



**Resilient and Reliable Energy
For a Better Tomorrow**

INVESTOR UPDATE
December 2021

Forward-Looking Statements

Statements contained in this presentation that include or refer to Company expectations, our business outlook, our future plans or predictions relating to any matters should be considered forward-looking statements that are covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the Securities Act of 1933 and the Securities and Exchange Act of 1934, each as amended. All statements, other than statements of historical facts, included in this presentation are forward-looking statements. Words such as “anticipates,” “expects,” “projects,” “intends,” “goals,” “plans,” “potential,” “might,” “believes,” “target,” “objective,” “strategy,” “opportunity,” “pursue,” “budgets,” “outlook,” “trends,” “focus,” “on schedule,” “on track,” “poised,” “slated,” “seeks,” “estimates,” “forecasts,” “guidance,” “scheduled,” “continues,” “may,” “will,” “would,” “should,” “could,” “likely,” and variations of such words and similar expressions are intended to identify such forward-looking statements. One should not place undue reliance on forward-looking statements. In addition, statements that refer to or are based on estimates, forecasts, projections, uncertain events or assumptions, including statements relating to market opportunities, future products or processes and the expected availability and benefits of such products or processes, and anticipated trends in our businesses or the markets relevant to them, including those developments relating to regulation and litigation trends and developments, also identify forward-looking statements. Such statements are based on management’s expectations as of the date of this investor presentation, unless an earlier date is indicated, and involve many risks and uncertainties, known and unknown, that could cause actual results, performance or achievements to differ materially from those expressed or implied in these forward-looking statements.

It is important to note that the actual results could differ materially from those projected in such forward-looking statements. Important risks and uncertainties that could cause actual results to differ materially from the company’s expectations include, but are not limited to, our ability to recover, manage and maintain costs; the concentration of our operations in Kansas, Oklahoma and Texas; regulatory or legislative changes in the jurisdictions in which we operate; the length and severity of unpredictable events, including, but not limited to, the COVID-19 pandemic, threatened terrorism, war or cyber-attacks or breaches, or extreme weather events, including those related to climate change; the competitive implications of alternative sources of energy and efforts to conserve energy; our competitive position, including, but not limited to our ability to secure competitive sourcing and pricing and our ability to compete with respect to expansion and infrastructure; the economic climate and our comparable economic position; our access to capital and the restrictions that result from our current capital arrangements; the effectiveness of our risk mitigation and compliance efforts; the uncertainties of any estimates or assumptions we use in our projections; our strategic and transactional efforts and future plans; and costs and uncertainties relating to our workforce, and other risks and uncertainties, including those that are set forth in ONE Gas’ earnings release dated May 3, 2021, which is included as an exhibit to ONE Gas’ Form 8-K furnished to the SEC on such date.

For additional information regarding these and other factors that could cause actual results to differ materially from such forward-looking statements, refer to ONE Gas’ Securities and Exchange Commission filings, including the Company’s most recent reports on Forms 10-K and 10-Q. Copies of the Company’s Form 10-K, 10-Q and 8-K reports may be obtained by visiting our “Investors” website under “Financials & Filings” at <https://www.onegas.com/investors/financials-and-filings/quarterly-results/default.aspx> or the SEC’s website at www.sec.gov. Other unpredictable or unknown factors not discussed in this presentation could also have material adverse effects on the Company, its operations or the outcomes described in the forward-looking statements in this presentation or in the Company’s filings with the Securities and Exchange Commission.

All future cash dividends discussed in this presentation are subject to the approval of the ONE Gas board of directors.

All references in this presentation to guidance are based on news releases issued on or before Nov. 1, 2021, and are not being updated or affirmed by this presentation. ONE Gas does not undertake, and expressly disclaims any duty, to update any statement made in this presentation, whether as a result of new information, new developments or otherwise, except to the extent that disclosure may be required by law.

The background features a grid of financial data with various numbers and positive/negative change indicators. A white line graph with an upward-pointing arrow is highlighted in a circle on the left. On the right, there is a complex wireframe structure resembling a globe or a network of nodes and lines.

VALUE CREATION STRATEGY



Sustainable Business Model



Focused Business Strategy

- Clear vision, mission, strategy and values-driven culture
- 100% regulated natural gas distribution utility
- Conservative financial profile (investment-grade credit ratings)



Capital Horizon & Clarity

- 20+ year vintage pipeline replacement program
- Leveraging technology to execute a risk-based approach to pipeline replacement



Regulatory Construct

- Territory diversification – 3 states, multiple jurisdictions
- Comprehensive recovery mechanisms, ~ 93% of capital included in annual filings
- Weather normalization



Cash Flow Stability

- High percentage of fixed charges for revenue recovery ~72%
- Customer mix is predominantly residential ~ 92%
- Strong growth in existing footprint



Safety and Reliability

- Unwavering focus on safety of employees and communities and safe operation of our system
- Resilient and reliable energy delivery system



Environmental, Social & Governance

- Committed to ESG stewardship and sustainability, including improved disclosures, data quality and reporting transparency
- Access to significant RNG supply sources within service territory

Mission, Vision, Strategy and Core Values

Mission – Why we exist

We deliver natural gas for a better tomorrow

Vision – What we want to be

To be a premier natural gas distribution company, creating exceptional value for our stakeholders

Strategy – How we do it

Becoming ONE:

- ONE in Responsibility – safety, reliability and compliance
- ONE in Value – customers, employees, investors and communities
- ONE in Industry – recognized leader, processes and productivity

Core Values – Our compass



SAFETY

We are committed to operating safely and in an environmentally responsible manner.



ETHICS

We are accountable to the highest ethical standards and are committed to compliance. Honesty, trust and integrity matter.



INCLUSION AND DIVERSITY

We embrace an inclusive and diverse culture that encourages collaboration. Every employee makes a difference and contributes to our success.



SERVICE

We provide exceptional service and make continuous improvements in our pursuit of excellence.



VALUE

We create value for all stakeholders, including our customers, employees, investors and communities.

100% Regulated Natural Gas Utility

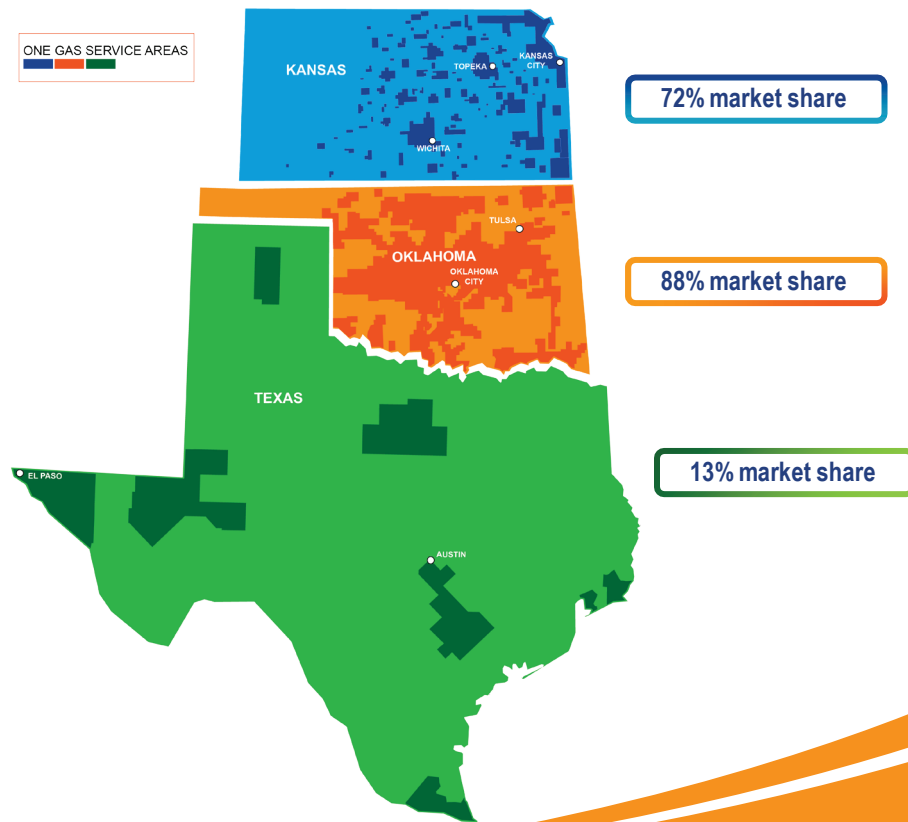
One of the largest publicly traded natural gas distribution companies

- ~ 2.2 million customers
- ~ 3,700 employees
- ~ 63,300 miles of distribution mains, services and transmission pipelines

Estimated 2021 average rate base: **\$4.34 billion***

- 41% in Oklahoma
- 30% in Texas
- 29% in Kansas

* For definition of estimated average rate base, see Appendix



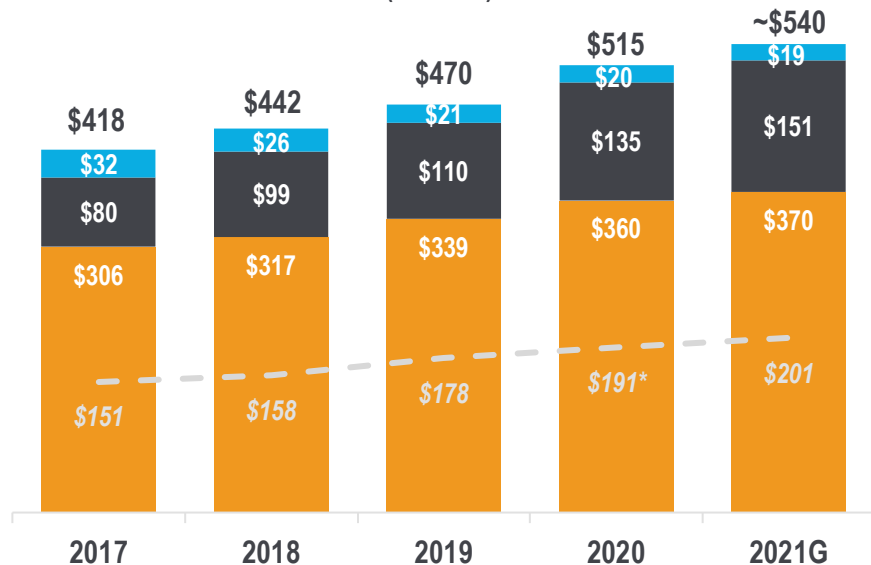


CAPITAL HORIZON & CLARITY



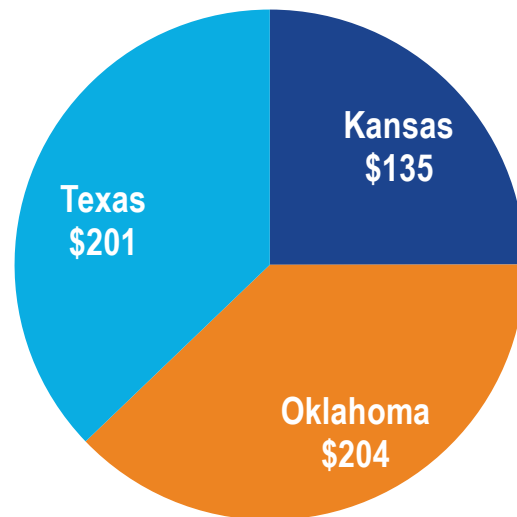
Well-Defined Capital Investment Plan

CAPITAL INVESTMENTS
(MILLIONS)



■ System Integrity
 ■ Customer Growth
 ■ Other/IT
 - - - Depreciation

2021G CAPITAL INVESTMENTS BY STATE
(MILLIONS)

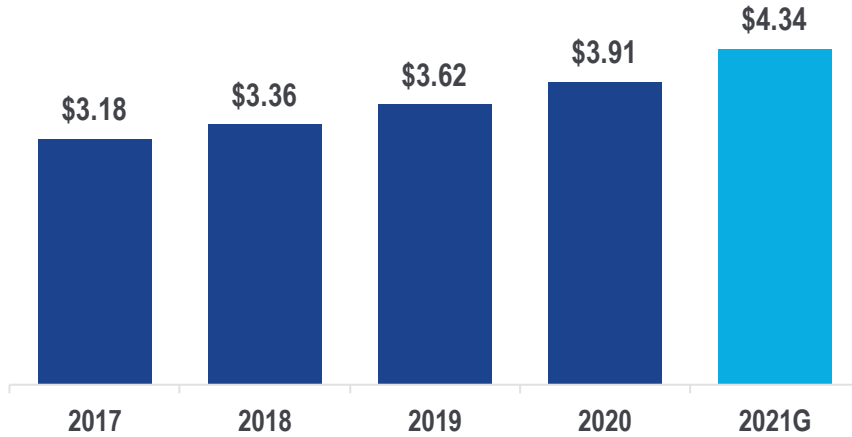


Note: Capital investments include capital expenditures and asset removal costs. Total amounts include accruals. 2020 depreciation includes \$3 million of unallocated expenses

