOGNITION (OCR)											
71	391.6 - Purchased Software	101.101.1502.010397	REPLACEMENT EPHESOFIT IMPLEMENTATION	4/11/2023	6/30/2024			30.39%	60,515	18,390	85,408	25,955		
72	391.6 - Purchased Software	101.101.1502.010399	FOXIT GROWTH 2023	5/23/2023		Yes	11/1/2023	30.39%	39,023	11,859	-	-		
			AUTOSOL COMMUNICATION MANAGER (ACM)											
73	391.6 - Purchased Software	101.101.1502.010400	VERSION 9.1 UPGRADE	6/5/2023		Yes	12/1/2023	30.39%	47,768	14,517	-	-		
74	391.6 - Purchased Software	101.101.1502.010401	SOLIDWORKS 2022 UPGRADE	6/9/2023		Yes	11/1/2023	30.39%	20,473	6,222	-	-		
			MEASUREMENT INTERFACES MANAGEMENT SYSTEM											
75	391.6 - Purchased Software	101.101.1502.010402	UPGRADE 2023	6/9/2023		Yes	12/1/2023	30.39%	19,428	5,904	-	-		
76	391.6 - Purchased Software	101.101.1502.010403	ITRON FIELD COLLECTION SYSTEM (FCS)/MOBILE	6/9/2023		Yes	12/1/2023	30.39%	11,634	3,535	-	-		
			UPGRADE 2023											
77	391.6 - Purchased Software	101.101.1502.010405	TSA EMBEDDED SYSTEM ARCHITECTURE	6/30/2023	02/29/2024			30.39%	18,750	5,698	-	-		
78	391.6 - Purchased Software	101.101.1502.010407	HAZARDOUS NOTIFICATIONS	8/2/2023	6/30/2024			30.39%	4,752	1,444	163,874	49,801		
79	391.6 - Purchased Software	101.101.1502.010409	VMWARE CARBON BLACK UPGRADE 2023	9/28/2023		Yes	12/1/2023	30.39%	238,616	72,515	-	-		
80	391.6 - Purchased Software	101.101.1502.010414	CITRIX LICENSING RENEWAL 2023	9/28/2023		Yes	12/1/2023	30.39%	627,120	190,582	-	-		
81	391.6 - Purchased Software	101.101.1502.010437	AUTOMATED SERVICE ORDERS 2024	2/14/2024	9/30/2024			30.39%	-	-	672	204		
82	391.6 - Purchased Software	101.101.1502.010444	METER PRO	4/23/2024	7/30/2024			30.39%	-	-	865	263		
83	391.6 - Purchased Software Total								22,883,408	6,954,268	2,601,309	790,538		
			UNIFIED ENDPOINT MANAGEMENT (UEM) VMWARE											
84	391.99 - Cloud Computing	101.100.1502.010116	WORKSPACE ONE	10/15/2021		Yes	12/1/2023	30.39%	254,739	77,415	-	-		
85	391.99 - Cloud Computing	101.101.1502.010361	PRISMA ACCESS 2022	8/18/2022		Yes	4/1/2024	30.39%	1,194	363	-	-		
86	391.99 - Cloud Computing	101.101.1502.010369	EMBARCK IMPLEMENTATION	11/29/2022		Yes	2/1/2024	30.39%	97,186	29,535	-	-		
87	391.99 - Cloud Computing	101.101.1502.010372	SERVICENOW 2023	12/5/2022		Yes	1/1/2024	30.39%	103,546	31,468	-	-		
			BREACH AND ATTACK SIMULATION 2023											
88	391.99 - Cloud Computing	101.101.1502.010380	IMPLEMENTATION	12/5/2022		Yes	10/1/2023	30.39%	3,750	1,140	-	-		
89	391.99 - Cloud Computing Total								460,415	139,920	-	-		
90	Grand Total								23,437,391	7,122,623	2,899,801	881,249		

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52

	A	B	N	O	P
1	KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.				
2	Docket No. 24-KGSG-610-RTS				
3	Adjustment No PLT 3				
4	Adjustment No ADA 2				
5					
6					
7					
8					
9					
	LINE		CORPORATE	CORPORATE	CORPORATE
	NO.	DESCRIPTION	PER BOOK ALLOCATED	ADJUSTMENTS	ADJUSTED
			TO KGS	ALLOCATED TO KGS	ALLOCATED TO KGS
11			(l)	(m)	(n)
12		<u>GENERAL PLANT</u>			
13	1	389 - Land & Land Rights	\$0	\$0	\$0
14	2	390.1 - Structures and Improvements	(108,083)	807	(107,276)
15	3	390.2 - Leasehold Improvements	(1,242,739)	(11,772)	(1,254,511)
16	4	390.2 - Lease Incentive	(107,192)	107,192	0
17	5	391.1 - Office Furniture & Equipment	(640,227)	1,730	(638,497)
18	6	391.19 - Airplane Hanger Furniture	(3,544)	3,544	0
19	7	391.2 - Data Processing Equipment	0	0	0
20	8	391.3 - Office Machines and Equipment	(48,975)	0	(48,975)
21	9	391.4 - Audio Visual Equipment	85,471	0	85,471
22	10	391.5 - Artwork	(6,548)	6,548	0
23	11	391.6 - Purchased Software	(19,691,466)	75,630	(19,615,836)
24	12	391.6 - Purchased Software (Banner Software)	(781,216)	0	(781,216)
25	13	391.6 - Purchased Software (PowerPlant Software)	(311,245)	0	(311,245)
26	14	391.6 - Purchased Software (RiskWorks Software)	0	0	0
27	15	391.6 - Maximo-Leak Detect System	(983,461)	733,493	(249,969)
28	16	391.6 - Purchased Software (Foundation Software)	(6,355)	14,626	8,271
29	17	391.6 - Concur Project	(18,659)	15,056	(3,603)
30	18	391.6 - Customer Relations Software	(27,168)	0	(27,168)
31	19	391.6 - Journey-Distrigas All	(15,147,723)	0	(15,147,723)
32	20	391.6 - Journey-Employee Count	(469,336)	0	(469,336)
33	21	391.6 - Payroll - Time Management	(222,768)	0	(222,768)
34	22	391.6 - Accounts Payable Software	(120,519)	0	(120,519)
35	23	391.8 - Micro Computer Equipment	(1,193,459)	0	(1,193,459)
36	24	391.81 - Micro Computer Equipment	6,963	(6,963)	0
37	25	391.9 - Computers & Electronic Equipment	0	0	0
38	26	391.99 - Cloud Computing	(89,140)	0	(89,140)
39	27	392.2 - Pickup Trucks and Vans	(1,646)	0	(1,646)
40	28	392.3 - Trucks 3/4 to 3 Ton	0	0	0
41	29	392.5 - Trailers	0	0	0
42	30	392.6 - Aircraft	(4,058,121)	4,058,121	0
43	31	394 - Tools, Shop & Garage	(22,601)	2,250	(20,351)
44	32	394.1 - Tools	0	0	0
45	33	394.2 - Shop Equipment	0	0	0
46	34	396 - Power Operated Equipment	0	0	0
47	35	397 - Communication Equipment	(11,924)	2,607	(9,317)
48	36	397.2 - Telephone Equipment	0	0	0
49	37	398 - Miscellaneous Equipment	0	0	0
50	38	Total General Plant	(\$45,221,681)	\$5,002,869	(\$40,218,812)
51					
52					

20181119163241
Filed Date: 11/19/2018
State Corporation Commission
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 the) Docket No. 18-KGSG-560-RTS
State of Kansas.)

REBUTTAL TESTIMONY
OF
ALLISON N. EDWARDS
ON BEHALF OF KANSAS GAS SERVICE
A DIVISION OF ONE GAS, INC.

REBUTTAL TESTIMONY
OF
ALLISON N. EDWARDS
ON BEHALF OF KANSAS GAS SERVICE
A DIVISION OF ONE GAS, INC.

