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

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

REDACTED DIRECT TESTIMONY

PREPARED BY

WILLIAM E. BALDRY

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

July 1, 2024

Contents

I. Introduction, Qualification, Purpose of Testimony

Q. Would you please state your name and business address?

A. My name is William E. Baldry. My business address is 1500 Southwest Arrowhead Road, Topeka, Kansas, 66604.

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

A. I am employed by the Kansas Corporation Commission (Commission) as a Senior Auditor.

Q. What is your educational background and professional experience?

A. I received a Bachelor of Business Administration from Washburn University with a major in accounting. In 1979, I graduated with a Master of Science from Oklahoma State University. Upon graduation from Oklahoma State University, I was employed by Touche Ross as an Auditor. In 1981, I entered the field of oil and gas with Reading & Bates Corporation and prepared financial statements and payouts of reversionary wells for the next eight years. In 1989, I joined Duffens Optical as Assistant Controller. My responsibilities included supervising employee benefits and payroll administrators and sales tax compliance. In 2000, I joined KMC Telecom as Business Manager. My responsibilities included weekly sales forecast projections and preparation of the annual budget. In 2001, I joined the technical staff of the Commission (Staff). I am a Certified Public Accountant and a member of the American Institute of Certified Public Accountants.

Q. Have you testified previously before this Commission?

A. Yes, I have testified in several dockets before the Commission.

II. Executive Summary

Q. Please provide a summary of your adjustments for Kansas Gas Service (KGS).

A. My testimony recommends the following adjustments for Kansas Gas Service;

- Decrease Working Capital by $1,667,556 to reflect Staff's adjustments to Excess Deferred Income Tax (EDIT) related to the Tax Cuts and Jobs Act of 2017 (TCJA) for pensions, OPEB, and Net Operating Losses;
- Decrease Working Capital by $19,618 to reflect Staff's adjustments to EDIT related to re-measurement of ONE Gas's corporate deferred tax balances allocated to KGS; and
- Increase lease expense by $44,737 to reflect the most recent information available to Staff.

In addition to the three accounting adjustments I am sponsoring, I discuss various proposals KGS witness Kenneth Eakens made in his direct testimony, and Staff's position on the proposals.

Rate Base

Adjust. No.	Description	Net Increase/ (Decrease) to Rate Base
RB-1	Update EDIT for Pension/OPEB/Excess Funding	($1,667,556)
RB-2	Update EDIT for Re-Measurement of State Tax Rate	($19,618)

Income Statement

Adjust. No	Description	Net Increase/ (Decrease) to Operating Inc.
IS-1	Update Lease Expense	($44,737)

III. Staff Rate Base Adjustments

Staff Adjustment RB-1 – Excess Deferred Income Tax

Q. Please explain Staff Rate Base Adjustment No. RB-1 for KGS.

A. Staff Rate Base Adjustment No. RB-1 updates excess deferred income tax (EDIT) to April 30, 2024, with an increase to EDIT by $1,667,556. EDIT is included in rate base as an offset to Plant in Service, so the increase in EDIT will decrease rate base.

Q. What is a deferred income tax?

A. A deferred income tax is a timing difference between when the amount is recognized for financial reporting purposes using the accrual method of accounting and when the amount is recognized for income tax purposes. There are two types of deferred taxes. One represents taxes a company owes (deferred tax liability) and the other represents money a company is owed (deferred tax asset). A larger deduction for income tax purposes compared to the expenses reported for book purposes results in lower taxable income, and a lower income tax amount owed to the government compared to the income tax expense reported for book purposes and included in rates. As the years go by, each year's deferred income tax is added to the previous years' accumulated deferred income taxes (ADIT) resulting in the ADIT account having either an asset or liability balance. The net ADIT balance represents the accumulation of the various years of deferred income tax activity. In traditional rate base rate of return ratemaking, the net balance of ADIT is recognized as cost-free capital and, thus, is an offset to rate base.

The timing difference for deductions between book and income tax purposes is temporary. Eventually the income tax deductions will become smaller compared to the deductions for book purposes. The smaller future deductions for income tax purposes compared to the deductions for book purposes will result in a company paying more in income taxes to the government than the income tax expense recorded on its books. In a year where a company pays more in income taxes than it records on its books, the company's ADIT liability balance will be reduced.

Q. What is ADIT?

A. ADIT is an accumulation of each year's deferred income taxes.

Q. Does an ADIT account increase or decrease rate base?

A. An ADIT account can go either way. Whether it increases or decreases rate base depends on whether the temporary timing difference results in a company's taxable income being more than or less than book income, and whether the resulting impact is cost free capital to the company, or a source of investor funds that must be compensated by being included in rate base. The timing difference can result in a net ADIT asset or an ADIT liability. ADIT assets increase rate base and ADIT liabilities decrease rate base. Currently, KGS's net ADIT balance is a liability, so it reduces KGS's rate base. The net ADIT liability is included in rate base because it represents a source of cost-free financing to the utility.

Q. What is a deferred tax asset?

A. A deferred tax asset occurs when an expense is recognized for financial accounting (and ratemaking) purposes currently, but the expense is taken as a tax deduction sometime in the future. The income tax related to the deferred recognition of the expense is a deferred tax asset. The income tax related to the deferred recognition of the expense is added to prior years' deferred tax assets resulting in an accumulated deferred tax account.

Examples of a deferred tax asset are:

- Net operating losses;
- Product warranty costs;
- Bad debt costs;
- Accrued vacation pay.[1]

Sometime in the future, the differences between book and tax will reverse. For the incentive compensation expense a company recorded on its books sometime in the past, the company

[1] FASB / APB Update and Review, Nov. 2006, pages 9-8 and 9-9.

will eventually recognize the incentive compensation expense as a deduction on its income tax return. When the company recognizes the incentive compensation expense on its tax return, the deferred asset tax balance will be reduced accordingly.

Q What is a deferred tax liability?

A. A deferred tax liability occurs when a company takes a deduction for income tax purposes in the current year, but the expense will not be recognized for financial accounting purposes until sometime in the future. The income tax related to the current deduction is a deferred tax liability.

Q. What happens in future years with the deferred tax liability?

A. As the years progress, each year's current deferred income tax (the income tax on the difference between the deduction taken this year on the tax return compared to the expense recognized for financial accounting and ratemaking purposes) is added to the previous years' ADITs resulting in a deferred income tax liability. Eventually, the deductions will become smaller for income tax purposes than the expense recognized for financial accounting and ratemaking purposes. Having a smaller deduction for income tax purposes compared to the expense amount recognized for financial accounting and ratemaking purposes will result in a company paying higher income tax than was included in rates. The higher income tax for tax purposes compared to the income tax recognized for financial accounting and ratemaking purposes will reduce the ADIT liability.

Q. Will the balance in the deferred tax liability account ever be reduced to a zero balance?

A. Yes. By the end of a company's assets' life, the deferred income tax balance will be recognized, and the ADIT balance will be reduced to a zero balance.

Q. Can you provide some examples that create a deferred tax liability?

A. Yes.

- Accelerated Depreciation
- Software development costs;
- Deductible pension cost in excess of expense;
- Research and development[2]

Q. Is the difference between book and income tax permanent?

A. No. The timing between book and income tax is temporary. In the future, a company will take lower amounts of depreciation expense (for example) for income tax purposes compared to financial accounting and ratemaking purposes resulting in higher income tax expense.

Q. How is ADIT treated for purposes of ratemaking?

A. For purposes of ratemaking, ADIT liabilities, such as accelerated depreciation, are considered a cost-free source of financing. Customers should not be required to provide for a return on plant in service that has been funded by the government in the form of reduced

[2] FASB / APB Update and Review, Nov. 2006, page 9-9.

(temporarily) taxes. For this reason, ADIT liabilities are reflected as a rate base offset (a reduction in rate base). Conversely, ADIT assets, such as accrued vacation pay, increase rate base. To the extent taxes have been paid in advance of the time when they are included in the cost of service and collected from customers, a company must borrow money and/or use shareholder funds. The increase to rate base for deferred income tax assets allows shareholders to earn a return on shareholder provided funds until the funds are recovered from customers through rates.

Q. What caused the change in income tax rates?

A. The Tax Cuts and Jobs Act of 2017 reduced the federal income tax rate from 35% to 21% effective January 1, 2018. The Kansas Legislature lowered the state income tax rate for utilities to zero in 2020.

Q. What is EDIT and how does KGS propose to treat EDIT for ratemaking purposes?

A. EDIT, or excess deferred income tax, represents the amount a utility has collected from ratepayers to pay future taxes which, as a result of a reduction in tax rates, will not be imposed. During the 1980s and up until 2017, the federal income tax rate was higher than it is now. Since ratepayers provided deferred taxes at the rate in effect when the original timing differences were generated, the deferred income taxes were provided at a rate higher than the tax that is expected to be in existence when the timing differences reverse and the taxes become due.[3]

[3] The Tax Reform Act of 1986, Section 203(e)(2)(A).

