

**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 ) Docket No. 24-KGSG-610-RTS  
Adjustment of its Natural Gas Rates in the )  
State of Kansas. )**

**DIRECT TESTIMONY**

**PREPARED BY**

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**UTILITIES DIVISION**

**KANSAS CORPORATION COMMISSION**

**July 1, 2024**

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13 **I. INTRODUCTION**

14 **Q. Please state your name.**

15 A. My name is Andria N. Jackson.

16 **Q. What is your business address?**

17 A. My business address is 1500 Southwest Arrowhead Road, Topeka, Kansas 66604.

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

19 A. I am employed by the Kansas Corporation Commission (“KCC” or the “Commission”) as the  
20 Deputy Chief of Accounting and Financial Analysis.

21 **Q. Please summarize your educational background and professional experience.**

22 A. I received a Bachelor’s of Business Administration with an emphasis in Finance and Marketing  
23 from Washburn University in December 2007. In addition, I hold a Master’s Degree in  
24 Business Administration from Washburn University that was completed in December of 2010.  
25 I began employment with the Commission as a Regulatory Auditor in June 2008 and have  
26 since been employed by the KCC in various positions of increasing responsibility within the

1 Utilities Division. I have served in management roles in the Utilities Division since January  
2 2015, and have been employed in my current capacity since August 2020.

3 While employed with the Commission, I have participated in and directed the review of  
4 various tariff/surcharge filings and rate case proceedings involving electric, natural gas  
5 distribution, and telecommunications utilities. In my current position, I have managerial  
6 responsibility for the activities of the Commission's Audit section within the Utilities Division.  
7 In that capacity, I manage and perform audits relating to utility rate cases, tariff/surcharge  
8 filings, fuel cost recovery mechanisms, transmission delivery charges, alternative-ratemaking  
9 mechanisms, and other utility filings which may have an impact on utility rates in Kansas.

10 **Q. Have you previously submitted testimony before this Commission?**

11 A. Yes. I have filed testimony before the Commission in several dockets, including Docket Nos.  
12 09-MKEE-969-RTS, 10-EPDE-314-RTS, 11-MKEE-439-RTS, 11-CNHT-659-KSF, 11-  
13 EPDE-856-RTS, 12-WSEE-112-RTS, 12-MKEE-380-RTS, 12-MKEE-491-RTS, 12-KCPE-  
14 764-RTS, 13-CRKT-268-KSF, 13-JBNT-437-KSF, 13-PLTT-678-KSF, 14-KCPE-272-RTS,  
15 14-BHCG-502-RTS, 15-MRGT-097-AUD, 15-KCPE-116-RTS, 15-TWVT-213-AUD, 16-  
16 MDWE-324-TFR, 16-KGSG-491-RTS, 17-KCPE-201-RTS, 18-KCPE-480-RTS, 19-EPDE-  
17 223-RTS, 19-GNBT-505-KSF, 20-UTAT-032-KSF, 21-EPDE-444-RTS, and 23-EKCE-775-  
18 RTS.

19 **Q. What were your responsibilities in the review of the rate case Application in Docket No.**  
20 **24-KGSG-610-RTS (24-610 Docket)?**

21 A. My responsibilities in this case were to analyze, audit and review the rate case Application of  
22 Kansas Gas Service ("KGS" or the "Company"), a Division of ONE Gas, Inc. ("ONE Gas"),  
23 for accuracy and adherence to traditional regulatory accounting principles and to assist in the

1 preparation of Commission staff’s (“Staff”) revenue requirement analysis. In addition, I  
2 calculated and am sponsoring selected Staff adjustments to KGS’s pro forma rate base and  
3 income statement. I am also sponsoring various Staff policy positions. My duties were carried  
4 out under the direction of the Chief of Accounting and Financial Analysis, Chad Unrein.

## 5 **II. EXECUTIVE SUMMARY**

### 6 **Q. What is the purpose of your testimony in this proceeding?**

7 A. In the testimony that follows, I present and support the following discussions and conclusions,  
8 listed in the order that each appears in my testimony:

9 **(1) Cost Allocations** – I explain the cost allocation methodology used by ONE Gas to  
10 allocate corporate costs to KGS, including causal allocations and the ONE Gas Distrigas  
11 formula (“OGS Distrigas” or “Distrigas”).

12 **(2) Revenue Requirement Adjustments** – I discuss and support my adjustments to KGS’s  
13 pro forma rate base and income statement. Specifically, I recommend:

- 14 ■ Updating KGS’s accumulated deferred income tax (ADIT) balances and the  
15 adjustments to ADIT that pertain to pensions and other postretirement benefits  
16 (OPEB), net operating losses (NOL), KGS’s Cost of Gas Rider (COGR), Winter  
17 Storm Uri, and incentive compensation through April 30, 2024.
- 18 ■ Updating the Distrigas allocation factor to reflect the allocator for the second  
19 quarter of 2024, consistent with Staff’s update period ending April 30, 2024.
- 20 ■ Updating and adjusting the cyber security regulatory asset deferral balance and  
21 amortization to: (1) reflect the balance at the time the Cyber Security Tracker was  
22 set to automatically sunset; (2) correct an allocation factor erroneously used to

1 allocate cyber security costs to KGS from corporate during the month of October  
2 2022; (3) remove certain expenses Staff contends are inappropriate to recover  
3 through the tracker; and (4) amortize the balance over a five-year period.

- 4 ■ Adjusting the level of baseline costs to be included in the test year cost of service  
5 to align with Staff's adjusted regulatory asset deferral balance for that time period,  
6 as well as to reflect the Distrigas allocator for the second quarter of 2024 to reflect  
7 the expected level of allocated costs going forward.

8 **(3) Servicing and Administration Agreement Fee Comparison** – I discuss the comparison  
9 of test year revenue and expense associated with KGS's obligations pursuant to its Servicing  
10 and Administration Agreements related to bond securitization. I also recommend KGS  
11 establish a regulatory liability to track the difference between the servicing and  
12 administration fees received and the associated expense.

13 **Q. What adjustments to the revenue requirement are you sponsoring?**

14 A. The adjustments I am sponsoring are summarized in the table below. These adjustments are  
15 presented in Staff's schedules and are made with the intention that the end result will contribute  
16 to a revenue requirement that is in the public interest because it is representative of ongoing,  
17 normalized operations.

<b>Adjustment No.</b>	<b>Description</b>	<b>Effect on Rate Base or Operating Income</b>
RB-10	Accumulated Deferred Income Taxes	7,387,130
IS-17	Distrigas Allocation	764,649
IS-18	Cyber Security Tracker	157,389

18  
19 **Q. Are you sponsoring any exhibits?**

20 A. Yes, a listing of the exhibits I am sponsoring follow my testimony.

1 **III. COST ALLOCATIONS**

2 **Q. Please explain the purpose of cost allocations.**

3 A. The purpose of cost allocations is to determine and allocate the proportionate share of costs  
4 among a company's business entities. In this case, ONE Gas allocates shared costs between  
5 multiple operating divisions, or business entities, including: KGS, Oklahoma Natural Gas,  
6 Texas Gas Service, and an affiliate company, Utility Insurance Company.

7 **Q. Please describe the methodology used by ONE Gas to allocate costs among its divisions.**

8 A. Costs incurred by ONE Gas or any of its divisions can be described as either "direct" or  
9 "indirect". Direct costs are those costs that can be specifically attributed to a division, such as  
10 KGS, and are therefore charge directly to KGS.<sup>1</sup> Indirect costs are those costs incurred to  
11 provide services that cannot be directly assigned to a particular division and, thus, are  
12 considered "shared" costs.

13 **Q. How are indirect costs allocated?**

14 A. Indirect costs are allocated either on a causal basis or through the OGS Dstrigas method. Costs  
15 allocated using causal relationships are based on specific measurements, such as participation  
16 level, activity level, output level, or resource consumption.<sup>2</sup> All other indirect costs that cannot  
17 be charged directly or cannot be associated with an identifiable causal relationship are allocated  
18 through the OGS Dstrigas method.

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<sup>1</sup> Examples of direct assigned costs incurred at the division level include certain information technology (IT) services, line location services, and facilities management. Examples of corporate costs directly assigned to KGS includes services such as internal audit services, property accounting labor and benefits, certain regulatory affairs costs, and environmental management and safety programs.

<sup>2</sup> Examples of indirect costs allocated on a causal basis include employee health and welfare benefits that can be measured by output level such as by employee headcount for each respective division.

1 **Q. Please describe the Distringas allocation methodology in more detail.**

2 A. The Distringas allocation methodology was first approved by the Federal Energy Regulatory  
3 Commission (FERC) in a rate proceeding for Distringas of Massachusetts Corporation, a natural  
4 gas transmission company.<sup>3</sup> Prior to the acceptance of the Distringas method, the old  
5 Massachusetts formula, a three-part formula consisting of gross plant, gross revenues and  
6 labor, was widely accepted by numerous regulatory agencies across the country. The Distringas  
7 method, a slight modification of the old Massachusetts formula, is a three-part formula  
8 consisting of gross plant, net revenues and labor.

9 **Q. Has the Company made further refinements to the Distringas allocation method?**

10 A. Yes. ONE Gas has used a modified Distringas method as its basis for allocating corporate  
11 administrative costs since 1994. The OGS Distringas method uses a three-factor formula  
12 comprised of: (1) gross plant and investments; (2) operating income (income before interest  
13 expense and income taxes); and (3) labor expense. Like the standard Distringas method, the  
14 factors are individually calculated and then an average is calculated using the three component  
15 percentages.

16 The OGS Distringas method utilizes gross plant *and* investments rather than just gross plant  
17 in the event that ONE Gas includes investment in businesses that are not directly operated by  
18 ONE Gas.<sup>4</sup> ONE Gas also uses operating income rather than net revenues as an allocator to  
19 eliminate the cost of gas component. Overall, these modifications refine the Distringas method  
20 to fairly and reasonably allocate the costs among ONE Gas divisions, including KGS.

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<sup>3</sup> Distringas of Mass. Corp., Opinion No. 291, 41 FERC 61,205 (1987).

<sup>4</sup> At this time, ONE Gas has no investment in businesses that are not operated by ONE Gas.

1 **Q. Has the Commission previously reviewed the Company's Distrigas cost allocation**  
2 **methodology?**

3 A. Yes. The Commission reviewed and accepted ONEOK's (now ONE Gas) Distrigas allocation  
4 methodology in the settled 2006 rate case, Docket No. 06-KGSG-1209-RTS, and the three  
5 subsequent rate cases since. This methodology has not changed as a result of the separation  
6 from ONEOK.<sup>5</sup>

7 **Q. Is ONE Gas' cost allocation methodology a reasonable methodology to allocate corporate**  
8 **costs?**

9 A. Yes. Staff reviewed ONE Gas' Cost Allocation Manual (CAM) filed with the Application and  
10 also reviewed through the discovery process a history of the actual costs ONE Gas has  
11 allocated amongst its divisions over the last five years. Staff finds ONE Gas has allocated  
12 corporate costs to each of its divisions on a consistent basis by applying the same cost-  
13 causation principles and methodologies as described above.

14 **IV. REVENUE REQUIREMENT ADJUSTMENTS**

15 **A. Accumulated Deferred Income Tax**

16 **Q. Please begin by discussing Staff Adjustment No. 10 to rate base.**

17 A. Staff Adjustment No. 10 (RB-10) decreases ADIT by \$7,387,130.<sup>6</sup> Since ADIT is included in  
18 rate base as an offset to plant in service, the decrease in ADIT increases rate base. Staff's  
19 adjustment updates KGS's pro forma net ADIT balance and its associated adjustments made  
20 to the test year cost of service, and also makes an additional adjustment to eliminate the timing

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<sup>5</sup> *Order Approving Unanimous Settlement Agreement*, Docket No. 14-KGSG-100-MIS, ¶ 41(9), p. 20 (Dec. 19, 2013).

<sup>6</sup> See Exhibit ANJ-1.



1 differences associated with incentive compensation. The details of each component to Staff's  
2 adjustment is discussed in greater detail below.

3 **Q. Please explain what ADIT represents.**

4 A. ADIT represents the cumulative tax timing differences between: (1) the actual income taxes  
5 reported on a Company's income tax return and paid to taxing authorities, such as the Internal  
6 Revenue Service (IRS); and (2) the amount of income tax expense recorded on the Company's  
7 books pursuant to Generally Accepted Accounting Principles (GAAP) for financial reporting  
8 purposes.<sup>7</sup> The net ADIT balance represents the accumulation of the various years' deferred  
9 income tax activity, resulting in either a deferred liability or a deferred asset.<sup>8</sup> While there are  
10 several contributing factors that impact the ADIT balance, typically the ADIT is a net liability  
11 rather than an asset. These timing differences are, however, temporary in nature. A larger  
12 deduction for tax purposes lowers the net book taxable income for the Company, which  
13 decreases taxes paid. Eventually, the income tax deductions will become smaller compared to  
14 the deductions for book purposes, resulting in the Company paying more in income taxes to  
15 the government than the income tax expense recorded on its books. Each year the Company  
16 pays more in income taxes than it records on its books, the ADIT liability balance will be  
17 reduced. Over time, these temporary differences eventually reverse, thereby eliminating the  
18 ADIT balance all together as the timing differences are reflected in current tax expense.

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<sup>7</sup> In other words, deferred income tax is a result of the difference in income recognition between tax laws (i.e. the IRS) for tax purposes and accounting methods (i.e. GAAP) for book purposes. ADIT represents the accumulated balance of these income tax timing differences at a point in time.

<sup>8</sup> A deferred tax liability is created when taxes are recognized on a company's books but has not yet been paid. This represents an underpayment of taxes owed in the future. Conversely, a deferred tax asset is created when taxes are paid or carried forward.

1 **Q. Please explain how ADIT is treated for purposes of ratemaking.**

2 A. For purposes of ratemaking, ADIT either reduces or increases rate base depending on whether  
3 the temporary timing difference results in a taxable income that is more than or less than book  
4 income. ADIT liabilities are considered a cost-free source of financing. As such, customers  
5 should not be required to provide for a return on plant in service that has been funded by the  
6 government in the form of temporarily reduced taxes. For this reason, ADIT liabilities are  
7 reflected as a rate base offset – that is, a reduction in rate base. Conversely, ADIT assets  
8 increase rate base. To the extent taxes have been paid in advance of the time when they are  
9 included in cost of service and collected from customers, the Company must borrow money  
10 and/or use shareholder funds. The increase to rate base for deferred income tax assets allows  
11 shareholders to earn a return on its provided funds until the funds are recovered from customers  
12 through rates.

13 **Q. What ADIT adjustments did KGS make to its pro forma rate base?**

14 A. The Company's ADIT is based in general on the general ledger balances for net ADIT as of  
15 September 30, 2023, adjusted for various timing differences. KGS's pro forma adjustments to  
16 ADIT, which are labeled as WC 5 through WC 9 in its Application, include the following:

- 17       ▪ WC 5 – Eliminates the impact of pension and OPEB funding on KGS's ADIT  
18       balance.
- 19       ▪ WC 6 – Eliminates the NOL associated with excess pension and OPEB funding.
- 20       ▪ WC 7 – Removes the impacts associated with KGS's COGR.
- 21       ▪ WC 8 – Removes the impacts associated with Winter Storm Uri from ADIT.
- 22       ▪ WC 9 – Decreases the NOL carryforwards associated with Winter Storm Uri.

1 During the discovery process in this case, KGS realized its pro forma Adjustment WC 6  
2 included in its cost of service request included an incorrect amount.<sup>9</sup> While Staff’s adjustment  
3 to ADIT will ultimately capture the actual balance, I have prepared the following table to  
4 capture the difference between what was filed and the corrected amount to show the impact of  
5 the correction on the pro forma test year ADIT balance.

**Net Accumulated Deferred Income Tax Asset (Liability)  
(Presented in Millions)**

	Pro Forma Test Year			Corrected NOL	
	ADIT	ADIT-NOL	Net ADIT	ADIT-NOL	Net ADIT
ADIT Asset (Liability) Balance at September 30, 2023	(267.28)	33.01	(234.26)	33.01	(234.26)
Eliminate Pension/OPEB Funding ADIT (WC 5)	19.97		19.97		19.97
NOL Related to Pension/OPEB Funding ADIT (WC 6)		(6.28)	(6.28)	2.66	2.66
Eliminate COGR ADIT (WC 7)	1.11		1.11		1.11
Impact of Winter Storm Uri (WC 8)	67.13		67.13		67.13
NOL Associated with Winter Storm Uri (WC 9)	(67.13)		(67.13)		(67.13)
<b>Pro Forma Balance at September 30, 2023</b>	<b>(246.20)</b>	<b>26.73</b>	<b>(219.47)</b>	<b>35.67</b>	<b>(210.53)</b>

6

7 **Q. Please continue by explaining Staff’s adjustment to ADIT.**

8 A. While similar to KGS’s pro forma adjustments discussed above, Staff’s ADIT adjustment is  
9 captured in one adjustment to rate base. This adjustment, identified as RB-10 in Staff’s  
10 schedules, is comprised of the following:

- 11 ■ Updates the ADIT liability balance and the NOL asset balance to April 30, 2024. This  
12 synchronizes net ADIT with Staff’s adjustments to update plant in service balance to  
13 April 30, 2024.
- 14 ■ Updates KGS’s ADIT pro forma adjustments discussed above to April 30, 2024,  
15 including: (a) ADIT and NOL associated with Pension and OPEB funding (WC 5 and

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<sup>9</sup> After updating the taxable income information, KGS’s pro forma Adjustment WC 6 should have been \$2,658,828. See Response to Data Request No. KCC-108 included in Exhibit ANJ-5.

1 WC 6, respectively); (b) removes the impacts associated with KGS's COGR from the  
2 ADIT liability balance (WC 7); and (c) removes the net impacts of ADIT and NOL  
3 carryforwards associated with Winter Storm Uri (WC 8 and WC 9, respectively).

- 4 ■ Removes a portion of ADIT associated with incentives to align with Staff's incentive  
5 compensation adjustment.

6 **Q. Please explain the adjustments to ADIT and NOL related to pensions and OBEP.**

7 A. As a result of the Commission Order in Docket No. 10-KGSG-130-ACT (10-130 Docket),  
8 KGS was: (1) permitted to defer, as a regulatory asset or liability, the difference between  
9 current year GAAP pension and OPEB expense and those corresponding expense levels  
10 included in the base rates; and (2) required to make contributions to an external trust fund. The  
11 Order further provided that there would be no rate base recognition for any excess  
12 contributions beyond the pension/OPEB funding requirements.<sup>10</sup>

13 In its Application, KGS made Adjustment WC 5 to eliminate the ADIT balance associated  
14 with excess pension and OPEB contributions as of September 30, 2023. KGS has made  
15 cumulative pension and OPEB funding contributions in excess of the cumulative book  
16 expense, which has resulted in an ADIT timing difference. The funding of these costs is  
17 deductible for tax purposes when the contributions are made rather than the lower book  
18 expense within the calculation of the deferred tax expense for GAAP purposes. This difference  
19 between the funding level and the book expense creates a deferred tax liability. Consistent  
20 with the Commission Order in the 10-130 Docket, the excess pension and OPEB contributions  
21 are not included in the Company's rate base; however, the ADIT liability related to the excess  
22 contributions is included as an offset to rate base. To synchronize the deferred tax liability

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<sup>10</sup> *Order Approving Application for Accounting Authority Order*, 10-130 Docket (Sept. 11, 2009).

1 with the excess pension/OPEB contributions, KGS made an adjustment to remove the deferred  
2 income taxes related to the excess contributions. Likewise, in order to synchronize this rate  
3 base offset with its updated ADIT liability balance, Staff's adjustment updates KGS's  
4 Adjustment WC 5 to remove the portion of ADIT related to the excess pension and OPEB  
5 contributions as of April 30, 2024. This increases ADIT (decreases rate base) by \$3,401,431.

6 Additionally, KGS also made an adjustment to remove the tax effect of excess pension and  
7 OPEB funding related to net operating losses from KGS's deferred income tax asset account.  
8 A NOL occurs when a Company's tax deductions exceed its tax revenue. This is recognized  
9 as a deferred tax asset and acts as an offset to the gross amount of ADIT represented on the  
10 Company's books. Since the excess pension/OPEB contributions are not included in rate base,  
11 for the same purposes as Adjustment WC 5, KGS made Adjustment WC 6 to remove the tax  
12 effect portion of the NOL related to excess pension/OPEB funding. In its adjustment, Staff  
13 also updated KGS's Adjustment WC 6 to reflect the tax effect associated with the NOL tax  
14 asset as of April 30, 2024. This synchronizes with the portion of Staff's adjustment to net  
15 ADIT that reflects the updated NOL asset balance as of April 30, 2024. The result of Staff's  
16 adjustment increases the ADIT-NOL asset balance by \$11,024,340.<sup>11</sup>

17 **Q. Please continue by explaining Staff's adjustment to ADIT related to KGS's COGR.**

18 A. At any point in time, customers have either under- or over-funded the cost of gas and/or the  
19 transportation and storage costs KGS incurs to deliver natural gas to consumers. Since there  
20 is an equal likelihood of a positive or negative balance, KGS made Adjustment WC 7 to  
21 remove the impact of the COGR balance for purposes of establishing an appropriate ADIT

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<sup>11</sup> This amount is the result of comparing Staff's updated adjustment to KGS's Adjustment WC 6 as is reflected in its pro forma cost of service. In comparison to the corrected amount as provided through the discovery process, the difference is an increase to rate base of \$2,083,316.