1 **I. Introduction**

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

3 A. My name is Allison Nicole Edwards, and my business address is 15 East Fifth Street, Tulsa,
4 Oklahoma 74103.

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

6 A. I am employed by ONE Gas, Inc., (“ONE Gas” and/or “OGS”) as Manager of Rates and
7 Regulatory.

8 **Q. Please describe your educational background and professional experience.**

9 A. I received a Bachelor of Science degree in Finance with a minor in Accounting from Oklahoma
10 State University in 2008. I have taken graduate courses in Accounting and Finance and am
11 enrolled in a Master of Science program in that discipline. I began my employment with
12 ONEOK, Inc., (“ONEOK”) on November 9, 2011 as a Rates Analyst I and retained that position
13 with ONE Gas after its separation from ONEOK. In September of 2015, I was promoted to
14 Rates Analyst II. In September of 2016, I accepted a position as a Tax Analyst II in the Tax
15 Accounting Department. I began serving in my current position as Manager of Rates and
16 Regulatory Analysis in April of 2018. Prior to my employment at ONEOK, I worked as a Cost
17 Analyst at BOK Financial (“BOKF”) from June 2009 to November 2011. From September 2005
18 to June 2009, I worked as a Senior Banker at Bank of Oklahoma (a subsidiary of BOKF).

1 **Q. Have you filed direct testimony in this docket?**

2 A. No, I have not. However, I am adopting the testimony of Maxx Goad, who has taken another
3 position with ONE Gas.

4 **Q. At this time are you seeking to make any edits or changes to Mr. Goad's direct testimony as**
5 **filed in this docket?**

6 A. No. I am adopting his testimony as filed.

7 **Q. Have you previously testified before the Kansas Corporation Commission ("KCC" or**
8 **"Commission")?**

9 A. No, I have not. I have, however, provided written testimony to the Oklahoma Corporation
10 Commission and Texas Railroad Commission on numerous occasions. I have also provided
11 oral testimony before the Texas Railroad Commission.

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

13 A. In addition to adopting Mr. Goad's testimony, the purpose of my Rebuttal Testimony is to
14 respond to the Direct Testimony and recommendations of Kansas Corporation Commission
15 Staff ("KCC") witness, Mr. Tim Rehagen and Citizens' Utility Ratepayer Board ("CURB") witness
16 Ms. Andrea Crane on the following issues:

- 17 • The inclusion of Corporate Construction Work in Progress ("CWIP") projects to be
18 completed and placed in service by December 31, 2018 related to Staff Adjustment
19 RB-2 and CURB Adjustment ACC-6;
- 20 • The inclusion of Corporate Plant through August 31, 2018 related to Staff
21 Adjustments RB-2, RB-3, and CURB Adjustments ACC-4 and ACC-8;
- 22 • The calculation of Corporate depreciation/amortization expense for Staff Adjustment
23 IS-21 and CURB Adjustment ACC-26; and
- 24 • The recommendation to exclude Corporate prepayments in Staff Adjustment RB-7.

1 **II. Corporate CWIP, Plant in Service, and Accumulated Depreciation**

2 **Q. Please discuss Staff Adjustment RB-2 regarding corporate CWIP assets allocated to KGS.**

3 A. Mr. Rehagen recommends, in Staff Adjustment RB-2, a reduction in corporate plant allocated
4 to KGS in the amount of \$5,082,393. Staff appropriately updated the corporate plant balances
5 allocated to KGS through August 31, 2018. However, Staff excluded corporate allocated CWIP
6 projects not placed in service as of August 31, 2018 from rate base. Lastly, Staff applied a
7 three-year average distrigas allocation percentage of 32.35%.

8 **Q. Do you agree with Staff Adjustment RB-2 as it relates to corporate plant?**

9 A. Partially. The Company agrees with Staff's update to include corporate plant balances
10 allocated to KGS through August 31, 2018. However, the Company does not agree with Staff's
11 proposed three-year average distrigas allocation of 32.35%. The Company proposes the
12 application of the distrigas allocation of 32.84%, recommended by CURB witness, Ms. Crane
13 and Company rebuttal witness, Ms. Davidson.

14 **Q. Do you agree with Staff Adjustment RB-2 as it relates to corporate CWIP?**

15 A. No, I do not. Staff is excluding some projects that commenced since December 31, 2017,
16 which are to be completed by December 31, 2018, and which were provided to the parties
17 during the discovery process in this case in response to data request KCC-184. As of August
18 31, 2018, \$7,956,612¹, allocated corporate CWIP projects were completed and placed into
19 service. The Company has updated its response to data request number KCC-184², contained
20 in Exhibit ANE-1, to reflect corporate CWIP projects that were completed and placed into
21 service since August 31, 2018, as well as corporate CWIP projects expected to be placed into

¹ See Rebuttal Exhibit ANE-1 containing data request number KCC-184, which has been updated to reflect corporate CWIP placed into service as of October 31, 2018 and expected to be placed into service by December 31, 2018.

² See Rebuttal Exhibit ANE-1.

1 service by December 31, 2018. Since August 31, 2018, \$814,462³ of allocated corporate CWIP
2 projects were completed and placed into service.

3 **Q. Does the company anticipate more CWIP projects will be placed into service by December**
4 **31, 2018?**

5 Yes. The Company anticipates an additional \$2,823,604⁴ of allocated corporate CWIP projects
6 will be placed into service by December 31, 2018. The Company is not requesting to update
7 all plant in service through December 31, 2018, but merely proposing to include the corporate
8 allocated CWIP, included in the Company's initial filing, that is anticipated to be closed by
9 December 31, 2018. If the Commission accepts the Company's proposal to include corporate
10 CWIP expected to be placed into service by December 31, 2018, corporate plant allocated to
11 KGS will be \$65,699,652.⁵

12 **Q. What is the basis for including plant in rate base that will be completed subsequent to one**
13 **year following the end of the test period?**

14 A. The allocated corporate CWIP balance of \$2,823,604 should be included in rate base to be
15 consistent with K.S.A. 66-128(b) which states:

16 (b) (1) For the purposes of this act, except as provided by subsection (b)(2), property of any
17 public utility which has not been completed and dedicated to commercial service shall not be
18 deemed to be used and required to be used in the public utility's service to the public; and
19

20 (2) Any public utility property described in subsection (b)(1) shall be deemed to be completed
21 and dedicated to commercial service if: **(A) Construction of the property will be commenced**
22 **and completed in one year or less;** (Emphasis added.)
23

³ See Rebuttal Exhibit ANE-1.

⁴ See Rebuttal Exhibit ANE-1.

⁵ See Rebuttal Exhibit ANE-2(a) containing KCC-159 Attachment D updated for plant in service as of August 31, 2018 and reflecting corporate CWIP expected to be placed into service by December 31, 2018.

1 The statute was intended to allow utilities to include in rate base CWIP that was completed
2 and placed in service within 12 months of the end of the test year. The CWIP balance the
3 Company is requesting meets this standard.

4 **Q. Do you take further issue with Staff Adjustment RB-2 as it relates to corporate CWIP?**

5 A. Yes, I do. Mr. Rehagen states in his Direct Testimony that, “[s]taff’s audit of KGS’s CWIP has
6 revealed that KGS’s estimated in-service dates have too often proven to be inaccurate.”⁶ The
7 Company does not agree with this statement as it relates to corporate CWIP. Exhibit ANE-1
8 contains columns displaying the Company’s estimated in-service dates at April 30, 2018,
9 August 31, 2018 and October 31, 2018 compared to actual in-service dates. The Company’s
10 original estimated in-service date as of April 30, 2018, contained in KCC-026, was, at most,
11 within three months of the actual in-service dates.

12 **Q. Please discuss Ms. Crane’s CURB adjustment ACC-4 related to corporate plant allocated to**
13 **KGS.**

14 A. Ms. Crane proposes a distrigas allocation percent of 32.84% be applied to the Company’s test
15 year corporate plant. However, Ms. Crane fails to update corporate plant balances allocated
16 to KGS through August 31, 2018.

17 **Q. Do you agree with CURB adjustment ACC-4 as it relates to corporate plant?**

18 A. Partially. The Company agrees with Ms. Crane’s proposed distrigas allocation percentage,
19 32.84%. However, as stated above, Ms. Crane failed to update corporate plant through
20 August 31, 2018.

21 **Q. Please discuss Ms. Crane’s CURB adjustment ACC-6 related to corporate CWIP assets**
22 **allocated to KGS.**

⁶ Direct Testimony of Tim Rehagen page 9, lines 4 through 6.

1 A. Ms. Crane recommends that corporate allocated CWIP be limited to those projects that were
2 placed into service by August 31, 2018.