Investing ~70% of capital in system integrity and replacement projects

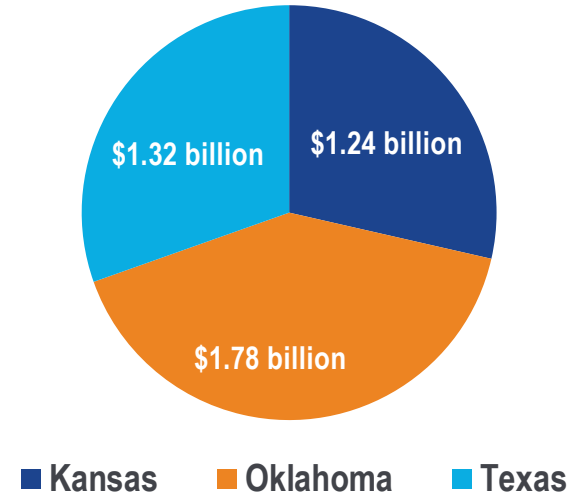
Rate Base Growth

AVERAGE RATE BASE* (BILLIONS)



* For definition of average rate base, see Appendix

2021 ESTIMATED AVERAGE RATE BASE* TOTAL: \$4.34 BILLION

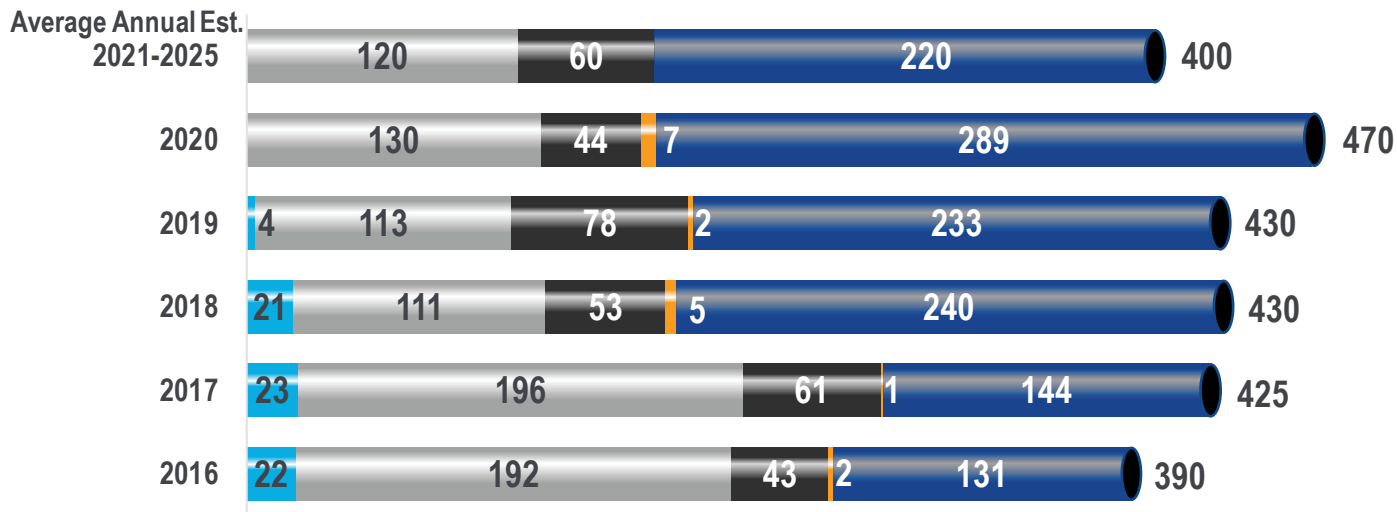


Expected 11% growth from 2020 to 2021

Pipeline Replacement

Focusing on Maintaining Safe and Reliable Operations While Reducing Emissions

PIPELINE REPLACEMENT (MILES)



**ACCELERATED
CAST IRON
REPLACEMENT
PROGRAM
COMPLETED IN
2019**

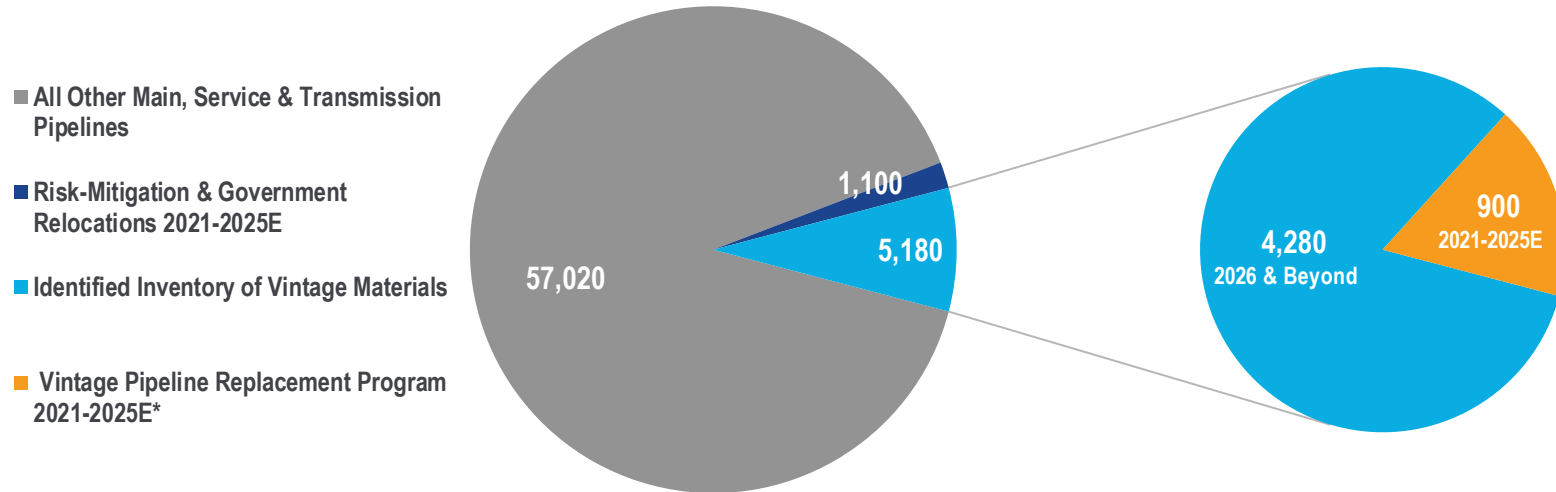
■ Cast Iron ■ Unprotected Bare Steel ■ Protected Bare Steel ■ Vintage Plastic ■ Risk-Mitigation and Government Relocations

Note: Inventory based on data reported for 2020. Pipeline replacement due to future changes in state or federal regulations is not projected in 5-year replacement estimates.

Vintage Pipeline Replacement Program

Replaced an Average of 244 Miles of Vintage Pipe Per Year Since 2014

VINTAGE PIPE AS PORTION OF TOTAL PIPELINE INVENTORY (MILES)



Note: Inventory based on data reported for 2020. Pipeline replacement due to future changes in state or federal regulations is not projected in replacement estimates.

*The vintage pipeline replacement program includes wrought iron, unprotected bare steel, protected bare steel and vintage plastic.

Vintage pipeline replacement program represents more than a 20-year investment runway



REGULATORY CONSTRUCT



Comprehensive Regulatory Mechanisms

DESCRIPTION	KANSAS	OKLAHOMA	TEXAS
Interim capital recovery	✓	✓	✓
Weather normalization	✓	✓	✓
Purchased gas riders (including gas cost portion of bad debts)	✓	✓	✓
Energy efficiency/conservation programs		✓	✓*
Pension and other post-retirement benefits trackers	✓	✓	✓
Cost-of-service adjustment		✓	✓*
COVID-19 accounting orders	✓	✓	✓
Regulatory asset for Winter Storm Uri	✓	✓	✓

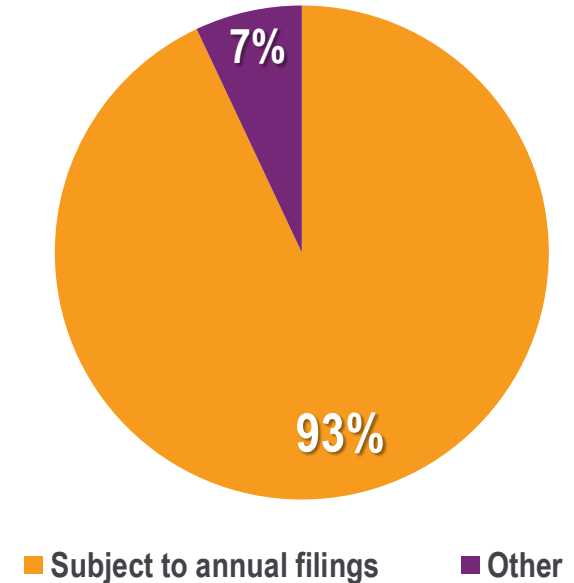
* Five jurisdictions in Texas; not all mechanisms apply to each jurisdiction

Interim Recovery of Capital Investments

Annual Filings

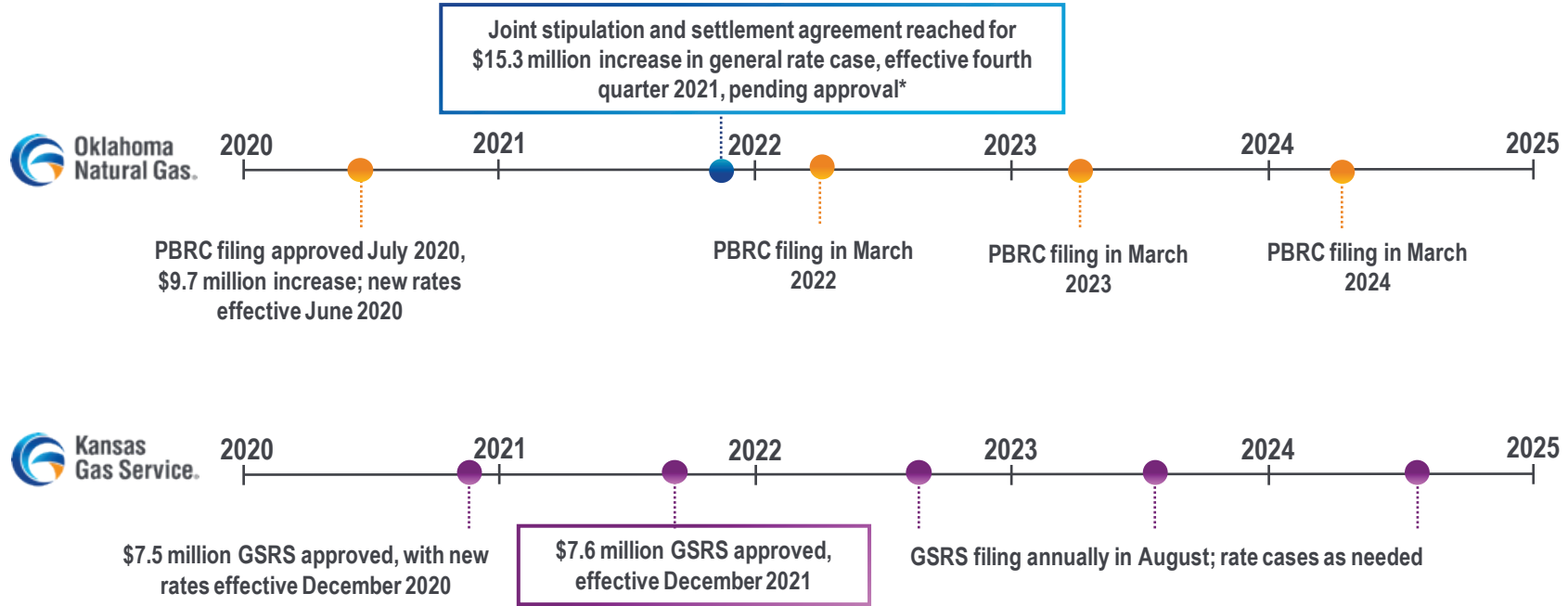
- **Oklahoma Natural Gas**
 - **Performance-based rate change (PBRC)** Interim filing for annual rate reviews between full rate cases
- **Kansas Gas Service**
 - **Gas System Reliability Surcharge (GSRS)** for safety-related (includes physical and cyber security) and government-mandated investments made between rate cases
- **Texas Gas Service**
 - **Gas Reliability Infrastructure Program (GRIP)** for capital investments made between rate cases
 - **Cost-of-service adjustments (COSA)** for capital investments and certain changes in operating expenses