The portion of the ADIT reserve that reflects the difference in tax rates due to accelerated depreciation is referred to as the EDIT. The EDIT represents the amount by which the ADIT reserve exceeds the amount it would have contained had the reduction in rates been in effect for every year the property was subject to depreciation. The EDIT is the amount of accelerated depreciation related taxes that have been collected from ratepayers but have not yet been paid by the utility and became EDIT due to the reduction in tax rates.[4]

KGS is requesting permission to amortize the protected portion of the federal portion of EDIT over the period of time that is based on the Average Rate Assumption Method (ARAM).

KGS is requesting permission to amortize the difference in the Kansas corporate tax due to the change in corporate utility tax rates over a 30-year period.

Q. How does KGS account for the EDIT?

A. For regulated public utility property, Accounting Standards Codification (ASC) 980-740-25-2 requires that a regulatory asset or liability be recorded for the resulting re-measurement of ADIT if it is probable that the excess will be collected from customers or returned to customers through future rates. The regulatory liability is grossed up for the income tax effect of the increase or decrease in revenues.[5] The regulatory asset or liability is also itself a temporary timing difference for which a deferred tax asset or liability will be recognized.[6]

---

[4] Revenue Procedure 2020-39, pages 3 and 4.
[5] ASC 980-740-25-1.
[6] ASC 980-740-25-2.

Q. What is the Average Rate Assumption Method (ARAM) and what is its purpose?

A. ARAM is the method under which the excess tax reserve is reduced over the remaining lives of the property as used in the utility's regulated books of account which gave rise to the reserve for deferred income taxes.[7]

The ARAM formula is:

> The amount of the timing difference which reverses during a taxable year is multiplied by the ratio of:
>
> The aggregate deferred taxes as of the beginning of the period divided by the aggregate timing differences for the property as of the beginning of the period in question.[8]

Q. The Tax Reform Act of 1986 requires KGS to use a normalization method of accounting to amortize EDIT. What is the normalization method?

A. Normalization is a system of accounting used by regulated public utilities to reconcile the tax treatment of accelerated depreciation of public utility assets with their regulatory treatment. The use of normalization is required for a utility to take advantage of the accelerated cost recovery system under Section 168 of the Internal Revenue Code for public property. Under normalization, a utility receives the tax benefit of accelerated depreciation in the early years of an asset's regulatory useful life.[9]

Q. What assets are subject to the normalization requirements?

---

[7] The Tax Reform Act of 1986, Section 203(e).
[8] Tax Cuts and Jobs Act of 2017, Section 13001(d)(3)(B).
[9] Revenue Procedure 2020-39.

A. Assets that are subject to the normalization requirements of Internal Revenue Code Section 168 are eligible for accelerated depreciation, and are considered protected assets. Assets with depreciable lives of 3, 5, 7, 10, 15, or 20 years are eligible for accelerated depreciation.[10] The Tax Reform Act of 1986 created the distinction between protected and unprotected assets.

Q. What is an unprotected asset?

A. An asset that does not meet the requirements to take accelerated depreciation are considered to be an unprotected asset.

Q. What is a protected EDIT?

A. An EDIT related to protected assets.

Q. What is an unprotected EDIT?

A. An unprotected asset is an asset that does not qualify for accelerated depreciation methods. Unprotected assets have depreciable lives of 27.5 and 39 years and are limited to straight-line depreciation.[11] Assets with depreciable lives of 27.5 and 39 years are longer-lived assets. Examples include residential rental property and nonresidential real property. The EDIT related to these unprotected assets are not subject to ARAM, so EDITs related to unprotected assets can be amortized over a shorter period of time than the amortization

[10] Internal Revenue Code Section 168(b).
[11] Internal Revenue Code Section 168(b)(3).

period for protected assets required to use ARAM. KGS completed the amortization of the unprotected portion of EDITs in January 2024.[12]

Q. What is the consequence if a company fails to follow the normalization rule for protected assets?

A. A company's tax for the taxable year shall be increased by the amount by which it reduces its excess tax reserve more rapidly than permitted under a normalization method of accounting, and the company will not be allowed to use accelerated methods of depreciation in the future.[13]

Q. What is the purpose of Staff Rate Base Adjustment No. RB-1 related to Pensions/OPEB/Net Operating Loss and the change in the Kansas State Income Tax Rate for utilities?

A. Staff made this adjustment to:

- Update the EDIT for KGS's pension and OPEB plans due to the Tax Cuts and Jobs Act that reduced the federal income tax rate from 35% to 21% on January 1, 2018;
- Update the EDIT related to KGS's net operating loss (NOL);
- Update the EDIT related to the reducing of the State of Kansas corporate income tax rate for utilities on January 1, 2021 to zero.[14]

Staff Rate Base Adjustment No. RB–2 EDIT Due to Re-Measurement

[12] Eakens Direct Testimony, p. 19, lines 17 -18.
[13] Tax Cuts and Jobs Act of 2017, Section 13001(d)(4).
[14] *See* Exhibit WEB – 1.

Q. Please explain Staff Rate Base Adjustment No. RB-2 Update Corporate EDIT Associated with Re-Measurement.

A. Staff Rate Base Adjustment No. RB-2 updates the re-measurement (re-allocation) of corporate EDIT among ONE Gas's subsidiaries due to the decrease in the federal tax rate from 35% to 21%, and the State of Kansas' corporate income tax rate going to zero for utilities. KGS made an adjustment in its initial filing to reflect the Kansas portion of re-measurement as of September 30, 2023. Staff's adjustment updates the re-measurement to April 30, 2024.[15]

Q. What is re-measurement and why is it needed?

A. A change in State or Federal income tax rate requires corporate deferred income taxes be re-measured (re-allocated) among ONE Gas's subsidiaries. KGS made an adjustment in its initial filing that reflects the Kansas allocation of the impact of re-measuring ONE Gas's corporate deferred income tax liability due to the change in the federal income tax law from the TCJA that reduced the federal income tax rate. KGS also made an adjustment for the change in Kansas law exempting utilities from Kansas corporate income taxes. The TCJA reduced the federal income tax rate from 35% to 21% in 2018, and the State of Kansas reduced the State corporate income tax rate for utilities to zero in 2021. KGS made an adjustment in its initial filing that reflects the change in the federal and Kansas allocations to KGS as of September 30, 2023, the end of the Test Year.

Staff's adjustment updates the re-measurement of the corporate deferred income taxes to April 30, 2024.[16]

[15] *See* Exhibit WEB – 2.
[16] *See* KGS Response to Staff Data Request No. 122.

IV. Staff Income Statement Adjustment

Staff Income Statement Adjustment No. IS-1 Lease Expense

Q. Please explain Staff Income Statement Adjustment No. IS–1 for lease expense.

A. Staff Income Statement Adjustment No. IS-1 increases lease expense for KGS by $44,737. Staff compared the lease expense for the twelve months ending April 30, 2024, to lease expense for the twelve months ending September 30, 2023 (the end of the Test Year) and made an adjustment to equal the update period's lease expense.[17]

This adjustment allows KGS's revenue requirement to be updated to reflect the most known and measurable information possible, so that the revenue requirement coming out of this rate case will more closely match KGS's cost of providing utility service.

V. KGS Proposals and Requests

Q. Please discuss KGS's proposals.

A. KGS is requesting permission to do the following:

1. Begin amortizing the excess deferred income tax related to the corporate State income tax rate going to zero over a 30-year period.[18]

[17] *See* Exhibit WEB – 3.
[18] Eakens Direct Testimony, p. 9, line 15 and page 18, line 12 related to KGS Adjustment WC 12. DR No. 153.

2. Begin amortizing Kansas State excess deferred income tax due to re-measurement over a 30-year period.[19]
3. Include the amortization of EDIT as a component of KGS's cost of service. The amortization will be grossed up for taxes as part of the revenue component.[20]
4. Continue to amortize the balances of the protected portions of EDIT using ARAM.[21]
5. Amortize the State EDIT (due to the State of Kansas corporate income tax rate for utilities being reduced to zero in 2020), over 30 years.
6. Recover from customers the $247,046 excess EDIT refund over a three-year period.
7. Amortize unprotected EDIT from February 2024 to the time new rates go into effect, over a 30-year period.
8. Amortize the unprotected portion of the Return to Accrual True-Up over 30 years.
9. Amortize the protected EDIT portion of the Return to Accrual True-Up using the ARAM methodology. (The unprotected EDIT portion from the previous rate case was fully amortized by February 2024.)