3 **Q. Do you agree with CURB adjustment ACC-6 as it relates to corporate CWIP?**

4 A. No, I do not. Ms. Crane fails to consider the fact that statute K.S.A. 66-128(b), discussed
5 above, allows for CWIP projects completed within one year from the end of the test period to
6 be included in rates. As stated above, the Company is proposing inclusion of corporate CWIP
7 expected to be placed into service by December 31, 2018, consistent with the statute.

8 **Q. Please discuss Staff Adjustment RB-3 related to corporate accumulated depreciation**
9 **allocated to KGS.**

10 A. This adjustment is a companion adjustment to Staff Adjustment RB-2. Mr. Rehagen
11 recommends, in Staff Adjustment RB-3, an increase in corporate accumulated depreciation
12 allocated to KGS in the amount of \$2,605,751. Staff updated the accumulated depreciation
13 balances allocated to KGS to correspond with plant placed into service through August 31,
14 2018. Additionally, Staff applied a proposed a three-year average distrigas allocation, 32.35%.

15 **Q. Do you agree with Staff Adjustment RB-3 as it relates to corporate accumulated**
16 **depreciation?**

17 A. Partially. The Company agrees with Staff's updated accumulated depreciation balances
18 before allocation to KGS. The Company proposes the application of a distrigas allocation of
19 32.84% as recommended by CURB witness, Ms. Crane and Company rebuttal witness, Ms.
20 Davidson, resulting in a total corporate accumulated depreciation allocated to KGS of
21 \$19,129,515.⁷

22 **Q. Please discuss Ms. Crane's adjustment ACC-8 related to corporate accumulated**
23 **depreciation.**

⁷ See Rebuttal Exhibit ANE-2(a).

1 A. Ms. Crane proposes a distrigas allocation percentage of 32.84% be applied to the Company's
2 test year corporate accumulated depreciation. However, Ms. Crane fails to update the
3 corporate accumulated depreciation balances allocated to KGS through August 31, 2018.

4 **Q. Do you agree with CURB adjustment ACC-8 as it relates to corporate allocated accumulated**
5 **depreciation?**

6 A. Partially. The Company agrees with Ms. Crane's proposed distrigas allocation percentage of
7 32.84%. However, as stated above, the Company is proposing inclusion of corporate allocated
8 accumulated depreciation corresponding to plant placed into service through August 31,
9 2018.

10 **III. Corporate Depreciation/Amortization**

11 **Q. Please discuss Staff Adjustment IS-21 related to corporate depreciation/amortization.**

12 A. Mr. Rehagen recommends a decrease of \$183,804 to the Company's filed pro-forma
13 corporate depreciation/amortization of \$5,409,421, solely based on corporate plant in service
14 and construction completed - not classified ("CCNC") allocated to KGS as of August 31, 2018.
15 Mr. Rehagen fails to include corporate CWIP from the depreciation/amortization expense
16 calculation. Additionally, Mr. Rehagen applied Staff's proposed three-year average distrigas
17 allocation, 32.35%.

18 **Q. Do you agree with Staff Adjustment IS-21 as it relates to corporate**
19 **depreciation/amortization?**

20 A. Partially. The Company agrees Staff appropriately updated the corporate plant balances
21 allocated to KGS through August 31, 2018. However, Staff failed to include
22 depreciation/amortization expense on corporate allocated CWIP placed into service since
23 August 31, 2018 and corporate allocated CWIP expected to be placed into service by
24 December 31, 2018. If the Commission accepts the Company's proposal to include corporate

1 allocated CWIP placed into service since August 31, 2018 and corporate CWIP expected to be
2 placed into service by December 31, 2018, the Company's pro-forma corporate allocated
3 depreciation/amortization expense to KGS will be \$5,577,475.⁸

4 **Q. Please discuss Ms. Crane's adjustment ACC-26 related to corporate**
5 **depreciation/amortization.**

6 A. Ms. Crane recommends removing depreciation/amortization expense on corporate CWIP
7 allocated to KGS that was not completed by August 31, 2018.

8 **Q. Do you agree with the calculation of CURB adjustment ACC-26 as it relates to corporate**
9 **depreciation/amortization?**

10 A. No, I do not. Ms. Crane has calculated a composite depreciation/amortization rate that does
11 not appropriately match the plant's depreciation/amortization rate to its corresponding plant
12 amount. If the Commission were to accept Ms. Crane's adjustment to rate base, then the
13 corresponding depreciation/amortization adjustment should be a decrease of \$339,579⁹
14 instead of Ms. Crane's recommendation of \$345,902.¹⁰

15 **Q. Do you take further issue with the calculation of CURB adjustment ACC-26 as it relates to**
16 **corporate depreciation/amortization?**

17 A. Yes, I do. Ms. Crane failed to include depreciation expense for corporate plant placed into
18 service through August 31, 2018 and corporate CWIP expected to be placed into service by
19 December 31, 2018. If the Commission accepts the Company's proposal to include corporate
20 allocated CWIP placed into service since August 31, 2018 and corporate allocated CWIP

⁸ See Rebuttal Exhibit ANE-2(b).

⁹ See Rebuttal Exhibit ANE-2(c).

¹⁰ See Rebuttal Exhibit ANE-2(c).

1 expected to be placed into service by December 31, 2018, the Company's total
2 depreciation/amortization expense should be \$5,577,475.¹¹

3 **IV. Corporate Prepayments**

4 **Q. Please discuss Staff Adjustment RB-7 related to corporate prepayments.**

5 A. Mr. Rehagen recommends, in Staff Adjustment RB-7, a reduction in corporate allocated
6 prepayments (account 165) and long-term prepayments (account 186) of \$471,361 and \$190,
7 respectfully.

8 **Q. Do you agree with Staff Adjustment RB-7 related to corporate prepayments?**

9 A. Partially. Staff is excluding prepayments on the basis that they have expired, or the monthly
10 ending balance reached zero prior to August 31, 2018 and no replacements or renewals of
11 these prepayments could be located in the Company's workpapers. However, several of
12 these prepayments are, in fact, reoccurring and therefore should be included in rate base.
13 The Company has identified the reoccurring prepayments in Exhibit ANE-3.¹²

14 **Q. Are you recommending an alternative adjustment to Staff Adjustment RB-7?**

15 A. Yes, I am. In Exhibit ANE-3, the Company identified prepayments in which there were no
16 replacement, renewal, or there was a change in accounting treatment and the Company
17 agrees with Staff's adjustment. I am proposing the removal of these prepayments from the
18 13-month average included in rate base. The total amount of corporate allocated
19 prepayments that should be included in rate base is \$4,035,733¹³ and \$726,170¹⁴ in account
20 165 and 186, respectfully.

21 **Q. Does this conclude your rebuttal testimony?**

¹¹ See Rebuttal Exhibit ANE-2(b).

¹² See Rebuttal Exhibit ANE-3 containing a reconciliation of replacement or renewal corporate prepayments to KCC Staff's list of excluded corporate prepayments contained in Exhibit TSR-7(c).

¹³ See Rebuttal Exhibit ANE-3(a).

¹⁴ See Rebuttal Exhibit ANE-3(b).

1 A. Yes, it does at the current time.

VERIFICATION

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

Allison N. Edwards, being duly sworn upon her oath, deposes and states that she is a Manager of Rates 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.


Allison N. Edwards

Subscribed and sworn to before me this 13 day of November 2018.