1 liability balance. Staff's adjustment also removes the ADIT impacts associated with the  
2 COGR using the same method as WC 7, but reflects the updated balance at April 30, 2024.  
3 This results in a decrease to the ADIT liability of \$1,028,318.

4 **Q. Please explain Staff's adjustment to ADIT related to Winter Storm Uri.**

5 A. In Docket No. 22-KGSG-466-TAR (22-466 Docket), KGS was granted authorization to issue  
6 securitized debt related to the recovery of Qualified Extraordinary Costs (QECs) associated  
7 with Winter Storm Uri. As part of the Financing Order approved by the Commission in that  
8 docket, ADIT related to Winter Storm Uri was to be incorporated into the QECs inclusive in  
9 the amount to be recovered from customers, as well as the corresponding and offsetting NOL  
10 carryforward created by the QECs.<sup>12</sup> For purposes of determining rate base, KGS has offset  
11 the deferred tax liability by the same amount of the NOL derived from the QECs.<sup>13</sup> Since the  
12 QECs are being recovered through the issuance of the securitized bonds and no unrecovered  
13 deferred costs are included in rate base, the associated deferred tax effects to both ADIT and  
14 NOL carryforwards should also be removed from rate base. KGS made Adjustments WC 8  
15 and WC 9, respectively, to accomplish this. Staff's adjustment also removes these tax effects  
16 associated with Winter Storm Uri from its updated net ADIT balance as of April 30, 2024.  
17 Since these amounts serve as an offset to the other, the results of these adjustments have no  
18 impact on rate base.

19 **Q. Please explain Staff's additional adjustment to remove a portion of ADIT relating to**  
20 **incentive compensation.**

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<sup>12</sup> *Financing Order*, 22-466 Docket, p. 82 ¶ 156 (Aug. 18, 2022).

<sup>13</sup> At the time of Winter Storm Uri, KGS incurred significant tax losses resulting in NOL carryforwards, which would offset the future recovery of the gas costs incurred for tax purposes.

1 A. While reviewing KGS's ADIT balances and calculations, Staff discovered there was a portion  
2 of ADIT that related to incentive compensation. Since Staff is recommending removal of a  
3 portion of incentive compensation from the pro forma test year expense, it is appropriate to  
4 also remove the related portion of ADIT. To accomplish this, Staff took the balance of timing  
5 differences associated with incentives at April 30, 2024, applied the corporate federal tax rate  
6 of 21%, and multiplied that amount by the percentage of incentive compensation included in  
7 Staff's recommended revenue requirement. This adjustment further decreases the ADIT  
8 liability balance by \$127,488. Should the Commission not approve Staff's adjustments to  
9 eliminate a portion of incentive compensation expense from the cost of service, this portion of  
10 Staff's adjustment will need to be revised accordingly.

11 **B. Distringas Allocation**

12 **Q. Please continue by discussing Staff Adjustment No. 17 to the income statement.**

13 A. Staff Adjustment No. 17 (IS-17) decreases operating expenses by \$764,649.<sup>14</sup> Staff's  
14 adjustment updates the pro forma test year Distringas allocation to reflect the known and  
15 measurable change in the allocation factor as of the second quarter of 2024. This corresponds  
16 with Staff's update period ending April 30, 2024.

17 **Q. Please describe Staff's review of KGS's Distringas allocation ratio.**

18 A. Staff conducted an analysis of the corporate expenses recorded to the accounts used in  
19 determining the Distringas allocation factor. Several steps were taken to analyze the data,  
20 including examining the monthly amounts included in the quarterly totals and comparing  
21 multi-period averages, to identify any fluctuations or trends from one period to another.<sup>15</sup> After

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<sup>14</sup> See Exhibit ANJ-2.

<sup>15</sup> See Response to Data Request Nos. KCC-275 and KCC-276 included in Exhibit ANJ-5.

1 reviewing the data trends, it is evident the costs allocated to KGS through the Distringas will  
2 likely continue to decline. In fact, over the last three-year period all except one quarter, the  
3 first quarter of 2022, has shown a quarter-over-quarter decline.<sup>16</sup> More recently, as shown in  
4 the table below, these allocation factors have exhibited a consecutive quarterly decrease since  
5 – and going into – the beginning of the test year (shown as “Q4 2022”) through Staff’s update  
6 period (“Q2 2024”). Further, since the fourth quarter of 2023 – the quarterly allocation  
7 reflected in KGS’s pro forma Adjustment IS 26 – the allocations have exhibited the quarterly  
8 decreases at an accelerated rate. As such, it is only appropriate to reflect these lower allocated  
9 costs by updating to the most recent allocation ratio.

**Distringas Allocation Ratios**

Test Year				Update Period		
Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
31.51%	30.98%	30.76%	30.48%	30.39%	30.18%	29.82%
-0.57%	-1.68%	-0.71%	-0.91%	-0.30%	-0.69%	-1.19%

10  
11 **C. Cyber Security Tracker**

12 **Q. Please discuss Staff Adjustment No. 18 to the income statement.**

13 A. Staff Adjustment No. 18 (IS-18) decreases operating expense by \$157,389.<sup>17</sup> This adjustment  
14 relates to KGS’s Commission-approved Cyber Security Tracker and consists of two  
15 components: (1) establishing an annual amortization amount related to the deferred expense  
16 balance included in the regulatory asset balance; and (2) adding back the deferred cyber  
17 expenses credited during the test year in order to reset the level of cyber security expense for  
18 purposes of establishing a baseline of cyber security expense in base rates.

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<sup>16</sup> See Exhibit ANJ-2(b).

<sup>17</sup> See Exhibit ANJ-3.



1 **Q. Please provide background information on the Cyber Security Tracker approved for**  
2 **KGS.**

3 A. The Cyber Security Tracker was originally established in Docket No. 18-KGSG-560-RTS (18-  
4 560 Docket). The tracker was implemented to permit recovery of incremental non-labor  
5 operating and maintenance (O&M) costs incurred by KGS to meet regulatory requirements of  
6 protection of critical infrastructure. The tracker also included a five-year sunset provision to  
7 allow the Commission to re-evaluate the need for the extraordinary ratemaking mechanism in  
8 the future. As such, the Cyber Security Tracker was set to expire on February 5, 2024, which  
9 is five years from the date of the Commission's Order in that docket.<sup>18</sup>

10 **Q. Please explain the first component of Staff's adjustment related to the regulatory asset.**

11 A. The regulatory asset balance captures the incremental non-labor O&M costs spent to meet the  
12 regulatory requirements for cyber security protection in excess of the annual baseline  
13 established in the 18-560 Docket of \$763,430. To capture this, in its Adjustment IS 26, KGS  
14 includes an estimated regulatory asset balance through January 30, 2024, amortized over three  
15 years. In contrast, Staff's adjustment for the Cyber Security Tracker balance amortization: (a)  
16 updates KGS's regulatory asset balance to include actual total deferred costs through February  
17 2024, which is consistent with the five-year sunset provision established in the 18-560 Docket;  
18 (b) updates the incorrect application of the third quarter 2022 Distrigas factor for the costs  
19 allocated to KGS from ONE Gas for the month of October 2022; (c) eliminates costs totaling  
20 \$23,083 on a total company basis related to employee meals, membership dues, and other  
21 miscellaneous costs that Staff finds inappropriate to include in the tracker; and (d) amortizes  
22 the adjusted balance over a five-year period.

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<sup>18</sup> *Order Approving Partial Unanimous Settlement Agreement*, 18-560 Docket, Exhibit A, p. 8 (Feb. 5, 2019).

1 **Q. Please provide more detail on the deferrals Staff excluded from the regulatory asset.**

2 A. It is Staff's understanding that the allowable costs for inclusion in the deferral be limited to  
3 costs that are definitively associated with cyber security measures taken by ONE Gas or KGS  
4 to protect the Company's infrastructure, its data, or customers' data. That being said, expenses  
5 related to employee meals, travel, membership dues, etc., especially of which are outside the  
6 appropriate level of expense historically allowed by the Commission, should not be included  
7 for recovery in the tracker. As such, Staff removed 50% of membership dues and travel-related  
8 meals included in the tracker and excluded 100% of all other miscellaneous employee  
9 expenses, such as meals that are not related to overnight travel, interview candidate travel  
10 expenditures, employee gifts, celebratory events, etc.

11 **Q. Why is Staff proposing an amortization period of five years for the regulatory asset?**

12 A. Staff considers the most appropriate amortization period should spread costs over either: (1)  
13 the amount of time between rate cases; or (2) the amount of time before the expense occurs  
14 again. While Staff recognizes that its recommendation coincides with the fact that KGS's last  
15 rate case occurred five years ago, the main reason behind Staff's use of a five-year amortization  
16 of the cyber security regulatory asset aligns more with the subsequent point. Since these  
17 amounts have been deferred over a five-year period, and because Staff is also recommending  
18 a five-year sunset provision in this case should the tracker continue, a five-year amortization  
19 period is the more appropriate period to reflect in this case for this specific adjustment.<sup>19</sup>

---

<sup>19</sup> It should be noted that, should there be any remaining balance of unamortized expense at the time of its next rate case, KGS can request recovery of the remaining balance through amortization to the cost of service until the deferred expenses are fully amortized. If the Commission approves the continuation of the Cyber Security Tracker, this can be accomplished by rolling the unamortized balance into the regulatory asset/liability balance established from administrating that tracker.

1 **Q. Please continue by explaining the second component of Staff's adjustment related to the**  
2 **base level of test year cyber security expense.**

3 A. Removing the deferral related to the cyber security tracker during the test year essentially adds  
4 back the deferred expense amounts to offset the amounts credited to expense during the test  
5 year of the deferred cyber expenses in order to recognize the expense for purposes of setting  
6 base rates. In its Adjustment IS 26, KGS reflects the amount of cyber security expenses  
7 deferred to the regulatory asset over the effective baseline during the test year. In contrast,  
8 while Staff's adjustment is also based on the total corporate amount of cyber expenses deferred  
9 during the test year, the adjustment also: (a) removes the costs Staff found inappropriate to  
10 include in the deferral; (b) corrects the third quarter 2022 Distrigas allocation; and (c) allocates  
11 the total amount by the Distrigas factor for the second quarter of 2024. The additional  
12 adjustments made in this component of Staff's adjustment aligns the test year amount with  
13 both the amount reflected in Staff's regulatory asset amortization component of the cyber  
14 security adjustment for this time period and also coincides with the baseline amount Staff  
15 recommends going forward.

16 **Q. Please explain KGS's request for continuation of the Cyber Security Tracker.**

17 A. KGS witness Lorna Eaton provides testimony regarding KGS's request for the continuation  
18 and update of the tracker related to cyber security protection. Ms. Eaton explains that the  
19 Company anticipates that cyber security costs will continue to increase as KGS faces evolving  
20 threats, new reporting requirements that are expected to be mandated in the near term, and  
21 additional government-mandated regulations regarding security of assets essential to the safe  
22 and reliable operation of its pipeline assets. Specifically, Ms. Eaton states:

23

1 The Company fully expects that expenses associated with cyber security will continue  
2 to increase over the next few years to comply with additional regulations and  
3 requirements from the Federal Government. Cyber security continues to be of utmost  
4 importance to ONE Gas and KGS. It is the Company's desire to continue to protect  
5 customer data, Company data and pipeline assets from the ever-increasing threats of  
6 cyber attackers. As such, KGS is requesting that the Cyber Security Tracker be allowed  
7 to be continued.<sup>20</sup>  
8

9 For purposes of the extension of the cyber security expense tracker, KGS is requesting an  
10 updated baseline for cyber security expense in base rates be set at \$1,068,270. This equates to  
11 the total test year cyber security expense incurred by ONE Gas, adjusted to reflect the fourth  
12 quarter 2023 Distrigas allocation factor to KGS.<sup>21</sup>

13 **Q. KGS claims that the costs of cyber security are increasing. Was Staff able to confirm this**  
14 **claim?**

15 A. Yes. In addition to reviewing the expense levels allowed to be deferred to the tracker, Staff  
16 also issued discovery requesting historical cost levels associated with cyber security. The  
17 results support the contention that ONE Gas and KGS's costs related to cyber security have  
18 increased significantly in recent years and are likely to continue to increase. Specifically, in  
19 response to Data Request No. KCC-257, KGS provided a listing of total costs, including labor  
20 and non-labor O&M and capital, it has incurred for cyber security for the five-years ending  
21 December 31, 2023.<sup>22</sup> These amounts, which are presented at the ONE Gas level prior to being  
22 allocated to KGS and its other divisions, are depicted in the tables below.

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<sup>20</sup> *Direct Testimony of Lorna M. Eaton on Behalf of Kansas Gas Service, A Division of ONE Gas, Inc., 24-610 Docket, p. 6 (Mar. 1, 2024).*

<sup>21</sup> *See Response to Data Request Nos. KCC-256 and KCC-258 included in Exhibit ANJ-5.*

<sup>22</sup> *See Response to Data Request No. KCC-257 included in Exhibit ANJ-5.*

1

**Cyber Security O&M Expense**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Labor	669,651	608,609	773,950	814,723	816,100
Non-Labor	1,336,502	1,420,205	1,894,578	4,096,059	2,566,400
Insurance	538,926	530,347	668,237	853,626	977,683
<b>Total O&amp;M</b>	<b>2,545,080</b>	<b>2,559,160</b>	<b>3,336,765</b>	<b>5,764,409</b>	<b>4,360,182</b>
Tracker Expenses	1,875,429	1,950,552	2,562,815	4,949,685	3,544,083

2

**Cyber Security Capital Costs**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Labor	46,570	195,366	37,690	207,510	394,253
Non-Labor	102,273	1,075,644	1,526,094	3,637,941	3,883,347
<b>Total Capital</b>	<b>148,843</b>	<b>1,271,010</b>	<b>1,563,784</b>	<b>3,845,451</b>	<b>4,277,600</b>

3

4 As shown, there have been significant increases in both O&M expense and capital cost related  
5 to cyber security infrastructure protection. Specifically, during the past five years, total O&M  
6 expense peaked in 2022, increasing 72.75% compared to the prior year and 226.49% compared  
7 to 2019, before subsequently dropping 24.36% in 2023 to a level of expense that still exhibits  
8 an increase in expense of 71.32% compared to 2019. Similarly, the sum of non-labor O&M  
9 and insurance expense – the expense types included in the Cyber Security Tracker – also  
10 exhibit a peak in 2022, increasing 93.13% compared to the prior year and 263.92% compared  
11 to 2019, before subsequently dropping 28.40% in 2023 to a level that is still 88.97% higher  
12 than the expense recorded in 2019. Likewise, while not captured in the tracker, capital costs  
13 have also grown exponentially, increasing 2,773.89% between 2019 and 2023.<sup>23</sup> The increase

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<sup>23</sup> KGS recovers additional cyber and physical security capital expenditures through the Gas Service Reliability Surcharge (GSRS) mechanism. Any recovery of these types of capital expenditures between rate cases would be reviewed during the GSRS filing process.

1 in capital expenditures in more recent years indicate that, while historically the impacts to the  
2 Company may have been more heavily focused on cybersecurity and the growing attack  
3 surface in cyber warfare, today the threats to critical infrastructure persist and continue to grow  
4 more inclusive of investment in physical security assets. Overall, based on the Company's  
5 actual historical O&M and capital expenditures, Staff agrees with KGS's assertion that these  
6 costs will likely continue to grow over the next few years.

7 **Q. Please explain Staff's findings in regards to KGS's administration of the Cyber Security**  
8 **Tracker.**

9 A. Staff finds KGS has been successful at tracking these costs over the past five years. Through  
10 discovery, Staff was able to verify each line item included in the deferral for recovery as well  
11 as conduct a review of invoices supporting costs included in the tracker. Further, Staff finds  
12 that KGS's plans for the tracker going forward appear to align with its current practice. In  
13 response to discovery, KGS provided additional details regarding its plans to administer the  
14 tracker going forward should it continue. Specifically, KGS described its efforts to continue  
15 to isolate, track and account for these costs by using cost centers and recording the costs to the  
16 appropriate natural account and expense indicator.<sup>24</sup> These tracked costs will be reviewed  
17 monthly and compared to the baseline amounts set in this case for consideration in the next  
18 rate case filing, similar to the current methodology for this tracker.<sup>25</sup>

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<sup>24</sup> According to KGS, labor and non-labor costs are differentiated by an expense indicator to ensure internal labor costs are excluded from the tracker.

<sup>25</sup> See Response to Data Request No. KCC-259 included in Exhibit ANJ-5.

1 **Q. In order for the Cyber Security Tracker to capture incremental increases in cost going**  
2 **forward, has Staff identified the baseline amount of these costs included in the revenue**  
3 **requirement?**

4 A. Yes. Staff recommends a baseline amount of \$1,046,538.<sup>26</sup> As previously stated, KGS has  
5 requested to use a baseline of \$1,068,270, which is equal to the total corporate cyber security  
6 costs incurred during the test year allocated to KGS based on its Distrigas allocation factor for  
7 the fourth quarter of 2023. Staff uses a similar methodology in its recommendation with two  
8 differences. First, Staff adjusted the total corporate cyber security costs to exclude a total of  
9 \$5,686 for expenses it contends are inappropriate to recover in base rates. This equates the  
10 total corporate cyber security expense reflected in the baseline with the total costs reflected in  
11 Staff's regulatory asset deferral calculation for the same time period. Second, Staff further  
12 updates KGS's use of a single Distrigas allocator to reflect the allocation for the second quarter  
13 of 2024. According to KGS, all cyber security costs recorded on its books are incurred at the  
14 corporate level and then allocated to KGS using the Distrigas allocation.<sup>27</sup> As previously  
15 discussed, the Distrigas allocator has both consecutively and progressively declined each  
16 quarter since the beginning of the test year. While Staff recognizes the increasing historical  
17 trends of cyber security costs for ONE Gas and KGS creates a valid assumption that these cost  
18 will continue to increase going forward, Staff also recognizes that the amount of those total  
19 costs being allocated to KGS have continuously exhibited a downward trend. Therefore,  
20 updating the baseline to reflect the lower level of expenses expected to be allocated to KGS  
21 will result in a more accurate level of these kind of expenses in base rates going forward.

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<sup>26</sup> See Exhibit ANJ-4.

<sup>27</sup> See Response to Data Request No. KCC-255 included in Exhibit ANJ-5.

1           Furthermore, it should be noted that using a lower baseline level does not ultimately change  
2           the amount of expenses KGS will be able to defer and recover but simply how the amount of  
3           costs accumulate over time. For instance, if the 12-month period cost is in excess of the  
4           baseline cost, then a regulatory asset is established. Likewise, if the 12-month period cost is  
5           below the baseline cost, then a regulatory liability is established.<sup>28</sup> Setting the baseline too  
6           high or too low simply results in how much the Company will need collect (asset balance) or  
7           refund (liability balance) at a given point in time.

8           **Q. Please summarize Staff’s recommendations for the Cyber Security Tracker should it**  
9           **continue.**

10          A. For purposes of the extension of the Cyber Security Tracker, and consistent with the tracker  
11          provisions from the 18-580 Docket, Staff recommends the following:

- 12           ▪ To continue to be limited to only non-labor O&M expenses that can be supported by  
13           an invoice from outside the Company. Staff has historically advocated for the  
14           exclusion of internal labor from cost trackers and surcharges due to the inherent risk  
15           of simply shifting costs from one area of the business to the next, resulting in double  
16           recovery through rates and lack of an easily verified audit trail.
- 17           ▪ To limit the cost categories that are eligible for expense deferral in the Cyber Security  
18           Tracker, as long as the deferred cost is directly related to cyber security efforts and  
19           supported by a verifiable outside vendor invoice. Limiting the eligible deferred costs  
20           within the cost centers designated for cyber security expenses will help to exclude  
21           the deferral of costs associated with travel and entertainment, employee amenities,

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<sup>28</sup> The historical five-year monthly activity of accruals KGS made to its cyber security regulatory account shows that the tracker accumulated a negative balance (liability) from initial establishment in February 2019 until March 2022, when the monthly accruals grew to a positive balance (asset). See Exhibits ANJ-2(a), 2(b), and 2(c).



1 and other miscellaneous costs which, while not generally material, add significantly  
2 to the burden and controversy of administering and auditing the tracker.

- 3 ■ To include a sunset provision for the tracker similar to the provision made in the  
4 current Cyber Security Tracker as ordered in the 18-580 Docket. Specifically, the  
5 tracker would terminate five years from the date of the Commission Order in this  
6 case, and KGS would bear the burden of proof in requesting that the Commission  
7 reinstate the tracker, if necessary. Staff contends that it is a good policy to have an  
8 automatic sunset provision for extraordinary ratemaking mechanisms so that the  
9 Commission can periodically re-evaluate the necessity of these mechanisms going  
10 forward.
- 11 ■ To set the new baseline of cyber security expense in base rates at \$1,046,538.

## 12 **V. SERVICING AND ADMINISTRATION FEE COMPARISON**

13 **Q. Please provide a background of the Servicing Agreement and the Administration**  
14 **Agreement.**

15 A. As previously discussed, in the 22-466 Docket, the Commission granted KGS authorization to  
16 issue Securitized Utility Tariff Bonds to finance the QECs it incurred as a result of providing  
17 service to customers during the February 2021 Winter Storm Uri event. To facilitate the  
18 securitization, KGS formed a limited liability subsidiary special purpose entity (SPE), Kansas  
19 Gas Service Securitization I L.L.C. (“KGSSI”), to transfer the rights to impose, collect, and  
20 receive Securitized Utility Tariff Charges along with the other rights arising pursuant to its  
21 Commission-approved Financing Order. As such, KGS entered into a Servicing Agreement  
22 and an Administration Agreement with KGSSI, which authorized KGS to perform the duties

1 of “Servicer” (i.e. calculate, bill, and collect the Securitized Utility Tariff Charges for the  
2 account of the SPE) and “Administrator” (i.e. perform administrative services), respectively,  
3 under the terms set forth in those agreements.