Staff recommends approval of all of KGS's requests as stated above. Staff contends that KGS's requests are reasonable and consistent with Staff's previous positions that the result of tax changes should be flowed through to customers on a dollar-for-dollar basis, not retained by the utility for gain or loss.

EXCESS DEFERRED INCOME TAX – COST OF REMOVAL

[19] Eakens Direct Testimony, p. 10, line 2, DR No. 122 and DR 114 related to KGS Adjustment WC 13. DR No. 153.
[20] Eakens Direct Testimony, p. 13, lines 2 and 3. Accounting Standards Codification 980-740-25-2. DR No. 153.
[21] Eakens Direct Testimony p. 13, lines 4 – 7. DR No. 153.

Q. What is KGS requesting related to the Cost of Removal portion of EDIT?

A. KGS is requesting that the estimated cost of removal portion of EDIT that was included as a protected asset since December 31, 2017, the time the TCJA went into effect, should now be:

a. Accounted for as a separate component of KGS's EDIT liability;

b. Shown separately from the depreciation expense used in the ARAM calculation;

c. Included as an "unprotected" EDIT asset;

d. Amortized using the ARAM method of amortization;

e. Amortized based on the same amortization period as the protected plant, so the portion of EDIT related to the Cost of Removal that was considered as protected since December 31, 2017, would be amortized using the same amortization period as the protected plant. Protected plant is subject to the ARAM method of amortization;[22]

Q. Has anything changed regarding KGS's EDIT since the 2018 rate case?

A. Yes. The Internal Revenue Service issued Private Letter Ruling 202033002.

Q. Private Letter Ruling 202033002 (dated August 14, 2020) discusses the Cost of Removal portion of EDIT. What is the significance of this letter ruling?

A. Because of Private Letter Ruling 202033002, the Cost of Removal portion of EDIT is not protected under the Normalization Rules. KGS needs to break out the Cost of Removal

[22] Mr. Eakens Direct Testimony, p. 14, and in Staff Data Request No. 153.

portion of the protected portion of EDIT, and amortize the Cost of Removal separately to avoid a normalization violation since the EDIT portion related to the Cost of Removal is not a protected asset by the Normalization Rules.[23]

Q. Since the 2018 rate case, has KGS been including the Cost of Removal portion in the EDIT liability?

A. Yes.[24]

Q. Because of the private letter ruling, does Staff agree that KGS need to break out the Cost of Removal portion from EDIT?

A. Yes, the private letter ruling affecting the Cost of Removal portion of EDIT was released on August 14, 2020, which was after the 18-KGSG-560-RTS rate case had been completed. At the time of the 2018 KGS rate case, neither KGS nor Staff could have known that the establishment and amortization of the Cost of Removal portion of EDIT might cause a Normalization Rule violation. Staff agrees that KGS should be allowed to implement all of its Cost of Removal requests discussed above in order to avoid a normalization violation.

EDIT Tracker

KGS is requesting that it be allowed to exclude the EDIT Tracker balance and related amortization in this rate case and in future rate cases from the cost of service. Please

[23] Private Letter Ruling 202033002, p. 9.
[24] Eakens Direct Testimony, p. 14, lines 17 – 23.

explain what the EDIT Tracker is and why KGS is requesting that it be excluded from this and future rate cases.

Q. When and how was the EDIT Tracker established?

A. In the Partial Unanimous Settlement Agreement, page 7 – 8 in Docket No. 18-KGSG-560-RTS, the Commission ordered that an EDIT Tracker be established.

> b. Amortization expense associated with the excess accumulated deferred income taxes will be recorded by KGS using the following periods:
> (a) Protected – Average Rate Assumption Method ("ARAM")
> (b) Unprotected – Five (5) Years.
>
> EDIT shall be included in base rates with a regulatory assets/liability to track difference between amortization and actual ARAM calculation on the protected amounts. The EDIT amount associated with the ARAM calculation and included in base rates is $2,161,779. Any differences tracked in the regulatory asset/liability calculation should account for the effect of the "tax gross up" of the amounts being deferred.

Q, What is the purpose of the EDIT Tracker?

A. The EDIT Tracker was created to track the difference between the amortized amount in rates and the actual amortized amount for the year. The components of the EDIT Tracker are comprised of protected and unprotected amounts. The protected portion of EDIT uses the ARAM method for amortization purposes, and the unprotected portion uses a five-year period to amortize EDIT Tracker balance.[25]

Q. Did the Commission require KGS to set up the EDIT Tracker?

A. Yes. In the 2018 rate case, the Commission ordered KGS to establish the EDIT Tracker.[26]

[25] Partial Unanimous Settlement Agreement in Docket No. 18-KGSG-560-RTS, p. 8.
[26] Partial Unanimous Settlement Agreement in Docket No. 18-KGSG-560-RTS, p. 8.

Q. Did KGS exclude the EDIT Tracker balance and related amortization from this rate case?

A. Yes.[27]

Q. Did KGS ever record the EDIT Tracker on its books?

A. No.[28] KGS never recorded a regulatory asset or regulatory liability for the EDIT Tracker on its books.

Q. Has anything changed regarding KGS's EDIT Tracker since the 2018 rate case?

A. Yes. The Internal Revenue Service issued Private Letter Ruling 202142002 dated October 22, 2021. Private Letter Ruling 202142002 states that if KGS "adjusts its EDIT ARAM amortization annually without making similar adjustments to rate base, ADIT, book depreciation expense, and tax expense,"[29] KGS would have a Normalization Violation.

Q. What is a normalization violation?

A. A normalization violation occurs if in computing KGS's tax expense for establishing its cost of service for ratemaking purposes, KGS uses a different depreciation method or depreciation period for property than the method and period used to compute depreciation expense in its cost of service.[30] Another way for a normalization violation to occur would

[27] Eakens Direct Testimony, p. 17, lines 13 – 16.
[28] Eakens Direct Testimony, p. 17, lines 13 – 16.
[29] Private Letter Ruling 202142002, p. 8.
[30] Internal Revenue Code Section 168(i)(9)(A)(i).

be if KGS adjusted the EDIT annual amortization each year without making similar adjustments to rate base, ADIT, book depreciation expense, and tax expense.[31]

Q. What does Private Letter Ruling 202142002 require of KGS to avoid a Normalization Violation?

Private Letter Ruling No. 202142002, page 8 requires that if KGS adjusted its EDIT ARAM amortization annually in the EDIT Tracker without making similar adjustments to rate base, ADIT, book depreciation expense and tax expense, KGS would have a normalization violation.

> The Normalization Rules do not allow Taxpayer to adjust its EDIT ARAM amortization annually without making similar adjustments to rate base, ADIT, Book depreciation expense, and tax expense.[32]

KGS has never tracked EDIT or recorded a balance in an EDIT tracker on its books. If KGS had followed the 2018 settlement agreement, the EDIT tracker would have a regulatory liability balance of $752,858[33] which would have resulted in an amortization credit being added to Staff's Revenue Requirement in this Docket. Due to the normalization issue, Staff did not include the amortization in the rate case.

Consequences of a Normalization Violation

Q. What are the consequences if KGS has a normalization violation?

[31] Private Letter Ruling 202142002, p. 8.
[32] Privative Letter Ruling 202142002, page 8.
[33] Staff Data Request No. 281.

A. KGS would no longer be allowed to use accelerated depreciation.[34] Being required to use the straight-line depreciation method on all of its assets, KGS would no longer be able to defer the payment of income taxes into the future, and would lose the time value of money by paying income taxes currently rather paying the tax sometime in the future. These benefits are passed through to the rate payer in rate cases in the form of ADIT.

The advantage of accelerated depreciation for both KGS and its ratepayers lies in its ability to unlock significant amounts of cost free capital that KGS would otherwise not have had. The money saved on current taxes can be reinvested in KGS's business to continue to provide utility service, but without the direct costs of capital associated with normal capital investment. By depreciating a larger portion of an asset's cost in the early years, accelerated depreciation lowers the taxable income during the early years of an asset's life. The lower taxable income reduces the immediate tax liability providing KGS with more cash flow in the short term, which is reflected as ADIT on KGS's books.

An accelerated depreciation method only speeds up the recognition of depreciation deductions. Accelerated depreciation does not create a larger tax deduction over time. The higher upfront depreciation deduction from accelerated depreciation comes at the expense of a lower depreciation deduction in the future.