NOTARY PUBLIC

My appointment Expires:

Oct. 25, 2021

A	B	C	D	E	F	G	H	I	J	K	L	M
1 ONE Gas Inc- Kansas Gas Service												
2 Construction Work In Progress												
3 Data Request No. 184 Attachment B Updated through October 31, 2018												
4						NOTE 1	NOTE 2					
5 utility account	work_order_number	work_order_long_desc	In Service as of 10/31/2018	Placed In Service Date	10/31/2018 Updated Estimated In Service Date	8/31/2018 Updated Estimated In Service Date	4/30/2018 Estimated In Service Date	Corporate Unallocated Amount	Q4 KGS Allocation %	KGS Allocated Amount	MONTH(S) VARIANCE FROM EST IN SVC DATE AT 8/31/2018	MONTH(S) VARIANCE FROM EST IN SVC DATE AT 4/30/2018
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	101.101.1502.010095	MANAGEMENT OF CHANGE LICENSING	Yes	1/1/2018				163,477	32.84%	53,692		
16 391.6 - Purchased Software	101.101.1502.010032	LEAK SURVEY 2016	Yes	9/3/2018		9/4/2018	6/29/2018	1,749,135	32.84%	574,486	0	2
17 391.6 - Purchased Software	101.101.1502.010047	ORACLE HYPERION	Yes	1/1/2018				1,653,408	32.84%	543,045		
18 391.6 - Purchased Software	101.101.1502.010050	GAS SUPPLY - TRELUS	Yes	1/1/2018				2,091,724	32.84%	687,006		
19 391.6 - Purchased Software	101.101.1502.010051	ENTERPRISE CONTENT MANAGEMENT PHASE II	Yes	1/1/2017				(63,600)	32.84%	(20,889)		
20 391.6 - Purchased Software	101.101.1502.010052	C55 2016 ENHANCEMENTS	Yes	1/31/2018				169,991	32.84%	55,832		
21 391.6 - Purchased Software	101.101.1502.010055	CONTRACT LIFECYCLE MANAGEMENT NOVATUS	Yes	1/31/2018				52,706	32.84%	17,311		
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	Yes	9/1/2018		9/4/2018	6/1/2018	379,540	32.84%	124,656	0	3
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	101.100.1502.010045	STORAGE CONTROLLER AND SERVER GROWTH 2017	Yes	1/1/2018				7,279,686	32.84%	2,390,940		
31 391.6 - Purchased Software	101.100.1502.010049	SERVICE NOW PROCESS DEVELOPEMENT 2017	Yes	1/1/2018				96,000	32.84%	31,530		
32 391.6 - Purchased Software	101.100.1502.010050	DATA DESTRUCTION	Yes	1/1/2018				23,900	32.84%	7,850		
33 391.6 - Purchased Software	101.101.1502.010007	APPLICANT TRACKING	Yes	1/1/2018				63,787	32.84%	20,950		
34 391.6 - Purchased Software	101.101.1502.010070	WORK MANAGEMENT PCRS	Yes	3/1/2018			3/31/2018	708,021	32.84%	232,542	1	1
35 391.6 - Purchased Software	101.101.1502.010072	GEOCORTX HTML5	Yes	1/1/2018				76,769	32.84%	25,214		
36 391.6 - Purchased Software	101.101.1502.010073	MICROSOFT CRM 2017 ENHANCEMENTS	Yes	1/1/2018				739,650	32.84%	242,931		
37 391.6 - Purchased Software	101.101.1502.010075	BILLGEN 2017 ENHANCEMENTS	Yes	1/1/2018				166,063	32.84%	54,542		
38 391.6 - Purchased Software	101.101.1502.010074	BANNER 2017 PCR	Yes	1/1/2018				335,322	32.84%	110,133		
39 391.6 - Purchased Software	101.101.1502.010076	BI 2017 PROJECTS	Yes	3/1/2018			3/31/2018	896,201	32.84%	294,348	1	1
40 391.6 - Purchased Software	101.101.1502.010078	FLOWCAL 8.2 UPGRADE	Yes	1/1/2018				150,376	32.84%	49,390		
41 391.6 - Purchased Software	101.101.1502.010077	WEB AND MOBILE ENHANCEMENTS 2017	Yes	1/1/2018				517,454	32.84%	169,953		
42 391.6 - Purchased Software	101.101.1502.010080	CUE REDESIGN	Yes	1/1/2018				161,352	32.84%	52,994		
43 391.6 - Purchased Software	101.101.1502.010081	HIGH METER PREDICTIVE ANALYTICS	Yes	6/1/2018			6/1/2018	177,119	32.84%	58,173	-	-
44 391.6 - Purchased Software	101.101.1502.010083	TALENT MGMT PERFORMANCE AND COMPENSATION	Yes	1/1/2018				352,677	32.84%	115,833		
45 391.6 - Purchased Software	101.101.1502.010084	MAXIMO FLEET MANAGEMENT ENHANCEMENTS	Yes	3/1/2018				56,512	32.84%	18,561		
46 391.6 - Purchased Software	101.101.1502.010087	ERP HEALTH CHECK - FINANCE	Yes	6/1/2018			6/29/2018	465,370	32.84%	152,846	1	1
47 391.6 - Purchased Software	101.101.1502.010090	DEBT NEXT	Yes	6/1/2018			6/29/2018	231,994	32.84%	76,196	1	1
48 391.6 - Purchased Software	101.101.1502.010091	POWERPLANT 2017 ENHANCEMENTS	Yes	6/1/2018			6/29/2018	198,281	32.84%	65,123	1	1
49 391.6 - Purchased Software	101.101.1502.010093	VEHICLE INSPECTION APPLICATION	Yes	6/1/2018			6/1/2018	389,025	32.84%	127,771	-	-
50 391.6 - Purchased Software	101.101.1502.010097	SOLIDWORKS USERS ADDITIONS	Yes	3/1/2018				66,270	32.84%	21,766		
51 391.6 - Purchased Software	101.101.1502.010098	TARGETED PAYMENT PLAN PROGRAMS PREDICTIVE ANALYTICS POV	Yes	6/1/2018			6/1/2018	43,179	32.84%	14,182	-	-
52 391.6 - Purchased Software	101.101.1502.010099	AP MARKVIEW ENHANCEMENTS 2017	Yes	9/3/2018		9/4/2018	6/1/2018	42,214	32.84%	13,865	3	3
53 391.6 - Purchased Software	101.101.1502.010103	TELECOM EXPENSE AND MOBILE DEVICE MANAGEMENT	Yes	6/1/2018			6/1/2018	31,403	32.84%	10,314	-	-
54 391.6 - Purchased Software	101.100.1502.010041	DATA DOMAIN AND BACKUP LICENSING	Yes	1/1/2018				207,059	32.84%	68,007		
55 391.6 - Purchased Software	101.100.1502.010051	PHYSICAL SECURITY EQUIPMENT	Yes	1/1/2018				303,368	32.84%	99,638		
56 391.6 - Purchased Software	101.100.1502.010052	FPT CONFERENCE CENTER AV AUTOMATION AND STABILIZATION	Yes	9/3/2018		9/4/2018	6/29/2018	66,440	32.84%	21,822	2	2
57 391.6 - Purchased Software	101.101.1502.010094	ONE GAS RATE UPDATE	Yes	9/3/2018		9/4/2018	6/29/2018	179,040	32.84%	58,804	2	2
58 391.6 - Purchased Software	101.101.1502.010096	CONTRACTOR INSPECTOR FIELD ENABLEMENT	Yes	3/1/2018				34,995	32.84%	11,494		
59 391.6 - Purchased Software	101.100.1502.010020	NEW REMOTE SITE SERVERS	Yes	2/1/2018				(309)	32.84%	(101)		
60 391.6 - Purchased Software	101.101.1502.010060	SYSTEM INTEGRITY PHYSICAL RECORDS CAPTURE	Yes	1/1/2018				260,445	32.84%	85,541		
61 391.6 - Purchased Software	101.101.1502.010092	MANAGED FILE TRANSFER	Yes	9/3/2018		9/4/2018	6/1/2018	4,720	32.84%	1,550	3	3
62 391.6 - Purchased Software	101.101.1502.010104	MICROSOFT LICENSING EXPANSION 2017 COMMON LOGGING AND EXCEPTIONS (CLE)	Yes	1/1/2018				143,023	32.84%	46,975		
63 391.6 - Purchased Software	101.101.1502.010105	ENHANCEMENT	Yes	9/3/2018		9/4/2018	6/30/2018	1,405	32.84%	461	2	2
64 391.6 - Purchased Software	101.101.1502.010112	TEAMMATE AUDIT SOFTWARE UPGRADE	Yes	1/1/2018				21,000	32.84%	6,897		
65 391.6 - Purchased Software	101.101.1502.010068	CYCLANCE PHASE II	Yes	1/1/2018				2,926	32.84%	961		

Rebuttal Exhibit ANE-1

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	ONE Gas Inc- Kansas Gas Service												
2	Construction Work In Progress												
3	Data Request No. 184 Attachment B Updated through October 31, 2018												
4							NOTE 1	NOTE 2					

Rebuttal Exhibit ANE-2(a)

KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.															TOTAL ALLOCATED TO KGS		TOTAL ALLOCATED TO KGS	
Docket No. 19-KGSG-560-RTS																		
Adjustment No. PLT 3																		
Adjustment No. ADA 2																		
ONE Gas Assets & Accumulated Reserve																		
Kansas Gas Service																		
Updated through August 31, 2018																		
101 - Plant in Service (unutilized)																		
		Ending Balance	KGS Distributions % Allocated	Remove	Remove	Remove	Remove	Remove	Remove	Remove	Remove	Total	Adjusted	KGS Distributions	NOTE 4			
FERC	Description	August 2018 Balance	KGS August 2018 Balance	Artwork	Airplane	Aircraft, Internet Text & Talk	Airport Furniture	Removal of Retiring Assets	Fully Depreciated End of Life Assets	Contributions & Donations Software	Vertex Sales Tax	Adjustments	Balance	32.84%				
375.2	Other Distr Systems Struct	0	0									0	0	0	0			
380.1	Land and Land Rights	0	0									0	0	0	0			
390.1	Structures and Improvements	41,164	13,520									0	41,164	13,520	0			
390.17	Building Improv Plum	0	0									0	0	0	0			
390.2	Leasehold Equipment	4,787,128	1,572,284									0	4,787,128	1,572,284	0			
390.21	Leasehold Equipment EOL	0	0									0	0	0	0			
391.1	Office Furniture & Fixtures	3,588,315	1,181,831									0	3,588,315	1,181,831	0			
391.15	Armoire Hanger Furniture	11,870	3,888			(11,870)						0	0	0	0			
391.2	Data Processing Equipment	0	0									0	0	0	0			
391.2	Radio Towers	0	0									0	0	0	0			
391.3	Office Machines	36,237	11,902									0	36,237	11,902	0			
391.4	Audio Visual Equipment	1,293,063	424,694									0	1,293,063	424,694	0			
391.4	Signage Project	0	0									0	0	0	0			
391.5	Artwork	49,414	16,230	(49,414)								(49,414)	0	0	0			
391.6	Purchased Software	75,847,587	24,911,382							(64,443)		(64,443)	75,783,145	24,880,216	0			
391.8	Micro Computer Equipment	10,778,248	3,540,008									0	10,778,248	3,540,008	0			
391.81	Micro Computer Equipment	130,857	42,979			(130,857)						(130,857)	0	0	0			
392.2	Pickup Trucks and Vans	0	0									0	0	0	0			
392.3	Trucks 3/4 to 3 Ton	0	0									0	0	0	0			
392.5	Trailers	0	0									0	0	0	0			
392.6	Aircraft	13,608,723	4,489,649			(13,608,723)						(13,608,723)	0	0	0			
392.7	Aircraft 2011	0	0									0	0	0	0			
394.1	Todds	0	0									0	0	0	0			
394.2	Shop Equipment	0	0									0	0	0	0			
398	Power Operated Equipment	0	0									0	0	0	0			
397	Communication Equipment	102,491	33,662									0	102,491	33,662	0			
397.2	Telephone Equipment	0	0									0	0	0	0			
398	Miscellaneous Equipment	0	0									0	0	0	0			
Allocated through Distributions Sub-total		110,285,998	36,222,037	(49,414)	(13,608,723)	(130,857)	(11,870)	0	0	(64,443)	0	(13,965,306)	96,419,792	31,668,116				
FERC	Description	August 2018 Balance	KGS August 2018 Balance	Artwork	Airplane	Aircraft, Internet Text & Talk	Airport Furniture	Removal of Retiring Assets	Fully Depreciated End of Life Assets	Contributions & Donations Software	Vertex Sales Tax	Adjustments	Balance	KGS Causal %				
391.6	Banner Software	15,274,671	4,499,918									0	15,274,671	29.46%	29.46%			
391.6	Micro Computer Equipment	0	0									0	0	0	0			
391.6	Power Plant System	870,000	293,886									0	870,000	33.78%	33.78%			
391.6	Riskboards	0	0.00%									0	0	0.00%	0.00%			
391.6	Maximo	3,117,561	946,803									0	3,117,561	30.37%	30.37%			
391.6	Dynamic Risk Assessment	0	0.00%									0	0	0.00%	0.00%			
391.6	Concur Project	47,648	16,159							(47,648)		(47,648)	0	33.9137%	33.91%			
391.6	Journey- Employee-ODG Distributions	69,580,940	22,853,164									0	69,580,940	32.84%	32.84%			
391.6	Journey- Employee Count	1,848,836	627,008									0	1,848,836	33.9137%	33.91%			
391.6	Asha Software	0	29.15%									0	0	0.0	0			
391.6	Accounts Payable Software	903,328	293,341									0	903,328	29.1523%	29.15%			
390.1	Structures and Improvements	0	100.00%									0	0	100.00%	100.00%			
391.1	Office Furniture & Fixtures	0	100.00%									0	0	100.00%	100.00%			
397	Communication Equipment	0	100.00%									0	0	100.00%	100.00%			
Causal Allocation Sub-total		91,442,983	29,506,279	0	0	0	0	0	(47,648)	(64,443)	0	(47,648)	91,595,336	29,484,120				
Total		291,828,081	65,722,316	(49,414)	(13,608,723)	(130,857)	(11,870)	0	(47,648)	(64,443)	0	(13,912,954)	188,615,127	61,152,236				
NOTE 1															NOTE 2		NOTE 3	
COMPANY FILED	EXHIBIT ANE-1 COMPANY PROPOSED REBUTIAL	(INCREASE / (DECREASE) COMPANY PROPOSED	STAFF PROPOSED	(INCREASE / (DECREASE) STAFF PROPOSED	CURB PROPOSED	(INCREASE / (DECREASE) CURB PROPOSED												
66,310,258	65,699,652	(610,606)	61,227,865	(5,882,739)	(2,446,161)	(6,328,899)												
50,016,041	46,570,135	(3,445,904)	42,328,077	(7,687,864)	(5,654,639)	(1,963,265)												
NOTE 1: SOURCE: 2018 Rate Case MFR Support files FILED 6/29/2018, TAB "PLT 3 ADA 2 Core Plant"																		
NOTE 2: SOURCE: REHAGEN EXHIBIT T38-1(b) and T38-2(b)																		
NOTE 3: SOURCE: Schedule ACC-4, ACC-6, ACC-8																		
NOTE 4: SOURCE: KCC-159 Attachment D																		
NOTE 5: SOURCE: Exhibit ANE-1 Line 92 - Line 96, Column K																		
TOTAL ALLOCATED ADJUSTED CORPORATE PLANT (101-106-107)																		
TOTAL ALLOCATED ADJUSTED CORPORATE ACCUMULATED RESERVE (108)																		
NET CORPORATE PLANT																		