2021E CAPITAL RECOVERY TIMING



Filing Timeline

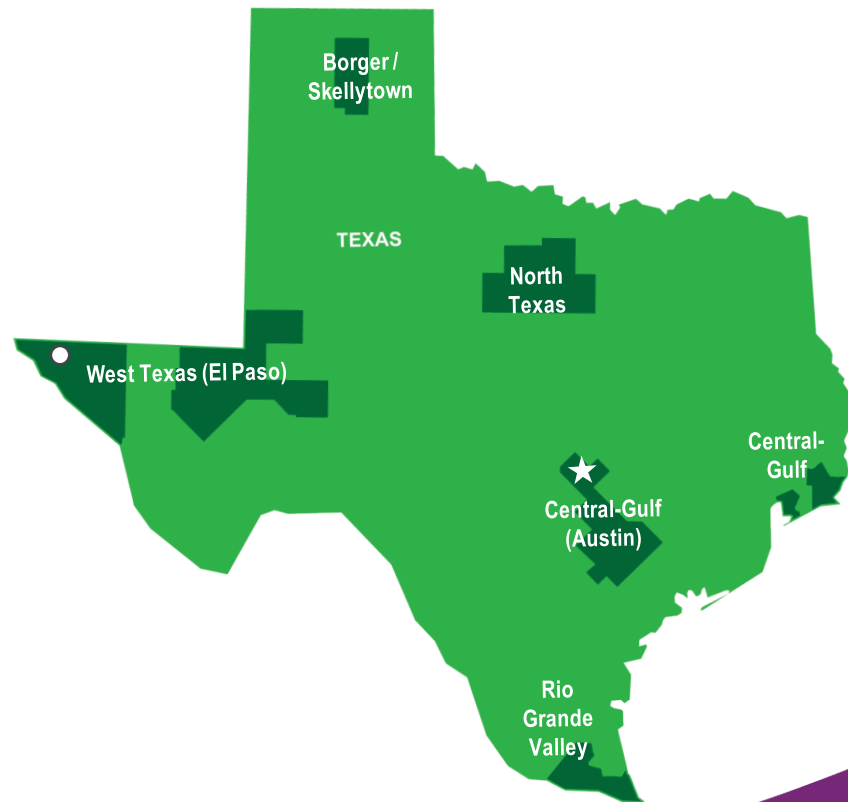
Oklahoma & Kansas



*The Oklahoma Corporation Commission is expected to issue an order on Nov. 30, 2021.

Texas Filings – 2021

- **Central-Gulf Service Area**
 - \$10.7 million GRIP approved with new rates effective June 2021
- **West Texas Service Area**
 - \$9.7 million GRIP approved with new rates effective in August 2021 for the city of El Paso and July 2021 for all other municipalities
- **Rio Grande Valley Service Area**
 - \$3.5 million COSA approved and new rates effective August 2021
- **North Texas Service Area**
 - \$1.4 million COSA approved and new rates effective August 2021





24/7

WINTER STORM URI



Financial Impact and Response

Additional Liquidity Secured

Extraordinary Costs Incurred

- ~ \$2.0 billion extraordinary costs (gas purchases and related financing and operational costs) deferred as a regulatory asset as of Sept. 30, 2021
 - \$1.3 billion in Oklahoma, \$386 million in Kansas, \$255 million in Texas

Financing Timeline

- Feb. 22 – entered into \$2.5 billion, 2-year unsecured term loan; terminated March 11
- March 11 – issued \$1.7 billion of 2- and 3-year fixed rate senior notes and \$800 million of 2-year floating rate senior notes; callable after six months
- Sept. 21 – Redeemed \$400 million of 2-year floating rate senior notes using combination of cash on hand and commercial paper

Sources of Liquidity

As of Sept. 30, 2021

- Revolving Credit Facility
 - \$1 billion
 - Expires March 2026
 - Includes \$20 million letter of credit and \$60 million swingline sub-facility
 - Available capacity of \$662 million (including outstanding commercial paper)

RATING AGENCY	RATING	OUTLOOK
Moody's ¹	A3	Negative
S&P ¹	BBB+	Negative

¹ Ratings change as of Feb. 23, 2021

Securitization Update

	KANSAS	OKLAHOMA	TEXAS
Legislation	A bill permitting individual utilities to issue securitized bonds was signed into law by the Kansas governor.	A bill permitting the Oklahoma Development Finance Authority (ODFA) to issue securitized bonds was signed into law by the Oklahoma governor.	A bill permitting the Texas Public Finance Authority (TPFA) to issue securitized bonds was signed into law by the Texas governor.
Regulatory Process	On July 30, Kansas Gas Service filed its compliance report with the Kansas Corporation Commission (KCC), including a proposal to issue securitized bonds and to collect costs from customers over a specified period of time. If the compliance report is approved, Kansas Gas Service will file for a financing order; the KCC will have 180 days from this filing date to issue an order.	On July 30, Oklahoma Natural Gas filed its compliance report with the Oklahoma Corporation Commission (OCC), including a longer period to collect extraordinary costs from customers. The OCC has 180 days from this date to issue a financing order.	On July 30, Texas Gas Service filed its application with the Railroad Commission of Texas (RRC) for an order authorizing the amount of extraordinary costs for recovery and other requirements necessary for the issuance of securitized bonds. The RRC has until Dec. 27 to consider the application, and an additional 90 days to issue a single financing order for all natural gas utilities participating in securitization, which will include a determination of the period over which the costs will be collected from customers.
Securitization Process	If the KCC approves the financing order, the company can begin the process to issue securitized bonds.	If the order is approved, the ODFA will have up to 24 months to issue securitized bonds.	Upon issuance of the financing order, the TPFA will begin the process to issue securitized bonds.
Est. Customer Bill Impacts	5yr recovery ≈ \$11/mo 10yr recovery ≈ \$6/mo	Low income = no impact 25yr recovery for lower volume customers ≈ \$5/mo 25yr recovery for higher volume customers ≈ \$8/mo	10yr recovery ≈ \$5/mo 30yr recovery ≈ \$2/mo West Texas - 3yr recovery ≈ \$4 to 5/mo
Status	A joint stipulation agreement has been filed and a hearing before the administrative law judge has been scheduled for Dec. 17. A financing order will be issued in the first quarter of 2022, allowing the company to begin the process of issuing securitized bonds.	In mid-November, a joint stipulation agreement was filed and on Nov. 22, the administrative law judge recommended that the OCC approve the joint stipulation agreement and for ONG to begin drafting an order. The OCC has until Jan. 26, 2022, to issue a financing order.	On Nov. 10, the RRC approved an order authorizing Texas Gas Service to recover its costs from Winter Storm Uri. The order authorizes \$197 million of cost recovery through securitization, and \$59 million of costs specific to the West Texas Service Area to be recovered over 3 years through a separate rider.

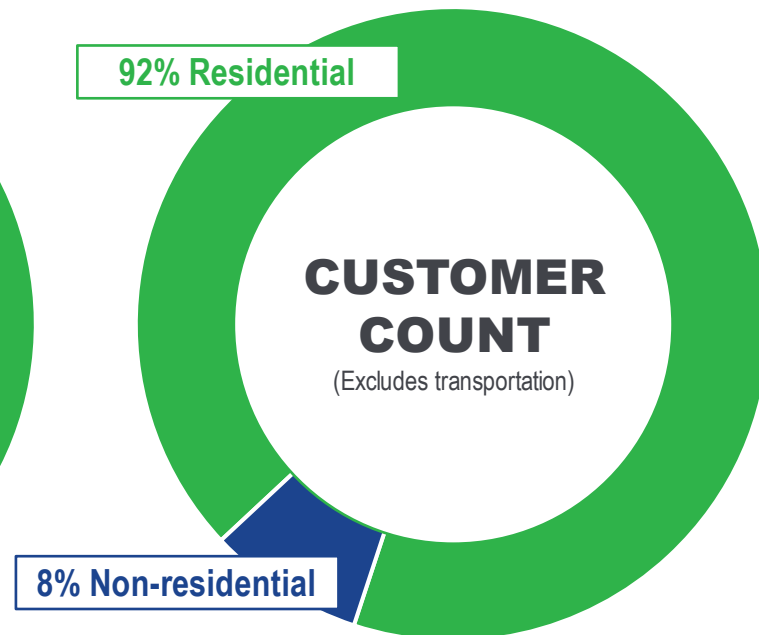
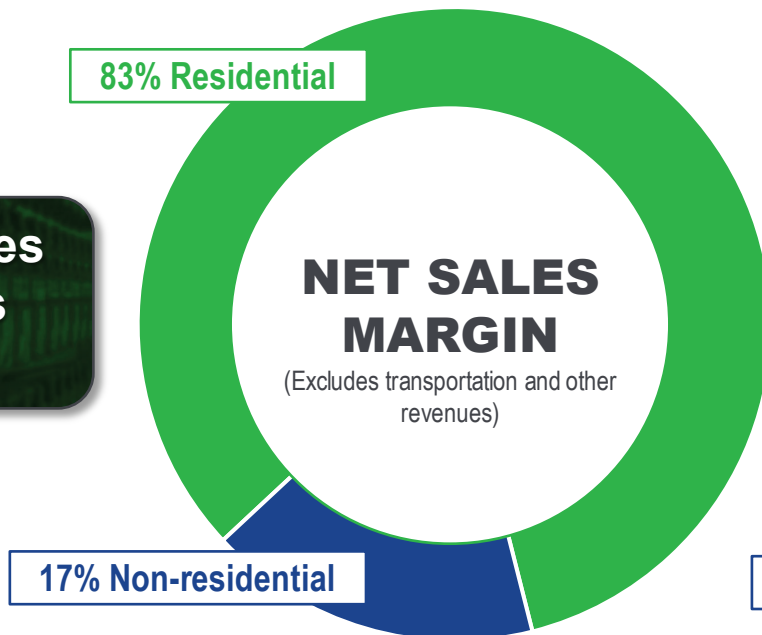


CASH FLOW STABILITY



High Percentage of Residential Customers

72% of sales margin is fixed

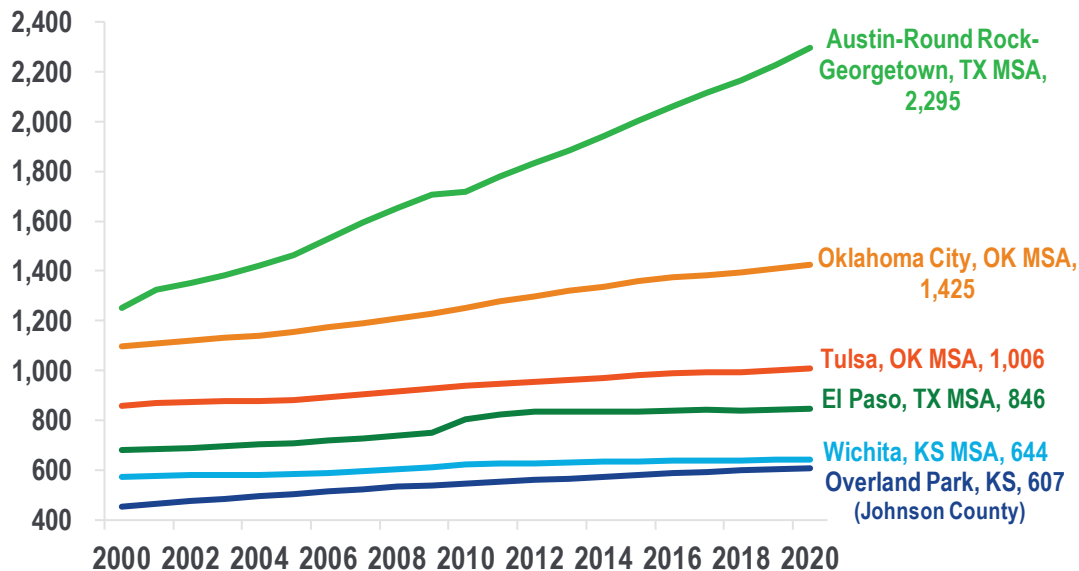


Note: Based on 2020 annual results. Net Sales Margin is a non-GAAP financial measure. See non-GAAP information in Appendix.