If KGS had a normalization violation, KGS would no longer be able to use accelerated depreciation methods, and would be required to use straight-line depreciation now and in the future. The TCJA calls for an additional penalty that is assessed for the amount by which the excess tax reserve was reduced more rapidly than was allowed using a

[34] Tax Cuts and Jobs Act of 2017, Section 13001(d)(4)(B).

normalized method of accounting.[35] Not being allowed to use accelerated depreciation and paying the additional penalty would be detrimental to KGS and its ratepayers.

KGS's Request to the Commission Regarding the EDIT Tracker

Out of an abundance of caution to avoid the possibility of a normalization violation, KGS is requesting that it be allowed to:

> Exclude the EDIT tracker balance and any related amortization for determining the revenue requirement in this filing and proposes removal of the tracker to avoid any IRS normalization violations in the future.[36]

Private Letter Ruling 202142002, dated October 22, 2021, states if KGS adjusted the EDIT ARAM amortization annually, KGS would have to make similar adjustments to rate base, ADIT, book depreciation, and tax expense.

The private letter ruling was released after the 18-KGSG-560-RTS rate case had been completed. At the time of the 2018 KGS rate case, neither KGS nor Staff could have known that the establishment and amortization of the EDIT Tracker might cause a Normalization Rule violation.

Q. What is Staff's position regarding KGS's requests?

A. Staff agrees with KGS that the potential loss of the use of accelerated depreciation in future rate cases is too great a risk for KGS to possibly be exposed to by including the EDIT Tracker and related amortization in determining the revenue requirement.

- KGS never recorded the EDIT Tracker on its books;

[35] Tax Cuts and Jobs Act of 2017, Section 13001(d)(4)(A).
[36] Eakens Direct Testimony, p. 17, lines 13-16.

- The EDIT Tracker was never recorded as a regulatory asset or regulatory liability; therefore KGS did not add any amortization into the case.

Due to the normalization issue, Staff agrees with KGS's assessment that the EDIT Tracker and the amortization of any tracked balances should be discontinued into the future.

Q. If a state commission and the regulated company were not aware the company had incurred a possible normalization violation and the state commission and utility had intended at all times to comply with the Normalization Rules and the utility is willing to make any needed corrections to avoid a normalization violation, what is the Internal Revenue Service's normal reaction?

A. If the utility makes the needed corrections to avoid a normalization violation, the Internal Revenue Service considers no violation to have been made.[37] Since KGS never recorded the EDIT Tracker on its books, KGS's conservative approach allowed them to avoid any normalization issues in this rate case.

VI. Conclusion and Exhibits

Q. Does this conclude your testimony?

A. Yes, it does.

List of Exhibits:

WEB – 1 Adjustment to Excess Deferred Income Tax

[37] Private Letter Ruling 202142002, p. 10.

WEB - 2 Adjustment to Excess Deferred Income Tax for Re-Measurement

WEB – 3 Adjustment to Lease Expense

Kansas Gas Service
Docket No. 24-KGSG-610-RTS
Excess Deferred Income Tax Update to EDIT for Pension / OPEB / COGR RB - 1
Test Year Ending September 30, 2023

(a) Line. No.	(b) Description		(c) KGS Adjustment as of 09/30/2023	(d) Updated Staff Amounts as of 04/30/2024	(e) Staff Adjustment as of 04/30/2024 (d) - (c)	
1	To Adjust Pension/OPEB/NOL - Related to TCJA - (KGS Adjustment WC - 11)	(1)	(901,196)	(2,568,752)	(1,667,556)	(3)
2	To Adjust Pension/OPEB/PGA/NOL - State - (KGS Adjustment WC - 12)	(2)	10,032,079	10,032,079	0	(4)
3			9,130,883	7,463,327	(1,667,556)	

(1) TCJA- Tax Cuts and Jobs Act of 2017 - KGS Adjustment WC - 11
WC - 11 removes EDIT due to the pension/OPEB/PGS portion of Net Operating Losses

(2) State - Kansas State utility income tax rate went to zero in 2020 - KGS Adjustment WC - 12
WC - 12 removes EDIT related to pension and OPEB portion of Net Operating Losses due to the State income tax rate going to zero.

(3) Source: Data Request No. 173

(4) Source: Data Request No. 174

Note: A positive number increases Rate Base.
A negative number decreases Rate Base.

File: KGS 24-KGSG-610-RTS / Bill's KGS Testimony Adjustments

Kansas Gas Service
Docket No. 24-KGSG-610-RTS
Excess Deferred Income Tax Update to Adjustment WC 13 - Re-Measurement RB - 2
Test Year Ending September 30, 2023

(a) Line No.	(b) Description	(c) KGS Adjustment as of 09/30/2023	(d) Updated Staff Amounts as of 04/30/2024	(e) Staff Adjustment as of 04/30/2024 (d) - (c)
1	To adjust corporate EDIT associated with Remeasurement	(4,417,136) (1)	(4,436,754)	(19,618)

Source: Data Request No. 175

(1) Because of the reduction in Kansas State income tax rate going to zero, ONE Gas had to re-measure ONE Gas's Corporate deferred tax balances allocated to KGS.

Note: A positive number increases Rate Base.
A negative number decreases Rate Base.

File: KGS 24-KGSG-610-RTS / Bill's KGS Testimony Adjustments

Kansas Gas Service
Docket No. 24-KGSG-610-RTS
Excess Deferred Income Tax Update to Adjustment WC 13 - Re-Measurement RB - 2
Test Year Ending September 30, 2023

(a)	(b)	(c)	(d)	(e)
Line No.	Description	Protected EDIT as of 9/30/2023	Non-Protected EDIT as of 9/30/2023	KGS EDIT as of 09/30/2023 (c) + (d)
1	Balance as of September 30, 2023	(1,700,347)	712,814	(987,533)
2	Non-Protected EDIT to Remove Pension/OPEB/PGA/NOL		(693,196)	(693,196)
3	Subtotal			(1,680,729)
4	Regulatory (Asset)			(2,736,407)
5	Total Adjustment due to Re-Measurement of Corporate EDIT			(4,417,136)

Note: 1 The purpose of this work paper is to show the breakdown of the ($2,736,407) portion of Adjustment WC - 13. associated with Re-Measurement

Note: 2 A positive number increases Rate Base.
A negative number decreases Rate Base.

File: KGS 24-KGSG-610-RTS / Bill's KGS Testimony Adjustments

Kansas Gas Service
Docket No. 24-KGSG-610-RTS
Excess Deferred Income Tax Update to Adjustment WC 13 - Re-Measurement RB - 2
Test Year Ending September 30, 2023

(a) Line No.	(b) Description	(c) Protected Regulatory Liability/(Asset) 9/30/2023	(d) Non-Protected Regulatory Liability/(Asset) 9/30/2023	(e) Total (c) + (d)
1	Plant - Book vs. Tax Depreciation	(1,679,306)		
2	Accrued Expenses & Other:			
3	FASB 112		1,751	
4	Long Term Debt		95,916	
5	Employee Benefits		(294,221)	
6	Legal Reserve		183,541	
7	State NOL/Credit Carryforward		(916,995)	
8	Regulatory Assets		(277,397)	
9	STI		147,242	
10	Workers Comp		3,062	
11	Total	(1,679,306)	(1,057,101)	(2,736,407)

Note: 1 The purpose of this work paper is to aggregate the detail of the Kansas State regulatory liability

Note: 2 A positive number increases Rate Base.
A negative number decreases Rate Base.

Source: Data Request No. 114
File: KGS 24-KGSG-610-RTS / Bill's KGS Testimony Adjustments

Kansas Gas Service
Docket No. 24-KGSG-610-RTS
Excess Deferred Income Tax   Update to Adjustment WC 13 - Re-Measurement   RB - 2
Test Year Ending September 30, 2023

(a)	(b)	(c)	(d)	(e)
Line No.	Description	Protected EDIT as of 9/30/2023	Non-Protected EDIT as of 9/30/2023	KGS EDIT as of 09/30/2023 (c) + (d)
1	Balance as of April 30, 2024	(1,700,347)	712,814	(987,533)
2	Non-Protected EDIT to Remove Pension/OPEB/PGA/NOL		(712,814)	(712,814)
3	Subtotal			(1,700,347)
4	Regulatory (Asset)			(2,736,407)
5	Total Adjustment due to Re-Measurement of Corporate EDIT			(4,436,754)

File: KGS 24-KGSG-610-RTS / Bill's KGS Testimony Adjustments

Kansas Gas Service
Docket No. 24-KGSG-610-RTS
Excess Deferred Income Tax Update to Adjustment WC 13 - Re-Measurement RB - 2
Test Year Ending September 30, 2023

(a)	(b)	(c)	(d)	(e)
Line No.	Description	Protected Regulatory Liability/(Asset) 4/30/2024	Non-Protected Regulatory Liability/(Asset) 4/30/2024	Total (c) + (d)
1	Plant - Book vs. Tax Depreciation	(1,679,306)		
2	Accrued Expenses & Other:			
3	FASB 112		1,751	
4	Long Term Debt		95,916	
5	Employee Benefits		(294,221)	
6	Legal Reserve		183,541	
7	State NOL/Credit Carryforward		(916,995)	
8	Regulatory Assets		(277,397)	
9	STI		147,242	
10	Workers Comp		3,062	
11	Total	(1,679,306)	(1,057,101)	(2,736,407)

Note: 1 The purpose of this work paper is to aggregate the detail of the Kansas State regulatory liability

Note: 2 A positive number increases Rate Base.
A negative number decreases Rate Base.