2 of 4

A	B		C	D	E	F	G	H	I	J	K	L	M
1	KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.												
2	Docket No. 18-KGSG-560-RTS												
3													
4	Adjustment IS 29.1 Support Workpapers												
5	Kansas Gas Service												
6	Updated through August 31, 2018												
7													
8	DETAILED SCHEDULE OF CORPORATE DEPRECIATION												
9					NOTE 1	NOTE 2							
10			Total	Total	Total	Total	Total	Q3 2018	Allocated	Proposed	Proposed		
11			Corporate	Corporate	Corporate	Corporate	Corporate	Corporate	Corporate	Corporate	Corporate		
12			101 Per Books	106 Per Books	107 Since	107 Expected by	Adjustments	Pro Forma	Allocation	Adjusted	Depreciation	Depreciation	
13	Acct	Acct Name	8/31/2018	8/31/2018	8/31/2018	12/31/2018			Rates	Balance	Rate	Expense	
14													
15	CORPORATE ALLOCATED DEPRECIATION												
16	3752	Other Distr Systems Struct	-	-	-	-	-	32.84%	-	-	0.00%	-	
17	3891	Land	-	-	-	-	-	32.84%	-	-	0.00%	-	
18	3900	Structures and Improvements	-	-	-	-	-	32.84%	-	-	0.00%	-	
19	3901	Structures and Improvements	41,164	-	-	-	41,164	32.84%	13,520	2.01%	272		
20	3902	Leasehold Improvements	4,787,128	27,856	-	-	4,814,984	32.84%	1,581,433	10.15%	160,515		
21	3911	Office Furniture	3,598,315	-	-	-	3,598,315	32.84%	1,181,831	6.67%	78,789		
22	39119	Airplane Hanger Furn	11,870	-	-	(11,870)	-	32.84%	-	-	0.00%	-	
23	3912	Data Processing Equipment	-	-	-	-	-	32.84%	-	-	0.00%	-	
24	3913	Office Machines and Equipment	36,237	-	-	-	36,237	32.84%	11,902	5.00%	595		
25	3914	AudioVisual Equipment	1,293,063	-	-	-	1,293,063	32.84%	424,694	20.00%	84,939		
26	3915	Artwork	49,414	-	-	(49,414)	-	32.84%	-	-	0.00%	-	
27	3916	Ariba Software	-	-	-	-	-	29.15%	-	-	7.69%	-	
28	3916	Accounts Payable Software	903,328	-	-	-	903,328	29.15%	263,341	7.69%	20,257		
29	3916	Purchased Software (Banner Software)	15,274,671	-	-	-	15,274,671	29.46%	4,499,918	7.69%	346,148		
30	3916	Concur Project	47,648	-	-	(47,648)	-	33.91%	-	-	7.69%	-	
31	3916	Dynamic Risk Assessment	-	-	-	-	-	0.00%	-	-	7.69%	-	
32	3916	Journey-Distrigas All	69,580,940	-	-	-	69,580,940	32.84%	22,853,164	7.69%	1,757,936		
33	3916	Journey-Employee Count	1,848,836	-	-	-	1,848,836	33.91%	627,008	7.69%	48,231		
34	3916	Maximo-Leak Detect Sys	3,117,561	-	-	-	3,117,561	30.37%	946,803	7.69%	72,831		
35	3916	Purchased Software (PowerPlant Software)	870,000	-	-	-	870,000	33.78%	293,886	7.69%	22,607		
36	3916	Purchased Software	75,847,587	2,505,142	2,479,790	8,597,015	(99,438)	89,330,097	32.84%	29,339,577	7.69%	2,256,891	
37	3916	Purchased Software (RiskWorks Software)	-	-	-	-	-	0.00%	-	-	7.69%	-	
38	3918	Computer Equipment	10,778,249	270,690	-	-	11,048,939	32.84%	3,628,914	20.00%	725,783		
39	39181	Computer Equipment	130,857	-	-	(130,857)	-	32.84%	-	-	0.00%	-	
40	3919	Computers & Electronic Equipment	-	-	-	-	-	32.84%	-	-	0.00%	-	
41	3920	Transportation Equipment	-	-	-	-	-	32.84%	-	-	0.00%	-	
42	3921	Autos	-	-	-	-	-	32.84%	-	-	0.00%	-	
43	3922	Pickups and Vans	-	-	-	-	-	32.84%	-	-	0.00%	-	
44	3923	Trucks - 3/4 ton to 3 ton	-	-	-	-	-	32.84%	-	-	0.00%	-	
45	3924	Trucks - 3 ton to 5 ton	-	-	-	-	-	32.84%	-	-	0.00%	-	
46	3925	Trailers	-	-	-	-	-	32.84%	-	-	0.00%	-	
47	3926	Aircraft	13,608,723	-	-	(13,608,723)	-	32.84%	-	-	6.28%	-	
48	3930	Stores Equipment	-	-	-	-	-	32.84%	-	-	0.00%	-	
49	3940	Tools, Shop & Garage	-	-	-	-	-	32.84%	-	-	0.00%	-	
50	3941	Tools	-	-	-	-	-	32.84%	-	-	0.00%	-	
51	3942	Shop Equipment	-	-	-	-	-	32.84%	-	-	0.00%	-	
52	3950	Laboratory Equipment	-	-	-	-	-	32.84%	-	-	0.00%	-	
53	3960	Power Operated Equipment	-	-	-	-	-	32.84%	-	-	0.00%	-	
54	3961	Power Operated Equipment Rubber Tires	-	-	-	-	-	32.84%	-	-	0.00%	-	
55	3970	Communication Equipment	102,491	-	-	-	102,491	32.84%	33,662	5.00%	1,683		
56	3971	Radio Equipment	-	-	-	-	-	32.84%	-	-	0.00%	-	
57	3972	Telephone Equipment	-	-	-	-	-	32.84%	-	-	0.00%	-	
58	3973	Radio Equipment - St	-	-	-	-	-	32.84%	-	-	0.00%	-	
59	3974	Telephone Equipment Lease	-	-	-	-	-	32.84%	-	-	0.00%	-	
60	3980	Miscellaneous Equipment	-	-	-	-	-	32.84%	-	-	0.00%	-	
61			201,928,081	2,803,688	2,479,790	8,597,015	(13,947,949)	201,860,626		65,699,652		5,577,475	
62													
63	CORPORATE - KGS SPECIFIC DEPRECIATION												
64	3901	Structures and Improvements	-	-	-	-	-	100.00%	-	-	1.52%	-	
65	3911	Office Furniture	-	-	-	-	-	100.00%	-	-	5.00%	-	
66	3970	Communication Equipment	-	-	-	-	-	100.00%	-	-	6.61%	-	
67			-	-	-	-	-	-	-	-	-	-	
68													
69			201,928,081	2,803,688	2,479,790	8,597,015	(13,947,949)	201,860,626		65,699,652		5,577,475	
70													
71													
72													
73							NOTE 3						
74													
75	NOTE 1: CWIP placed into service since August 31, 2018 update. Source: Exhibit ANE-1												
76	NOTE 2: CWIP expected to be placed into service by December 31, 2018 as of 10/31/2018. Source: Exhibit ANE-1												
77	NOTE 3: 2018 Rate Case MFR Support files FILED 6/29/2018. TAB "IS 29.1 Corp Depreciation"												
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1										
2	KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.									
3	Docket No. 18-KGSG-560-RTS									
4										
5	Adjustment IS 29.1 Support Workpapers									
6										
7	Kansas Gas Service									
8	Test Year Ended December 31, 2017									
9										
10	DETAILED SCHEDULE OF CORPORATE DEPRECIATION									
11										
12			Total	Total	Total	Total	Total	Q3 2018	Allocated	
13			Corporate	Corporate	Corporate	Corporate	Corporate	Corporate	Corporate	
14			101 Per Books	106 Per Books	107 Per Books	Adjustments	Pro Forma	Allocation	Adjusted	Corporate
15	Acct	Acct Name	12/31/2017	12/31/2017	12/31/2017	12/31/2017	Balance	Rates	Balance	Depreciation Rate
16										
17		CORPORATE ALLOCATED DEPRECIATION								
18	3891	Land	-	-	-	-	-	32.84%	-	0.00%
19	3900	Structures and Improvements	-	-	-	-	-	32.84%	-	0.00%
20	3901	Structures and Improvements	-	-	38,801	-	38,801	32.84%	12,742	2.01%
21	3902	Leasehold Improvements	4,389,029	261,220	100,050	-	4,750,299	32.84%	1,559,998	10.15%
22	3911	Office Furniture	3,135,276	145,993	(5,965)	-	3,275,305	32.84%	1,075,610	6.67%
23	39119	Airplane Hanger Furn	11,870	-	-	(11,870)	-	32.84%	-	0.00%
24	3912	Data Processing Equipment	-	-	-	-	-	32.84%	-	0.00%
25	3913	Office Machines and Equipment	36,678	-	-	-	36,678	32.84%	12,045	5.00%
26	3914	AudioVisual Equipment	1,293,063	-	-	-	1,293,063	32.84%	424,642	20.00%
27	3915	Artwork	49,414	-	-	(49,414)	-	32.84%	-	0.00%
28	3916	Ariba Software	59,400	-	-	-	59,400	29.22%	17,359	7.69%
29	3916	Purchased Software (Banner Software)	10,662,278	4,636,118	-	(4,712)	15,293,685	29.46%	4,505,519	7.69%
30	3916	Concur Project	47,648	-	-	(47,648)	-	33.94%	-	7.69%
31	3916	Dynamic Risk Assessment	-	-	-	-	-	0.00%	-	7.69%
32	3916	Journey-Distrigas All	69,580,940	-	-	-	69,580,940	32.84%	22,850,381	7.69%
33	3916	Journey-Employee Count	1,848,836	-	-	-	1,848,836	33.94%	627,572	7.69%
34	3916	Maximo-Leak Detect Sys	3,117,561	-	-	-	3,117,561	30.37%	946,803	7.69%
35	3916	Purchased Software (PowerPlant Software)	870,000	-	-	-	870,000	33.78%	293,886	7.69%
36	3916	Purchased Software	61,080,055	829,569	22,998,959	(64,443)	84,844,141	32.84%	27,862,816	7.69%
37	3916	Purchased Software (RiskWorks Software)	-	-	-	-	-	0.00%	-	7.69%
38	3918	Computer Equipment	6,146,129	-	1,093,621	(1,578,097)	5,661,653	32.84%	1,859,287	20.00%
39	39181	Computer Equipment	130,857	-	-	(130,857)	-	32.84%	-	0.00%
40	3919	Computers & Electronic Equipment	-	-	-	-	-	32.84%	-	0.00%
41	3920	Transportation Equipment	-	-	-	-	-	32.84%	-	0.00%
42	3921	Autos	-	-	-	-	-	32.84%	-	0.00%
43	3922	Pickups and Vans	-	-	-	-	-	32.84%	-	0.00%
44	3923	Trucks - 3/4 ton to 3 ton	-	-	-	-	-	32.84%	-	0.00%
45	3924	Trucks - 3 ton to 5 ton	-	-	-	-	-	32.84%	-	0.00%
46	3925	Trailers	-	-	-	-	-	32.84%	-	0.00%
47	3926	Aircraft	13,608,723	-	-	(13,608,723)	-	32.84%	-	6.28%
48	3930	Stores Equipment	-	-	-	-	-	32.84%	-	0.00%
49	3940	Tools, Shop & Garage	-	-	-	-	-	32.84%	-	