4 As Servicer and Administrator, KGS is authorized to charge service fees for performing  
5 those roles under its respective agreements. Per the terms of the Financing Order approved by  
6 the Commission, as a requirement of collecting the service and administration fees, KGS is  
7 obligated to track the expenses it incurs to provide those services. Specifically, in regard to  
8 these terms, the Commission Order states:

9 [i]f the incremental cost to Kansas Gas Service to perform its servicing and administrative  
10 services under the Servicing Agreement and the Administration Agreement, respectively,  
11 is less than what the Company is paid for those services, then that difference in cost (the  
12 associated profit margin earned by the Company as servicer and administrator) shall be  
13 tracked by Kansas Gas Service and included in a regulatory liability account to be  
14 addressed in Kanas Gas Service’s next general rate case.<sup>29</sup>  
15

16 **Q. Please discuss KGS’s efforts to comply with the Commission’s directive regarding the**  
17 **tracking of revenues and expenses associated with the Servicing and Administration**  
18 **Agreements.**

19 A. Staff finds that KGS did not fully comply with the provisions set forth by the Commission in  
20 regards to tracking the revenues and expenses associated with administering the Servicing and  
21 Administration Agreements. While KGS did provide a comparison of the revenues received  
22 and expenses incurred as a result of performing its obligations under the agreements, the  
23 Company has not yet established the regulatory liability account in which it was required to  
24 do. In response to Staff’s inquiry as to why the account has not yet been established, KGS  
25 stated:

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<sup>29</sup> *Order Approving Unanimous Settlement Agreement*, 22-466 Docket, Exhibit A, ¶ 19 (Aug. 18, 2022).

1 Both the revenues and expenses are included in the revenue requirement in the  
2 applicable FERC accounts. KGS customers will receive the benefit of the revenue in  
3 excess of the expenses through base rates determined in this account. Because the  
4 amounts were not significant, and because of the timing of the rate case, KGS believed  
5 it would be administratively efficient to allow the amounts to be incorporated into base  
6 rates since any revenue in excess of expenses would lower the revenue requirement.<sup>30</sup>  
7

8 As such, since no regulatory liability account was established at the time of the test year,  
9 only the costs and revenues associated with performing its roles under the Servicing and  
10 Administrative Agreements are reflected in the test year cost of service.

11 **Q. Please explain how KGS determined the servicing and administration fee revenues and**  
12 **expenses to use in its comparison.**

13 A. The servicing and administration fees included in the comparison are based on the agreed-upon  
14 terms found within the Servicing Agreement and the Administration Agreement. KGS collects  
15 a total annual fee of \$268,000, consisting of:

- 16 ■ The Servicing Agreement fee set at 0.05% of the amount of the bonds, which equates  
17 to \$168,000 per year.<sup>31</sup>
- 18 ■ The Administration Agreement fee set at \$100,000 per year.<sup>32</sup>

19 In turn, KGS incurs various expenses to fulfill its service duties under the associated Servicing  
20 and Administration Agreements, including:

- 21 ■ Bank account service charges related to transactions with KGSSI calculated at \$22.89  
22 per month.
- 23 ■ Automated Clearing House (ACH) fees totaling \$0.07 per transaction for remitting  
24 funds.

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<sup>30</sup> See Response to Data Request No. KCC-260 included in Exhibit ANJ-5.

<sup>31</sup> Financing Order, 22-466 Docket, p. 78

<sup>32</sup> *Ibid*, p. 79.

- 1       ▪ Designated office space for KGSSI equating to approximately 1% of the total rent  
2       associated with ONE Gas' headquarters building.
- 3       ▪ The cost of adding a second page to bills to accommodate the Winter Event  
4       Securitized Cost Recovery (WESCR), which is calculated at \$0.02 per item.
- 5       ▪ Amortization of the cost associated with modification of the billing system to  
6       accommodate the WESCR charge.
- 7       ▪ Labor expense, inclusive of labor-related expenses (i.e. incentive compensation and  
8       payroll taxes), calculated based on the percentage of time devoted by various  
9       individuals for performing the Servicing and Administration Agreement activities.

10 **Q. Please summarize Staff's review of the revenue and expense comparison associated with**  
11 **administering the services provided under the Servicing and Administration**  
12 **Agreements.**

13 A. In its review of comparing the revenue and expenses associated with the Servicing and  
14 Administration Agreements, Staff analyzed data from the following time periods: (1)  
15 December 2022 through September 2023, which reflects what is included in the test year cost  
16 of service;<sup>33</sup> (2) an update of the test year amount through November 2023, in order to analyze  
17 a 12-month period of activity; and (3) an update through April 30, 2024, to capture the activity  
18 to Staff's update period in this case. The comparisons from each of these time periods are  
19 reflected table below.

20

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<sup>33</sup> It should be noted that the amount reflected in the table differs from the amount discussed in KGS witness Janet Buchanan's Direct Testimony. During the discovery process, a few minor errors were discovered in the initial calculation of bank account fees and the rent expense associated with the KGSSI office space. The table presented reflects the corrected amount.

**Servicing and Administration Fee Comparison to Expenses**

	<b>Inception through September 30, 2023</b>	<b>Updated through November 30, 2023</b>	<b>Updated through April 30, 2024</b>
Servicing Fee Revenue	146,067	174,067	244,067
Administration Fee Revenue	86,944	103,611	145,278
<b>Total Fee Revenue</b>	<b>233,011</b>	<b>277,678</b>	<b>389,344</b>
JPM Bank Account	-	37	160
ACH Fees	14	17	25
KGSSI Office Space	1,492	1,794	2,549
2-Page Bill	89,682	89,519	89,241
Billing System Preparation	8,472	10,166	14,402
Labor	87,569	107,408	145,311
<b>Total Expenses</b>	<b>187,229</b>	<b>208,942</b>	<b>251,688</b>
<b>Difference</b>	<b>45,782</b>	<b>68,736</b>	<b>137,657</b>

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As shown in the results of its analyses, the net differences exhibit significant increases with each additional period of time examined, growing 150.14% after only two months following the end of the test year, followed by another 200.27% increase over the subsequent five-month period. Based on this data, the net benefit to customers of \$45,782 included in the test year is clearly understating the value of these savings, especially since the benefit appears to grow for customers as time progresses. There is also, however, a level of uncertainty going forward as, with the exception of the amortization expense associated with the billing system modification, KGS fully expects the expense component to vary throughout the life of the securitized bonds.<sup>34</sup> Therefore, in order to capture the actual benefit, these amounts should be tracked and reviewed going forward in comparison to what is reflected in base rates so that any additional benefit realized can be passed back to customers.

<sup>34</sup> See Response to Data Request No. KCC-263.

1 **Q. Please further explain how KGS tracks the revenues and expenses associated with the**  
2 **Servicing and Administration Agreements on its books.**

3 A. KGS tracks the fee revenue by recording monthly amounts totaling 1/12 of the annual servicing  
4 fee and 1/12 of the annual administration fee to Account 4880200 and Account 4880201,  
5 respectively.<sup>35</sup> In contrast to having designated accounts for the fee revenues, KGS has not  
6 isolated the respective expenses associated with performing the required activities outlined in  
7 the Servicing and Administration Agreements to any specific account or cost code. Instead,  
8 the expenses are included in various cost of service FERC accounts that KGS finds relevant to  
9 the expense. In its review, Staff was able to verify the revenue amounts in the cost of service  
10 with general ledger detail; however, despite several discovery requests, KGS did not provide  
11 the same level of detail to identify where the expenses are reflected in the cost of service  
12 outside of stating the expenses were included in the applicable FERC account.<sup>36</sup>

13 **Q. Does Staff have any recommendations regarding the servicing and administration fees**  
14 **going forward?**

15 A. Yes. Staff recommends KGS establish a regulatory liability, as it agreed to do so in the 22-  
16 466 Docket, to track: (1) the revenue paid to KGS for servicing and administrative services  
17 under the Servicing Agreement and the Administration Agreement, respectively; and (2) the  
18 incremental costs to the Company to perform those services. Any regulatory liability balance  
19 resulting from the accumulation of the respective revenues exceeding expenses that is greater  
20 than the \$45,782 reflected in base rates in this case will be address in KGS's next general rate  
21 case. Additionally, Staff recommends KGS isolate and track the expenses associated with the  
22 costs of performing said services by establishing specific tracking codes according to cost

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<sup>35</sup> See Response to Data Request No. KCC-261 included in Exhibit ANJ-5.

<sup>36</sup> See Response to Data Request Nos. KCC-260, KCC-262, and KCC-263 included in Exhibit ANJ-5.

1 category for those expenses. This ensures that Staff and interveners in future rate cases will  
2 be able to verify that the expenses tracked are appropriately included in the regulatory liability  
3 account and that the expenses were reasonable and prudently incurred.

4 **VI. CONCLUSION**

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

6 A. Yes, thank you.

7 **VII. EXHIBITS**

8	Exhibit ANJ-1	Staff Adjustment to Accumulated Deferred Income Taxes
9	Exhibit ANJ-2	Staff Adjustment to Distrigas Allocation Ratio
10	Exhibit ANJ-3	Staff Adjustment to Cyber Security Tracker
11	Exhibit ANJ-4	Staff Adjusted Cyber Security Tracker Baseline
12	Exhibit ANJ-5	KGS Responses to Data Requests

Kansas Gas Service  
Staff Adjustment to Accumulated Deferred Income Taxes  
Rate Base Adjustment No. 10  
Test Year Ended September 30, 2023

Line No.	FERC Account Description	KGS Ref.	KGS Pro Forma ADIT	Staff Pro Forma ADIT	Staff Adjustment to ADIT
1	ADIT Liability Balance		(267,276,876)	(265,266,996)	2,009,880
2	ADIT-NOL Asset Balance		33,013,868	29,612,403	(3,401,465)
3	Net Accumulated Deferred Income Tax Balance		<u>(234,263,008)</u>	<u>(235,654,593)</u>	<u>(1,391,585)</u>
					-
4	ADIT associated with Pension/OPEB Funding	WC 5	19,966,493	16,565,062	(3,401,431)
5	ADIT-NOL associated with Pension/OPEB Funding	WC 6	(6,282,196)	4,742,144	11,024,340
6	ADIT associated with COGR	WC 7	1,107,491	2,135,809	1,028,318
7	Tax Timing Differences associated with Winter Storm Uri	WC 8	67,133,255	60,828,391	(6,304,864)
8	NOL Carryforward associated with Winter Storm Uri	WC 9	(67,133,255)	(60,828,391)	6,304,864
9	ADIT associated with Incentives		-	127,488	127,488
10	Total Adjustments to ADIT Asset (Liability)		<u>14,791,788</u>	<u>23,570,503</u>	<u>8,778,715</u>
11	Total Accumulated Deferred Income Tax Balance		(219,471,220)	(212,084,090)	7,387,130
12	<b>283 Staff Adjustment to Accumulated Deferred Income Taxes</b>				<b><u>7,387,130</u></b>

Sources: KGS Pro Forma Workpaper for Adjustments WC 5, WC 6, WC 7, WC 8, and WC 9  
Exhibit ANJ-1(a)



Kansas Gas Service  
Staff Adjusted Accumulated Deferred Income Tax Calculation  
Rate Base Adjustment No. 10  
Test Year Ended September 30, 2023

Line No.	Description	Tax Calculation	ADIT Liability	ADIT-NOL Asset	Net
1	Balance at April 30, 2024		(265,266,996)	29,612,403	(235,654,593)
2	To remove ADIT associated with Pension/OPEB Funding				
3	FAS 87 Timing Differences	(51,027,465)			
4	SFAS 106 Timing Differences	<u>(27,853,782)</u>			
5	Subtotal	(78,881,247)			
6	Multiplied by Tax Rate	<u>0.21</u>			
7	Increase to Rate Base		16,565,062		16,565,062
8	Reduction in NOL (FAS 87/FAS106 NOL)			4,742,144	4,742,144
9	To remove Tax Timing Differences associated with COGR	(10,170,521)			
10	Multiplied by Tax Rate	<u>0.21</u>			
11	Increase to Rate Base		2,135,809		2,135,809
12	To remove Tax Timing Differences associated with Winter Storm Uri	(289,659,005)			
13	Multiplied by Tax Rate	<u>0.21</u>			
14	Increase to Rate Base		60,828,391		60,828,391
15	To remove the NOL Carryforward associated with Winter Storm Uri				
16	Decrease to Rate Base		(60,828,391)		(60,828,391)
17	To remove ADIT associated with Incentives				
18	Incentive Timing Differences	(740,473)			
19	Multiplied by Staff's Inclusion Allocation	<u>0.82</u>			
20	Staff Adjusted Incentive Timing Differences	(607,084)			
21	Multiplied by Tax Rate	<u>0.21</u>			
22	Increase to Rate Base		127,488		127,488
23	Total Adjustments - Increase in Rate Base		<u>18,828,359</u>	4,742,144	23,570,503
24	<b>Total Staff Adjusted ADIT Liability Balance</b>		<u><b>(246,438,637)</b></u>	<b>34,354,548</b>	<b>(212,084,090)</b>

Note: Staff's Inclusion Allocation = 1 - Staff's Exclusion Ratio

Sources: Exhibits ANJ-1(b) and ANJ-1(c)  
Exhibit KLF-5(a) - Staff's Inclusion Rate

Kansas Gas Service  
Staff Accumulated Deferred Income Tax Balance  
Rate Base Adjustment No. 10  
Test Year Ended September 30, 2023

Line No.	Description (Timing Differences)	ASC 740 as of 12/31/2022	2023 Forecasted Additions to ADIT	2024 Forecasted Additions to ADIT	Forecasted Deferred Tax (DT) Balance at 9/30/2023
1	Bad Debts	6,590,001	834,457	(262,400)	7,162,058
2	Contingent Liabilities / Reserves	1,727,332	8,386	37,712	1,773,430
3	Active Employee Benefits	8,835,610	0	454,734	9,290,344
4	Incentives	(740,473)	0	0	(740,473)
5	Mark to Market	0	0	0	0
6	<b>Purchased Gas Adjustment</b>	<b>(358,520,424)</b>	<b>33,564,492</b>	<b>25,126,405</b>	<b>(299,829,527)</b>
7	Workers Compensation	1,166,691	(242,895)	48,676	972,472
8	Regulatory Assets - Current	0	0	0	0
9	2012 FAS 109 Reclasses	0	0	0	0
10	<b>FAS 87 - Pensions &amp; Related OCI</b>	<b>(74,102,887)</b>	<b>6,632,110</b>	<b>16,443,312</b>	<b>(51,027,465)</b>
11	<b>FAS 106 - OPEB &amp; Related OCI</b>	<b>(27,604,658)</b>	<b>(3,104)</b>	<b>(246,020)</b>	<b>(27,853,782)</b>
12	SERP & Related OCI	0	0	0	0
13	SERP - OCI	0	0	0	0
14	Deferred Compensation	0	0	0	0
15	Deferred Compensation - COLI	0	0	0	0
16	Debt Expense	0	0	0	0
17	Utiliplant - Depreciation	(472,108,580)	4,947,376	(14,928,281)	(482,089,485)
18	Bonus Depreciation	(359,160,809)	0	0	(359,160,809)
19	Repairs	(282,696,906)	(18,810,272)	(37,288,895)	(338,796,073)
20	Line Extension Deposits Received/Forfeited	16,752,401	0	0	16,752,401
21	CIAC	4,179,955	1,033,347	2,117,024	7,330,326
22	Synthetic Leases	0	0	0	0
23	Franchise Cost	0	0	0	0
24	Take or Pay	0	0	0	0
25	Phantom Stock - BOD	0	0	0	0
26	Performance and Restricted Stock	0	0	0	0
27	Reg Assets	(30,921,275)	(696,194)	(2,418,871)	(34,036,340)
28	Rate Case Expenses	(12,298,234)	2,842,146	4,167,475	(5,288,613)
29	Stock Options	0	0	0	0
30	Performance Units	0	0	0	0
31	FAS 112	0	0	0	0
32	REG ASSET ROADMAP TECHNOLOGY	0	0	0	0
33	DEF CR WRI PRE ALLIANCE	0	0	0	0
34	DEF CR HRA RESERVE	0	0	0	0
35	Gain On Sale/Leaseback Austin	0	0	0	0
36	Amortization - Restacking	2,936,867	0	0	2,936,867
37	Tax Refund Obligation	0	0	0	0
38	Lease Obligations	(115,380)	0	0	(115,380)
39	Deferred Investment Credit	(17,399)	0	0	(17,399)
40	Flow-Through	(21,703)	0	0	(21,703)
41	Non-Deductible Goodwill: WRI	(49,938,806)	0	0	(49,938,806)
42	OCI -Other Comprehensive Income - Terminated Swaps	0	0	0	0
43	Accrual Adjustment (Related to NOL)	0	0	0	0
44	2012 FAS 109 Reclasses	0	0	0	0
45	<b>Total Non-Current Deferred Tax Liability Timing Differences</b>	<b>(1,626,058,677)</b>	<b>30,109,849</b>	<b>(6,749,129)</b>	<b>(1,602,697,957)</b>
46	Add Back: Federal NOL	0	0	0	0
47	Add Back: Foreign Tax Credit Carryforward	0	0	0	0
48	Add Back: OK STATE NOL	0	0	0	0
49	Add Back: OK Mfg. Credits	0	0	0	0
50	Add Back: OK OCIB Credits	0	0	0	0
51	Add Back: KS NOL	0	0	0	0
52	Add Back: KS Credits	0	0	0	0
53	Add Back: Other State NOLs	0	0	0	0
54	Add Back: Non-Deductible Goodwill:	49,938,806	0	0	49,938,806
55	Add Back: Flow-Thru Base Amount: P545	13,078	0	0	13,078
56	Add Back: Flow-Thru Gross-up Amount: P545	8,625	0	0	8,625
57	Cumulative Difference (net of Add Backs)	(1,576,098,168)	30,109,849	(6,749,129)	(1,552,737,448)
58	Times Tax Rate	21.00%	21.00%	21.00%	21.00%
59	Deferred Tax Asset/(Liability) Before NOLs and Credits	(330,980,615)	6,323,068	(1,417,317)	(326,074,864)
60	FEDERAL NOL	324,114,254	(53,050,627)	(46,377,795)	224,685,832
61	Times Tax Rate	21.00%	21.00%	21.00%	21.00%
62	Deferred Tax Asset on Fed NOL	68,063,993	(11,140,632)	(9,739,337)	47,184,025
63	Deferred Tax Asset/(Liability) on NOLs and Credits	68,063,993	(11,140,632)	(9,739,337)	47,184,025
64	Deferred Tax Required for Gross UP	8,624	0	0	8,624
65	<b>Deferred Tax Asset/(Liability) After NOLs and Credits</b>	<b>(262,907,998)</b>	<b>(4,817,563)</b>	<b>(11,156,654)</b>	<b>(278,882,215)</b>
66	Balance 2830101 ACCUM DEFERRED TAXES CURRENT				-
67	Adjusted Balance 2830201 ACCUM DEF FED/STATE INCOME TAX	(262,648,186)			(278,911,362)
68	True-up KGS	(224,017)			64,942
69	Provision Adjustment	(35,795)			(35,795)
70	Adjusted Accum Deferred Taxes Current	<u>(262,907,998)</u>			<u>(278,882,215)</u>
71	Winter Storm Uri NOL				13,644,366
72	True-up KGS				(29,147)
73	Revised Deferred Tax Asset/(Liability) in Schedules				<u>(265,266,996)</u>

	PGA	Winter Weather
PGA Breakout	(10,170,521)	(289,659,005)
	21.00%	21.00%
	(2,135,809)	(60,828,391)

Kansas Gas Service  
Staff Net Operating Loss Adjustment Calculation  
Rate Base Adjustment No. 10  
Test Year Ended September 30, 2023

Line No.	Taxable Income Year	Pro Forma to Remove				
		KGS	SFAS 87/106			
1	1997 Taxable Income (Fiscal Year Ended 8/32/98)	3,169,301	3,169,301			
2	1998 Taxable Income (Fiscal Year Ended 8/31/99)	(1,869,309)	(1,869,309)			
3	1999 Taxable Income (Short Period 9/1/99 - 12/31/99)	(1,299,992)	(1,299,992)			
4	2000 Taxable Income (changed to calendar year)	(1,356,090)	(1,356,090)			
5	2001 Taxable Income	(16,135,320)	(16,135,320)			
6	2002 Taxable Income	(49,770,737)	(49,770,737)			
7	2003 Taxable Income (adjusted 12/7/11)	20,695,003	20,695,003			
8	2004 Taxable Income	(13,090,602)	(13,090,602)			
9	2005 Taxable Income	(37,173,513)	(37,173,513)			
10	2006 Taxable Income	(49,804,362)	(49,804,362)			
11	2007 Taxable Income	46,118,720	46,118,720			
12	2008 Taxable Income	(67,987,061)	(67,987,061)			
13	2009 Taxable Income	(11,059,169)	26,062,223	<b>Timing Differences</b>		
				(37,121,392)	KGS Fed Inc Tax Calc Tab	
14	2010 Taxable Income	<u>2,406,907</u>	<u>35,158,185</u>	(32,751,278)		
15	Net Operating Loss Adjustment through 2010	(177,156,224)	(107,283,554)			
16	Composite Tax Rate	39.55%	39.55%			
17	Deferred Tax Asset at 12/31/2010	<u>70,065,287</u>	<u>42,430,646</u>			
				<b>Book Tax Timing Differences</b>		
				Pension	SFAS 106	Source File
18	2011 Taxable Income	(57,905,527)	(40,397,200)	(10,091,837)	(7,416,490)	4.2 fed taxable inc 2009 - 2017
19	2012 Taxable Income	(26,783,913)	(7,728,327)	(16,272,487)	(2,783,099)	4.2 fed taxable inc 2009 - 2017
20	2013 Taxable Income	27,944,468	6,817,023	17,432,946	3,694,499	4.2 fed taxable inc 2009 - 2017
21	2014 Taxable Income	13,469,057	(40,762)	2,850,682	10,659,137	4.2 fed taxable inc 2009 - 2017
22	2015 Taxable Income	(12,676,248)	(16,575,344)	13,636,875	(9,737,779)	4.2 fed taxable inc 2009 - 2017
23	2016 Taxable Income	(50,127,544)	(55,309,768)	6,893,673	(1,711,449)	4.2 fed taxable inc 2009 - 2017
24	2017 Taxable Income	(500,146)	(4,328,391)	3,925,130	(96,885)	4.2 fed taxable inc 2009 - 2017
25	2018 Taxable Income	69,431,664	48,810,587	26,605,122	(5,984,045)	
26	2019 Taxable Income	17,527,626	8,683,922	12,675,880	(3,832,176)	
27	2020 Taxable Income	39,949,496	26,837,974	16,675,816	(3,564,294)	
28	2021 Taxable Income	(363,086,552)	(374,969,614)	16,111,553	(4,228,491)	
29	2022 NOL Utilized to Offset Taxable Income	39,893,526	29,431,057	9,760,188	702,281	
30	2023 Estimated NOL Utilized to Offset Taxable Income 12/31/2023	18,162,816	7,665,026	6,037,194	4,460,596	
31	2024 Estimate through 4/30 NOL Utilized to Offset Taxable Income	6,694,289	642,519	3,656,412	2,395,359	
32		<u>(455,163,212)</u>	<u>(477,744,852)</u>			
33	Composite Tax Rate	21.00%	21.00%			
34	NOL Asset Balance @ 12 31 2023	95,584,275	100,326,419			
35	<b>Adjustment to Reduce NOL Asset to remove effects of Pension/OPEB Funding</b>		<u>4,742,144</u>			

Negative timing differences reflect funding in excess of GAAP expense, while positive amounts represent funding less than GAAP expense.