Source: Data Request No. 175

File: KGS 24-KGSG-610-RTS / Bill's KGS Testimony Adjustments

Kansas Gas Service

Docket No. 24-KGSG-610-RTS PUBLIC VERSION IS - 1 PUBLIC VERSION

Lease Adjustment

Test Year Ending September 30, 2023

(a) Line No.	(b) Description	(c) KGS Adjustment as of 09/30/2023	(d) KGS Adjustment as of 09/30/2023	(e) Total KGS Adjustment as of 09/30/2023	(f) Updated KGS Amounts as of 04/30/2024	(g) Adjustment as of 04/30/2024	(h) Staff Amounts as of 04/30/2024	(i) Staff Adjustment as of 04/30/2024 (h) - (e)
1	Shared Facility Rent for Emporia							
2	Shared Facility Rent for Atchison							
3	Total Revenue Adjustment							
4	Reverse Current Year Lease Expense							
5	Estimated New Monthly Lease							
6	Multiply by 12 Months							
7	Add Estimated Annual Lease Expense							
8	Net Reduction to Lease Expense							
9	Annual Lease Expense (Line 9) - Revenue Adjustment (Line 3)							

(1) The revenue adjustment is a reduction to revenue

(2) The expense adjustment is a reduction to lease expense.

(3) Line 9, columns (e) and (h) are negative expenses.

(4) The $44,737 Staff adjustment on line 9, column (i), is a reduction to the net negative expense adjustment in KGS's Application. Another way to say it is the $44,737 is an increae to expense.

Source: Data Request No. 176

File: KGS 24-KGSG-610-RTS / Bill's KGS Testimony Adjustments

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

Data Request: 24-610 KCC-114
Issuer Organization: KCC
Request Date: 04-03-2024
Date Information Needed: 04-12-2024
Requested By: Bill Baldry

RE: Adjustment No. WC 13 EDIT – Corporate – Associated with Re-Measurement

Please provide the following: A copy of all work papers, with cross references and formulas intact, for Adjustment No. WC 13.

KGS Response:

Please see "24-610 KCC-114 Attachment A".

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: Kenth Eakens

Date: 04/12/2024

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

Data Request: 24-610 KCC-114
Issuer Organization: KCC
Request Date: 04-03-2024
Date Information Needed: 04-12-2024

Kansas Gas Service

Summary of Corporate Allocated EDIT Adjustments

Adj No.		PROTECTED	NON-PROTECTED	TOTAL
	Balance at 9/30/2023	($1,700,347)	$712,814	($987,533)
1	To remove Pension/OPEB/PGA/NOL		(693,196)	($693,196)
		($1,700,347)	$19,618	($1,680,729)
				($4,417,136)

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

Data Request: 24-610 KCC-114
Issuer Organization: KCC
Request Date: 04-03-2024
Date Information Needed: 04-12-2024

ONE Gas, Inc.
Detail of KS STATE Regulatory Liability

DEFERRED TAX CATEGORY		REG LIAB/(ASSET) TOTAL		P		NP				Gross Up
Plant - Book vs. Tax Depreciation		(1,679,306)		(1,679,306)						(446,398)
Repairs & Other Plant Diffs		-				-				-
Pension/OPEB						-				-
Pension Reg Asset		-				-				-
Accrued Expenses & Other		**-**								-
FAS112		1,751				1,751				465
LT Debt		95,916				95,916				25,497
Employee Benefits		(294,221)				(294,221)				(78,211)
Restricted Stock						-				-
Legal Reserve		183,541				183,541				48,789
State NOL/Credit Carryforward		(916,995)				(916,995)				(243,758)
Rate Case Expense		-				-				-
Reg Assets		(277,397)				(277,397)				(73,738)
STI		147,242				147,242				39,140
Workers Comp		3,062				3,062				814
TOTAL	Σ	**(2,736,407)**	Σ	**(1,679,306)**	Σ	**(1,057,101)**	Σ	**-**	Σ	**(727,399)**
TOTAL REG LIAB W/ FBOS	Σ	**(2,736,407)**	Σ	**(1,679,306)**	Σ	**(1,057,101)**	Σ	**-**	Σ	**(727,399)**

Data Request: 24-610 KCC-117
Issuer Organization: KCC
Request Date: 04-03-2024
Date Information Needed: 04-12-2024
Requested By: Bill Baldry

RE: Normalization of the Tracker Related to Protected Excess EDIT

Please provide the following: On page 16, line 17, Mr. Eakens discusses the normalization issue related to the tracker for
protected excess EDIT. Please provide the balance as of the end of the Test Year for the protected
excess EDIT tracker.

KGS Response:

The Company did not record a balance for the protected excess EDIT tracker because of the potential normalization issue discussed on page 16, lines 13 –25 and page 17, lines 1 – 20 of Kenneth Eakens' testimony.

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: Kett Ehr

Date: 04/12/2024

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

Data Request: 24-610 KCC-122
Issuer Organization: KCC
Request Date: 04-03-2024
Date Information Needed: 04-12-2024
Requested By: Bill Baldry

RE: Adjustment WC 13 Adjustment Due to Re-measurement of Corporate Deferred Tax Balances Allocation Percentages for KGS

Please provide the following: On page 10, lines 2 – 4 of his testimony, Mr. Eakens discusses that Adjustment WC 13 was needed
due to the re-measurement of deferred tax balances. Please explain in greater detail about the need
for this adjustment by answering the following questions:
a. What prompted the need for re-measurement?
b. How often does re-measurement occur?
c. Does re-measurement occur every year, on an as needed basis, or is this the first time it has ever occurred?
d. Please provide a copy of the work papers that support the allocation changes to KGS.
e. Were the new allocation percentages developed and passed down to KGS after the end of the Test Year (September 30, 2023)?
f. If the new allocation percentages were developed before September 30, 2023, please explain why the deferred tax adjustments were not included in the Application.

KGS Response:

a. A change in a State or Federal income tax rate requires that deferred income taxes be re-measured. Adjustment WC 13 reflects the Kansas allocation of the impact of remeasuring our Corporate deferred income tax liability for changes in federal income tax law from TCJA reducing the federal income tax rate and the change in Kansas law exempting utilities from Kansas corporate income taxes.
b. Re-measurement occurs anytime there is a change in State or Federal income tax rates.
c. The re-measurement occurs only when State or Federal income tax rates change. WC 13 reflects the balances calculated at the date of the enacted law change, subsequent amortization, and the remaining balance at September 30, 2023. The State EDIT has been calculated but has not been amortized.
d. Please see "24-610 KCC-114 Attachment A" provided in response to KCC-114.

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: [signature]

Date: 04/12/2024

Data Request: 24-610 KCC-122
Issuer Organization: KCC
Request Date: 04-03-2024
Date Information Needed: 04-12-2024
Requested By: Bill Baldry

e. The allocation percentages were determined at the time of the income tax re-measurement which was at the time the income tax rate change was enacted.
f. Not applicable.

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: ____________________

Date: 04/12/2024

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

Data Request: 24-610 KCC-153
Issuer Organization: KCC
Request Date: 05-01-2024
Date Information Needed: 05-10-2024
Requested By: Bill Baldry

RE: KGS Proposals in Kenneth Eakens and Lorna Eaton's Testimony

Please provide the following: Attached to this data request is a list of proposals from Kenneth Eakens and Lorna Eaton's testimony.

1. Please review the list of proposals to make sure Staff has included all of the proposals KGS is requesting in Kenneth Eakens and Lorna Eaton's testimony.

2. Please make any additions and deletions as needed to the proposals in the attached list.

KGS Response:

1. In addition to routine rate case adjustments, please see the 24-610 KCC-153 Attachment which contains the list of proposals provided by KCC Staff and KGS's comments related to the list.
2. In addition to the amortization related to the Tax Cut and Jobs Act ("TCJA") described in Lorna Eaton's testimony and included in the list of proposals attached to this response, Ms. Eaton's testimony described other non-tax related proposals, including:
   - Continuation of the Cyber Security Tracker if the proposed Annual Performance-based Rate Mechanism is not approved;
   - Recovery of a portion of the financially-tied incentive compensation for officers and executives;
   - Amortization of additional expenses related to Manufactured Gas Plant (MGP) costs;
   - Reinstatement of reconnection charge and an update to the disconnect charge that was suspended as part of the Knock and Collect Waiver Pilot Program; and,
   - Various Income Statement adjustments and tariff changes.