SOURCE: REHAGEN EXHIBIT TSR 7(c)

Kansas Gas Service
Corporate Prepayments
Rate Base Adjustment No. 7
Test Year Ended December 31, 2017

NOTE 1													Company Agree/Disagree with Staff's proposed adjustment		Line No. in KCC-156 Attachment B		Renewed/Replaced Prepayment Line Description											
Line No.	Prepay	Description	Status	Line No. in KCC-156 Attachment B	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18											
1	1602010	Kyriba Treasury Management System Inv NV10674 (01/01/17-12/31/17)	DISAGREE	Renewed																								
2	1602010	Moody's Investor Service Commercial Paper Annual Fee Inv 1191388-020 (11/01/16-12/31/17)	AGREE																									
3	1602010	Moody's Investor Service Commercial Paper Annual Fee Inv 2200969-000 (09/01/17-08/31/18)	AGREE																									
4	1602010	Moody's Investor Service Long Term Annual Fee Inv S198527-02 (02/01/17-01/31/18)	AGREE																									
5	1602020	Cigna Group Insurance - Travel and Accident Insurance (01/01/17-12/31/17)	DISAGREE	Renewed																								
6	1602020	Marsh USA - Auto Liability Floating Premium Inv 473262078271 (11/01/16-10/31/17)	DISAGREE	Renewed																								
7	1602020	Marsh USA - Excess Liability Inv 20991347894 (11/01/16-11/01/17)	DISAGREE	Renewed																								
8	1602020	Marsh USA - Excess Workers Compensation Inv 20991439621 (11/01/16-11/01/17)	DISAGREE	Waiting on invoice																								
9	1602020	Marsh USA - Work Comp Floating Premium Inv 473262078271 (11/01/16-10/31/17)	DISAGREE	Renewed																								
10	1602020	Marsh USA Excess Liability LI Dublin Inv EN2401600465-001 (11/01/16-11/01/17)	DISAGREE	Waiting on invoice																								
11	1602020	Marsh USA Inc. Mail & Transit Insurance Premium Inv 209911707041 (01/01/17-01/31/18)	AGREE																									
12	1602020	Marsh USA Inc. Property & Terrorism Insurance Inv 209911010124 (05/01/17-04/30/18)	AGREE	Renewed																								
13	1602010	Automec [App Works] Inv 02151458 (04/01/17-04/01/18)	AGREE																									
14	1602010	Avaya [CMS R18] Inv 2220050047 (08/01/17-07/31/18)	DISAGREE	Waiting on invoice																								
15	1602010	Avaya Annual Maintenance Inv 2733831224 (01/01/16-12/31/17)	DISAGREE	Renewed																								
16	1602010	Avaya Hardware & Software Maintenance Inv 2733816424 (01/01/17-12/31/17)	DISAGREE	Renewed																								
17	1602010	Avaya Hardware Maintenance Support Inv 2737381771 (10/01/16-09/30/17)	DISAGREE	Renewed																								
18	1602010	Avaya SA Prod EDP, UPG ADV EDP Renewal Inv 231816564 (10/01/16-09/30/17)	DISAGREE	Waiting on invoice																								
19	1602010	Avaya Software Support Maintenance Inv 2219516555 (10/01/16-09/30/17)	DISAGREE	Waiting on invoice																								
20	1602010	CA Technologies [CA Harvest Software] Inv 90371656 (05/01/17-05/29/18)	AGREE																									
21	1602010	CDW Direct [Evin Data Model Annual Maintenance] Inv HWC48251 (05/20/17-05/29/18)	DISAGREE	Renewed																								
22	1602010	Citix Systems, Inc. [Enterprise User License Renewal] Inv 91644201 (09/01/15-08/31/2018)	T																									
23	1602010	Citix Systems, Inc. [Software Support] Inv 91646696 (09/01/15-08/31/18)	U																									
24	1602010	Critical Start [Cyance Project] Inv 0091 (08/01/17-08/03/18)	DISAGREE	Renewed																								
25	1602010	Critical Start [OCTA] Inv 1470 (01/01/17-05/29/18)	AGREE																									
26	1602010	Critical Start [OCTA] Inv 30071 (05/29/17-05/29/18)	AGREE																									
27	1602010	Critical Start [Rapid 7] Annual Support Maintenance Inv 66037 (04/01/17-04/09/18)	DISAGREE	Renewed																								
28	1602010	Dalt [TOD Maintenance Renewal] INV 00021387 (09/01/15-10/15/17)	S																									
29	1602010	DNV GL Synergy Gas M&S Inv 50002326 (01/01/17-12/31/17)	DISAGREE	Renewed																								
30	1602010	Edge Information Mapping Software Maintenance Inv 103046 (01/01/16-12/31/17)	DISAGREE	Renewed																								
31	1602010	ECE Design Annual Maintenance Inv AM1000596-2016 (09/01/06-09/01/17)	DISAGREE	Waiting on invoice																								
32	1602010	FMC Technologies UCCOS Annual Support Renewal Inv 200 (12/19/16-12/19/17)	DISAGREE	Renewed																								
33	1602010	Forensic Results, Inc. [eMeasure for Mobile Enterprise Inv 18546] (12/01/16-12/19/17)	DISAGREE	Renewed																								
34	1602010	Forensic Results, Inc. Measure for Web Inv 11050571 (11/01/16-10/31/17)	DISAGREE	Renewed																								
35	1602010	Garner Annual Maintenance Inv 84010 (11/01/16-10/31/17)	DISAGREE	Renewed																								
36	1602010	Garner Annual Support Renewal Inv 942844 (11/01/16-10/31/17)	DISAGREE	Renewed																								
37	1602010	Global View - IPS Inv MV553A (10/01/17-12/31/17)	DISAGREE	Renewed																								
38	1602010	Heveler Packard [HP Hardware Support] Inv 60275984 (07/01/17-06/30/18)	DISAGREE	Renewed																								
39	1602010	Heveler Packard [HP Hardware Support] Inv 60275984 (07/01/17-06/30/18)	DISAGREE	Renewed																								
40	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Waiting on invoice																								
41	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
42	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
43	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
44	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
45	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
46	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
47	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
48	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
49	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
50	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
51	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
52	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
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54	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
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56	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
57	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
58	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
59	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
60	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
61	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
62	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
63	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
64	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
65	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
66	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
67	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
68	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
69	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
70	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
71	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
72	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
73	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
74	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
75	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
76	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
77	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
78	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
79	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
80	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
81	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
82	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								
83	1602010	IBM [Quarterly Software Maintenance] Inv 4803651 (04/01/18-06/30/18)	DISAGREE	Renewed																								

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Kansas Gas Service
Corporate Materials and Supplies Summary
September 2022 - April 2024