Kansas Gas Service  
Staff Adjustment to Distrigas Allocation Ratio  
Income Statement Adjustment No. 17  
Test Year Ended September 30, 2023

Line No.	FERC Account	Quarter	Corporate Allocable Dollars	Test Year Distrigas Allocation	Q4 2023 Distrigas Allocation	KGS Pro Forma Adjustment	Q2 2024 Distrigas Allocation	Staff Pro Forma Adjustment	Total Adjustment	
1	408.1	Q4 2022	990,093	31.51%	30.39%	(11,089)	29.82%	(16,733)	(5,644)	
2	408.1	Q1 2023	2,034,510	30.98%	30.39%	(12,004)	29.82%	(23,600)	(11,597)	
3	408.1	Q2 2023	1,324,497	30.76%	30.39%	(4,901)	29.82%	(12,450)	(7,550)	
4	408.1	Q3 2023	1,343,008	30.48%	30.39%	(1,209)	29.82%	(8,864)	(7,655)	
5	408.1	Q4 2023	172,376	30.39%	30.39%	-	29.82%	(983)	(983)	
6		Total	5,864,484			(29,202)		(62,630)	(33,428)	
7	926.0	Q4 2022	98,106	31.51%	30.39%	(1,099)	29.82%	(1,658)	(559)	
8	926.0	Q1 2023	(103,282)	30.98%	30.39%	609	29.82%	1,198	589	
9	926.0	Q2 2023	(103,275)	30.76%	30.39%	382	29.82%	971	589	
10	926.0	Q3 2023	684,285	30.48%	30.39%	(616)	29.82%	(4,516)	(3,900)	
11		Total	575,834			(723)		(4,005)	(3,282)	
12	930.2	Q4 2022	30,054,161	31.51%	30.39%	(336,607)	29.82%	(507,915)	(171,309)	
13	930.2	Q1 2023	33,494,693	30.98%	30.39%	(197,619)	29.82%	(388,538)	(190,920)	
14	930.2	Q2 2023	29,104,847	30.76%	30.39%	(107,688)	29.82%	(273,586)	(165,898)	
15	930.2	Q3 2023	31,832,957	30.48%	30.39%	(28,650)	29.82%	(210,098)	(181,448)	
16	930.2	Q4 2023	3,221,915	30.39%	30.39%	-	29.82%	(18,365)	(18,365)	
17		Total	127,708,573			(670,563)		(1,398,502)	(727,939)	
18	Total Adjustment for Change in Allocation Ratio						(700,488)		(1,465,137)	
19	<b>Staff Adjustment to Distrigas Allocation Ratio</b>								<b><u>(764,649)</u></b>	

Sources: KGS Pro Forma Adjustment IS 26 Workpapers  
Exhibit ANJ-2(a)

Kansas Gas Service  
Detail of Changes in Distringas Cost Allocations  
Income Statement Adjustment No. 17  
Test Year Ended September 30, 2023

Line No.	FERC Account	Year	Month	Account 4081995	Account 9260995	Account 9260996	Account 9260997	Account 9302995	Grand Total	Test Year Distringas Allocation	Dollars Allocated to KGS	Q4 2023 Distringas Allocation	Dollars Allocated to KGS	KGS Pro Forma Adjustment	Q1 2024 Distringas Allocation	Dollars Allocated to KGS	Difference	Q2 2024 Distringas Allocation	Dollars Allocated to KGS	Staff Pro Forma Adjustment
1	4081	2022	10	334,390					334,390	31.51%	105,366	30.39%	101,621	(3,745)	30.18%	100,919	(4,447)	29.82%	99,715	(5,651)
2	4081	2022	11	342,564					342,564	31.51%	107,942	30.39%	104,105	(3,837)	30.18%	103,386	(4,556)	29.82%	102,152	(5,789)
3	4081	2022	12	313,139					313,139	31.51%	98,670	30.39%	95,163	(3,507)	30.18%	94,505	(4,165)	29.82%	93,378	(5,292)
4	4081	2023	1	515,297					515,297	30.98%	159,639	30.39%	156,599	(3,040)	30.18%	155,517	(4,122)	29.82%	153,661	(5,977)
5	4081	2023	2	737,269					737,269	30.98%	228,406	30.39%	224,056	(4,350)	30.18%	222,508	(5,898)	29.82%	219,854	(8,552)
6	4081	2023	3	781,944					781,944	30.98%	242,246	30.39%	237,633	(4,613)	30.18%	235,991	(6,256)	29.82%	233,176	(9,071)
7	4081	2023	4	406,372					406,372	30.76%	125,000	30.39%	123,496	(1,504)	30.18%	122,643	(2,357)	29.82%	121,180	(3,820)
8	4081	2023	5	403,554					403,554	30.76%	124,133	30.39%	122,640	(1,493)	30.18%	121,792	(2,341)	29.82%	120,340	(3,793)
9	4081	2023	6	514,572					514,572	30.76%	158,282	30.39%	156,378	(1,904)	30.18%	155,298	(2,985)	29.82%	153,445	(4,837)
10	4081	2023	7	446,348					446,348	30.48%	136,047	30.39%	135,645	(402)	30.18%	134,708	(1,339)	29.82%	133,101	(2,946)
11	4081	2023	8	359,921					359,921	30.48%	109,704	30.39%	109,380	(324)	30.18%	108,624	(1,080)	29.82%	107,329	(2,375)
12	4081	2023	9	536,738					536,738	30.48%	163,598	30.39%	163,115	(483)	30.18%	161,988	(1,610)	29.82%	160,055	(3,542)
13	4081	2023	12	172,376					172,376	30.39%	52,385	30.39%	52,385	-	30.18%	52,023	(362)	29.82%	51,403	(983)
14	Total			5,864,484	-	-	-	-	5,864,484		1,811,419		1,782,217	(29,202)		1,769,901	(41,517)		1,748,789	(62,630)
15	9260	2022	10		93,116	(43,942)	(16,472)		32,702	31.51%	10,304	30.39%	9,938	(366)	30.18%	9,869	(435)	29.82%	9,752	(553)
16	9260	2022	11		93,116	(43,942)	(16,472)		32,702	31.51%	10,304	30.39%	9,938	(366)	30.18%	9,869	(435)	29.82%	9,752	(553)
17	9260	2022	12		93,116	(43,942)	(16,472)		32,702	31.51%	10,304	30.39%	9,938	(366)	30.18%	9,869	(435)	29.82%	9,752	(553)
18	9260	2023	1		88,498	(130,123)	7,189		(34,432)	30.98%	(10,667)	30.39%	(10,464)	203	30.18%	(10,392)	275	29.82%	(10,268)	399
19	9260	2023	2		88,498	(130,112)	7,189		(34,425)	30.98%	(10,665)	30.39%	(10,462)	203	30.18%	(10,389)	275	29.82%	(10,266)	399
20	9260	2023	3		88,498	(130,112)	7,189		(34,425)	30.98%	(10,665)	30.39%	(10,462)	203	30.18%	(10,389)	275	29.82%	(10,266)	399
21	9260	2023	4		88,498	(130,112)	7,189		(34,425)	30.76%	(10,589)	30.39%	(10,462)	127	30.18%	(10,389)	200	29.82%	(10,266)	324
22	9260	2023	5		88,498	(130,112)	7,189		(34,425)	30.76%	(10,589)	30.39%	(10,462)	127	30.18%	(10,389)	200	29.82%	(10,266)	324
23	9260	2023	6		88,498	(130,112)	7,189		(34,425)	30.76%	(10,589)	30.39%	(10,462)	127	30.18%	(10,389)	200	29.82%	(10,266)	324
24	9260	2023	7		88,498	(130,112)	7,189		(34,425)	30.48%	(10,493)	30.39%	(10,462)	31	30.18%	(10,389)	103	29.82%	(10,266)	227
25	9260	2023	8		88,498	(130,112)	7,189		(34,425)	30.48%	(10,493)	30.39%	(10,462)	31	30.18%	(10,389)	103	29.82%	(10,266)	227
26	9260	2023	9		88,498	772,733	(108,096)		753,135	30.48%	229,556	30.39%	228,878	(678)	30.18%	227,296	(2,259)	29.82%	224,585	(4,971)
27	Total			-	1,075,834	(400,000)	(100,000)	-	575,834		175,719		174,996	(723)		173,787	(1,932)		171,714	(4,005)
28	9302	2022	10					9,836,862	9,836,862	31.51%	3,099,595	30.39%	2,989,422	(110,173)	30.18%	2,968,765	(130,830)	29.82%	2,933,352	(166,243)
29	9302	2022	11					9,949,921	9,949,921	31.51%	3,135,220	30.39%	3,023,781	(111,439)	30.18%	3,002,886	(132,334)	29.82%	2,967,066	(168,154)
30	9302	2022	12					10,267,378	10,267,378	31.51%	3,235,251	30.39%	3,120,256	(114,995)	30.18%	3,098,695	(136,556)	29.82%	3,061,732	(173,519)
31	9302	2023	1					10,005,032	10,005,032	30.98%	3,099,559	30.39%	3,040,529	(59,030)	30.18%	3,019,519	(80,040)	29.82%	2,983,501	(116,058)
32	9302	2023	2					8,271,596	8,271,596	30.98%	2,562,540	30.39%	2,513,738	(48,802)	30.18%	2,496,368	(66,173)	29.82%	2,466,590	(95,951)
33	9302	2023	3					15,218,065	15,218,065	30.98%	4,714,556	30.39%	4,624,770	(89,787)	30.18%	4,592,812	(121,745)	29.82%	4,538,027	(176,530)
34	9302	2023	4					9,022,739	9,022,739	30.76%	2,775,395	30.39%	2,742,010	(33,384)	30.18%	2,723,063	(52,332)	29.82%	2,690,581	(84,814)
35	9302	2023	5					9,127,072	9,127,072	30.76%	2,807,487	30.39%	2,773,717	(33,770)	30.18%	2,754,550	(52,937)	29.82%	2,721,693	(85,794)
36	9302	2023	6					10,955,035	10,955,035	30.76%	3,369,769	30.39%	3,329,235	(40,534)	30.18%	3,306,230	(63,539)	29.82%	3,266,792	(102,977)
37	9302	2023	7					10,535,159	10,535,159	30.48%	3,211,116	30.39%	3,201,635	(9,482)	30.18%	3,179,511	(31,605)	29.82%	3,141,584	(69,532)
38	9302	2023	8					8,270,345	8,270,345	30.48%	2,520,801	30.39%	2,513,358	(7,443)	30.18%	2,495,990	(24,811)	29.82%	2,466,217	(54,584)
39	9302	2023	9					13,027,454	13,027,454	30.48%	3,970,768	30.39%	3,959,043	(11,725)	30.18%	3,931,686	(39,082)	29.82%	3,884,787	(85,981)
40	9302	2023	12					3,221,915	3,221,915	30.39%	979,140	30.39%	979,140	-	30.18%	972,374	(6,766)	29.82%	960,775	(18,365)
41	Total			-	-	-	-	127,708,573	127,708,573		39,481,198		38,810,635	(670,563)		38,542,447	(938,751)		38,082,697	(1,398,502)
42	Grand Total			5,864,484	1,075,834	(400,000)	(100,000)	127,708,573	134,148,891		41,468,336		40,767,848	(700,488)		40,486,135	(982,201)		40,003,199	(1,465,137)

Sources: Response to Data Request Nos. KCC-219 and KCC-274

Kansas Gas Service  
 Multi-Year Analyses of Distrigas Allocation Ratio Changes  
 Income Statement Adjustment No. 17  
 Test Year Ended September 30, 2023

Line No.	Quarter	Distrigas Allocation	Quarterly Change	Period of Average
1	Q3 2019	32.43%		Beginning of Five-Year Average
2	Q4 2019	32.91%	1.48%	
3	Q1 2020	33.54%	1.91%	
4	Q2 2020	33.57%	0.09%	
5	Q3 2020	33.15%	-1.25%	Beginning of Four-Year Average
6	Q4 2020	32.82%	-1.00%	
7	Q1 2021	32.75%	-0.21%	
8	Q2 2021	32.26%	-1.50%	
9	Q3 2021	32.28%	0.06%	Beginning of Three-Year Average
10	Q4 2021	32.04%	-0.74%	
11	Q1 2022	32.22%	0.56%	
12	Q2 2022	31.96%	-0.81%	
13	Q3 2022	31.69%	-0.84%	Beginning of Two-Year Average
14	Q4 2022	31.51%	-0.57%	Beginning of Test Year
15	Q1 2023	30.98%	-1.68%	
16	Q2 2023	30.76%	-0.71%	
17	Q3 2023	30.48%	-0.91%	
18	Q4 2023	30.39%	-0.30%	KGS Pro Forma Allocation
19	Q1 2024	30.18%	-0.69%	
20	Q2 2024	29.82%	-1.19%	Staff Pro Forma Allocation

-8.05% Total Change from Q3 2019 to Q2 2024

Sources: Response to Data Request Nos. KCC-219, KCC-274 and KCC-275

Kansas Gas Service  
 Staff Adjustment to Cyber Security Tracker  
 Income Statement Adjustment No. 18  
 Test Year Ended September 30, 2023

<b>Line No.</b>	<b>FERC Account</b>	<b>Description</b>	<b>Tracker Expenses</b>	<b>Total</b>
1	182.3	Cyber Security Tracker Deferral Balance at February 28, 2024	836,519	
2		Less: Correction of the Distringas Allocation for October 2022	(591)	
3		Less: KGS Allocated Expenses to exclude from Cyber Security Tracker	<u>(7,350)</u>	
4		Staff Adjusted Cyber Security Tracker Deferral Balance		828,578
5		Amortization Period (Years)		<u>5</u>
6		Staff Amortization of the Cyber Security Tracker Regulatory Asset		165,716
7		KGS Pro Forma Amortization of the Cyber Security Tracker Regulatory Asset		<u>281,663</u>
<b>8</b>	<b>407.3</b>	<b>Staff Adjustment to the Cyber Security Tracker Deferral Amortization</b>		<b><u><u>(115,947)</u></u></b>
9		Staff Adjusted Test Year Cyber Security Expense	1,046,538	
10		Less: Test Year Baseline	<u>763,430</u>	
11		Staff Adjusted Deferred Expense in Test Year		283,108
12		KGS Pro Forma Deferred Expense in Test Year		<u>324,549</u>
<b>13</b>	<b>930.2</b>	<b>Staff Adjustment to Include Deferred Cyber Security Expense in Test Year</b>		<b><u><u>(41,441)</u></u></b>
<b>14</b>		<b>Staff Adjustment to Cyber Security Tracker</b>		<b><u><u>(157,389)</u></u></b>

Sources: KGS Pro Forma Adjustment IS 31 Workpapers  
 Response to Data Request No. KCC-222  
 Exhibits ANJ-3(a) through ANJ-3(g)  
 Exhibit ANJ-4

Kansas Gas Service  
Cyber Security Tracker Deferral Balance  
Income Statement Adjustment No. 18  
Test Year Ended September 30, 2023

Line No.	Description	2019												YE Accrual	
		Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
1	Cyber Security Expense in Rates	763,430	-	52,259	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	688,450
2	Net YTD Recovery	-	-	52,259	115,878	179,497	243,116	306,735	370,354	433,974	497,593	561,212	624,831	688,450	688,450
3	Current Cyber Security Expense (CC1529)			82,066	94,149	102,148	94,194	124,470	108,638	112,520	112,903	123,379	147,702	124,096	1,226,266
4	Less: Expenses to Exclude from Tracker			-	(632)	(1,097)	(685)	(332)	(1,317)	(250)	(882)	(704)	(177)	(753)	(6,830)
5	Plus: Cyber Insurance			36,767	44,757	44,757	44,757	44,757	44,757	44,757	44,757	44,757	44,757	44,757	484,337
6	Accumulated YTD Expense			118,834	138,274	145,809	138,266	168,896	152,078	157,026	156,777	167,432	192,282	168,100	
7	Allocation %		31.45%	31.45%	31.45%	32.18%	32.18%	32.18%	32.43%	32.43%	32.43%	32.91%	32.91%	32.91%	32.91%
8	Net YTD Cyber Security Expense			37,373	80,860	127,782	172,275	226,626	275,945	326,869	377,712	432,813	496,094	551,415	551,415
9	YTD Accrual			-	(14,885)	(35,017)	(51,715)	(70,841)	(80,109)	(94,409)	(107,105)	(119,881)	(128,398)	(128,738)	(137,035)
10	Current Month Accrual (for JE)			-	(14,885)	(20,132)	(16,698)	(19,125)	(9,269)	(14,300)	(12,695)	(12,776)	(8,517)	(339)	(8,297)
11	Balance of 1823273			(14,885)	(35,017)	(51,715)	(70,841)	(80,109)	(94,409)	(107,105)	(119,881)	(128,398)	(128,738)	(137,035)	

18-560 Docket	
Annual:	763,430
Monthly:	63,619
Feb (23/28 of mo)	52,259
Mar - Dec	636,192
	<b>688,450</b>

Source: Response to Data Request No. KCC-253



Kansas Gas Service  
Cyber Security Tracker Deferral Balance  
Income Statement Adjustment No. 18  
Test Year Ended September 30, 2023

Line No.	Description	2020												YE Accrual	
		Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
1	Cyber Security Expense in Rates	763,430	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	763,430
2	Net YTD Recovery		63,619	127,238	190,858	254,477	318,096	381,715	445,334	508,953	572,573	636,192	699,811	763,430	763,430
3	Current Cyber Security Expense (CC1529)		147,929	101,463	180,641	47,616	115,534	115,568	117,577	117,391	115,813	101,231	106,052	178,034	1,444,850
4	Less: Expenses to Exclude from Tracker		(812)	(1,375)	(107)	-	(63)	-	(150)	(63)	(9)	-	-	(110)	(2,688)
5	Plus: Cyber Insurance		44,757	44,150	44,144	44,144	44,144	44,144	44,144	44,144	44,144	44,144	44,144	44,144	530,347
6	Accumulated Monthly Expense		191,874	144,239	224,678	91,760	159,616	159,712	161,572	161,472	159,947	145,375	150,196	222,068	
7	Allocation %		33.54%	33.54%	33.54%	33.57%	33.57%	33.57%	33.15%	33.15%	33.15%	32.82%	32.82%	32.82%	32.82%
8	Net YTD Cyber Security Expense		64,354	112,732	188,089	218,893	272,476	326,091	379,652	433,180	486,203	533,915	583,209	656,092	656,092
9	YTD Accrual		735	(14,506)	(2,769)	(35,584)	(45,620)	(55,624)	(65,682)	(75,773)	(86,370)	(102,277)	(116,601)	(107,338)	(107,338)
10	Current Month Accrual (for JE)		735	(15,242)	11,738	(32,815)	(10,036)	(10,004)	(10,058)	(10,091)	(10,597)	(15,907)	(14,325)	9,264	-
11	Balance of 1823273	(137,035)	(136,300)	(151,541)	(139,803)	(172,619)	(182,655)	(192,659)	(202,717)	(212,808)	(223,404)	(239,311)	(253,636)	(244,373)	