Prepared by: Kenenth Eakens and 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: Kenneth Eakens

Date: 05/10/2024

Kansas Gas Service

Docket No. 24-KGSG-610-RTS

List of Issues KGS is Seeking Approval For

April 30, 2024

Note: The following list of issues is in Kenneth Eakens and Lorna Eaton's testimony. KGS is requesting approval of the following items.

1. Re: **KGS Proposal** - WC 12 Amortization of excess accumulated deferred income tax related to the State reducing the corporate income tax to zero
   According to Eakins testimony, page 9, line 15, and page 18, line 12, KGS is requesting that the amortization of Excess Deferred Income Tax (EDIT) related to the corporate State income tax rate going to zero should be allowed to begin amortization. According to DR No. 113, KGS wants to amortize the State EDIT over 30 years.
   - KGS confirms the amortization period of 30 years.

2. Re: **KGS Proposal** - WC 13 Re-measurement of Corporate Deferred Tax Balances Allocation Percentages for KGS
   According to Eakins testimony, page 10, line 2 and DR No. 122 and DR No. 114, the protected part of the KGS State EDIT has been calculated, but has not been amortized. **What amortization period is KGS requesting?**

   - All state EDIT is considered unprotected as normalization is only a Federal requirement. Therefore, KGS is requesting to amortize all state EDIT over a 30-year period.

3. Re: **KGS Proposal** - Cost of Removal
   According to Eakins testimony, page 14, line 20 and page 16, lines 4 – 8, KGS is requesting that the estimated cost of removal that was included as a protected asset since December 31, 2017, the time the Tax Cuts and Jobs Act went into effect, should now be considered unprotected (page 14, line 20). KGS proposes that the portion of cost of removal (COR) that was considered protected be:
   1. Accounted for as a separate component of KGS's Excess Deferred Income Tax (EDIT) liability (page 14, line 21).
   2. Shown separately from the depreciation expense used in the Average Rate Assumption (ARAM) calculation (page 14, line 20 – 21).
   3. Included as an "unprotected" EDIT asset (page 14, line 20).
   4. Be amortized using ARAM (page 14, line 23).
   5. Amortized based on the same amortization period as the protected plant, so the portion of EDIT related to the Cost of Removal that was considered as protected

since December 31, 2017, would be amortized using the same amortization period as the protected plant. Protected plant is subject to the Average Rate Assumption Method (DR No. 116).

- KGS confirms that the five items listed above are correct.

4. Re: **KGS Proposal** - WC 11 Amortization of Excess Deferred Income Tax (EDIT)
   According to Kenneth Eakens Testimony, page 10, line 10, and page 13, lines 2 – 3, KGS is proposing to include the amortization of EDIT as a component of its cost of service that will be grossed up for taxes as part of the revenue requirement. (Page 13, line 3). Accounting Standards Codification 980-740-25-2, last sentence. GAAP requires the deferred tax asset or deferred tax liability to be grossed up.
   - KGS confirms this is correct.

5. Re: **KGS Proposal** Protected Portions of EDIT WC – 11
   According to Kenneth Eakens Testimony, page 13, lines 4 – 7, for protected portions of EDIT, KGS proposes to continue to amortize those balances using the Average Rate Assumption Method.
   - KGS confirms this is correct.

6. Re: **KGS Proposal** Exclusion of the Protected Portion of the EDIT Tracker That Compares Actual Amortization of the Protected Portion of EDIT to the Protected Portion of EDIT Reflected in Rates
   According to Kenneth Eakens Testimony, page 17, lines 13 – 16, KGS was required in Docket No. 18-KGSG-60-RTS to keep track of the protected portion of EDIT that was reflected in rates compared to the actual amortization of the protected portion of EDIT. Due to normalization issues the EDIT tracker may create, KGS excluded the Tracker balance and any related amortization from determining the revenue requirement. (Page 17, lines 13 – 16). KGS is requesting exclusion of the protected portion of the EDIT Tracker from this rate case, and all future rate cases.
   Page 17, lines 13 – 16 (DR No. 117 and DR No. 118).
   - KGS confirms this is correct.

7. Re: **KGS Proposal** - WC 12 Amortization Period of the State of Kansas Excess Deferred Income Tax
   According to Kenneth Eakens Testimony, page 10, line 11; page 18, line 12; and page 21, line 2, KGS is requesting that it be allowed to amortize the State excess deferred income tax (due to the State of Kansas corporate income tax rate being reduced to zero in 2020), over 30 years (DR No. 113).
   - KGS confirms this is correct.

8. Re: **KGS Proposal** – IS 36 TCJA Over Refund
   According to Lorna Eaton Testimony, page 18, lines 4 – 9, KGS was required to refund to customers their customers credits associated with the Tax Cuts and Jobs

Act. KGS over refunded the credits to its customers. KGS is requesting to recover the $247,046 over refund from its customers over a three year period.

- KGS confirms this is correct.

9. Re: **KGS Proposal** – Amortization of Unprotected EDIT

    According to Kenneth Eakens Testimony, page 19 (lines 22 – 25) and page 20 (lines 1 – 7), KGS is requesting that amortization of the unprotected EDIT period from February 2024 until new base rates are determined in this rate case (estimated to be around October 2024) be accumulated. At the end of this rate case, the deferred amortization from February 2024 until the end of this rate case would be accumulated and amortized over a 30 year period.

    - KGS confirms this is correct.

10. Re: **KGS Proposal** – IS 40 Amortization of Unprotected EDIT Portion of the Return to Accrual True-Up (RTA)

    According to Kenneth Eakens Testimony, page 19, lines 11 – 12, KGS made an adjustment in 2018 after the 2018 rate case to update Accumulated Deferred Income Tax (ADIT) and Excess Deferred Income Tax (EDIT) liabilities from estimates to actual amounts. KGS called this a Return to Accrual True-up. KGS is requesting to amortize the unprotected EDIT portion of the Return to Accrual True-Up over 30 years (DR No. 119). The amount of Adjustment No. 40 is shown in Table KWE – 1, of Eakens testimony, page 21.

    - KGS confirms this is correct.

11. Re: **KGS Proposal** - Unprotected Excess Deferred Income Tax – Over Amortization – Adjustment IS - 40

    According to Kenneth Eakens Testimony, page 19, lines 22 – 24, KGS has been amortizing the unprotected EDIT over the last 5 years. The 5 year amortization period ended in January 2024. KGS is requesting the amortization that is embedded in current rates be deferred beginning in February 2024 and continue to be deferred until new base rates are determined in this rate case.

    - KGS confirms this is correct.

12. Re: **KGS Proposal** - Protected Excess Deferred Income Tax

    According to Kenneth Eakens Testimony, page 20, lines 21 – 23, KGS is requesting approval to amortize the protected EDIT portion of the Return to Accrual True Up using the Average Rate Assumption Method (ARAM) methodology.

    - KGS confirms this is correct.

13. Re: **KGS Proposal -** Protected Excess Deferred Income Tax Associated With Cost of Removal

    According to Kenneth Eakens Testimony, page 20, lines 24 – page 21, line 1, KGS is requesting approval to amortize the balance of the Excess Deferred Income Tax associated with the Cost of Removal using the same amortization percentage as the Average Rate Assumption Method (ARAM).

- KGS confirms this is correct.

File: bbaldry Home / KGS 24-KGSG-610-RTS / List of Issues KGS is Requesting Approval

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

Data Request: 24-610 KCC-173
Issuer Organization: KCC
Request Date: 05-06-2024
Date Information Needed: 05-15-2024
Requested By: Bill Baldry

RE: Adjustment WC-11 Removal for Pension/OPEB/NOL

Please provide the following: Please update the work papers supporting the excess deferred income tax for pension/OPEB/NOL as of April 30, 2024 in the same format as shown in Adjustment WC – 11 in the file called: Public 2024 Rate Case MFR Support File / Tab labeled "EDIT Work Papers".

KGS Response:

Please see the attached file labeled 24-610 KCC-173 Attachment A.