Growth in Service Territories

POPULATION GROWTH IN LARGEST AREAS SERVED

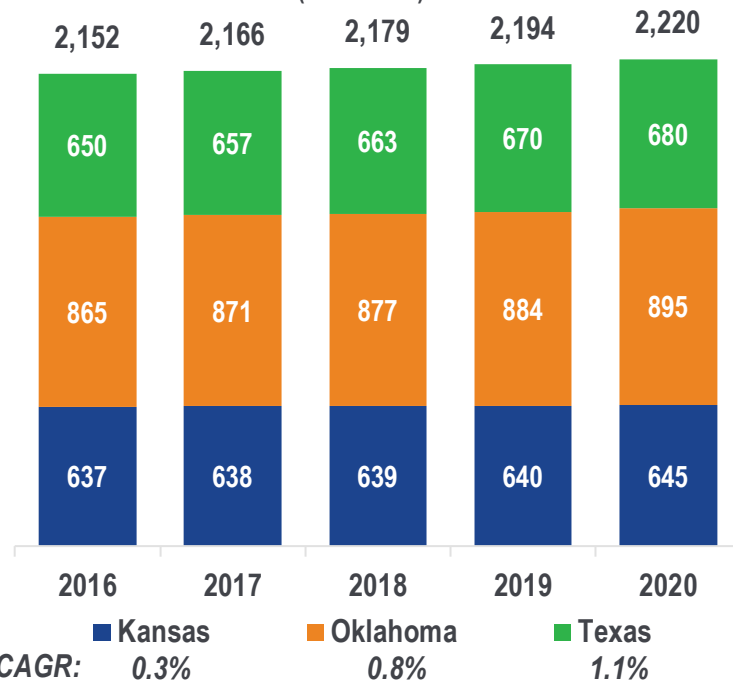
(THOUSANDS)



Source: U.S. Census Bureau, annual population estimates as of July 2020

AVERAGE CUSTOMER COUNT

(THOUSANDS)



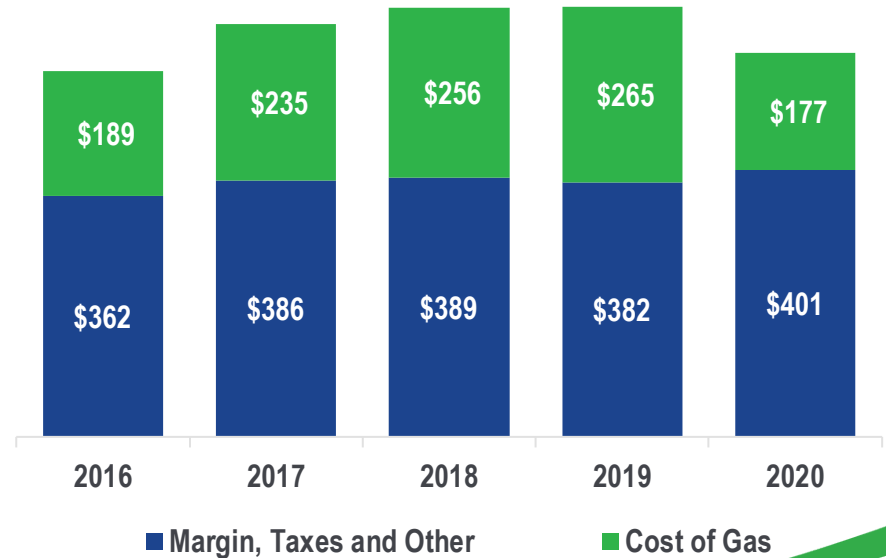
~70% of customer base is in 6 major cities

Average Annual Residential Customer Bill

- Over the past 5 years, customers have benefitted from low and stable gas prices
- Customers began to see impact of federal tax reform in 2018 and elimination of Kansas state income taxes in 2020
- Average bill estimated to be ~\$60 per month in 2021*

* Does not include impact from Winter Storm Uri

AVERAGE ANNUAL RESIDENTIAL CUSTOMER BILL





MON TUE WED THU FRI MON TUE WED THU FRI MON TUE WED THU FRI MON TUE WED THU FRI

64%

FINANCIAL PERFORMANCE & OBJECTIVES

SCHEDULE FOR WORK



 **ONE Gas**

Five-Year Financial Outlook

For the Five Years Ending Dec. 31, 2025

Expected average annual growth rates:

(2020 base year)

- 7 – 8% Rate base
- 6 – 8% Net income
- 5 – 7% Earnings per diluted share
- 6 – 8% Dividend
- ~3% Operations & maintenance expenses

\$3 billion in total capital investments

- ~65 – 70% for system integrity & replacement projects

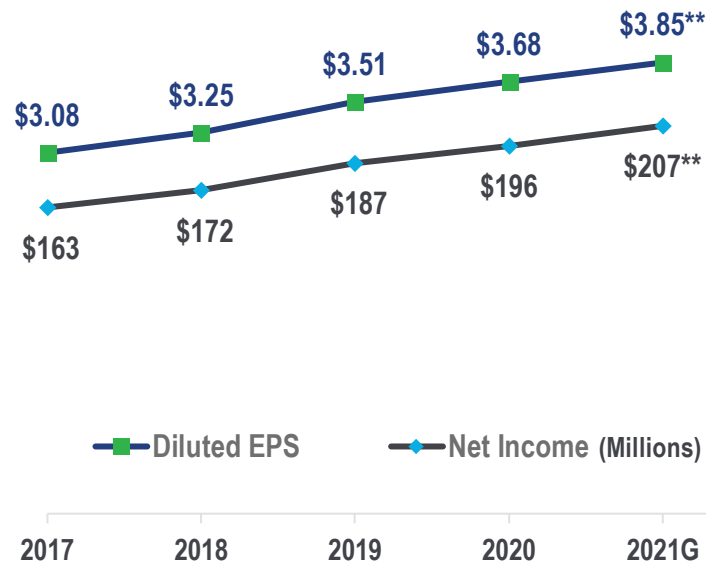
2021 Guidance Summary

Updated Nov. 1, 2021

- Net income range of \$204 – \$209 million
- EPS range of \$3.80 – \$3.90 per diluted share
- Estimated average rate base* of \$4.34 billion
 - Includes \$540 million in capital investments
- Assumes diluted shares outstanding of 53.7 million

* For definition of average rate base, see Appendix

DILUTED EPS & NET INCOME



** Represents midpoint of guidance range updated on Nov. 1, 2021

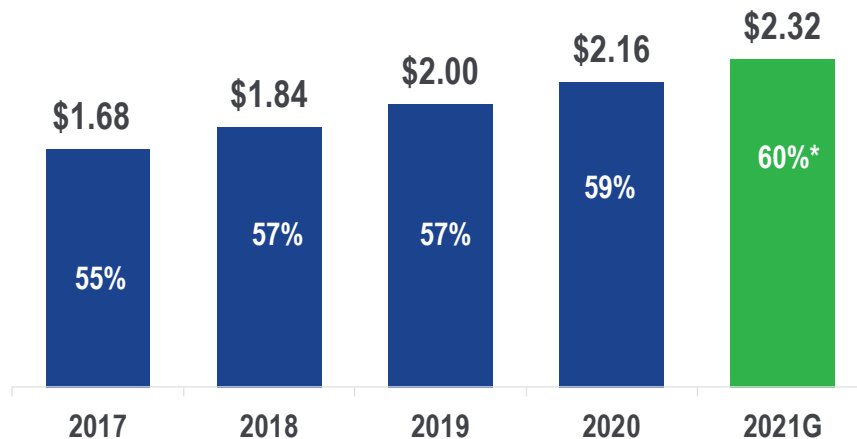
Growing Dividends

Building Shareholder Value

- **Quarterly Dividend**
 - 58 cents per share in 2021
- **Target annual payout ratio**
 - 55 – 65% of net income

7.4% increase over 2020

DIVIDENDS & PAYOUT RATIO



* Represents midpoint of guidance range

Operating Cost Control

Building a Foundation for Long-term Affordability

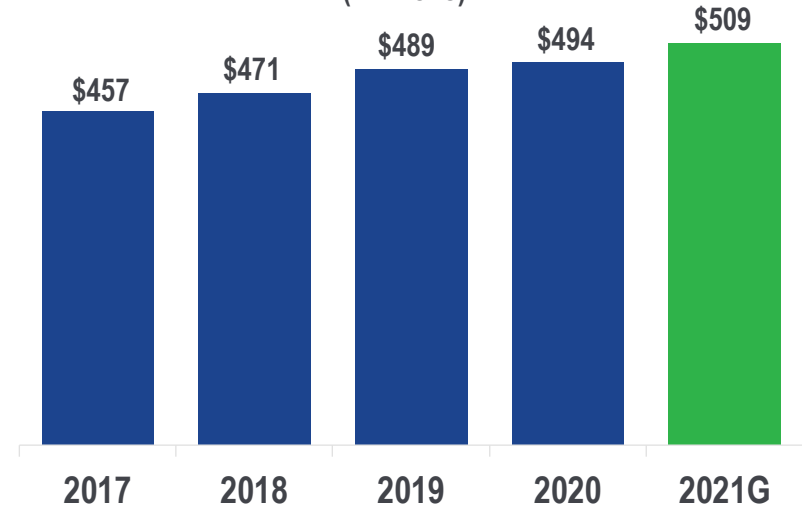
- **Managing expenses:**

- Leveraging technology
- Increasing efficiency and optimizing processes
- Making it easier for customers to self-serve

Expected average annual operating costs increase of ~3% between 2021 and 2025

OPERATING COSTS*

(MILLIONS)



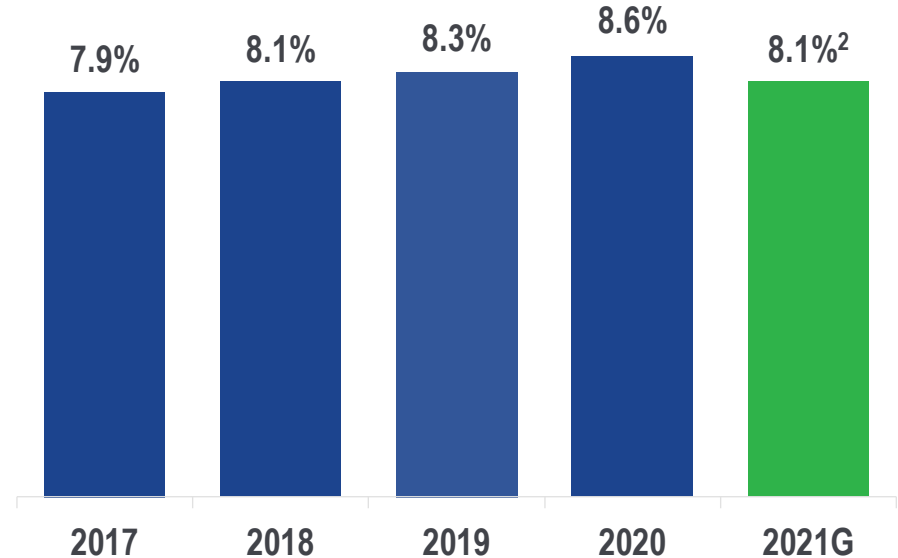
* Operating costs include operations and maintenance and general taxes

Return on Equity

- Continue to minimize the gap between allowed and actual returns
- Authorized ROE by state:
 - Oklahoma – 8.9% to 9.9% band, with a 9.4% midpoint¹
 - Texas – ~ 9.5% weighted average
 - Kansas – Not stated due to black box settlement; Kansas Gas Service estimates ROE embedded in GSRS pre-tax carrying charge is ~ 9.3%

¹Per Oct. 2021 joint stipulation & settlement agreement; order expected on Nov. 30, 2021

Earned ROE

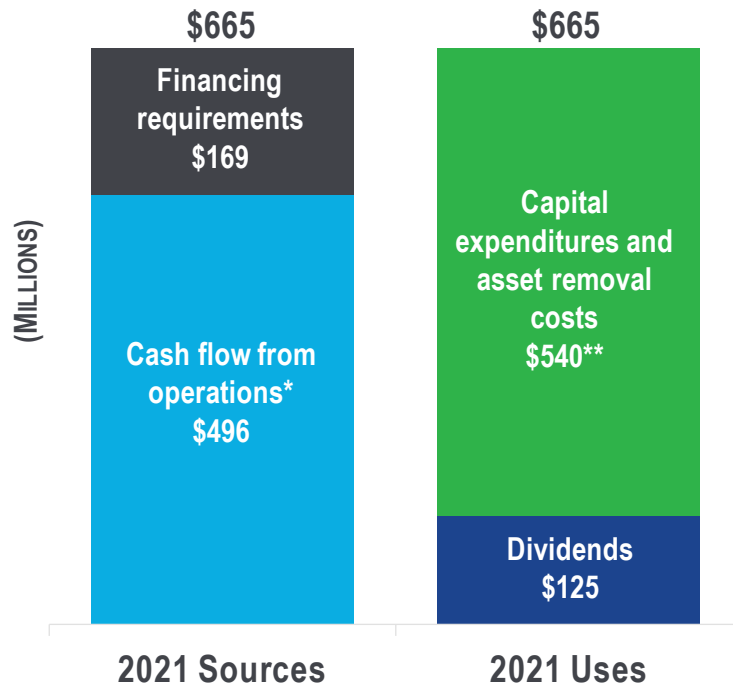


² Reflects the midpoint of earnings guidance and estimated average rate base

Financing Requirements

Excluding Winter Storm Uri Financing

- Dividends and capital investments primarily funded by cash flow from operations
- ~\$1 billion net financing needs through 2025
 - ~30% expected to be equity
 - \$250 million ATM program established February 2020
 - \$215.0 million remaining and available for issuance



* Before changes in working capital. See non-GAAP information in Appendix.