Source: Response to Data Request No. KCC-253

Kansas Gas Service  
Cyber Security Tracker Deferral Balance  
Income Statement Adjustment No. 18  
Test Year Ended September 30, 2023

Line No.	Description	2021												YE Accrual	
		Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
1	Cyber Security Expense in Rates	763,430	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	763,430
2	Net YTD Recovery		63,619	127,238	190,858	254,477	318,096	381,715	445,334	508,953	572,573	636,192	699,811	763,430	763,430
3	Current Cyber Security Expense (CC1529)		94,827	97,287	92,154	82,905	154,403	108,575	130,116	88,601	133,039	180,534	334,971	317,524	1,814,936
4	Less: Expenses to Exclude from Tracker		(177)	-	(743)	(64)	(114)	-	(447)	(136)	(445)	-	-	(124)	(2,250)
5	Plus: Cyber Insurance		44,144	56,743	56,735	56,735	56,735	56,735	56,735	56,735	56,735	56,735	56,735	56,735	668,237
6	Accumulated Monthly Expense		138,794	154,029	148,147	139,576	211,024	165,310	186,404	145,200	189,329	237,269	391,706	374,135	
7	Allocation %		32.75%	32.75%	32.75%	32.26%	32.26%	32.26%	32.28%	32.28%	32.28%	32.04%	32.04%	32.04%	32.04%
8	Net YTD Cyber Security Expense		45,455	95,900	144,418	189,445	257,521	310,850	371,021	417,892	479,007	555,028	680,531	800,404	800,404
9	YTD Accrual		(18,164)	(31,339)	(46,440)	(65,032)	(60,575)	(70,865)	(74,313)	(91,061)	(93,565)	(81,163)	(19,280)	36,974	36,974
10	Current Month Accrual (for JE)		(18,164)	(13,175)	(15,101)	(18,592)	4,457	(10,290)	(3,448)	(16,749)	(2,504)	12,402	61,883	56,254	0
11	Balance of 1823273	(252,766)	(270,930)	(284,105)	(299,206)	(317,798)	(313,341)	(323,631)	(327,079)	(343,827)	(346,331)	(333,929)	(272,046)	(215,792)	

Source: Response to Data Request No. KCC-253

Kansas Gas Service  
Cyber Security Tracker Deferral Balance  
Income Statement Adjustment No. 18  
Test Year Ended September 30, 2023

Line No.	Description	2022												YE Accrual	
		Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
1	Cyber Security Expense in Rates	763,430	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	763,430
2	Net YTD Recovery		63,619	127,238	190,858	254,477	318,096	381,715	445,334	508,953	572,573	636,192	699,811	763,430	763,430
3	Current Cyber Security Expense (CC1529)		260,771	398,785	290,300	454,757	272,824	523,777	381,359	276,753	256,565	255,797	167,596	217,821	3,757,104
4	Less: Expenses to Exclude from Tracker		(192)	(248)	(334)	(230)	(373)	(63)	(294)	(206)	(1,060)	(476)	(374)	(313)	(4,162)
5	Plus: Cyber Insurance		56,735	72,441	72,445	72,445	72,445	72,445	72,445	72,445	72,445	72,445	72,445	72,445	853,626
6	Accumulated Monthly Expense		317,314	470,978	362,411	526,972	344,897	596,160	453,510	348,992	327,949	327,766	239,667	289,952	
7	Allocation %		32.22%	32.22%	32.22%	31.96%	31.96%	31.96%	31.69%	31.69%	31.69%	31.51%	31.51%	31.51%	31.51%
8	Net YTD Cyber Security Expense		102,239	253,988	370,757	539,177	649,406	839,939	983,656	1,094,252	1,198,179	1,301,458	1,376,977	1,468,341	1,468,341
9	YTD Accrual		38,620	126,749	179,899	284,700	331,310	458,224	538,322	585,298	625,606	665,266	677,166	704,911	704,911
10	Current Month Accrual (for JE)		38,620	88,130	53,150	104,801	46,610	126,914	80,098	46,976	40,308	39,660	11,900	27,745	-
11	Balance of 1823273	(215,792)	(177,173)	(89,043)	(35,893)	68,908	115,518	242,431	322,530	369,506	409,814	449,474	461,374	489,118	

Note: Staff changed the Distrigas Allocation for October 2022 from 31.69% to 31.15%.

Sources: Response to Data Request Nos. KCC-222 and KCC-253

Kansas Gas Service  
Cyber Security Tracker Deferral Balance  
Income Statement Adjustment No. 18  
Test Year Ended September 30, 2023

Line No.	Description	2023												YE Accrual	
		Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
1	Cyber Security Expense in Rates	763,430	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	63,619	763,430
2	Net YTD Recovery		63,619	127,238	190,858	254,477	318,096	381,715	445,334	508,953	572,573	636,192	699,811	763,430	763,430
3	Current Cyber Security Expense (CC1529)		223,874	250,473	235,035	185,607	192,702	224,421	212,822	199,151	201,767	218,641	206,455	202,016	2,552,965
4	Less: Expenses to Exclude from Tracker		(140)	(242)	(209)	(917)	(596)	(584)	(387)	(749)	(698)	(1,185)	(287)	(625)	(6,620)
5	Plus: Cyber Insurance		72,445	82,298	82,294	82,294	82,294	82,294	82,294	82,294	82,294	82,294	82,294	82,294	977,683
6	Accumulated Monthly Expense		296,179	332,529	317,120	266,984	274,400	306,132	294,729	280,696	283,363	299,750	288,463	283,685	
7	Allocation %		30.98%	30.98%	30.98%	30.76%	30.76%	30.76%	30.48%	30.48%	30.48%	30.39%	30.39%	30.39%	30.39%
8	Net YTD Cyber Security Expense		91,756	194,774	293,017	375,142	459,547	553,713	643,546	729,103	815,472	906,566	994,229	1,080,441	1,080,441
9	YTD Accrual		28,137	67,535	102,160	120,665	141,451	171,998	198,212	220,149	242,899	270,374	294,419	317,011	317,011
10	Current Month Accrual (for JE)		28,137	39,398	34,625	18,505	20,786	30,547	26,214	21,937	22,750	27,475	24,045	22,593	-
11	Balance of 1823273	489,118	517,255	556,654	591,278	609,783	630,570	661,116	687,331	709,268	732,018	759,492	783,537	806,130	

Sources: Response to Data Request Nos. KCC-222 and KCC-253

Kansas Gas Service  
 Cyber Security Tracker Deferral Balance  
 Income Statement Adjustment No. 18  
 Test Year Ended September 30, 2023

Line No.	Description	2024												YE Accrual		
		Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec	
1	Cyber Security Expense in Rates	763,430	63,619	11,361												74,980
2	Net YTD Recovery		63,619	74,980												-
3	Current Cyber Security Expense (CC1529)		273,333	(47,952)												225,381
4	Less: Expenses to Exclude from Tracker		(391)	(142)												(534)
5	Plus: Cyber Insurance		82,294	15,683												97,977
6	Accumulated Monthly Expense		355,235	(32,411)	-	-	-	-	-	-	-	-	-	-	-	
7	Allocation %		30.18%	30.18%	30.18%											0.00%
8	Net YTD Cyber Security Expense		107,210	97,428	97,428	97,428	97,428	97,428	97,428	97,428	97,428	97,428	97,428	97,428	97,428	97,428
9	YTD Accrual		43,591	22,449	97,428	97,428	97,428	97,428	97,428	97,428	97,428	97,428	97,428	97,428	97,428	97,428
10	Current Month Accrual (for JE)		43,591	(21,142)	74,980	-	-	-	-	-	-	-	-	-	-	-
11	Balance of 1823273	806,130	849,720	828,578	903,558	903,558	903,558	903,558	903,558	903,558	903,558	903,558	903,558	903,558	903,558	

Source: Response to Data Request No. KCC-253

Kansas Gas Service  
 Breakdown of Expenses to Exclude from Cyber Security Tracker  
 Income Statement Adjustment No. 18  
 Test Year Ended September 30, 2023

Line No.	Description	Expenses to Exclude	Exclusion Percentage	Total Company	Allocated KGS
1	Dues	6,069	50%	3,035	990
2	Meals related to Travel	8,282	50%	4,141	1,308
3	Other Meals (Non-Travel, Celebratory, Vendor etc.)	12,962	100%	12,962	4,099
4	Gifts	466	100%	466	149
5	Interview Candidate Expenses	2,479	100%	2,479	804
<b>6</b>	<b>Total Expenses to Exclude from Cyber Security Tracker</b>	<b><u>30,258</u></b>		<b><u>23,083</u></b>	<b><u>7,350</u></b>
 <u>Breakdown of Expenses by Account for Total Deferral Balance</u>					
7	A&G S&E Airfare	404	100%	404	131
8	A&G S&E Membership Dues	2,148	50%	1,074	344
9	A&G S&E Training & Ed	5,576	50%	2,788	902
10	A&G S&E Training & Ed	1,150	100%	1,150	379
11	A&G S&E Travel/Entertainment	6,627	50%	3,314	1,051
12	A&G S&E Travel/Entertainment	13,748	100%	13,748	4,349
13	A&G Supplies & Expenses Misc	605	100%	605	193
<b>14</b>	<b>Total Expenses to Exclude from Cyber Security Tracker</b>	<b><u>30,258</u></b>		<b><u>23,083</u></b>	<b><u>7,350</u></b>

Source: Response to Data Request No. KCC-253

Kansas Gas Service  
Staff Adjusted Cyber Security Tracker Baseline  
Income Statement Adjustment No. 18  
Test Year Ended September 30, 2023

Line No.	Account Description	KGS Baseline	Expenses to Exclude	Staff Adjusted Baseline
<u>OGS Cyber Security</u>				
1	A&G Mnt Agreement Fees	653,138		653,138
2	A&G Outside Svc Cloud Computing Amortization	11,853		11,853
3	A&G Outside Svc Cloud Computing Arrangements	682,175		682,175
4	A&G S&E Membership Dues	470	235	235
5	A&G S&E Training & Ed	17,550	287	17,263
6	A&G S&E Travel/Entertainment	17,854	5,067	12,787
7	A&G Supplies & Expenses Misc	26	97	(71)
<u>OGS IT Government Mandate</u>				
8	A&G Mnt Agreement Fees	44,092		44,092
9	A&G Outside Svc Cloud Computing Arrangements	353,016		353,016
10	A&G Outside Svc IT Application Support	450,311		450,311
11	A&G Supplies & Expenses Misc	881		881
<u>OGS Pipeline Security</u>				
12	A&G Mnt Agreement Fees	296,158		296,158
13	A&G Outside Svc Cloud Computing Arrangements	17,432		17,432
14	A&G S&E Lodging	775		775
15	A&G S&E Training & Ed	125		125
16	A&G S&E Travel/Entertainment	12,572		12,572
17	A&G Supplies & Expenses Misc	8,638		8,638
18	Total Cyber Security O&M Expense	<u>2,567,066</u>		<u>2,561,381</u>
19	Cyber Security Insurance	<u>948,136</u>		<u>948,136</u>
20	<b>Total Cyber Security Expense</b>	<b>3,515,202</b>		<b>3,509,517</b>
21	Distrigas Allocation	<u>30.39%</u>		<u>29.82%</u>
22	<b>Total Cyber Expense for Tracker Baseline</b>	<b><u>1,068,270</u></b>		<b><u>1,046,538</u></b>

**Breakdown of Test Year Excluded Expenses by Account**

Account Description	Total KGS	Exclusion	Total Excluded
A&G S&E Training & Ed	162	100%	162
A&G S&E Travel/Entertainment	2,154	50%	1,077
A&G S&E Travel/Entertainment	3,990	100%	3,990
A&G S&E Membership Dues	470	50%	235
A&G S&E Training & Ed	250	50%	125
A&G Supplies & Expenses Misc	97	100%	97
<b>Total Expense to Exclude from Baseline</b>	<b><u>7,123</u></b>		<b><u>5,686</u></b>

Sources: Response to Data Request Nos. KCC-254, KCC-256 and KCC-258

# Kansas Gas Service Responses to Data Requests

Some attachments referenced are too voluminous to attach  
but are available upon request



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

Data Request: 24-610 KCC-108  
Issuer Organization: KCC  
Request Date: 04-03-2024  
Date Information Needed: 04-12-2024  
Requested By: Bill Baldry

Page 1 of 1

RE: Adjustment WC 6 NOL Associated with Pension / OPEB Funding Excess

Please provide the following: A copy of the work papers that support the (\$6,282,196) WC 6 Adjustment.

KGS Response:

See "24-610 KCC-108 Attachment A" for support.

While reviewing our workpaper for WC 6, it was noted that the taxable income included in the calculation was incorrect. After updating the taxable income information, the adjustment for WC 6 should be \$2,658,828 instead of (\$6,282,196).

Prepared by: Kenneth Eakens

**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: Kenneth Eakens

Date: 04/12/2024

KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.

Docket No. 24-KGSG-610-RTS

Data Request: 24-610 KCC-108

Issuer Organization: KCC

Request Date: 04-03-2024

Date Information Needed: 04-12-2024

Requested By: Bill Baldry

Year	KGS	Pro-Forma to Remove SFAS 87/106
1997 Taxable Income (Fiscal Year Ended 8/32/98)	3,169,301	3,169,301
1998 Taxable Income (Fiscal Year Ended 8/31/99)	(1,869,309)	(1,869,309)
1999 Taxable Income (Short Period 9/1/99 - 12/31/99)	(1,299,992)	(1,299,992)
2000 Taxable Income (changed to calendar year)	(1,356,090)	(1,356,090)
2001 Taxable Income	(16,135,320)	(16,135,320)
2002 Taxable Income	(49,770,737)	(49,770,737)
2003 Taxable Income (adjusted 12/7/11)	20,695,003	20,695,003
2004 Taxable Income	(13,090,602)	(13,090,602)
2005 Taxable Income	(37,173,513)	(37,173,513)
2006 Taxable Income	(49,804,362)	(49,804,362)
2007 Taxable Income	46,118,720	46,118,720
2008 Taxable Income	(67,987,061)	(67,987,061)
2009 Taxable Income	(11,059,169)	26,062,223
2010 Taxable Income	2,406,907	35,158,185
Net operating loss adjustment through 2010	Σ (177,156,224)	Σ (107,283,554)
Composite Tax Rate	39.55%	39.55%
Deferred Tax Asset at 12/31/2010	Σ 70,065,287	Σ 42,430,646

Timing Differences	
Σ	(37,121,392) KGS Fed Inc Tax Calc Tab
Σ	(32,751,278)

	Pension	SFAS 106	Source File
2011 Taxable Income	(57,905,527)	(40,397,200)	(10,091,837) (7,416,490) 4.2 fed taxable inc 2009 - 2017
2012 Taxable Income	(26,783,913)	(7,728,327)	(16,272,487) (2,783,099) 4.2 fed taxable inc 2009 - 2017
2013 Taxable Income	27,944,468	6,817,023	17,432,946 3,694,499 4.2 fed taxable inc 2009 - 2017
2014 Taxable Income	13,469,057	(40,762)	2,850,682 10,659,137 4.2 fed taxable inc 2009 - 2017
2015 Taxable Income	(12,676,248)	(16,575,344)	13,636,875 (9,737,779) 4.2 fed taxable inc 2009 - 2017
2016 Taxable Income	(50,127,544)	(55,309,768)	6,893,673 (1,711,449) 4.2 fed taxable inc 2009 - 2017
2017 Taxable Income	(500,146)	(4,328,391)	3,925,130 (96,885) 4.2 fed taxable inc 2009 - 2017
2018 Taxable Income	69,431,664	48,810,587	26,605,122 (5,984,045)

2019 Taxable Income	17,527,626	8,683,922	12,675,880	(3,832,176)
2020 Taxable Income	39,949,496	26,837,974	16,675,816	(3,564,294)
2021 Taxable Income	(363,086,552)	(374,969,614)	16,111,553	(4,228,491)
2022 Taxable Income	39,893,526	29,431,057	9,760,188	702,281
2023 Estimated NOL Utilized to Offset Taxable Income 9/30/2023	13,032,469	6,403,463	3,822,843	2,806,163

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(466,987,848)	(479,648,934)
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Composite Tax Rate

21.00%	21.00%
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NOL Asset Balance @ 12\_31\_2023

\$	98,067,448	\$	100,726,276	\$	2,658,828
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Adjustment to Reduce NOL Asset to remove effects of Pension/OPEB funding on NOL

\$	(100,726,276)
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Pro-Forma NOL Balance - Excludes the Impact of the impacts of

Pension/OPEB funding

\$	(2,658,828)
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Negative timing differences reflect funding in excess of GAAP expense, while positive amounts represent funding less than

2018 Adjustment to Reduce NOL Asset to remove effects of Pension/OPEB funding on NOL

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

Data Request: 24-610 KCC-255  
Issuer Organization: KCC  
Request Date: 05-23-2024  
Date Information Needed: 06-04-2024  
Requested By: Andria Jackson

Page 1 of 1

RE: IS-31, Cyber Security Tracker

Please provide the following: Please provide a detailed explanation of the cost allocation methodology used to allocate cyber security costs to KGS. For instance, are all cyber security-related costs that are recorded on KGS' books incurred at the corporate level and then allocated to KGS using the Distrigas allocation, or are any costs directly allocated to KGS?

KGS Response:

Cyber security costs are incurred at the corporate level and allocated to KGS using the distrigas allocation as described in the Cost Allocation Manual. The Cost Allocation Manual was provided as Exhibit KLD-1 as part of the testimony of Company witness Keara Downum.

Prepared by: Lorna Eaton

**Verification of Response**

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

Signed: 

Date: 06/04/2024

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

Data Request: 24-610 KCC-256  
Issuer Organization: KCC  
Request Date: 05-23-2024  
Date Information Needed: 06-04-2024  
Requested By: Andria Jackson

Page 1 of 1

RE: Cyber Security Tracker

Please provide the following: According to page 7 of Lorna M. Eaton's direct testimony, the base level of cyber security tracker costs included in the revenue requirement is \$1,068,270. Please provide a breakdown of the base level costs and identify where each cost is reflected in the revenue requirement.


KGS Response:

Please see the attachment provided in response to data request 24-610 KCC-254 for a listing of all cyber security expenses included in the revenue requirement. The costs are recorded to ONE Gas corporate books and allocated to KGS using the Distrigas allocation. Distrigas allocated expenses are recorded to KGS's books in FERC account 930.2.

Prepared by: Lorna Eaton

**Verification of Response**

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

Signed: 

Date: 06/04/2024

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

Data Request: 24-610 KCC-257  
Issuer Organization: KCC  
Request Date: 05-23-2024  
Date Information Needed: 06-04-2024  
Requested By: Andria Jackson

Page 1 of 1

RE: Cyber Security Tracker

Please provide the following: Please provide the amount of resources that KGS has committed towards cyber security compliance in the last five years, including the test year. Additionally, please provide a breakdown of the costs between O&M expenses and capital, labor and non-labor, and by FERC account.

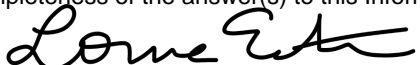
KGS Response:

Please see 24-610 KCC-257 Attachment A for the resources committed from 2019-2023. Cyber Security compliance is executed at ONE Gas on a consolidated basis and allocated to KGS through the Distrigas methodology. The costs provided in the attachment are on an unallocated basis. As per the agreement in Docket No. 18-KGSG-560-RTS, KGS did not include any direct labor costs or capital expenditures within the cyber security tracker.

Prepared by: Lorna Eaton

**Verification of Response**

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

Signed: 

Date: 06/04/2024

O&M Resources

FERC	O&M Type	2019	2020	2021	2022	2023	Grand Total
9200	Labor	669,651	608,609	773,950	814,723	816,100	3,683,033
9210	Non-Labor	54,052	12,749	7,423	30,474	67,235	171,933
9230	Non-Labor	434,629	842,682	1,218,299	2,853,807	1,541,273	6,890,690
9320	Non-Labor	847,821	564,774	668,856	1,211,779	957,892	4,251,122
<b>Grand Total</b>		<b>2,006,154</b>	<b>2,028,813</b>	<b>2,668,529</b>	<b>4,910,783</b>	<b>3,382,499</b>	<b>14,996,778</b>

Row Labels		2019	2020	2021	2022	2023	Grand Total
9230	Insurance					977,683.00	977,683.00
9250	Insurance	538,926.16	530,346.94	668,236.76	853,626.14	0.00	2,591,136.00
<b>Grand Total</b>		<b>538,926.16</b>	<b>530,346.94</b>	<b>668,236.76</b>	<b>853,626.14</b>	<b>977,683.00</b>	<b>3,568,819.00</b>

<b>Total O&amp;M</b>		<b>2,545,080.01</b>	<b>2,559,160.12</b>	<b>3,336,765.47</b>	<b>5,764,408.67</b>	<b>4,360,182.42</b>	<b>18,565,596.69</b>
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Capital Expenditures

	Exp Type	2019	2020	2021	2022	2023	Grand Total
Cyber	Labor	46,570	195,366	37,690	207,510	394,253	881,389
Cyber	Non-Labor	102,273	1,075,644	1,526,094	3,637,941	3,883,347	10,225,299
<b>Grand Total</b>		<b>148,843</b>	<b>1,271,010</b>	<b>1,563,784</b>	<b>3,845,451</b>	<b>4,277,600</b>	<b>11,106,688</b>

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

Data Request: 24-610 KCC-258  
Issuer Organization: KCC  
Request Date: 05-23-2024  
Date Information Needed: 06-04-2024  
Requested By: Andria Jackson

Page 1 of 1

RE: Cyber Security Tracker

Please provide the following: Please provide the total amount of O&M expenses, broken down by cost category, associated with the cyber security tracker for the 12-months ended September 30, 2023, as well as for the 12-months ended April 30, 2023. Please provide the amounts on a total unallocated basis and a KGS allocated basis.