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: ______________________

Date: 05/15/2024

KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
Docket No. 24-KGSG-610-RTS
Data Request: 24-610 KCC-174
Issuer Organization: KCC
Request Date: 05-06-2024
Date Information Needed: 05-15-2024
Requested By: Bill Baldry

Kansas Gas Service

Summary of EDIT Adjustments

Adj No.		PROTECTED	NON-PROTECTED (COR)	NON-PROTECTED	TOTAL
	Balance at 4/30/2024	$89,832,200	($12,877,386)	($1,940,505)	$75,014,309
1	To remove Pension/OPEB/PGA/NOL	7,436,461	-	(4,867,709)	$2,568,752
		$97,268,660	($12,877,386)	($6,808,214)	$77,583,060

ONE Gas

051 - KGS-KS KANSAS GAS SERVICE - KS Assets	2023 September	2024 April	
2540200 - OTH REG LIAB EXCESS DTL	112,396,080.16	103,956,617.16	
2540204 - OTH REG LIAB EXCESS ODC NOL	(29,063,136.02)	(28,942,309.02)	75,014,308.14

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

Data Request: 24-610 KCC-174
Issuer Organization: KCC
Request Date: 05-06-2024
Date Information Needed: 05-15-2024
Requested By: Bill Baldry

RE: Adjustment WC-12 Removal for Pension/OPEB/PGA/NOL Due to State Rate Change

Please provide the following: Please update the work papers supporting the excess deferred income tax due to the change in the State of Kansas utility income tax rate as of April 30, 2024 in the same format as shown in Adjustment WC – 12 in the file called: Public 2024 Rate Case MFR Support File / Tab labeled "EDIT Work Papers".

KGS Response:

Please see attached file 24-610 KCC-174 Attachment A.

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: ____________________

Date: 05/15/2024

KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
Docket No. 24-KGSG-610-RTS
Data Request: 24-610 KCC-173
Issuer Organization: KCC
Request Date: 05-06-2024
Date Information Needed: 05-15-2024
Requested By: Bill Baldry

Kansas Gas Service
Summary of STATE EDIT Adjustments

Adj No.		PROTECTED	NON-PROTECTED	TOTAL
	Balance at 4/30/2024		$66,788,531	$66,788,531
1	To remove Pension/OPEB/PGA/NOL		(10,032,079)	($10,032,079)
		$0	$56,756,452	$56,756,452

Net Regulatory Liability ($ in millions)	Regulatory Liability	Regulatory Liability-NOL	Net Regulatory Liability
Balance per book at September 30, 2023	**$ (179.2)**	**$29.1**	**$(150.1)**
Adjustments:			
WC 11 – Removal for Pension/OPEB/PGA/NOL	(1.0)	0.1	(0.9)
WC 12 – Removal for Pension/OPEB/PGA/NOL for State Rate Change	10.0		10.0
Pro Forma balance at September 30, 2023	**$ (170.2)**	**$29.2**	**$** (141.0)

ONE Gas

A	BR	BY
051 - KGS-KS KANSAS GAS SERVICE - KS Assets	2023 September	2024 April
2540400 - OTH REG LIAB EXCESS DTL STATE TAX	66,788,531.00	66,788,531.00

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

Data Request: 24-610 KCC-175
Issuer Organization: KCC
Request Date: 05-06-2024
Date Information Needed: 05-15-2024
Requested By: Bill Baldry

RE: Adjustment WC-13 Adjustment Due to Re-Measurement

Please provide the following: Please update the work papers supporting the excess deferred income tax due to re-measurement as of April 30, 2024 in the same format as shown in response to Staff Data Request No. 114.

KGS Response:

Please see attached the file labeled 24-610 KCC-175 Attachment A.

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: Kenth Eak

Date: 05/15/2024

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

Data Request: 24-610 KCC-175
Issuer Organization: KCC
Request Date: 05-06-2024
Date Information Needed: 05-15-2024

Kansas Gas Service

Summary of Corporate Allocated EDIT Adjustments

Adj No.		PROTECTED	NON-PROTECTED	TOTAL
	Balance at 9/30/2023	($1,700,347)	$712,814	($987,533)
1	To remove Pension/OPEB/PGA/NOL		(712,814)	($712,814)
		($1,700,347)	$0	($1,700,347)
				($4,436,754)

From: FINANCIALS - REGULATORY on EDIT Tab in EDIT Amortization Support folder.

1,240,130	504,253	(46,392)	3,584,286	Appr
819,052	333,037	(30,640)	2,367,264	Corre
2,879,684	**(1,700,347)**	**19,618**	**(86,166,845)**	
421,078	171,216	(15,752)	1,023,083	
103,344	42,021	(3,866)	2,417,501	TBD
3,404,107	(1,487,110)	0	(82,726,261)	

ONE Gas, Inc.
Detail of KS STATE Regulatory Liability
31-Dec-20

DEFERRED TAX CATEGORY	REG LIAB/(ASSET) TOTAL	P	NP
Plant - Book vs. Tax Depreciation	(1,679,306)	(1,679,306)	
Repairs & Other Plant Diffs	-		-
Pension/OPEB			-
Pension Reg Asset	-		-
Accrued Expenses & Other	**-**		
FAS112	1,751		1,751
LT Debt	95,916		95,916
Employee Benefits	(294,221)		(294,221)
Restricted Stock			-
Legal Reserve	183,541		183,541
State NOL/Credit Carryforward	(916,995)		(916,995)
Rate Case Expense	-		-
Reg Assets	(277,397)		(277,397)
STI	147,242		147,242
Workers Comp	3,062		3,062
TOTAL	**(2,736,407)**	**(1,679,306)**	**(1,057,101)**
TOTAL REG LIAB W/ FBOS	**(2,736,407)**	**(1,679,306)**	**(1,057,101)**
REG LIAB Per GL 2540400/2540410	25,759		
	-		
ck to GL	(2,762,166)		

Kansas Gas Service

Docket No. 24-KGSG-610-RTS

Re: Staff Data Request No. 176 – Leases

Data Request No. 176 is CONFIDENTIAL

Data Request: 24-610 KCC-281
Issuer Organization: KCC
Request Date: 06-07-2024
Date Information Needed: 06-18-2024
Requested By: Bill Baldry

RE: EDIT Tracker

Please provide the following: Based on the response to DR No. 117, KGS did not include an EDIT Tracker balance in the current rate case. Based on the Partial Unanimous Settlement Agreement, Exhibit A, page 8 in Docket No. 18-KGSG-560-RTS, the agreement stated KGS would create an EDIT Tracker. Did KGS ever establish an EDIT Tracker for the protected portion of EDIT?
a. If yes, does the EDIT Tracker still exist?
b. If the EDIT Tracker does not exist, when did KGS dissolve it?
c. If the EDIT Tracker does still exist, is KGS making adjustments to the tracker?
d. If the EDIT Tracker does still exist and KGS is not currently making adjustments to the tracker, when did KGS stop making adjustments to the tracker?

KGS Response:

KGS did not establish an EDIT Tracker. KGS was concerned that recording an entry related to tracking EDIT would be a normalization violation based on the information available during that time frame (PwC guidance and subsequent letter rulings). KGS has prepared a calculation comparing the amortization being credited in rates to the actual EDIT amortization. The resulting comparison would be an under crediting of EDIT to KGS's customers of approximately $752,800 cumulatively. Please see 24-610 KCC-281 Supplemental Attachment A for this calculation. KGS is concerned that a true-up of the cumulative balance in a rate case creates a normalization violation based on a consistency requirement.

Below is the guidance from PwC:

19.3 Normalization (20 Jul 2016) PWC US Utilities guide

19.3 Normalization

Normalization is integral to accounting for income taxes in a regulated environment and arises from IRC guidance on the ratemaking approach. Normalization is a method of ensuring that regulated utilities benefit from the various tax law provisions that were designed to encourage capital expenditures.

For example, accelerated depreciation and ITCs are intended to encourage capital expenditures, not to subsidize customers' utility costs. However, because these deductions and credits reduce cash income taxes, the tax component of the cost of providing services would be lower, and thus, the rates charged to customers would be lower if these benefits were immediately provided to customers. This lowers the regulated utility's revenues in the short term. Normalization protects revenues from the effects of lower

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: Kott Ch

Date: 06/18/2024

rates and allows regulated utilities and customers to share the benefits of accelerated depreciation and investment tax credits.

Under the normalization rules, for a regulated utility to claim accelerated deductions on its tax return, its regulator must require that the tax savings be "normalized" over the life of the property. ***This means that income tax expense in the ratemaking process will be computed as if depreciation was recorded on a straight-line basis,*** rather than through an immediate reduction in rates (as is the case under flow-through). In other words, the regulated utility determines the income taxes recognized for regulatory purposes based on the amount of depreciation recognized for financial reporting and regulatory purposes. Because regulators allow the recovery of book amounts on an accrual basis, the regulated utility should also consider the related income tax effects of such cost recovery on an accrual basis.