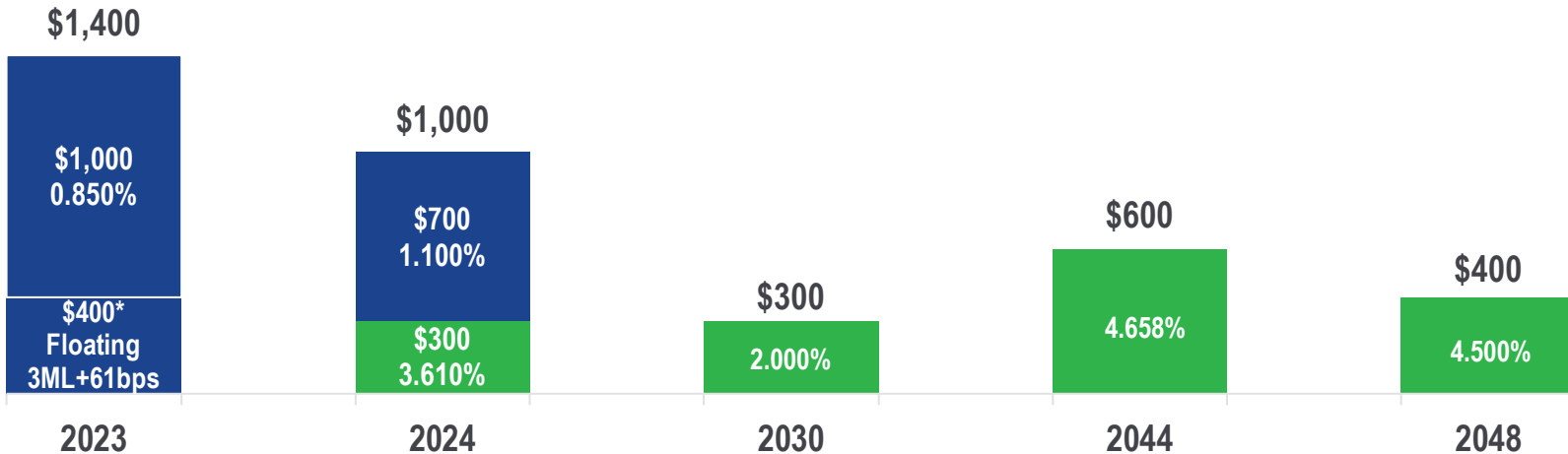
** Based on midpoint of 2021 capital guidance range.

Long-term Debt Profile

As of Sept. 30, 2021

SENIOR DEBT MATURITIES

(MILLIONS)



■ Long-term debt exclusive of Winter Storm Uri financing

■ Long-term debt associated with Winter Storm Uri (Callable after Sept. 10, 2021)

* Called \$400 million of floating rate notes with redemption date in September 2021



SAFETY & RELIABILITY



Safety & Reliability

	Employee & Community Safety	Pipeline Safety	Cyber/Physical Security	System Reliability
Strategy	<ul style="list-style-type: none"> Continuously refine training, processes, procedures and culture as we strive for zero fatalities, zero incidents and zero harm to our employees, customers and communities 	<ul style="list-style-type: none"> Utilize technology, training and best practices to continuously improve system integrity 	<ul style="list-style-type: none"> Collaborate on industry and government security directives and utilize advanced surveillance and intrusion detection technology and processes 	<ul style="list-style-type: none"> Minimize frequency and duration of system outages, optimize system pressures and redundancy
Progress	<ul style="list-style-type: none"> Awarded Safety Achievement Award for Excellence by the AGA for exemplary employee and vehicular safety for 4th year in a row Recognized by AGA for having lowest DART rate among country's largest LDCs for 4th consecutive year Established Emergency Response Time goal to meet or beat 30-minute response times at least 65% of the time 	<ul style="list-style-type: none"> Full implementation of ONE Gas Safety Mgmt System (OSMS) API-RP1173 is expected by mid-2022 New state-of-the-art training center completed in 2021 <ul style="list-style-type: none"> In process of implementing C31Q, industry standard for safety and integrity Implemented cloud-based ticket management system to streamline excavation tickets Implemented Damage Information Mgmt System (DIMS) in 2019 	<ul style="list-style-type: none"> Participate in TSA corporate and critical facility security review programs Operate 24/7 Security Operations Center 	<ul style="list-style-type: none"> Continued investment in annual capital maintenance program Increased interconnects and diversity of natural gas supply Increased physical storage Expanded backup mobile CNG/LNG trailers



ENVIRONMENTAL, SOCIAL & GOVERNANCE



2021 ESG Report Highlights

Environmental

	Vintage Pipe Replacement	End-Use Conservation		Renewable Natural Gas	Innovation & Technology	Disclosures
Strategy	<ul style="list-style-type: none"> Reduce emissions through vintage pipeline replacement program and operational best practices 	<ul style="list-style-type: none"> Expand energy efficiency programs 	<ul style="list-style-type: none"> Provide CNG fueling for fleet and transport customers; leverage CNG for OGS fleet 	<ul style="list-style-type: none"> Optimize existing pipeline assets to deliver RNG 	<ul style="list-style-type: none"> Identify & invest in new technology to reduce emissions 	<ul style="list-style-type: none"> Align with SASB, GRI, AGA and TCFD metrics and standards
Progress	<ul style="list-style-type: none"> Expect 41% reduction in CO₂e emissions by 2025 through replacement & protection of distribution mains and service lines (2014 baseline) Cast iron replacement program completed in 2019 Executing initiatives to reduce third-party damages 	<ul style="list-style-type: none"> 33,258 Metric tons of CO₂e reduced in 2020 	<ul style="list-style-type: none"> 47,292 Metric tons of CO₂e displaced by our natural gas vehicles in 2020 	<ul style="list-style-type: none"> Executed 8 biogas agreements to produce up to ~1 Bcf of RNG per year Additional projects in development discussions System interconnect guidelines established 	<ul style="list-style-type: none"> Deploying advanced leak detection units in 2021 Implementing enhanced risk modeling for integrity management Exploring hydrogen as alternative fuel source 	<ul style="list-style-type: none"> Published annual ESG Report with expanded disclosures on Oct. 1, 2021 Link to 2021 ESG Report

2021 ESG Report Highlights

Social & Governance

	Employee Engagement	Customer Care	Community Investment	Governance Practices
Strategy	<ul style="list-style-type: none"> • Support employees through physical, social emotional and financial programs • Lead I&D efforts through CEO-chaired council and employee-led resource groups 	<ul style="list-style-type: none"> • Improve customer experience through innovation and technology 	<ul style="list-style-type: none"> • Utilize ONE Gas Foundation and corporate giving to help build stronger communities and create better quality of life 	<ul style="list-style-type: none"> • Maintain best practices in corporate governance, controls and policies
Progress	<ul style="list-style-type: none"> • Placed in top 25% of Gallup's Overall Company Database for employee engagement scores • 33 employees received ~\$66,500 in financial support in 2020 • 32 employees used 1,812 donated vacation hours in 2020 • 26% year-over-year increase in membership in Employee Resource Groups 	<ul style="list-style-type: none"> • Launched redesigned customer websites to offer a more intuitive, customer-centric and easier-to-navigate experience <ul style="list-style-type: none"> – Customer satisfaction with our new website was 30 points higher than the utilities industry average • 93.5% overall customer satisfaction score on the 2020 ONE Gas Customer Relationship Survey • Now offering suite of digital tools like mobile app, website, text alerts, bill payment, service appointments, etc. 	<ul style="list-style-type: none"> • \$3,220,802 in total Foundation grants and community giving for 2020 • \$150,000 in Public School Funding Grants, supporting 32,022 students in 142 schools • Donated \$23,182 to feed 3,289 frontline workers across service territory 	<ul style="list-style-type: none"> • 38% of directors are women or Hispanic • 75% of directors are independent • Expanded Code of Business Conduct and Ethics • Improved disclosures and more transparent reporting on ESG topics

Renewable Natural Gas Technology and Innovation

Current Initiatives

- October 2021 – Executed eight letter agreements for biogas development projects
 - Expected to produce up to ~ 1 Bcf of RNG per year, or the equivalent of serving ~15,000 homes
- Vanguard Renewables alliance announced
 - Initiative will develop and expand farm-based (anaerobic digestion) RNG projects across KS, OK and TX
 - Vanguard actively developing project opportunities across our three states
- May 2021 Oklahoma Natural Gas general rate case*
 - Allowance to recover \$5 million annually on RNG as part of gas supply portfolio, recovered through purchased-gas cost mechanism
 - Oklahoma Natural Gas required to file an application requesting approval of an opt-in tariff for customers to select RNG as optional fuel source

*Per Oct. 2021 joint stipulation & settlement agreement; order expected on Nov. 30, 2021

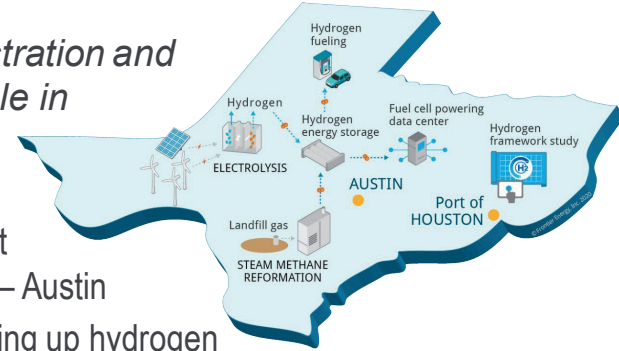
Hydrogen Technology and Innovation

Looking to the Future

- Commissioned two actively working hydrogen groups:
 - Exploring technical matters
 - Engineering
 - Policies and procedures
 - System integrity implications
 - Analyzing gas supply implications
 - Sourcing opportunities
- Partnering with eight National Laboratories and 19 other industry participants on the Hyblend Collaborative Research Partnership
 - Led by the National Renewable Energy Laboratory
 - 2-year project focused on addressing the technical barriers to blending hydrogen into natural gas pipelines

- Stakeholder in “*Demonstration and Framework for H2@Scale in Texas and Beyond*”

- U.S. Department of Energy-funded project at The University of Texas – Austin
 - Feasibility study for scaling up hydrogen production and use for heavy-duty fuel cell transportation and energy systems
- Oklahoma governor signed a bill in April 2021, creating the Hydrogen Production, Transportation and Infrastructure Task Force
 - Tasked to study issues involving the production and distribution of hydrogen, including using existing pipeline infrastructure to transport hydrogen fuel
 - ONE Gas is an active participant in these discussions