KGS Response:

Please see "24-610 KCC-258 Attachment" for the requested information. KGS discontinued the cyber tracker in February 2024. The Cyber Security tracker was subject to a 5-year sunset provision as agreed to in the settlement in Docket No. 18-KGSG-560-RTS. KGS is providing the 12-month ending April 30, 2023 expenses that KGS would have included in the cyber tracker had there not been a sunset provision.

Prepared by: Lorna Eaton

**Verification of Response**

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

Signed: 

Date: 06/04/2024



Kansas Gas Service  
 Cyber Security Expense 12 Months Ending September 2023 (Test Year)  
 Data Request 24-610 KCC-258

<b>Tocostcenter Description</b>	<b>Account Description</b>	<b>Sum of Net Activity</b>	<b>Sum of KGS Allocated Amount</b>
OGS CYBER SECURITY	A&G MNT AGREEMENT FEES	653,138	202,614
	A&G OUTSIDE SVC CLOUD COMPUTING AMORTIZATION	11,853	3,703
	A&G OUTSIDE SVC CLOUD COMPUTING ARRANGEMEN	682,175	210,216
	A&G S&E MEMBERSHIP DUES	470	146
	A&G S&E TRAINING & ED	17,550	5,440
	A&G S&E TRAVEL/ENTERTAINMENT	17,854	5,478
	A&G SUPPLIES & EXPENSES MISC	26	8
OGS IT GOVERNMENT MANDATE	A&G MNT AGREEMENT FEES	44,092	13,647
	A&G OUTSIDE SVC CLOUD COMPUTING ARRANGEMEN	353,016	108,865
	A&G OUTSIDE SVC IT APPLICATION SUPPORT	450,311	140,339
	A&G SUPPLIES & EXPENSES MISC	881	278
OGS PIPELINE SECURITY	A&G MNT AGREEMENT FEES	296,158	91,379
	A&G OUTSIDE SVC CLOUD COMPUTING ARRANGEMEN	17,432	5,353
	A&G S&E LODGING	775	239
	A&G S&E TRAINING & ED	125	39
	A&G S&E TRAVEL/ENTERTAINMENT	12,572	3,887
	A&G SUPPLIES & EXPENSES MISC	8,638	2,651
<b>Grand Total</b>		<b>2,567,066</b>	<b>794,281</b>
	Cyber Security Insurance	948,136	293,107
	<b>Total Cyber Expense</b>	<b>3,515,202</b>	<b>1,087,388</b>
	4th Quarter 2023 Dstrigas %	30.39%	
	Total Cyber Expense for Tracker <sup>(1)</sup>	1,068,270	

(1) Expense in test year was adjusted to the 4th quarter dstrigas % which was used as the basis for the Cyber Expense Tracker in base rates.

Kansas Gas Service  
 Cyber Security Expense 12 Months Ending April 2024  
 Data Request 24-610 KCC-258

To Cost Center Description	Account Description	Sum of Net Activity	Sum of Allocated to KGS
OGS CYBER SECURITY	A&G MNT AGREEMENT FEES	447,734	136,079
	A&G OUTSIDE SVC CLOUD COMPUTING AMORTIZATION	729	220
	A&G OUTSIDE SVC CLOUD COMPUTING ARRANGEMENT	1,087,397	330,052
	A&G S&E MEMBERSHIP DUES	470	143
	A&G S&E TRAINING & ED	9,130	2,789
	A&G S&E TRAVEL/ENTERTAINMENT	19,175	5,847
	A&G SUPPLIES & EXPENSES MISC	165	49
OGS IT GOVERNMENT MANDATA	A&G MNT AGREEMENT FEES	104,027	31,369
	A&G OUTSIDE SVC CLOUD COMPUTING AMORTIZATION	42,640	12,856
	A&G OUTSIDE SVC CLOUD COMPUTING ARRANGEMENT	364,683	110,777
	A&G OUTSIDE SVC IT APPLICATION SUPPORT	104,007	31,692
	A&G OUTSIDE SVC MISC	15,042	4,486
OGS PIPELINE SECURITY	A&G MNT AGREEMENT FEES	322,643	98,082
	A&G OUTSIDE SVC CLOUD COMPUTING ARRANGEMENT	41,132	12,438
	A&G S&E LODGING	609	187
	A&G S&E OFFICE SUPPLIES	36	11
	A&G S&E TRAINING & ED	2,915	886
	A&G S&E TRAVEL/ENTERTAINMENT	12,814	3,898
	A&G SUPPLIES & EXPENSES MISC	10,902	3,305
<b>Grand Total</b>		<b>2,586,248</b>	<b>785,165</b>
	Cyber Security Insurance	1,004,134	304,945
	<b>Total Cyber Expense</b>	<b>3,590,382</b>	<b>1,090,110</b>

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

Data Request: 24-610 KCC-259  
Issuer Organization: KCC  
Request Date: 05-23-2024  
Date Information Needed: 06-04-2024  
Requested By: Andria Jackson

Page 1 of 1

RE: Cyber Security Tracker

Please provide the following: Please provide a detailed narrative discussing how KGS proposes to administer the Cyber Security Tracker going forward should it continue. Specifically, please include a discussion of the following:

1. How KGS plans to isolate, track and account for these costs between rate cases.
2. Which categories of costs KGS is planning to include in the tracker (i.e. labor O&M, nonlabor O&M, capital, etc.).
3. Whether incremental physical and cyber security costs will be tracked over those included in base rates.
4. How KGS plans on tracking incremental capital costs related to physical security and hardening of the company's infrastructure. Will those costs be compared against levels of depreciation expense included in base rates for physical security costs?


KGS Response:

1. KGS tracks cyber security costs by cost center and records them to the appropriate natural account and expense indicator. Labor and non-labor costs are differentiated by expense indicator. KGS is not requesting to include internal labor costs within the Cyber Security Tracker.
2. KGS is requesting to include non-labor cyber security O&M costs within the tracker, which is consistent with the Cyber Security Tracker approved in Docket No. 18-KGSG-560-RTS.
3. KGS plans on reviewing the costs monthly and deferring the amount over or under the benchmark.
4. KGS is not requesting capital costs to be included in the Cyber Security Tracker. KGS can recover additional cyber and physical security capital expenditures through the GSRS mechanism. Any recovery of cyber or physical security capital expenditures between rate cases would be reviewed during the GSRS filing process.

Prepared by: Lorna Eaton

**Verification of Response**

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

Signed: 

Date: 06/04/2024

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

Data Request: 24-610 KCC-260  
Issuer Organization: KCC  
Request Date: 05-28-2024  
Date Information Needed: 06-05-2024  
Requested By: Andria Jackson

Page 1 of 1

RE: Servicing and Administration Fee Revenue and Expenses

Please provide the following: The Settlement Agreement approved by the Commission in Docket No. 22-KGSG-466-TAR states: “[i]f the incremental cost to Kansas Gas Service to perform its servicing and administrative services under the Servicing Agreement and the Administration Agreement, respectively, is less than what the Company is paid for those services, then that difference in cost (the associated profit margin earned by the Company as servicer and administrator) shall be tracked by Kansas Gas Service and included in a regulatory liability account to be address in Kansas Gas Service’s next general rate case.”

1. Please verify whether or not KGS has established a regulatory liability account to track the incremental cost differences as required by the Commission-approved Servicing and Administration Agreements. If the regulatory liability account has not yet been established, please explain why.
2. Please identify where the regulatory liability account is addressed in the rate case filing and how it is reflected in the test year cost of service.
3. Please provide supporting general ledger detail of the regulatory liability detailing the account activity from inception through April 30, 2024.

KGS Response:

1. KGS has not yet established the regulatory liability account. Both the revenues and expenses are included in the revenue requirement in the applicable FERC accounts. KGS customers will receive the benefit of the revenue in excess of the expenses through base rates determined in this account. Because the amounts were not significant, and because of the timing of the rate case, KGS believed it would be administratively efficient to allow the amounts to be incorporated into base rates since any revenue in excess of expenses would lower the revenue requirement.
2. Because no regulatory liability account was established at the time of the test year, it was not included in this case. Costs and revenues are reflected in the test year cost of service as another KGS expense or revenue in the applicable FERC accounts. Please see the direct testimony of Janet Buchanan for an explanation of the revenues and expenses beginning on page 31.
3. There is no general ledger activity for a regulatory liability account.

Prepared by: Janet Buchanan

**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: Janet Buchanan

Date: 6/5/2024

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

Data Request: 24-610 KCC-261  
Issuer Organization: KCC  
Request Date: 06-05-2024  
Date Information Needed: 06-05-2024  
Requested By: Andria Jackson

Page 1 of 1

RE: Servicing and Administration Fee Revenue and Expenses

Please provide the following: Please explain how KGS isolates, tracks and accounts for the fee revenues and expenses related to the Servicing and Administration Agreements.

KGS Response:

Servicing and Administration fee revenue is tracked in the following accounts:

4880200	SVC REV SERVICING REVENUE
4880201	SVC REV ADMIN REVENUE

The monthly amounts recorded are 1/12 of the annual Serving Fee and 1/12 of the annual Administration Fee. Expenses have not been isolated to specific accounts associated with Servicing and Administration Agreement required activities performed by KGS. Instead, the expenses are included in the relevant cost of service FERC accounts.

Prepared by: Janet Buchanan

**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: Janet Buchanan

Date: 6/5/2024

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

Data Request: 24-610 KCC-262  
Issuer Organization: KCC  
Request Date: 05-24-2024  
Date Information Needed: 06-05-2024  
Requested By: Andria Jackson

Page 1 of 1

RE: Servicing and Administration Fee Comparison - Revenues

Please provide the following: In regards to Table 4 presented in the direct testimony of Janet L. Buchanan, please provide the following:

1. Please provide general ledger detail for the fee revenue totaling \$233,011.13. Additionally, please explain how the 10-month total of fee revenue was derived.
2. Please identify where the total revenues presented in the table is reflected in the fully adjusted test year cost of service.

KGS Response:

1. Please see 24-610 KCC-262 Attachment A for the general ledger detail for the Servicing and Administration fee revenue from December 2022 through April 2024. As indicated in the response to data request 24-610 KCC-261, the monthly entries are 1/12 of the annual Servicing and Administration Fees. The 10-month revenue was calculated by summing the revenue in the two accounts provided in 24-610 KCC-262 Attachment A from December 2022 through September 2023.
2. The revenues presented in Table 4 are included in the cost of service with Miscellaneous Service revenues in Account 488. Both revenues and expenses are included in the cost of service. KGS did not annualize either the Servicing Fee and Administration Fee revenue or the expenses incurred in performing the required functions under the agreements.

Prepared by: Janet Buchanan

**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: Janet Buchanan

Date: 6/5/2024

GL DETAIL DIS - GL Detail

Currency/Stat	To Cc	Fm CC	Natural	Account Description	Explnd	Period Num	Period Year	Vendor Name	Debit	Credit	Net Activity	Line Description	Je Line Num	Actual Ind	Header #	Header Name	Batch Id	Batch Name	Batch Description	Posting Date	Invoice Date	Je Source	Ap Invoice Image	Co	Invoice Num
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	12	2022		0.00	32,321.66	-32,321.66	Accrue Servicer Revenue (\$118K * 43/253)	2	A	2379009	OGS324 OGS USD		OGS324 Spreadsheet A 21308 46244735	31-Dec-2022		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	12	2022		0.00	20,066.67	-20,066.67	Accrue Admin and Trust Revenue (\$181K + \$8.4K * 43/253)	3	A	2379009	OGS324 OGS USD		OGS324 Spreadsheet A 21308 46244735	31-Dec-2022		Spreadsheet	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	1	2023		0.00	14,000.00	-14,000.00	Accrue servicer revenue	19	A	2390626	OGS315 OGS USD		OGS315 Spreadsheet A 21308 46368632	31-Jan-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	1	2023		0.00	22,550.00	-22,550.00	Accrue admin and trust revenue	20	A	2390626	OGS315 OGS USD		OGS315 Spreadsheet A 21308 46368632	31-Jan-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	2	2023		0.00	14,000.00	-14,000.00	Accrue servicer revenue	2	A	2397440	OGS113 KGS USD		KGS Security Spreadsheet A 8861 46478181	28-Feb-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	2	2023		0.00	22,550.00	-22,550.00	Accrue admin and trust revenue	3	A	2397440	OGS113 KGS USD		KGS Security Spreadsheet A 8861 46478181	28-Feb-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	3	2023		0.00	14,000.00	-14,000.00	Accrue servicer revenue	2	A	2409950	OGS113 KGS USD		KGS Security Spreadsheet A 8861 46571216	31-Mar-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	3	2023		0.00	22,550.00	-22,550.00	Accrue admin and trust revenue	3	A	2409950	OGS113 KGS USD		KGS Security Spreadsheet A 8861 46571216	31-Mar-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	4	2023		12,254.99	0.00	12,254.99	Adjust servicer revenue for 2022 and 2023	3	A	2429039	OGS113 KGS USD		KGS Security Spreadsheet A 8861 46714140	30-Apr-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	4	2023		0.00	14,000.00	-14,000.00	Accrue servicer revenue	4	A	2429039	OGS113 KGS USD		KGS Security Spreadsheet A 8861 46714140	30-Apr-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	4	2023		0.00	9,333.33	-9,333.33	Accrue admin and trust revenue	6	A	2429039	OGS113 KGS USD		KGS Security Spreadsheet A 8861 46714140	30-Apr-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	4	2023		46,338.88	0.00	46,338.88	Adjust admin and trust revenue for 2022 and 2023	5	A	2429039	OGS113 KGS USD		KGS Security Spreadsheet A 8861 46714140	30-Apr-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	5	2023		0.00	14,000.00	-14,000.00	Accrue servicer revenue	2	A	2451919	OGS113 KGS USD		KGS Security Spreadsheet A 8861 46843983	31-May-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	5	2023		0.00	9,333.33	-9,333.33	Accrue admin and trust revenue	3	A	2451919	OGS113 KGS USD		KGS Security Spreadsheet A 8861 46843983	31-May-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	6	2023		0.00	14,000.00	-14,000.00	Accrue servicer revenue	2	A	2482583	OGS113 KGS USD		KGS Security Spreadsheet A 8861 46957597	30-Jun-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	6	2023		0.00	9,333.33	-9,333.33	Accrue admin and trust revenue	3	A	2482583	OGS113 KGS USD		KGS Security Spreadsheet A 8861 46957597	30-Jun-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	7	2023		0.00	14,000.00	-14,000.00	Accrue servicer revenue	2	A	2487420	OGS113 KGS USD		KGS Security Spreadsheet A 8861 47096003	31-Jul-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	7	2023		0.00	9,333.33	-9,333.33	Accrue admin and trust revenue	3	A	2487420	OGS113 KGS USD		KGS Security Spreadsheet A 8861 47096003	31-Jul-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	8	2023		0.00	118,066.67	-118,066.67	Journal Import Created	61	A	2488667	AUG-23 Misc Receipts USD		Receivables A 3221652 47128526	31-Aug-2023		Receivables	No Image Available		051	KGS-KS
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	8	2023		0.00	14,000.00	-14,000.00	Accrue servicer revenue	2	A	2497317	OGS113 KGS USD		KGS Security Spreadsheet A 8861 47232906	31-Aug-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	8	2023		118,066.67	0.00	118,066.67	KGSSI Payment	2	A	2500776	OGS308 OGS USD		OGS308 Spreadsheet A 21308 47279633	31-Aug-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	8	2023		70,277.78	0.00	70,277.78	KGSSI Payment	3	A	2500776	OGS308 OGS USD		OGS308 Spreadsheet A 21308 47279633	31-Aug-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	8	2023		0.00	70,277.78	-70,277.78	Journal Import Created	60	A	2488667	AUG-23 Misc Receipts USD		Receivables A 3221652 47128526	31-Aug-2023		Receivables	No Image Available		051	KGS-KS
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	8	2023		0.00	9,333.35	-9,333.35	Accrue admin and trust revenue	3	A	2497317	OGS113 KGS USD		KGS Security Spreadsheet A 8861 47232906	31-Aug-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	9	2023		0.00	14,000.00	-14,000.00	Accrue servicer revenue	3	A	2510343	OGS113 KGS USD		KGS Security Spreadsheet A 8861 47369151	30-Sep-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	9	2023		0.00	8,333.33	-8,333.33	Accrue admin revenue	5	A	2510343	OGS113 KGS USD		KGS Security Spreadsheet A 8861 47369151	30-Sep-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	9	2023		9,433.33	0.00	9,433.33	Reverse Trustee Revenue	4	A	2510343	OGS113 KGS USD		KGS Security Spreadsheet A 8861 47369151	30-Sep-2023		Spreadsheet	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	10	2023		0.00	14,000.00	-14,000.00	Accrue Servicer Revenue	4	A	2528370	ONG 518 Securitization Servicer Revenue		ONG 518 Securitization Servicer Revenue	31-Oct-2023		AutoCopy	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	10	2023		0.00	8,333.33	-8,333.33	Accrue Admin Revenue	5	A	2528370	ONG 518 Securitization Servicer Revenue		ONG 518 Securitization Servicer Revenue	31-Oct-2023		AutoCopy	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	11	2023		0.00	14,000.00	-14,000.00	Accrue Servicer Revenue	4	A	2534416	OGSD104 Securitization Servicer Revenue		OGSD104 Securitization Servicer Revenue	30-Nov-2023		AutoCopy	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	11	2023		0.00	8,333.33	-8,333.33	Accrue Admin Revenue	5	A	2534416	OGSD104 Securitization Servicer Revenue		OGSD104 Securitization Servicer Revenue	30-Nov-2023		AutoCopy	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	12	2023		0.00	14,000.00	-14,000.00	Accrue Servicer Revenue	4	A	2547399	OGSD104 Securitization Servicer Revenue		OGSD104 Securitization Servicer Revenue	31-Dec-2023		AutoCopy	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	12	2023		0.00	8,333.33	-8,333.33	Accrue Admin Revenue	5	A	2547399	OGSD104 Securitization Servicer Revenue		OGSD104 Securitization Servicer Revenue	31-Dec-2023		AutoCopy	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	1	2024		0.00	14,000.00	-14,000.00	Accrue Servicer Revenue	4	A	2563323	OGSD104 Securitization Servicer Revenue		OGSD104 Securitization Servicer Revenue	31-Jan-2024		AutoCopy	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	1	2024		0.00	8,333.33	-8,333.33	Accrue Admin Revenue	5	A	2563323	OGSD104 Securitization Servicer Revenue		OGSD104 Securitization Servicer Revenue	31-Jan-2024		AutoCopy	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	2	2024		0.00	14,000.00	-14,000.00	Accrue Servicer Revenue	4	A	2575483	OGSD104 Securitization Servicer Revenue		OGSD104 Securitization Servicer Revenue	29-Feb-2024		AutoCopy	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	2	2024		0.00	8,333.35	-8,333.35	Accrue Admin Revenue	5	A	2575483	OGSD104 Securitization Servicer Revenue		OGSD104 Securitization Servicer Revenue	29-Feb-2024		AutoCopy	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	3	2024		0.00	14,000.00	-14,000.00	Accrue Servicer Revenue	4	A	2587483	OGSD104 Securitization Servicer Revenue		OGSD104 Securitization Servicer Revenue	31-Mar-2024		AutoCopy	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	3	2024		0.00	8,333.33	-8,333.33	Accrue Admin Revenue	5	A	2587483	OGSD104 Securitization Servicer Revenue		OGSD104 Securitization Servicer Revenue	31-Mar-2024		AutoCopy	No Image Available		051	
USD	0000	0000	4880200	SVC REV SERVICING REVENUE	00	4	2024		0.00	14,000.00	-14,000.00	Accrue Servicer Revenue	4	A	2613392	OGSD104 Securitization Servicer Revenue		OGSD104 Securitization Servicer Revenue	30-Apr-2024		AutoCopy	No Image Available		051	
USD	0000	0000	4880201	SVC REV ADMIN REVENUE	00	4	2024		0.00	8,333.33	-8,333.33	Accrue Admin Revenue	5	A	2613392	OGSD104 Securitization Servicer Revenue		OGSD104 Securitization Servicer Revenue	30-Apr-2024		AutoCopy	No Image Available		051	

Sum of Net Activity		Period Year		Period Num														2023 Total	2024				2024 Total	Grand Total
Natural	Account Description	2022	2022 Total	2023																				
		12		1	2	3	4	5	6	7	8	9	10	11	12		1	2	3	4				
4880200	SVC REV SERVICING REVENUE	(32,321.66)	(32,321.66)	(14,000.00)	(14,000.00)	(14,000.00)	(1,745.01)	(14,000.00)	(14,000.00)	(14,000.00)	(14,000.00)	(14,000.00)	(14,000.00)	(14,000.00)	(14,000.00)	(155,745.01)	(14,000.00)	(14,000.00)	(14,000.00)	(14,000.00)	(14,000.00)	(56,000.00)	(244,066.67)	
4880201	SVC REV ADMIN REVENUE	(20,066.67)	(20,066.67)	(22,550.00)	(22,550.00)	(22,550.00)	37,005.55	(9,333.33)	(9,333.33)	(9,333.33)	(9,333.35)	1,100.00	(8,333.33)	(8,333.33)	(8,333.33)	(91,877.78)	(8,333.33)	(8,333.35)	(8,333.33)	(8,333.33)	(8,333.33)	(33,333.34)	(145,277.79)	
<b>Grand Total</b>		<b>(52,388.33)</b>	<b>(52,388.33)</b>	<b>(36,550.00)</b>	<b>(36,550.00)</b>	<b>(36,550.00)</b>	<b>35,260.54</b>	<b>(23,333.33)</b>	<b>(23,333.33)</b>	<b>(23,333.33)</b>	<b>(23,333.35)</b>	<b>(12,900.00)</b>	<b>(22,333.33)</b>	<b>(22,333.33)</b>	<b>(22,333.33)</b>	<b>(247,622.79)</b>	<b>(22,333.33)</b>	<b>(22,333.35)</b>	<b>(22,333.33)</b>	<b>(22,333.33)</b>	<b>(22,333.33)</b>	<b>(89,333.34)</b>	<b>(389,344.46)</b>	

(20,635.23)



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

Data Request: 24-610 KCC-263  
Issuer Organization: KCC  
Request Date: 05-24-2024  
Date Information Needed: 06-05-2024  
Requested By: Andria Jackson

Page 1 of 2

RE: Servicing and Administration Fee Comparison - Expenses

Please provide the following: In regards to Table 4 presented in the direct testimony of Janet L. Buchanan, please provide the following:

1. Please provide supporting calculations and documentation (i.e. invoices), as well as general ledger detail, for each expense included in the total expense of \$187,442.39. Additionally, please explain how each expense item is derived.
2. Are expenses anticipated to be fixed or variable throughout the life of the bonds? For instance, are any of the expenses shown to be charged per month or per item, such as the banking fees or KGSSI office space expenses, fixed or will they change prior to the maturity of the bonds?
3. How has KGS accounted for the billing system modifications? For example, was the cost capitalized, and if so, what is the monthly or annual depreciation or amortization amount?
4. Please identify where the expenses presented in the table are reflected in the fully adjusted test year cost of service.