Month	Corporate Materials & Supplies	KGS Causal Allocation %	Allocated Corporate Materials & Supplies	Staff 18 Month average	Company 13 month average with updated factors
September 2022	\$15,656,925	28.72%	\$4,496,669		
October 2022	15,950,821	28.72%	4,581,076		
November 2022	15,141,905	28.72%	4,348,755	4,348,755	
December 2022	15,325,687	28.72%	4,401,537	4,401,537	
January 2023	13,669,475	28.72%	3,925,873	3,925,873	
February 2023	15,330,979	28.72%	4,403,057	4,403,057	
March 2023	15,243,513	28.72%	4,377,937	4,377,937	
April 2023	15,825,574	28.72%	4,545,105	4,545,105	4,545,105
May 2023	14,436,536	28.72%	4,146,173	4,146,173	4,146,173
June 2023	13,521,402	28.72%	3,883,347	3,883,347	3,883,347
July 2023	14,058,233	28.72%	4,037,525	4,037,525	4,037,525
August 2023	13,198,879	28.72%	3,790,718	3,790,718	3,790,718
September 2023	15,627,082	28.72%	4,488,098	4,488,098	4,488,098
October 2023	15,140,565	28.72%	4,348,370	4,348,370	4,348,370
November 2023	15,704,748	28.72%	4,510,403	4,510,403	4,510,403
December 2023	15,256,352	28.72%	4,381,624	4,381,624	4,381,624
January 2024	13,879,197	28.72%	3,986,105	3,986,105	3,986,105
February 2024	13,399,003	28.72%	3,848,194	3,848,194	3,848,194
March 2024	16,324,008	28.72%	4,688,255	4,688,255	4,688,255
April 2024	14,989,369	28.72%	4,304,947	4,304,947	4,304,947
13 Month Average (September 2022 through September 2023)			\$4,263,528		\$4,227,605
13 Month Average (April 2023 through April 2024)			\$4,227,605	4,245,335	Staff's Adjustment (18,194) (\$35,923)

Kansas Gas Service
Corporate Prepayment Schedule Summary
September 2022 - April 2024

Staff Adjustment - Ian
Cambell - 24-610 IDC
Adjustment

13-Month Average amount
using updated distrigas
percent

Month	Corporate Prepayments 1650	Corporate Prepayments 1860	KGS Distrigas Allocation %	Allocated Corporate Prepayments 1650	Allocated Corporate Prepayments 1860
Sep-22	15,215,175	4,597,111	29.82%	4,537,165	1,370,858
Oct-22	14,301,448	4,378,340	29.82%	4,264,692	1,305,621
Nov-22	15,579,649	4,102,906	29.82%	4,645,851	1,223,486
Dec-22	15,665,212	5,898,484	29.82%	4,671,366	1,758,928
Jan-23	17,674,767	5,929,095	29.82%	5,270,615	1,768,056
Feb-23	19,371,658	5,690,601	29.82%	5,776,628	1,696,937
Mar-23	18,808,024	6,215,975	29.82%	5,608,553	1,853,604
Apr-23	17,595,716	5,997,729	29.82%	5,247,043	1,788,523
May-23	19,135,449	5,784,682	29.82%	5,706,191	1,724,992
Jun-23	19,438,325	7,387,613	29.82%	5,796,508	2,202,986
Jul-23	19,239,329	7,407,171	29.82%	5,737,168	2,208,818
Aug-23	17,562,588	8,516,539	29.82%	5,237,164	2,539,632
Sep-23	16,035,603	7,749,201	29.82%	4,781,817	2,310,812
Oct-23	16,372,323	8,097,675	29.82%	4,882,227	2,414,727
Nov-23	16,556,426	7,879,109	29.82%	4,937,126	2,349,550
Dec-23	16,838,748	8,479,803	29.82%	5,021,315	2,528,677
Jan-24	17,291,389	8,192,561	29.82%	5,156,292	2,443,022
Feb-24	19,964,282	7,847,392	29.82%	5,953,349	2,340,092
Mar-24	20,486,914	7,483,618	29.82%	6,109,198	2,231,615
Apr-24	20,572,256	7,120,235	29.82%	6,134,647	2,123,254

1650 18 month 1860 18 month

1650 13
month 1860 13
month

4,645,851	1,223,486		
4,671,366	1,758,928		
5,270,615	1,768,056		
5,776,628	1,696,937		
5,608,553	1,853,604		
5,247,043	1,788,523	5,247,043	1,788,523
5,706,191	1,724,992	5,706,191	1,724,992
5,796,508	2,202,986	5,796,508	2,202,986
5,737,168	2,208,818	5,737,168	2,208,818
5,237,164	2,539,632	5,237,164	2,539,632
4,781,817	2,310,812	4,781,817	2,310,812
4,882,227	2,414,727	4,882,227	2,414,727
4,937,126	2,349,550	4,937,126	2,349,550
5,021,315	2,528,677	5,021,315	2,528,677
5,156,292	2,443,022	5,156,292	2,443,022
5,953,349	2,340,092	5,953,349	2,340,092
6,109,198	2,231,615	6,109,198	2,231,615
6,134,647	2,123,254	6,134,647	2,123,254
-	-		

13 month Average (September 2022 to September 2023)	5,175,443	1,827,173
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5,370,725	2,083,762
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5,438,465	2,246,669
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13 month Average (April 2023 to April 2024)	5,438,465	2,246,669
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195,282	256,588
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263,022	419,496
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Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 24-KGSG-610-RTS
Information Request

Data Request: 24-610 KCC-192
Issuer Organization: KCC
Request Date: 05-07-2024
Date Information Needed: 05-16-2024
Requested By: Ian Campbell

Page 1 of 1

RE: Materials & Supplies

Please provide the following: Please update WC-1 Corp Material and Supplies and the included detail through April 30, 2024. Please also provide a 5 year history of Materials and Supplies. If there have been any large increases or decreases in specific accounts, please explain the change.

KGS Response:

Please see "24-610 KCC-192 Attachment A" for corporate materials and supplies for September 2022 through April 30, 2024. See response to data request 24-610 KCC-039, "24-610 KCC-039 Attachment A", for the corporate allocated materials and supplies from December 2019 through August 2022. As stated in the Company's response to data request 24-610 KCC-039, there were no corporate materials and supplies prior to December 2019. Materials and supplies were not booked to the corporate ledger until December 2019.

The primary drivers of changes to corporate materials and supplies include:

- Lower inventory quantities due to long lead-times, material shortages and delayed delivery dates in 2021;
- An increase in inventory quantities beginning in 2022 to meet customer growth demand and prevent material shortages; and
- Rising costs of materials.

Prepared by: Mindy Edwards

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 any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Mindy Edwards

Date: _____

5/16/2024

Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 24-KGSG-610-RTS
Information Request

Data Request: 24-610 KCC-193
Issuer Organization: KCC
Request Date: 05-07-2024
Date Information Needed: 05-16-2024
Requested By: Ian Campbell

Page 1 of 1

RE: Prepayments

Please provide the following: Please update WC 3 and 4 Corp Prepayments and the included detail through April 30, 2024. Please also provide a 5 year history of Prepayments. If there have been any large increases or decreases in specific accounts, please explain the change.

KGS Response:

Pursuant to K.S.A. 66-1220a, K.A.R. 82-1-221a, and the Protective Order issued in this docket, Kansas Gas Service, a division of ONE Gas, Inc. has deemed this Data Request Response **CONFIDENTIAL**. This response contains confidential commercial information and/or trade secrets. Accordingly, Kansas Gas Service requests the Commission and parties receiving this information preserve its confidential nature. The data and/or attachments provided in response to this request contain information concerning trade secrets, and/or private technical, financial, and business information. Publicly disclosing this information may cause irreparable harm to Kansas Gas Service and its customers by revealing material non-public operational, security, financial, or business information, including but not limited to forecasts and strategic analysis.

Please see "24-610 KCC-193 Attachment A" for WC 3 and 4 updated through April 30, 2024, and the five-year history of corporate prepayments. In addition, see "CONFIDENTIAL 24-610 KCC-193 Attachment B" containing the corporate prepayment detail through April 30, 2024.

The primary drivers of the increase to corporate prepayments include:

- Increase in information technology (IT) software agreements necessary to provide natural gas service to customers and to comply with Security Directive 2 issued by the United States' Transportation Security Administration in 2021;
- Increase in deferred prepayments resulting from the transition to long-term IT maintenance agreements and addition of a credit revolver in 2021; and
- Industry-wide increases to liability insurance premiums.

Prepared by: Mindy Edwards

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 any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Mindy Edwards

Date: _____

5/16/2024

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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