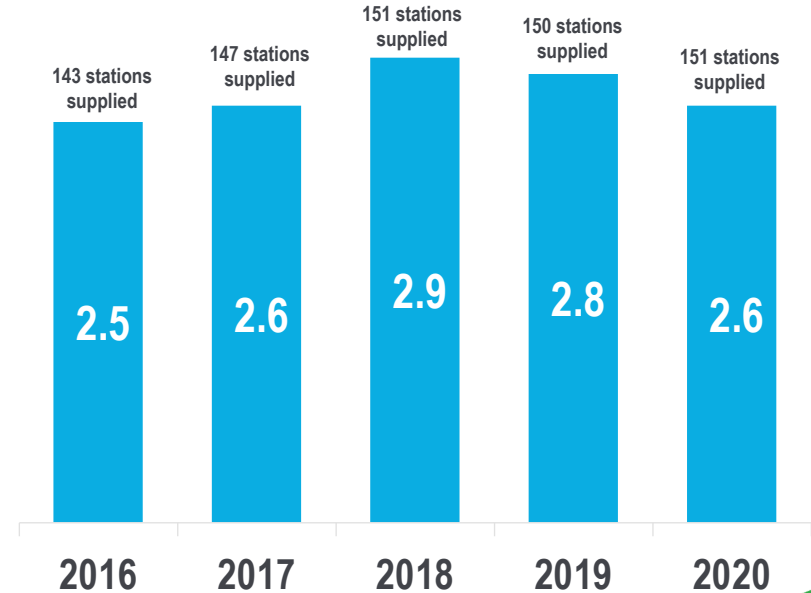
Compressed Natural Gas (CNG)

Key Statistics

- Over half of OGS' light-duty fleet consists of CNG-capable vehicles
 - Operating 28 fueling stations accessible to the public, 6 private stations
 - Transporting supply to 66 retail and 49 private CNG stations
 - Offering rebate program in Oklahoma, Austin
-
- CNG emits up to 17% fewer greenhouse gas emissions than diesel (well-to-wheel)*
 - Natural gas vehicles produce less pollutants than gasoline and diesel vehicles*
 - Industry:
 - Continued interest in CNG for transportation, particularly by fleet operators
 - Tax incentives and rebates further contribute to positive economics

*NGVAmerica

CNG VOLUME (DTH – MILLIONS)



Note: Based on 2020 annual results



APPENDIX



COVID-19 Update

As of Sept. 30, 2021

EMPLOYEES

- COVID-19 related employee absences not significantly impacting operations
- Cross-functional task force supporting COVID-19 response
- Hybrid return to office for most employees scheduled for Jan. 10, 2022
- Following established safety protocols using guidelines from CDC, OSHA and third-party subject matter experts

REGULATORY

- Accounting orders received for deferral of COVID-19 related expenses, including bad debts and certain lost revenues
- No regulatory assets recorded in Q3 or assumed for the rest of 2021

CUSTOMERS

- Customer disconnects resumed in all areas as of June 2021
- Relative to 2020, bad debt expense remains lower while revenue from late payment, reconnect and collection fees also improved
- ONE Gas Foundation made \$428,000 in donations to organizations providing relief to communities

INCREMENTAL EXPENSES

- Experienced incremental expenses related to pandemic response, offset partially by reduced travel and training expenses

Corporate Structure



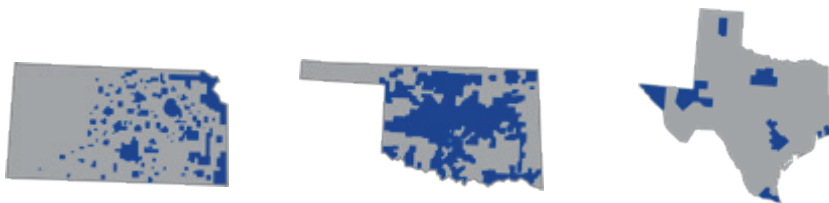
INCORPORATED ENTITY

- ➔ 100% regulated natural gas distribution
- ➔ No levered holding company; all debt issued by ONE Gas, Inc
- ➔ Division capital structures match Corporate capital structure



State Statistics

As of Dec. 31, 2020



	KANSAS GAS SERVICE	OKLAHOMA NATURAL GAS	TEXAS GAS SERVICE	TOTAL
Average Number of Customers	645,049	894,227	680,181	2,219,457
Distribution – Miles*	11,600	19,000	10,600	41,200
Transmission – Miles*	1,500	700	300	2,500
Fixed Charges – Sales customers**	55%	87%	70%	72%
Weather Normalization	100%	100%	100%	100%
Average Annual Heating Degree Days – Normal	4,722	3,264	1,779	

* Totals do not include service lines

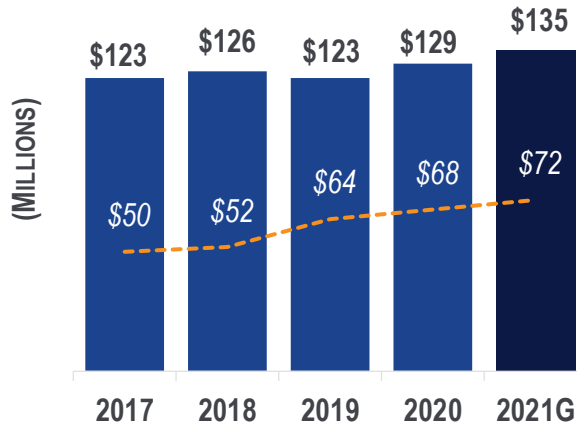
** Monthly service charge as a percentage of total net margin on natural gas sales

Capital Expenditures

Including Asset Removal Costs

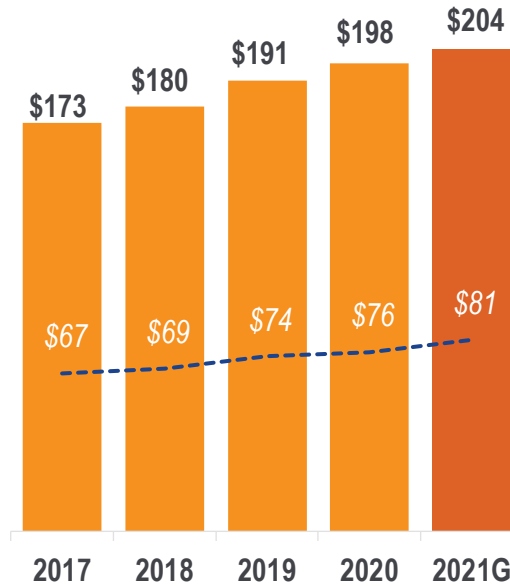
KANSAS

2021: 1.9X DEPRECIATION



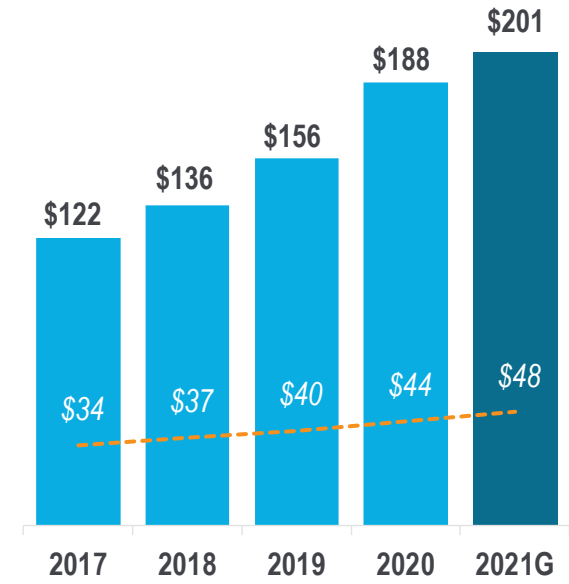
OKLAHOMA

2021: 2.5X DEPRECIATION



TEXAS

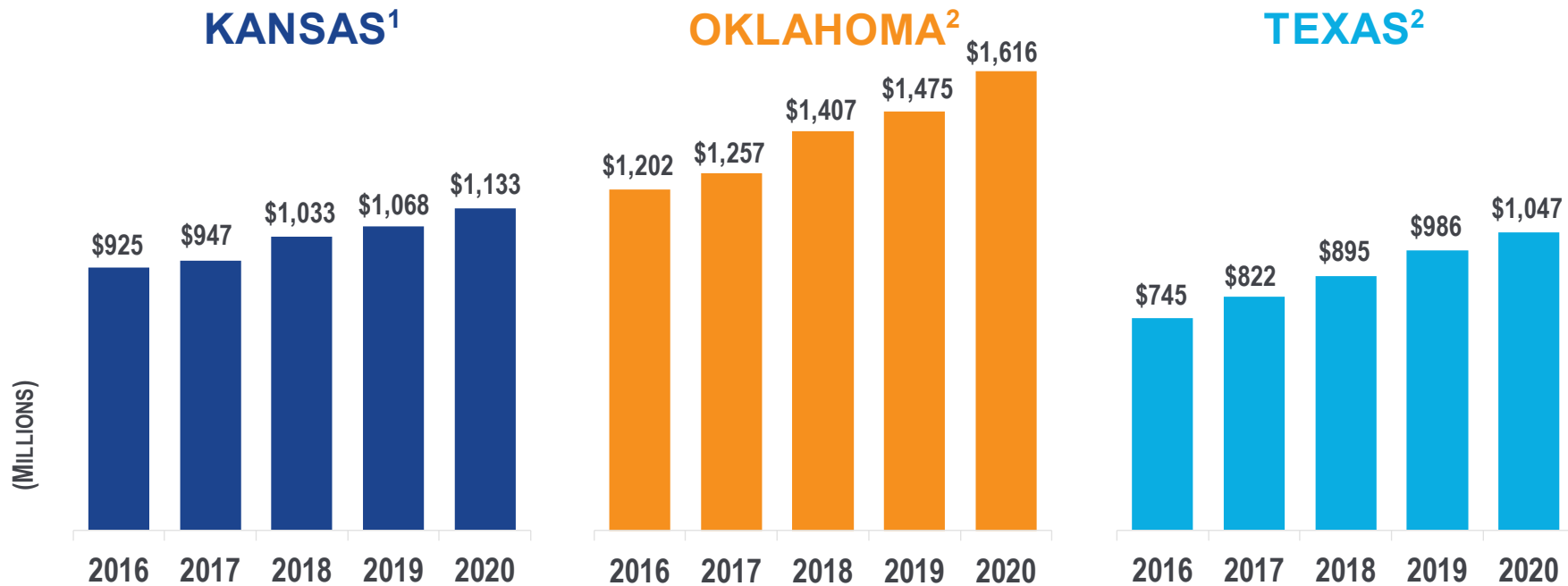
2021: 4.2X DEPRECIATION



Note: Capital expenditures include accruals

----- Depreciation

Authorized Rate Base



¹ Kansas Gas Service's most recent rate case, approved in February 2019, was settled without a determination of rate base and reflects Kansas Gas Service's estimate of rate base contained within the settlement; these amounts are not necessarily indicative of current or future rate base.

² Reflects authorized rate base as of Dec. 31, 2020. These amounts are not necessarily indicative of current or future rate bases.