KGS Response:

1. In preparing this response, it was discovered that there was an error in the preparation of Table 4. Please see 24-610 KCC-263 Attachment A for the workpaper used to develop the corrected Table 4. Please see 24-610 KCC-263 Attachment B for the Servicing Agreement which sets out the Servicing Fee to be paid KGS. Section 6.06 on page 23 of the Servicing Agreement sets out the fee. Please see 24-610 KCC-263 Attachment C for the Administration Agreement which sets out the Administration Fee to be paid to KGS. The fee can be found on page 4. The invoices for the JPM bank account are provided in 24-610 KCC-263 Attachment D. These invoices include the service charge associated with maintaining the account. It has been highlighted on each invoice. The ACH fee is a per transaction fee for remitting funds to the Trust. Detail for the ACH transactions is provided in 24-610 KCC-263 Attachment A. See the tab labeled "Transfers To Trust" for the number of transfers. See the tab labeled "JPM Bank Account" for the calculation of the fee per transaction. The invoices for rent are provided in 24-610 KCC-263 Attachment E. The office space for KGSSI is approximately 1% of the total square footage of the 26<sup>th</sup> floor in the First Tower Place (ONE Gas, Inc. Headquarters). The rent associated with the 26<sup>th</sup> floor is highlighted on each invoice. The support for the two-page bill is provided in 24-610 KCC-263 Attachment A on the tab labeled "Additional 2 page Bills." The total number of two-page bills was determined for the test year. The typical number of two-page bills was

**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: Janet Buchanan

Date: 6/ 7/2024

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

Data Request: 24-610 KCC-263  
Issuer Organization: KCC  
Request Date: 05-24-2024  
Date Information Needed: 06-05-2024  
Requested By: Andria Jackson

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subtracted from the total. The cost of printing and mailing an additional page is \$0.02. The billing system required modification for the billing of the WESCR. The cost of that project was \$101,663.84. That amount is being amortized over 10 years consistent with the time period of the securitized bonds. See 24-610 KCC-263 Attachment F for the project detail. The labor expense is calculated by determining the percentage of time devoted by various individuals for Servicing and Administration Agreement activities. Please see 24-610 KCC-263 Attachment A for support on the tab labeled "Labor Summary." This response will be supplemented with additional invoices and GL detail.

2. With the exception of the expense associated with modifying the billing system, the expenses are expected to vary throughout the life of the securitized bonds.
3. The billing system modifications were tracked with a specific project number. The project was capitalized. It is included in FERC account 391.9 in the cost of service.
4. The expenses presented in Table 4 are reflected in the appropriate FERC account within the cost of service.

Prepared by: Janet Buchanan and Erik Duncan

**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: Janet Buchanan

Date: 6/7/2024

Table 4: Servicing and Administration Fee Comparison to Expenses  
December 2022 through September 2023

Servicing And Administration Fee Revenue		Test Year Amount
Fee Revenue		\$ 233,011.13
<hr/>		
Servicing and Administration Expenses		
JPM Bank Account	\$ - per month	\$ -
ACH Fees	\$ 0.07 per item	206 \$ 14.42
KGSSI Office Space	\$ 149,188.30 10 month total	1% \$ 1,491.88
2-Page Bill	\$ 0.02 per item	4,484,104 \$ 89,682.08
Billing System Preparation	\$ 101,663.84	10% \$ 8,471.99
Labor		\$ 87,569.00
Total Expenses		\$ 187,229.37
<hr/>		
Difference		\$ 45,781.76

	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
*Bank Account Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*There was no expense in December 2022 - September 2023 because the account held funds reserved for paying fees associated with KGSSI, the held funds generated an earnings credit which netted against any bank fees.

ACH per item fee

ONE GAS INC APR 1 through APR 30, 2024  
Account No: 662 00000808895390 DEMAND DEPOSIT ACCOUNT

<b>Service Analysis</b>				
<u>Service</u>	<u>Number Of Units</u>	<u>Unit Price</u>	<u>Charge For Service</u>	<u>Balance Required</u>
PaySource Originated Item	752	0.0400	30.08	19,314.52
Addenda Record Originated	752	0.0300	22.56	14,485.89





	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
Rent	\$ 14,874.78	\$ 14,874.78	\$ 14,874.78	\$ 14,874.78	\$ 14,874.78	\$ 14,874.78	\$ 14,874.78	\$ 14,874.78	\$ 15,095.03	\$ 15,095.03	\$ 15,095.03

**KGSSI Test Year Cost Summary**

	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Mar-24	Grand Total
Earnings	510.43	510.43	510.42	510.43	510.43	510.43	510.43	510.43	510.43	510.43		5,104.25
Employer 401K				34.13							57.71	91.84
Employer Taxes				42.34							154.91	197.26
STI				58.33							961.88	1,020.21
<b>Accounting and Finance Total</b>	<b>510.43</b>	<b>510.43</b>	<b>510.42</b>	<b>645.23</b>	<b>510.43</b>	<b>510.43</b>	<b>510.43</b>	<b>510.43</b>	<b>510.43</b>	<b>510.43</b>	<b>1,174.50</b>	<b>6,413.55</b>
Earnings	718.83	714.99	714.99	714.99	714.99	714.99	724.31	788.89	853.48	853.48		7,513.96
Employer 401K				36.04							45.92	81.96
Employer Taxes				49.66							68.35	118.01
STI				106.46							834.32	940.78
<b>Billing Control Total</b>	<b>718.83</b>	<b>714.99</b>	<b>714.99</b>	<b>907.16</b>	<b>714.99</b>	<b>714.99</b>	<b>724.31</b>	<b>788.89</b>	<b>853.48</b>	<b>853.48</b>	<b>948.59</b>	<b>8,654.71</b>
Earnings	571.33	568.26	568.26	568.26	568.26	457.03	464.26	464.26	464.26	464.26		5,158.45
Employer 401K				40.05							37.34	77.39
Employer Taxes				53.15							50.66	103.81
STI				99.16							622.34	721.50
<b>Corporate Accounting Total</b>	<b>571.33</b>	<b>568.26</b>	<b>568.26</b>	<b>760.62</b>	<b>568.26</b>	<b>457.03</b>	<b>464.26</b>	<b>464.26</b>	<b>464.26</b>	<b>464.26</b>	<b>710.34</b>	<b>6,061.15</b>
Earnings	516.30	514.00	514.00	514.00	514.00	514.00	514.00	514.00	520.60	520.60		5,155.48
Employer 401K				5.10							22.96	28.07
Employer Taxes				6.80							30.62	37.43
STI				85.05							382.71	467.76
<b>SEC Total</b>	<b>516.30</b>	<b>514.00</b>	<b>514.00</b>	<b>610.95</b>	<b>514.00</b>	<b>514.00</b>	<b>514.00</b>	<b>514.00</b>	<b>520.60</b>	<b>520.60</b>	<b>436.30</b>	<b>5,688.73</b>
Earnings	1,330.99	1,328.19	1,382.36	1,355.27	1,355.27	1,355.27	1,355.27	1,355.27	1,385.90	1,385.90		13,589.69
Employer 401K				113.61							193.77	307.38
Employer Taxes				98.06							240.24	338.30
STI				646.94							3,229.47	3,876.41
<b>Treasury Total</b>	<b>1,330.99</b>	<b>1,328.19</b>	<b>1,382.36</b>	<b>2,213.89</b>	<b>1,355.27</b>	<b>1,355.27</b>	<b>1,355.27</b>	<b>1,355.27</b>	<b>1,385.90</b>	<b>1,385.90</b>	<b>3,663.47</b>	<b>18,111.78</b>
Earnings	2,442.96	2,430.31	2,430.30	2,430.30	2,430.30	2,430.30	2,430.30	2,430.31	2,430.30	2,430.31		24,315.72
Employer 401K				170.64							141.78	312.42
Employer Taxes				230.35							199.68	430.02
STI				413.59							2,363.02	2,776.61
<b>Securitization Total</b>	<b>2,442.96</b>	<b>2,430.31</b>	<b>2,430.30</b>	<b>3,244.88</b>	<b>2,430.30</b>	<b>2,430.30</b>	<b>2,430.30</b>	<b>2,430.31</b>	<b>2,430.30</b>	<b>2,430.31</b>	<b>2,704.47</b>	<b>27,834.76</b>
<b>Grand Total</b>	<b>6,090.84</b>	<b>6,066.18</b>	<b>6,120.34</b>	<b>8,382.72</b>	<b>6,093.26</b>	<b>5,982.03</b>	<b>5,998.57</b>	<b>6,063.15</b>	<b>6,164.96</b>	<b>6,164.97</b>	<b>9,637.67</b>	<b>72,764.68</b>

Labor Attends	29.41%	29.15%	32.36%	32.36%	32.36%	32.36%	32.36%	32.36%	32.36%	32.36%		
Total Earnings	6,091	6,066	6,120	6,093	6,093	5,982	5,999	6,063	6,165	6,165		60,838
Labor Attends	1,791	1,768	1,981	1,972	1,972	1,936	1,941	1,962	1,995	1,995		19,313
STI				1,410							8,394	



STI-401(k) & Taxes		880		1,244		
Allocated STI	117		6,295		6,413	
Allocated STI-401(k) & Taxes	73		933		1,006	
					87,569	87,569
	1,936					

		2022	OGS Main (T)	OGS Main (F)	Kansas Gas Service	PAR Total RFU	PAR Total Expense In	Total All DataTypes	Final	Periodic						
		December	2023	February	March	April	May	June	July	August	September	October	November	December	TY Total	
			January													
Actual	4880200 - SVC REV SERVICING REVENUE	32,321.66	14,000.00	14,000.00	14,000.00	1,745.01	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	146,066.67
Actual	4880201 - SVC REV ADMIN REVENUE	20,066.67	22,550.00	22,550.00	22,550.00	-37,005.55	9,333.33	9,333.33	9,333.33	9,333.35	-1,100.00	8,333.33	8,333.33	8,333.33	86,944.46	
															233,011.13	

KGS					
10/3/2022 - 10/07/2022	142,442	1,278	1	0	0
10/10/2022 - 10/14/2022	175,483	1,659	2	2	0
10/17/2022 - 10/21/2022	169,612	1,539	1	0	0
10/24/2022 - 10/28/2022	154,929	1,404	0	0	0
10/31/2022	15,798	95	0	0	0
Total	658,264	5,975	4	2	0

KGS

11/01/2022 - 11/04/2022	109,139	516	1	0	0
11/07/2022 - 11/11/2022	141,893	663	0	0	0
11/14/2022 - 11/18/2022	170,779	966	0	0	0
11/21/2022 - 11/25/2022	98,319	480	1	0	0
11/28/2022 - 11/30/2022	102,477	479	0	0	0
Total	622,607	3,104	2	0	0

KGS						
12/01/2022 - 12/02/2022	41,915	107	0	1	0	
12/05/2022 - 12/09/2022	44,436	101,235	1	0	0	
12/12/2022 - 12/16/2022	63,455	115,576	0	1	0	
12/19/2022 - 12/23/2022	62,265	109,621	1	0	0	
12/26/2022 - 12/30/2022	46,092	84,617	0	0	0	
<b>Total</b>	<b>258,163</b>	<b>411,156</b>	<b>2</b>	<b>2</b>	<b>0</b>	

4,554,104 Total number of 2 page bills in test year  
 7,000 70000 Subtract what would have been typical  
 4,484,104 Incremental

KGS						
01/02/2023 - 01/06/2023	21,548	60,678	0	0	0	
01/09/2023 - 01/13/2023	71,570	110,341	1	0	0	
01/16/2023 - 12/20/2023	64,342	117,631	0	1	0	
01/23/2023 - 01/27/2023	56,385	107,298	1	0	0	
01/30/2023 - 01/31/2023	22,339	39,420	0	0	0	
Total	236,184	435,368	2	1	0	

KGS						
02/01/2023 - 02/03/2023	15,814	37,155	0	0	0	
02/06/2023 - 02/10/2023	61,257	113,357	0	0	0	
02/13/2023 - 02/17/2023	60,977	125,581	1	1	0	
02/20/2023 - 02/24/2023	69,692	126,844	1	0	0	
02/27/2023 - 02/28/2023	22,670	39,544	0	0	0	
Total	230,410	442,481	2	1	0	

KGS					
03/01/2023 - 03/03/2023	15,818	36,846	0	0	0
03/06/2023 - 03/10/2023	42,348	93,408	3	0	0
03/13/2023 - 03/17/2023	62,645	118,569	0	1	0
03/20/2023 - 03/24/2023	59,228	114,340	4	0	0
03/27/2023 - 03/31/2023	56,312	102,449	0	0	0
Total	236,351	465,612	7	1	0



KGS						KGS		
04/03/2023 - 04/07/2023	24,271	102,280	2	0	0	05/01/2023 - 05/05/2023	25,073	93,516
04/10/2023 - 04/14/2023	52,962	130,852	0	1	0	05/08/2023 - 05/12/2023	65,101	112,952
04/17/2023 - 04/21/2023	46,190	129,823	4	0	0	05/15/2023 - 05/19/2023	48,590	124,035
04/24/2023 - 04/28/2023	43,822	118,454	0	0	0	05/22/2023 - 05/26/2023	54,869	117,937
						05/29/2023 - 05/31/2023	22,797	33,071
Total	167,245	481,409	6	1	0	Total	216,430	481,511

0	0	0
1	1	1
1	0	0
2	0	0
3	0	0
7	1	1

KGS					
06/01/2023 - 05/02/2023	4,343	22,687	0	0	0
06/05/2023 - 06/09/2023	61,124	112,472	2	0	0
06/12/2023 - 06/16/2023	63,245	121,827	1	2	0
06/19/2023 - 06/23/2023	53,990	100,513	3	0	0
06/26/2023 - 06/30/2023	57,733	87,183	1	0	0
Total	240,435	444,682	7	2	0

KGS					
07/03/2023 - 07/07/2023	34,576	76,188	2	0	0
07/10/2023 - 07/14/2023	74,218	107,165	1	1	0
07/17/2023 - 07/21/2023	66,460	107,670	1	0	0
07/24/2023 - 07/28/2023	62,999	98,846	0	0	0
7/31/2023	12,325	14,434	0	0	0
Total	250,578	404,303	4	1	0

KGS						
08/01/2023 - 08/04/2023	23,697	68,054	0	0	0	
08/07/2023 - 08/11/2023	78,231	99,646	1	1	0	
08/14/2023 - 08/18/2023	63,724	109,620	0	0	0	
08/21/2023 - 08/25/2023	72,731	108,995	3	0	0	
08/28/2023 - 08/31/2023	24,793	78,118	0	0	0	
Total	263,176	464,433	4	1	0	

KGS

9/1/2023	1,279	9,269	0	0	0
09/04/2023 - 09/08/2023	20,018	132,979	2	0	0
09/11/2023 - 09/15/2023	26,925	149,570	14	1	0
09/18/2023 - 09/22/2023	25,504	145,959	34	0	0
09/25/2023 - 09/29/2023	70,234	85,372	27	0	0
Total	143,960	523,149	77	1	0

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

Data Request: 24-610 KCC-275  
Issuer Organization: KCC  
Request Date: 05-31-2024  
Date Information Needed: 06-11-2024  
Requested By: Andria Jackson

Page 1 of 1

RE: Distrigas Cost Allocation

Please provide the following: Please refer to the workpaper "IS 26 Support" for Adjustment IS-26 included in response to Staff Data Request No.1. Please provide workpapers, for Distrigas allocations from corporate, depicting the same detail for calendar years 2019, 2020, 2021, 2022, and 2023.

KGS Response:

Please see 24-610 KCC-275 Attachment A. Note that IS 26 was calculated using adjusted corporate expenses. For this data response, 24-610 KCC-275 Attachment A was prepared using annual per book expenses given that the Company has not calculated corporate expense adjustments for revenue requirement purposes for the requested years.

Prepared by: Keara Downum

**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: Keara Downum

Date: 6/11/2024





**KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.**  
**Docket No. 24-KGSG-610-RTS**  
**JANUARY 1, 2020 - DECEMBER 31, 2020**  
**KCC 275 - IS 26 SUPPORT**

Per Book Amount		Distrigas Clearing Account						DISTRIGAS \$ ALLOCATED TO	
FERC Distrigas Clearing Account	Year	Month	4081995	9260995	9260996	9260997	9302995	Grand Total	ALLOCATION % KGS
4081	2020	1	440,403					440,403	33.54%
4081	2020	2	824,207					824,207	33.54%
4081	2020	3	593,678					593,678	33.54%
4081	2020	4	339,998					339,998	33.57%
4081	2020	5	337,746					337,746	33.57%
4081	2020	6	471,125					471,125	33.57%
4081	2020	7	362,206					362,206	33.15%
4081	2020	8	328,468					328,468	33.15%
4081	2020	9	407,834					407,834	33.15%
4081	2020	10	321,750					321,750	32.82%
4081	2020	11	343,184					343,184	32.82%
4081	2020	12	749,043					749,043	32.82%
<b>4081 Total</b>			<b>5,519,641</b>					<b>5,519,641</b>	<b>1,837,167</b>
9260	2020	1		166,460	346,217	(21,982)		490,695	33.54%
9260	2020	2		166,459	346,229	(54,204)		458,484	33.54%
9260	2020	3		166,459	346,229	(21,984)		490,704	33.54%
9260	2020	4		166,459	346,229	(21,984)		490,704	33.57%
9260	2020	5		166,459	346,229	(21,984)		490,704	33.57%
9260	2020	6		166,459	346,229	(21,984)		490,704	33.57%
9260	2020	7		166,459	346,229	(21,984)		490,704	33.15%
9260	2020	8		166,459	346,229	(21,984)		490,704	33.15%
9260	2020	9		166,459	346,229	(21,984)		490,704	33.15%
9260	2020	10		166,459	346,229	(21,984)		490,704	32.82%
9260	2020	11		166,459	346,229	(21,984)		490,704	32.82%
9260	2020	12		166,459	346,229	(21,984)		490,704	32.82%
<b>9260 Total</b>				<b>1,997,509</b>	<b>4,154,736</b>	<b>(296,026)</b>		<b>5,856,219</b>	<b>1,948,277</b>
9302	2020	1					7,274,024	7,274,024	33.54%
9302	2020	2					6,871,148	6,871,148	33.54%
9302	2020	3					10,316,284	10,316,284	33.54%
9302	2020	4					8,370,901	8,370,901	33.57%
9302	2020	5					7,969,530	7,969,530	33.57%
9302	2020	6					8,899,316	8,899,316	33.57%
9302	2020	7					8,434,751	8,434,751	33.15%
9302	2020	8					7,653,028	7,653,028	33.15%
9302	2020	9					7,732,483	7,732,483	33.15%
9302	2020	10					6,843,375	6,843,375	32.82%
9302	2020	11					7,860,937	7,860,937	32.82%
9302	2020	12					14,997,520	14,997,520	32.82%
<b>9302 Total</b>							<b>103,223,296</b>	<b>103,223,296</b>	<b>34,321,913</b>
<b>Grand Total</b>			<b>5,519,641</b>	<b>1,997,509</b>	<b>4,154,736</b>	<b>(296,026)</b>	<b>103,223,296</b>	<b>114,599,156</b>	<b>38,107,358</b>

**KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.**  
**Docket No. 24-KGSG-610-RTS**  
**JANUARY 1, 2021 - DECEMBER 31, 2021**  
**KCC 275 - IS 26 SUPPORT**

Expense Indicator (Multiple Items) Other (Multiple Items)

Per Book Amount		Distrigas Clearing Account						Grand Total
FERC Distrigas Clearing Account	Year	Month	4081995	9260995	9260996	9260997	9302995	Grand Total
4081	2021	1	478,140					478,140
4081	2021	2	797,672					797,672
4081	2021	3	664,706					664,706
4081	2021	4	355,665					355,665
4081	2021	5	366,653					366,653
4081	2021	6	461,047					461,047
4081	2021	7	287,677					287,677
4081	2021	8	353,991					353,991
4081	2021	9	409,194					409,194
4081	2021	10	336,102					336,102
4081	2021	11	328,785					328,785
4081	2021	12	648,406					648,406
<b>4081 Total</b>			<b>5,488,039</b>					<b>5,488,039</b>
9260	2021	1		194,593	356,351	(59,132)		491,812
9260	2021	2		194,586	356,364	(33,469)		517,481
9260	2021	3		194,586	356,364	(33,469)		517,481
9260	2021	4		194,586	356,364	(33,469)		517,481
9260	2021	5		194,586	356,364	(33,469)		517,481
9260	2021	6		194,586	356,364	(33,469)		517,481
9260	2021	7		194,586	356,364	(33,469)		517,481
9260	2021	8		194,586	356,364	(33,469)		517,481
9260	2021	9		194,586	356,364	(33,469)		517,481
9260	2021	10		194,586	356,364	(33,469)		517,481
9260	2021	11		194,586	356,364	(33,469)		517,481
9260	2021	12		194,586	356,364	(7,805)		543,145
<b>9260 Total</b>				<b>2,335,039</b>	<b>4,276,355</b>	<b>(401,627)</b>		<b>6,209,767</b>
9302	2021	1					7,325,135	7,325,135
9302	2021	2					7,716,896	7,716,896
9302	2021	3					12,523,186	12,523,186
9302	2021	4					8,166,174	8,166,174
9302	2021	5					7,804,243	7,804,243
9302	2021	6					9,480,226	9,480,226
9302	2021	7					8,098,816	8,098,816
9302	2021	8					7,804,431	7,804,431
9302	2021	9					8,420,286	8,420,286
9302	2021	10					8,725,917	8,725,917
9302	2021	11					7,748,311	7,748,311
9302	2021	12					17,518,053	17,518,053
<b>9302 Total</b>							<b>111,331,675</b>	<b>111,331,675</b>
<b>Grand Total</b>			<b>5,488,039</b>	<b>2,335,039</b>	<b>4,276,355</b>	<b>(401,627)</b>	<b>111,331,675</b>	<b>123,029,481</b>

DISTRIGAS ALLOCATION %	\$ ALLOCATED TO KGS
32.75%	156,591
32.75%	261,238
32.75%	217,691
32.26%	114,738
32.26%	118,282
32.26%	148,734
32.28%	92,862
32.28%	114,268
32.28%	132,088
32.04%	107,687
32.04%	105,343
32.04%	207,749
	<b>1,777,271</b>
32.75%	161,068
32.75%	169,475
32.75%	169,475
32.26%	166,939
32.26%	166,939
32.26%	166,939
32.28%	167,043
32.28%	167,043
32.28%	167,043
32.04%	165,801
32.04%	165,801
32.04%	174,024
	<b>2,007,591</b>
32.75%	2,398,982
32.75%	2,527,284
32.75%	4,101,344
32.26%	2,634,408
32.26%	2,517,649
32.26%	3,058,321
32.28%	2,614,298
32.28%	2,519,270
32.28%	2,718,068
32.04%	2,795,784
32.04%	2,482,559
32.04%	5,612,784
	<b>35,980,750</b>
	<b>39,765,611</b>

**KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.**  
**Docket No. 24-KGSG-610-RTS**  
**JANUARY 1, 2022 - DECEMBER 31, 2022**  
**KCC 275 - IS 26 SUPPORT**

Per Book Amount		Distrigas Clearing Account							Grand Total
FERC Distrigas Clearing Account	Year	Month	4081995	9260995	9260996	9260997	9302995		
4081	2022	1	455,800					455,800	
4081	2022	2	248,255					248,255	
4081	2022	3	1,173,294					1,173,294	
4081	2022	4	403,210					403,210	
4081	2022	5	345,681					345,681	
4081	2022	6	487,276					487,276	
4081	2022	7	400,875					400,875	
4081	2022	8	353,311					353,311	
4081	2022	9	425,955					425,955	
4081	2022	10	334,390					334,390	
4081	2022	11	342,564					342,564	
4081	2022	12	467,139					467,139	
<b>4081 Total</b>			<b>5,437,751</b>					<b>5,437,751</b>	
9260	2022	1		106,375	264,116	(16,476)		354,015	
9260	2022	2		106,356	264,130	(16,472)		354,014	
9260	2022	3		106,356	264,130	(16,472)		354,014	
9260	2022	4		106,356	264,130	(16,472)		354,014	
9260	2022	5		106,356	264,130	(16,472)		354,014	
9260	2022	6		79,858	(352,013)	(16,472)		(288,627)	
9260	2022	7		93,116	(43,942)	(16,472)		32,702	
9260	2022	8		93,116	(43,942)	(16,472)		32,702	
9260	2022	9		93,116	(43,942)	(16,472)		32,702	
9260	2022	10		93,116	(43,942)	(16,472)		32,702	
9260	2022	11		93,116	(43,942)	(16,472)		32,702	
9260	2022	12		93,116	(43,942)	(16,472)		32,702	
<b>9260 Total</b>				<b>1,170,353</b>	<b>704,971</b>	<b>(197,668)</b>		<b>1,677,656</b>	
9302	2022	1					7,025,836	7,025,836	
9302	2022	2					8,011,110	8,011,110	
9302	2022	3					14,568,422	14,568,422	
9302	2022	4					7,955,141	7,955,141	
9302	2022	5					9,437,137	9,437,137	
9302	2022	6					9,243,214	9,243,214	
9302	2022	7					9,735,092	9,735,092	
9302	2022	8					9,358,376	9,358,376	
9302	2022	9					7,507,341	7,507,341	
9302	2022	10					10,020,325	10,020,325	
9302	2022	11					9,733,688	9,733,688	
9302	2022	12					13,435,912	13,435,912	
<b>9302 Total</b>							<b>116,031,593</b>	<b>116,031,593</b>	
<b>Grand Total</b>			<b>5,437,751</b>	<b>1,170,353</b>	<b>704,971</b>	<b>(197,668)</b>	<b>116,031,593</b>	<b>123,147,000</b>	

DISTRIGAS ALLOCATION %	\$ ALLOCATED TO KGS
32.22%	146,859
32.22%	79,988
32.22%	378,035
31.96%	128,866
31.96%	110,480
31.96%	155,733
31.69%	127,037
31.69%	111,964
31.69%	134,985
31.51%	105,366
31.51%	107,942
31.51%	147,195
<b>32.22%</b>	<b>1,734,452</b>
32.22%	114,064
32.22%	114,063
32.22%	114,063
31.96%	113,143
31.96%	113,143
31.96%	(92,245)
31.69%	10,363
31.69%	10,363
31.51%	10,304
31.51%	10,304
31.51%	10,304
<b>32.22%</b>	<b>538,234</b>
32.22%	2,263,724
32.22%	2,581,180
32.22%	4,693,946
31.96%	2,542,463
31.96%	3,016,109
31.96%	2,954,131
31.69%	3,085,051
31.69%	2,965,669
31.69%	2,379,076
31.51%	3,157,404
31.51%	3,067,085
31.51%	4,233,656
<b>32.22%</b>	<b>36,939,494</b>
<b>32.22%</b>	<b>39,212,179</b>

**KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.**  
**Docket No. 24-KGSG-610-RTS**  
**JANUARY 1, 2023 - DECEMBER 31, 2023**  
**KCC 275 - IS 26 SUPPORT**

Remove Non-Distrig: 0

Per Book Amount		Distrigas Clearing Account						DISTRIGAS ALLOCATION %	\$ ALLOCATED TO KGS	
FERC Distrigas Clearing Account	Year	Month	4081995	9260995	9260996	9260997	9302995	Grand Total		
4081	2023	1	515,297					515,297	30.98%	159,639
4081	2023	2	737,269					737,269	30.98%	228,406
4081	2023	3	778,879					778,879	30.98%	241,297
4081	2023	4	406,372					406,372	30.76%	125,000
4081	2023	5	403,554					403,554	30.76%	124,133
4081	2023	6	514,572					514,572	30.76%	158,282
4081	2023	7	446,348					446,348	30.48%	136,047
4081	2023	8	359,921					359,921	30.48%	109,704
4081	2023	9	536,738					536,738	30.48%	163,598
4081	2023	10	433,494					433,494	30.39%	131,739
4081	2023	11	481,982					481,982	30.39%	146,474
4081	2023	12	422,678					422,678	30.39%	128,452
<b>4081 Total</b>			<b>6,037,104</b>					<b>6,037,104</b>		<b>1,852,771</b>
9260	2023	1		88,502	(130,123)	7,189		(34,432)	30.98%	(10,667)
9260	2023	2		88,498	(130,112)	7,189		(34,425)	30.98%	(10,665)
9260	2023	3		88,498	(130,112)	7,189		(34,425)	30.98%	(10,665)
9260	2023	4		88,498	(130,112)	7,189		(34,425)	30.76%	(10,589)
9260	2023	5		88,498	(130,112)	7,189		(34,425)	30.76%	(10,589)
9260	2023	6		88,498	(130,112)	7,189		(34,425)	30.76%	(10,589)
9260	2023	7		88,498	(130,112)	7,189		(34,425)	30.48%	(10,493)
9260	2023	8		88,498	(130,112)	7,189		(34,425)	30.48%	(10,493)
9260	2023	9		88,498	(130,112)	7,189		(34,425)	30.48%	(10,493)
9260	2023	10		88,498	(130,112)	7,189		(34,425)	30.39%	(10,462)
9260	2023	11		88,498	(130,112)	7,189		(34,425)	30.39%	(10,462)
9260	2023	12		88,498	(130,112)	7,189		(34,425)	30.39%	(10,462)
<b>9260 Total</b>				<b>1,061,980</b>	<b>(1,561,355)</b>	<b>86,268</b>		<b>(413,107)</b>		<b>(126,628)</b>
9302	2023	1					10,113,953	10,113,953	30.98%	3,133,303
9302	2023	2					8,448,373	8,448,373	30.98%	2,617,306
9302	2023	3					14,537,066	14,537,066	30.98%	4,503,583
9302	2023	4					9,264,972	9,264,972	30.76%	2,849,905
9302	2023	5					9,237,270	9,237,270	30.76%	2,841,384
9302	2023	6					11,146,278	11,146,278	30.76%	3,428,595
9302	2023	7					10,777,543	10,777,543	30.48%	3,284,995
9302	2023	8					8,323,212	8,323,212	30.48%	2,536,915
9302	2023	9					11,168,936	11,168,936	30.48%	3,404,292
9302	2023	10					9,143,790	9,143,790	30.39%	2,778,798
9302	2023	11					12,636,311	12,636,311	30.39%	3,840,175
9302	2023	12					14,895,528	14,895,528	30.39%	4,526,751
<b>9302 Total</b>							<b>129,693,233</b>	<b>129,693,233</b>		<b>39,746,002</b>
<b>Grand Total</b>			<b>6,037,104</b>	<b>1,061,980</b>	<b>(1,561,355)</b>	<b>86,268</b>	<b>129,693,233</b>	<b>135,317,230</b>		<b>41,472,145</b>

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

Data Request: 24-610 KCC-276  
Issuer Organization: KCC  
Request Date: 05-31-2024  
Date Information Needed: 06-11-2024  
Requested By: Andria Jackson

Page 1 of 1

RE: Cost Allocation

Please provide the following: In regards to total ONE Gas corporate charges, please provide the following information for the years 2019, 2020, 2021, 2022, and 2023, in columnar format, on an annual basis, by FERC account:

- a. Total ONE Gas corporate charges
- b. Amount directly charged to KGS
- c. Amount allocated to KGS on causal basis
- d. Amount allocated to KGS on Distrigas basis
- e. Amount allocated or assigned to others

KGS Response:

Please see 24-610 KCC-276 Attachment A. containing the following worksheet tabs:

- a. "Corporate Unallocated" contains ONE Gas corporate unallocated expenses.
- b. KGS does not distinguish between ONE Gas direct charges and KGS direct charges. Expenses are either direct charged or allocated. Allocated costs are either allocated on a causal basis or using Distrigas.
- c. "Distrigas", contains ONE Gas Corporate expenses allocated through Distrigas to KGS and the other business entities. The cyber security expenses are allocated through Distrigas to KGS books. The amounts reflected in this response include the total cyber security expenses during the specified periods and do not contain the offset for the expenses deferred into account 1823273.
- d. "Causal" contains ONE Gas Corporate expenses allocated on a causal basis to KGS and the other business entities.
- e. See the 'Distrigas' and 'Causal' tabs.

Prepared by: Keara Downum

**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: Keara Downum

Date: 6/11/2024

	A	B	C	D	E	F
1	FERC	ONE GAS 2019 Per Book Amount	ONE GAS 2020 Per Book Amount	ONE GAS 2021 Per Book Amount	ONE GAS 2022 Per Book Amount	ONE GAS 2023 Per Book Amount
2	4030	\$18,497,710	\$19,872,144	\$21,394,245	\$22,413,480	\$23,283,326
3	4081	4,907,147	5,519,641	5,488,039	5,437,751	6,037,104
4	8240	-	550	-	-	-
5	8500	28,248	29,060	29,450	32,234	28,272
6	8560	873,180	701,639	713,654	681,976	943,749
7	8600	25,410	13,555	13,880	-	-
8	8610	62,006	9,748	8,969	24,340	9,372
9	8700	986,631	1,021,549	963,565	895,666	968,240
10	8740	269,774	336,549	357,086	526,198	277,698
11	8780	210,384	224,712	291,233	245,882	316,249
12	8800	81,509	58,311	118,723	146,558	119,774
13	8860	240	236	-	-	-
14	8870	-	-	91	773	-
15	9010	-	-	53	-	-
16	9030	3,794	-	278	123	1,157
17	9050	2,332,258	2,248,030	2,213,797	2,303,178	2,359,814
18	9200	9,522,179	10,409,664	10,344,962	10,350,424	11,221,472
19	9210	2,067,201	1,385,506	1,338,073	1,701,518	1,778,497
20	9230	1,954,584	1,592,537	1,841,672	2,516,631	2,464,313
21	9250	4,900	5,783	5,751	5,726	5,715
22	9260	7,680,543	6,259,408	6,614,066	2,004,480	(141,325)
23	9301	36,075	27,336	26,677	20,349	20,312
24	9302	101,336,927	103,347,672	111,342,064	116,042,718	129,885,031
25	9320	697,705	1,242,638	1,035,592	648,082	1,641,449
26	<b>Grand Total</b>	<b>\$ 151,578,405</b>	<b>\$ 154,306,267</b>	<b>\$ 164,141,919</b>	<b>\$ 165,998,086</b>	<b>\$ 181,220,221</b>

	A	B	C	D	E	F	G	H	I	J	K
1		2019		2020		2021		2022		2023	
2	FERC Distrigas Clearing Account	KGS Distrigas Allocated Per Book	Distrigas Allocated Per Book to Other Business Entities	KGS Distrigas Allocated Per Book	Distrigas Allocated Per Book to Other Business Entities	KGS Distrigas Allocated Per Book	Distrigas Allocated Per Book to Other Business Entities	KGS Distrigas Allocated Per Book	Distrigas Allocated Per Book to Other Business Entities	KGS Distrigas Allocated Per Book	Distrigas Allocated Per Book to Other Business Entities
3	4030	\$5,507,783	\$11,559,870	\$6,278,433	\$12,594,547	\$6,544,549	\$13,699,348	\$6,705,101	\$14,350,924	\$6,631,842	\$15,008,303
4	4081	1,577,198	3,329,949	1,837,167	3,682,474	1,777,271	3,710,768	1,734,452	3,703,299	1,852,771	4,184,333
5	9260	2,209,183	4,642,589	1,948,277	3,907,942	2,007,591	4,202,176	538,234	1,139,422	(126,628)	(286,479)
6	9302	32,662,854	68,623,870	34,321,920	68,901,396	35,980,750	75,350,926	36,939,380	79,091,854	39,746,003	89,947,232
7	<b>Grand Total</b>	<b>\$ 41,957,018</b>	<b>\$ 88,156,277</b>	<b>\$ 44,385,797</b>	<b>\$ 89,086,358</b>	<b>\$ 46,310,160</b>	<b>\$ 96,963,218</b>	<b>\$ 45,917,167</b>	<b>\$ 98,285,500</b>	<b>\$ 48,103,988</b>	<b>\$ 108,853,389</b>

	A	B	C	D	E	F	G	H	I	J	K
1		2019		2020		2021		2022		2023	
2	FERC	KGS Causal Allocated Per Book	Causal Allocated Per Book to Other Business Entities	KGS Causal Allocated Per Book	Causal Allocated Per Book to Other Business Entities	KGS Causal Allocated Per Book	Causal Allocated Per Book to Other Business Entities	KGS Causal Allocated Per Book	Causal Allocated Per Book to Other Business Entities	KGS Causal Allocated Per Book	Causal Allocated Per Book to Other Business Entities
3	4030	\$429,459	\$1,000,598	\$301,134	\$698,030	\$349,648	\$800,700	\$412,329	\$945,125	\$488,501	\$1,154,680
4	8240			180	370						
5	8500	8,559	19,689	8,724	20,336	8,835	20,615	9,670	22,564	8,482	19,791
6	8560	264,574	608,607	210,632	491,007	214,096	499,558	204,593	477,383	283,125	660,625
7	8600	7,699	17,711	4,069	9,486	4,164	9,716				
8	8610	18,788	43,218	2,926	6,822	2,691	6,278	7,302	17,038	2,812	6,560
9	8700	305,068	681,563	311,724	709,825	293,463	670,102	269,448	626,218	290,477	677,763
10	8740	81,741	188,032	101,032	235,517	107,145	249,942	157,859	368,338	83,309	194,389
11	8780	61,846	148,538	65,650	159,062	84,783	206,449	71,175	174,706	91,055	225,195
12	8800	24,727	56,783	17,505	40,806	35,619	83,104	43,967	102,591	35,934	83,840
13	8860	71	170	85	151						
14	8870					27	63	232	541		
15	9010					18	35				
16	9030	1,114	2,681			81	198	35	87	332	825
17	9050	684,518	1,647,740	655,750	1,592,279	643,330	1,570,468	664,928	1,638,251	677,739	1,682,075
18	9200	3,095,310	6,426,869	3,326,614	7,083,049	3,278,379	7,066,583	3,269,013	7,081,411	3,456,563	7,764,909
19	9210	674,151	1,393,049	448,528	936,978	423,242	914,831	547,013	1,154,505	550,834	1,227,663
20	9230	633,652	1,320,932	507,641	1,084,896	577,667	1,264,005	793,264	1,723,367	770,994	1,693,319
21	9250	1,667	3,233	1,933	3,849	1,908	3,844	1,898	3,828	1,821	3,893
22	9260	340,645	488,127	153,963	249,225	158,921	245,378	127,137	199,686	92,834	178,948
23	9301	12,272	23,803	9,140	18,196	8,848	17,829	6,744	13,605	6,474	13,838
24	9302	15,728	34,474	37,636	86,720	3,191	7,197	3,806	7,678	58,052	133,745
25	9320	207,251	490,454	365,134	877,504	301,951	733,641	186,778	461,304	482,891	1,158,558
26	<b>Grand Total</b>	<b>\$ 6,868,838</b>	<b>\$ 14,596,271</b>	<b>\$ 6,530,001</b>	<b>\$ 14,304,110</b>	<b>\$ 6,498,005</b>	<b>\$ 14,370,536</b>	<b>\$ 6,777,193</b>	<b>\$ 15,018,227</b>	<b>\$ 7,382,228</b>	<b>\$ 16,880,617</b>



STATE OF KANSAS )  
 ) ss.  
COUNTY OF SHAWNEE )

**VERIFICATION**

Andria Jackson, being duly sworn upon her oath deposes and states that she is the Deputy of Chief of Revenue Requirements, Cost of Service and Finance for the Utilities Division of the Kansas Corporation Commission of the State of Kansas, that she has read and is familiar with the foregoing *Direct Testimony*, and attests that the statements contained therein are true and correct to the best of her knowledge, information and belief.

*Andria Jackson*

\_\_\_\_\_  
Andria Jackson  
Deputy Chief of Accounting and Financial Analysis  
State Corporation Commission of the  
State of Kansas

Subscribed and sworn to before me this 26 day of June, 2024.

*Ann M. Murphy*

\_\_\_\_\_  
Notary Public

My Appointment Expires: 4/28/25



NOTARY PUBLIC - State of Kansas  
ANN M. MURPHY  
My Appt. Expires 4/28/25

## **CERTIFICATE OF SERVICE**

24-KGSG-610-RTS

I, the undersigned, certify that a true and correct copy of the above and foregoing Testimony was served via electronic service on the 1st day of July, 2024, to the following:

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24-KGSG-610-RTS

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*Ann Murphy*

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