Under the normalization rules, the regulated utility records a reserve against rate base for the difference between the income tax allowance determined in this manner and the amount of income taxes actually paid (i.e., accumulated deferred income taxes or ADIT). That reserve is then drawn down as, for example, the accelerated depreciation benefits reverse in later years. This reduction to rate base for ADIT provides ratepayers with the benefit of the accelerated depreciation deduction received by the regulated utility (which is effectively an interest free loan from the government).

19.3.1 Normalization violations
If a regulated utility fails to normalize its accelerated deductions when required pursuant to the IRC, it may result in the loss of the income tax deductions or recapture of tax credits. A normalization violation with respect to accelerated depreciation may result in the loss of the right to claim the tax deduction on assets in service as of the date of the violation, as well as for future additions. This would apply to all property, plant, and equipment, not just those that cause the violation.

Examples of normalization violations include:
- ***Repayment of excess deferred income taxes too quickly***
- When a regulator provides for normalization that does not fully comply with the normalization rules (e.g., calculating the amount of deferred income tax expense using a shorter period than the depreciable life of the plant)

19.3.2.4 Normalization of excess deferred income taxes
Normalization rules also apply to excess deferred income taxes on depreciation-related temporary differences arising from a reduction in corporate tax rates that went into effect in 1986. The rules require regulated utilities to normalize and amortize the impacts of the TRA rate change. Regulated

utilities commonly apply an approach called the average rate assumption method (ARAM), which was mandated as a result of the TRA. ***Under ARAM, the reversal of the excess deferred income taxes cannot occur more rapidly than would occur over the remaining regulatory lives of the assets as the temporary differences related to the assets reverse.***

Reducing rates charged to ratepayers relating to excess accumulated deferred income taxes in the wrong period may constitute a violation of the normalization requirements. However, not all regulated utilities maintain their depreciation records in a manner that will readily allow them to apply ARAM. For example, some regulated utilities may not have the records to compute depreciation consistent with ARAM. To address this situation, the IRS allows an alternative method for reducing the excess deferred taxes, referred to as the "Reverse South Georgia method." Under the Reverse South Georgia method, regulated utilities determine reversals based on the composite rate and begin immediately, ***in contrast to the ARAM method, which delays recognition until the book-tax depreciation timing differences reverse.*** However, the Reverse South Georgia method is not permissible if the regulated utility uses a composite method of depreciation and has the records to determine the reversal period of the book/tax differences to which the excess deferred income taxes relate.

PLR-122510-19 (March 26, 2020) – Cost of Removal ("COR")

Former § 167(l) generally provided that public utilities were entitled to use accelerated methods for depreciation if they used a "normalization method of accounting." A normalization method of accounting was defined in former § 167(l)(3)(G) in a manner consistent with that found in § 168(i)(9)(A). Section 1.167(l)-1(a)(1) provides that the normalization requirements for public utility property pertain only to the deferral of federal income tax liability resulting from the use of an accelerated method of depreciation for computing the allowance for depreciation under § 167 and the use of straight-line depreciation for computing tax expense and depreciation expense for purposes of establishing cost of services and for reflecting operating results in regulated books of account. These regulations do not pertain to other book-tax timing differences with respect to state income taxes, F.I.C.A. taxes, construction costs, or any other taxes and items.

PLR-101961-21 (July 26, 2021) – EDIT Tracker

In order to use a normalization method of accounting, § 168(i)(9)(A) requires that a taxpayer, in computing its tax expense for establishing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account, use a method of depreciation with respect to public utility property that is the same as, and a depreciation period for such property that is not shorter than, the method and period used to compute its depreciation expense for such purposes. Under § 168(i)(9)(A)(ii), if the amount allowable as a deduction under § 168 differs from the amount that would be allowable as a deduction under § 167 using the method, period, first and last year convention, and

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: Ronott Ely

Date: 06/18/2024

Data Request: 24-610 KCC-281
Issuer Organization: KCC
Request Date: 06-07-2024
Date Information Needed: 06-18-2024
Requested By: Bill Baldry

salvage value used to compute regulated tax expense under § 168(i)(9)(A)(i), the taxpayer must make adjustments to a reserve to reflect the deferral of taxes resulting from such difference.

Section 168(i)(9)(B)(i) of the Code provides that one way the requirements of § 168(i)(9)(A) will not be satisfied is if the taxpayer, for ratemaking purposes, uses a procedure or adjustment which is inconsistent with such requirements. Under § 168(i)(9)(B)(ii), such inconsistent procedures and adjustments include the use of an estimate or projection of the taxpayer's tax expense, depreciation expense, or reserve for deferred taxes under § 168(i)(9)(A)(ii), unless such estimate or projection is also used, for ratemaking purposes, with respect to all three of these items and with respect to the rate base (hereinafter referred to as the "Consistency Rule").

Therefore, the threshold question is whether the Consistency Rule applies to EDIT being accounted for under ARAM. Because these amounts were originally deferred pursuant to a normalization method of accounting, these amounts remain subject to the Normalization Rules of § 168(i)(9), former § 167(l), and section 13001(d) of the TCJA. ***Thus, if the EDIT being accounted for under ARAM is subject to Normalization Rules, the Consistency Rule must apply to the EDIT.***

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 Eak

Date: 06/18/2024

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

Data Request: 24-610 KCC-281 Supplemental
Issuer Organization: KCC
Request Date: 06-14-2024
Date Information Needed: 06-18-2024
Requested By: Bill Baldry

RE: Supplement to DR No. 281

Please provide the following: What would the accumulated projected EDIT Tracker balance be as of April 30, 2024?

KGS Response:

Please see attached 24-610 KCC-281 Supplemental Attachment A.

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: 06/18/2024

Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 24-KGSG-610-RTS
Data Request 24-610 KCC-281 Supplemental
Request Date: 06-14-2024
Date Information Needed: 06-18-2024
Requested By: Bill Baldry

KGS Protected EDIT Tracker

Year	Amortization per prior rate case	Actual amortization	Difference
2019	1,519,399	1,440,703	(78,697)
2020	1,657,527	1,577,633	(79,893)
2021	1,657,527	967,652	(689,875)
2022	1,657,527	2,174,625	517,098
9/30/2023	1,094,724	1,711,447	616,723
10/1 - 12/31/2023	562,803	556,378	(6,425)
4/30/2024	840,366	1,314,292	473,926
	8,989,872	9,742,730	752,858

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

VERIFICATION

Bill Baldry, being duly sworn upon his oath deposes and states that he is Senior Auditor for the Utilities Division of the Kansas Corporation Commission of the State of Kansas, that he 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 his knowledge, information and belief.

Bill Baldry

Bill Baldry
Senior Auditor
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:

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 S HICKORY
PO BOX 17
OTTAWA, KS 66067
jflaherty@andersonbyrd.com

JEFF AUSTIN
AUSTIN LAW P.A.
7111 W. 151st ST.
SUITE 315
OVERLAND PARK, KS 66223
jeff@austinlawpa.com

JOSEPH R. ASTRAB, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
j.astrab@curb.kansas.gov

TODD E. LOVE, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
t.love@curb.kansas.gov

DAVID W. NICKEL, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
d.nickel@curb.kansas.gov

SHONDA RABB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
s.rabb@curb.kansas.gov

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
d.smith@curb.kansas.gov

ALEX GOLDBERG, ATTORNEY
EVERSHEDS SUTHERLAND (US) LLP
1196 S MONROE STREET
DENVER, CO 80210
alexgoldberg@eversheds-sutherland.us

ABIGAIL EMERY, PARALEGAL & GRANT SPECIALIST
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
abigail.emery@ks.gov

BRIAN G. FEDOTIN, GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
brian.fedotin@ks.gov

CERTIFICATE OF SERVICE

24-KGSG-610-RTS

CARLY MASENTHIN, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
carly.masenthin@ks.gov

KYLER C. WINEINGER, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
kyler.wineinger@ks.gov

JANET BUCHANAN, DIRECTOR OF RATES & REGULATORY
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
7421 W 129TH STREET
OVERLAND PARK, KS 66213
janet.buchanan@onegas.com

LORNA EATON, MANAGER OF RATES AND REGULATORY AFFAIRS
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
7421 W 129TH STREET
OVERLAND PARK, KS 66213
lorna.eaton@onegas.com

ROBERT E. VINCENT, MANAGING ATTORNEY
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
7421 W. 129TH STREET
OVERLAND PARK, KS 66213
robert.vincent@onegas.com

DON KRATTENMAKER, VICE PRESIDENT
WOODRIVER ENERGY, LLC
633 17th STREET, STE. 1410
DENVER, CO 80202
don.krattenmaker@woodriverenergy.com

Ann Murphy

Ann Murphy