Rate Base Definition

Authorized Rate Base

\$3.99 billion (as of Sept. 30, 2021)

- Includes capital investments authorized in most recent rate cases and interim filings
- Excludes any capital investments since last approved rate cases or filings

2021 Estimated Average Rate Base

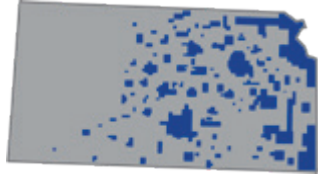
\$4.34 billion

- Average of rate base per book at beginning and end of year
- Includes capital investments and other changes in rate base not yet approved for recovery



Regulatory Construct

Governance

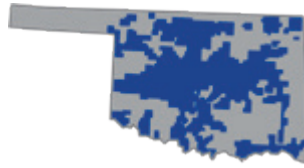


KANSAS

Kansas Corporation Commission

Appointed by the governor to four-year staggered terms

<u>Name</u>	<u>Party</u>	<u>Term Ends</u>
Andrew J. French (Chair)	Dem	March 2024
Dwight Keen	Rep	March 2022
Susan Duffy	Dem	March 2023



OKLAHOMA

Oklahoma Corporation Commission

Elected to six-year staggered terms

<u>Name</u>	<u>Party</u>	<u>Term Ends</u>
Dana Murphy (Chair)	Rep	Jan. 2023
Bob Anthony (Vice-Chair)	Rep	Jan. 2025
Todd Hiatt	Rep	Jan. 2027



TEXAS

“Home Rule” with five jurisdictions; Texas Railroad Commission has appellate authority

Railroad Commission elected to six-year staggered terms

<u>Name</u>	<u>Party</u>	<u>Term Ends</u>
Christi Craddick (Chair)	Rep	Jan. 2025
Wayne Christian	Rep	Jan. 2023
Jim Wright	Rep	Jan. 2027

Recent Regulatory Activity

DIVISION	JURISDICTION	EFFECTIVE DATE OF LAST ACTION ¹	RATE BASE ² (MILLIONS)	PRE-TAX RATE OF RETURN ²	EQUITY RATIO ²	RETURN ON EQUITY ²
Oklahoma Natural Gas ³	Oklahoma	Pending approval	\$1,726	8.95%	59%	9.40%
Kansas Gas Service ⁴	Kansas	December 2021	\$1,197	8.60%	N/A	9.30%
Texas Gas Service	Central-Gulf	June 2021	\$548	8.95%	59%	9.50%
	West Texas	August 2021	\$469	8.80%	60%	9.50%
	Rio Grande Valley	August 2021	\$146	8.89%	61%	9.50%
	North	August 2021	\$68	9.16%	62%	9.75%
	Borger/Skellytown	December 2020	\$10	9.16%	62%	9.75%

¹ Effective date of last approved rate case or interim filing.

² The rate base, authorized rate of return, authorized debt/equity ratio and authorized return on equity presented in this table are those from the most recent regulatory filing for each jurisdiction. These rate bases, rates of return, debt/equity ratios and returns on equity are not necessarily indicative of current or future rate bases, rates of return, debt/equity ratios or returns on equity.

³ Per Oct. 2021 joint stipulation & settlement agreement; order expected on Nov. 30, 2021.

⁴ Kansas Gas Service's most recent rate case, approved in February 2019, settled without a determination of rate base, rate of return, authorized debt/equity ratio and authorized return on equity within the settlement. This reflects Kansas Gas Service's estimate of rate base from that rate case adjusted for approved GSRS filings and return on equity embedded in the pre-tax carrying charge utilized in its GSRS filing.

Kansas Gas Service

Recent Regulatory Activity

2021 GSRS – NEW RATES EFFECTIVE DECEMBER 2021

Incremental Surcharge Revenue	\$7.6 million annual revenue
Capital Expenditures	\$76.4 million
Pre-Tax Carrying Charge	8.60% ; ROE embedded in GSRS pre-tax carrying charge is estimated to be ~9.30%
Customer Impact	\$0.78 per month increase for average residential customer

Oklahoma Natural Gas

Recent Regulatory Activity

GENERAL RATE CASE HIGHLIGHTS* – SETTLEMENT AGREEMENT REACHED

Base Rates	\$15.3 million rate increase
Operating Income	\$124.3 million
Customer Impact	\$0.34 per month increase (for typical residential customer, including one-time annual credit for excess accumulated deferred income taxes, or EDIT)
Rate Base	\$1,726 million
Capital Expenditures	\$185 million (since last PBRC)
Return on Equity	9.40%
Pre-tax Carrying Charge	8.95%
Common Equity Ratio	58.55%
Debt Costs	4.10%
Other Items	<ul style="list-style-type: none">\$5 million/year on RNG as part of gas supply portfolio, recovered through the purchased-gas cost mechanism\$10.8 million one-time annual credit for EDIT, subject to true-up

*Per Oct. 2021 joint stipulation & settlement agreement; order expected on Nov. 30, 2021

Texas Gas Service

Recent Regulatory Activity

CENTRAL-GULF SERVICE AREA GRIP – NEW RATES EFFECTIVE JUNE 2021

Incremental Revenue	\$10.7 million increase
Capital Expenditures	\$97 million
Pre-Tax Carrying Charge	8.95%
Customer Impact	\$2.37 per month increase for average residential customer

WEST TEXAS SERVICE AREA GRIP – NEW RATES EFFECTIVE JULY/AUGUST 2021

Incremental Revenue	\$9.7 million increase
Capital Expenditures	\$80 million
Pre-Tax Carrying Charge	8.80%
Customer Impact	\$2.43 per month increase for average residential customer

NORTH TEXAS SERVICE AREA COSA – NEW RATES EFFECTIVE AUGUST 2021

Incremental Revenue	\$1.4 million increase
Capital Expenditures	\$13 million
Pre-Tax Carrying Charge	9.16%
Customer Impact	\$5.00 per month increase for average residential customer

RIO GRANDE VALLEY SERVICE AREA COSA – NEW RATES EFFECTIVE AUGUST 2021

Incremental Revenue	\$3.5 million increase
Capital Expenditures	\$20 million
Pre-Tax Carrying Charge	8.89%
Customer Impact	\$2.96 per month increase for average residential customer

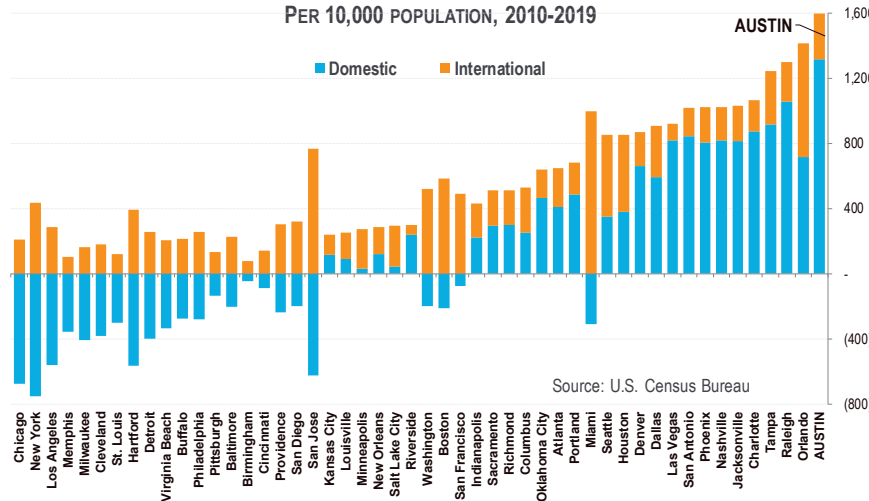
Economic Snapshot – Austin

- #1 fastest growing major metro in the U.S.¹
- #3 best-performing city in annual assessment of Where America's Jobs are Created & Sustained (Milken Institute, 2021)
- #8 best large city to start a business (WalletHub, 2021)
- As of September 2021, 159 new business/expansions announced in 2021, creating the potential for ~21,000 new jobs²

¹2019-2020, U.S. Census Bureau, Population Division

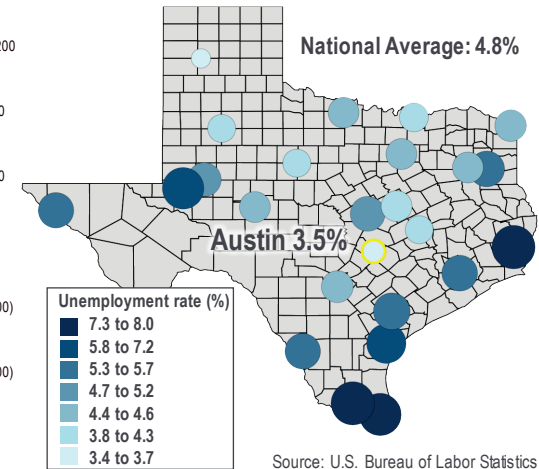
²Austin Chamber of Commerce

NET MIGRATION OF U.S. 50 LARGEST METROS

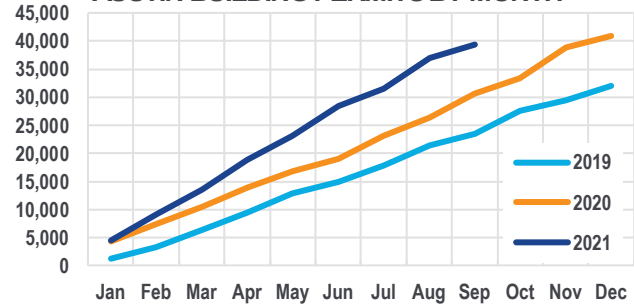


UNEMPLOYMENT RATES BY METROAREA

NOT SEASONALLY ADJUSTED, AS OF SEPTEMBER 2021



AUSTIN BUILDING PERMITS BY MONTH



POPULATION GROWTH PROJECTIONS

	2010	2020	2030	2040
	-	-	-	-
Austin MSA	30.9%	27.6%	26.4%	25.3%
Texas	18.0%	17.6%	16.6%	16.4%

Source: Texas State Data Center, 2018 Population Projections



Economic Snapshot – El Paso

- #1 exporting state for the 19th consecutive year¹
- #1 most affordable major U.S. City (*move.org*, 2019)
- #8 Best place to live in Texas (*U.S. News & World Report*, 2020)
- Major business clusters: business and financial services; food products; manufacturing; military; retail; and logistics and transportation²

¹ U.S. Bureau of Economic Analysis

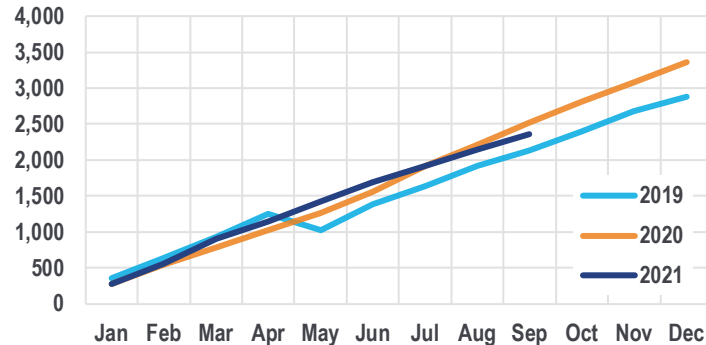
² Texas Economic Development Corporation

2020-2021 BUSINESS ANNOUNCEMENTS

Company	Employees
Wiwynn (2021)	200+
Everest Rehabilitation Hospital expansion (2021)	~120
Eastlake Marketplace shopping complex (2021)	Unknown
Marmaxx Operating Corp (2020)	~950
Amazon Fulfillment Center (2020)	700+
Altisource Portfolio Solutions (2020)	250+

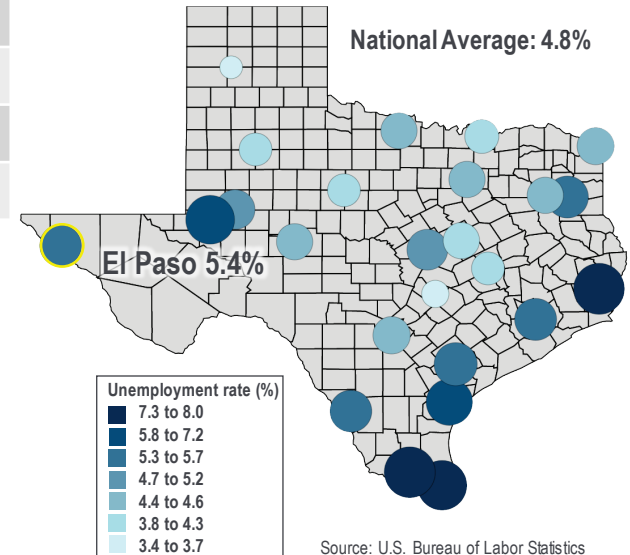
Sources: Texas Economic Development Corporation

EL PASO BUILDING PERMITS BY MONTH



Source: U.S. Census Bureau

UNEMPLOYMENT RATES BY METRO AREA NOT SEASONALLY ADJUSTED, AS OF SEPTEMBER 2021



Economic Snapshot – Oklahoma City

- 14th fastest growing major metro in the U.S. (+1.1%)¹
- #1 of 42 cities for tech companies and startups to expand (*Zillow, February 2020*)
- Oklahoma ranks #3 in the U.S. for economic outlook²
- In 2021, 61 new business/expansions announced in the Oklahoma City metro area³

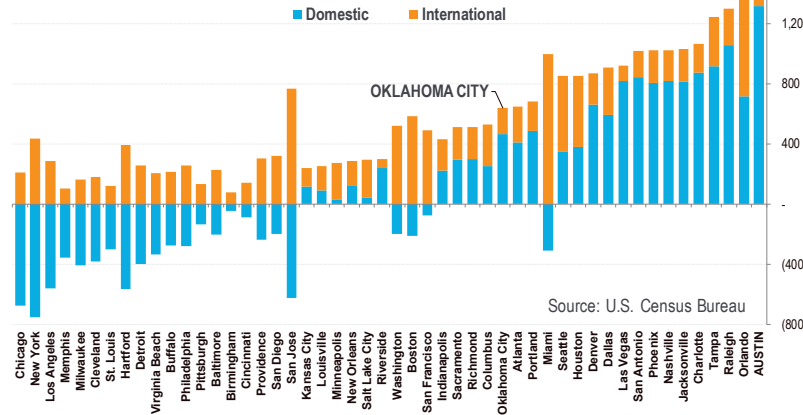
¹ U.S. Census Bureau, Population Division

² American Legislative Exchange-Laffer State Economic Competitiveness Index, 2021

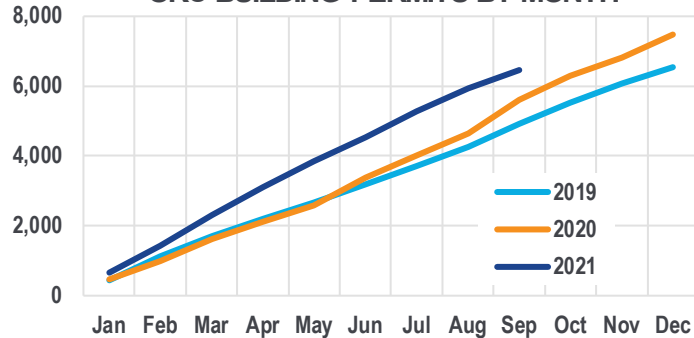
³ Greater Oklahoma City Chamber of Commerce

NET MIGRATION OF U.S. 50 LARGEST METROS

PER 10,000 POPULATION, 2010-2019



OKC BUILDING PERMITS BY MONTH



2021 NEW BUSINESSES/EXPANSIONS

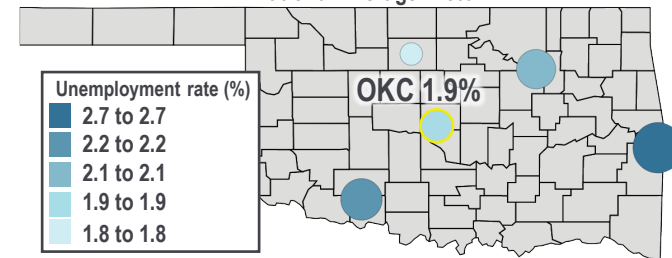
Company	Description	Jobs Created
Carvana	New inspection and reconditioning center	350+
Wheeler Bio	Start-up	100+
Corken	Expansion	~120
Mom's Meals	New facility	~550
North Star Scientific Corp	New site	~40

Source: Greater Oklahoma City Chamber of Commerce

UNEMPLOYMENT RATES BY METRO AREA

NOT SEASONALLY ADJUSTED AS OF SEPTEMBER 2021

National Average: 4.8%



Source: U.S. Bureau of Labor Statistics

Economic Snapshot – Tulsa

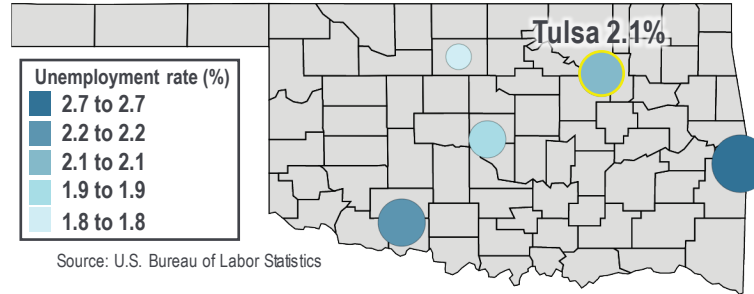
- #2 most affordable big city in the U.S. (*Rocket Homes, 2021*)
- #5 top metro for job creation (*Site Selection Magazine, 2019*)
- A top-50 city for starting a business (*Inc. Magazine, 2020*)
- 10th best state for manufacturing investment (*Site Selection Group, 2020*)
- As of September 2021, 20 new businesses/expansions were announced, creating the potential for ~2,000 jobs¹

¹Oklahoma Commerce, okcommerce.gov

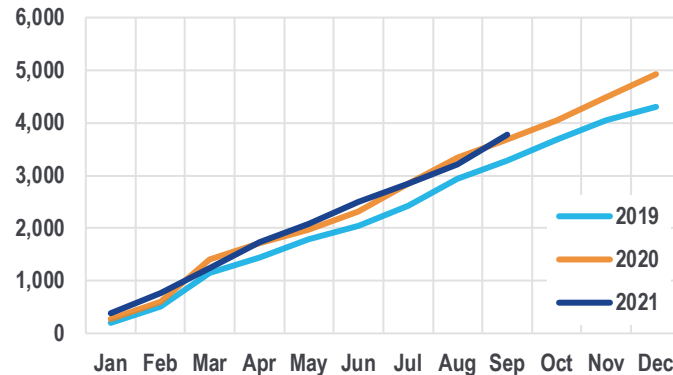
UNEMPLOYMENT RATES BY METRO AREA

NOT SEASONALLY ADJUSTED AS OF SEPTEMBER 2021

National Average: 4.8%



TULSA BUILDING PERMITS BY MONTH



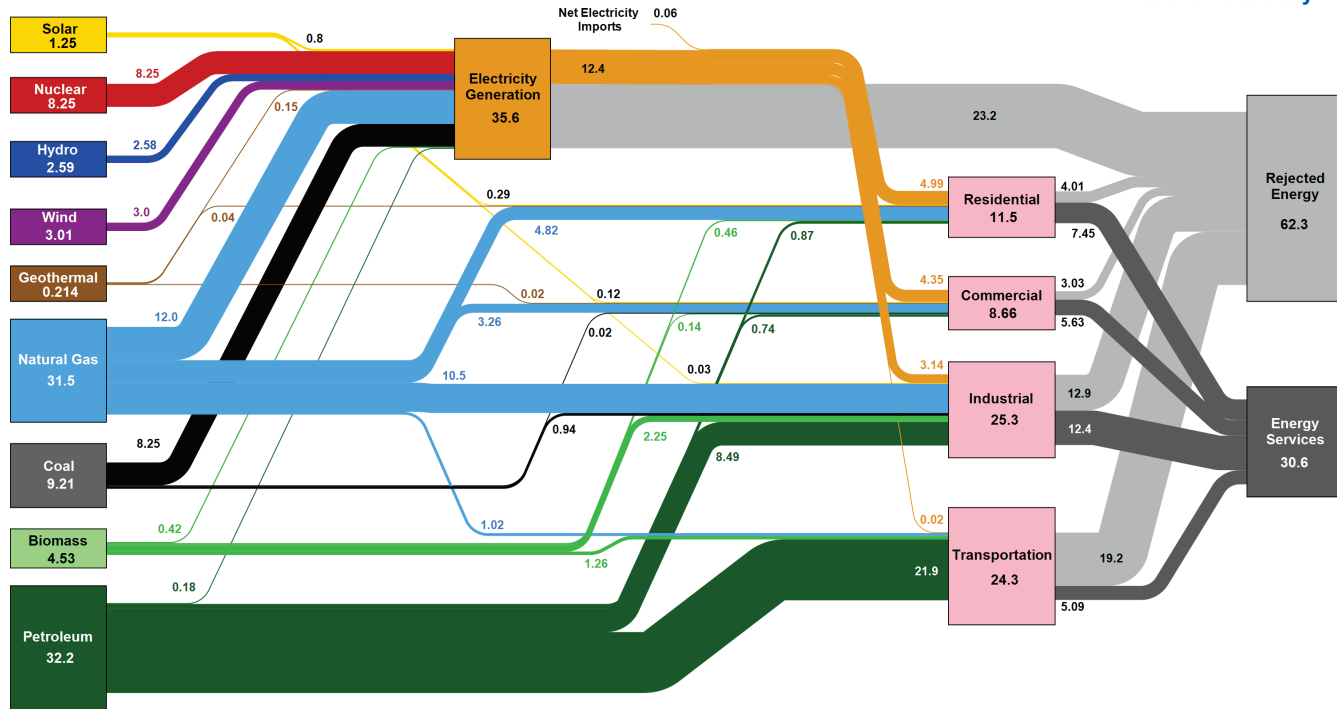
MAJOR EMPLOYERS BY INDUSTRY

Industry	1,000+ Employees
Aerospace & Defense	American Airlines, SPIRIT AEROSYSTEMS
Advanced Manufacturing	Whirlpool, AON
Energy	ONEOK, Williams, MAGELLAN MIDSTREAM PARTNERS, L.P.
Regional HQs, Professional Services & IT	BOK FINANCIAL, BlueCross BlueShield of Oklahoma, QT, QuikTrip
Transportation & Logistics	macy's, amazon

Source: Tulsa's Future

U.S. Energy Flowchart

Estimated U.S. Energy Consumption in 2020: 92.9 Quads



Source: LLNL March, 2021. Data is based on DOE/EIA MER (2020). If this information or a reproduction of it is used, credit must be given to the Lawrence Livermore National Laboratory and the Department of Energy, under whose auspices the work was performed. Distributed electricity represents only retail electricity sales and does not include self-generation. EIA reports consumption of renewable resources (i.e., hydro, wind, geothermal and solar) for electricity in BTU-equivalent values by assuming a typical fossil fuel plant heat rate. The efficiency of electricity production is calculated as the total retail electricity delivered divided by the primary energy input into electricity generation. End use efficiency is estimated as 65% for the residential sector, 65% for the commercial sector, 21% for the transportation sector and 49% for the industrial sector, which was updated in 2017 to reflect DOE's analysis of manufacturing. Totals may not equal sum of components due to independent rounding. LLNL-ML-410527

Non-GAAP Information

ONE Gas has disclosed in this presentation cash flow from operations before changes in working capital and net margin, which are non-GAAP financial measures.

Cash flow from operations before changes in working capital is used as a measure of the company's financial performance. Cash flow from operations before changes in working capital is defined as net income adjusted for depreciation and amortization, deferred income taxes, and certain other noncash items. This non-GAAP financial measure is useful to investors as an indicator of financial performance of the company to generate cash flows sufficient to support our capital expenditure programs and pay dividends to our investors.

Net margin is defined as total revenues less cost of natural gas. Cost of natural gas includes commodity purchases, fuel, storage, transportation and other gas purchase costs recovered through our cost of natural gas regulatory mechanisms, as required by our regulators, and does not include an allocation of general operating costs or depreciation and amortization. In addition, our cost of natural gas regulatory mechanisms provide a method of recovering natural gas costs on an ongoing basis without a profit. Therefore, although our revenues will fluctuate with the cost of natural gas that we pass-through to our customers, net margin is not affected by fluctuations in the cost of natural gas. We believe that net margin provides investors a more relevant and useful measure to analyze our financial performance as a 100% regulated natural gas utility than total revenues because the change in the cost of natural gas from period to period does not impact our operating income.

ONE Gas cash flow from operations before changes in working capital and net margin should not be considered in isolation or as substitutes for net income, total revenue or any other measure of financial performance presented in accordance with GAAP.

These non-GAAP financial measures exclude some, but not all, items that affect net income. Additionally, these calculations may not be comparable with similarly titled measures of other companies. Reconciliations of cash flow from operations before changes in working capital and net margin to the most directly comparable GAAP measure are included in this presentation.

Non-GAAP Reconciliation

Cash Flow From Operations Before Changes in Working Capital

(MILLIONS)	2021 GUIDANCE*
Net income	\$ 207
Depreciation and amortization	207
Deferred taxes	60
Other	22
Cash flow from operations before changes in working capital	\$ 496

* Amounts shown are estimated midpoints as contemplated in 2021 guidance

Non-GAAP Reconciliation

Net Margin

(MILLIONS)	2020
Total revenues	\$ 1,530.3
Cost of natural gas	537.4
Net margin	\$ 992.9

(MILLIONS)	2020
Natural gas sales	
Residential	\$ 711.1
Commercial and industrial	132.8
Other	7.9
Net margin on natural gas sales (net sales margin)	\$ 851.8
Transportation revenues	114.1
Other revenues	27.0
Net margin	\$ 992.9