Palm Beach, Fla. | January 8-9, 2015

Evercore ISI Utility CEO Conference

ONE Gas

Forward-Looking Statements

Statements contained in this presentation that include company expectations or predictions should be considered forward-looking statements that are covered by the safe harbor provisions of the Securities Act of 1933 and the Securities and Exchange Act of 1934.

It is important to note that the actual results could differ materially from those projected in such forward-looking statements.

For additional information that could cause actual results to differ materially from such forward-looking statements, refer to ONE Gas' Securities and Exchange Commission filings.

All future cash dividends (declared or paid) 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 Nov. 3, 2014, and Dec. 1, 2014, and are not being updated or affirmed by this presentation.

Key Points

Highlights

Competitive Strengths

- 100% regulated natural gas utility focus
- Third largest publicly traded natural gas distributor

Regulatory Overview

- Mechanisms and timelines

Financial

- Maintain conservative financial posture
- Capital investments result in rate base growth

Creating value for stakeholders

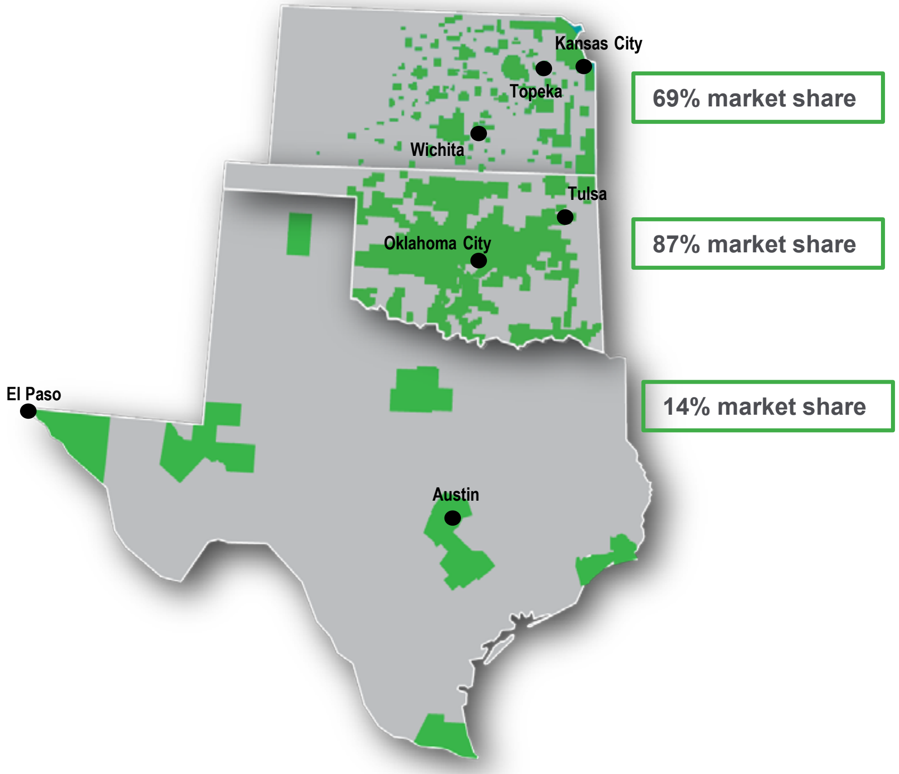
- Employees, customers, investors and communities

Competitive Strengths

Competitive Strengths

Sustainable Business

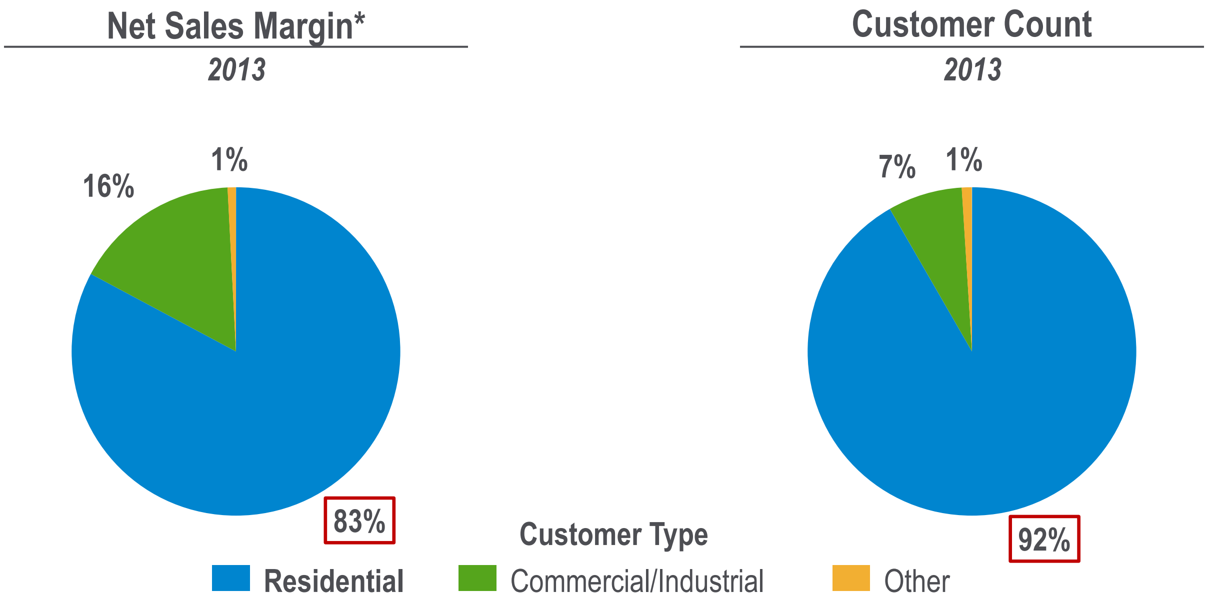
- Focused business strategy
  - 100% regulated natural gas distribution utility
  - Third largest publicly traded natural gas distributor
- Significant scale
  - 2.1 million customers
  - High percentage of residential customers and fixed charges
- Proximity to natural gas resources
- Constructive regulatory environment
  - Multiple mechanisms and riders
- Conservative financial profile
  - Commitment to “A-level” investment-grade credit ratings



ONE Gas

Significant Scale

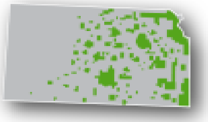
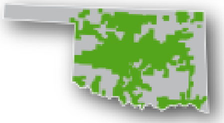
High Percentage of Residential Customers



** Excludes transportation margin*

Significant Scale

High Percentage of Fixed Charges


	Kansas	Oklahoma	Texas	Total
Fixed Charges – Sales customers[1]	51%	83%	70%	69%
Average Annual Heating Degree Days – Normal	4,860	3,316	1,785	-
Weather Normalization	100%	100%	62%	87%
Governance	Kansas Corporation Commission (three commissioners appointed by the governor to four-year staggered terms)	Oklahoma Corporation Commission (three commissioners elected to six-year staggered terms)	"Home Rule" with 10 jurisdictions (Texas Railroad Commission has appellate authority)	

Note: Based on 2013 annual results

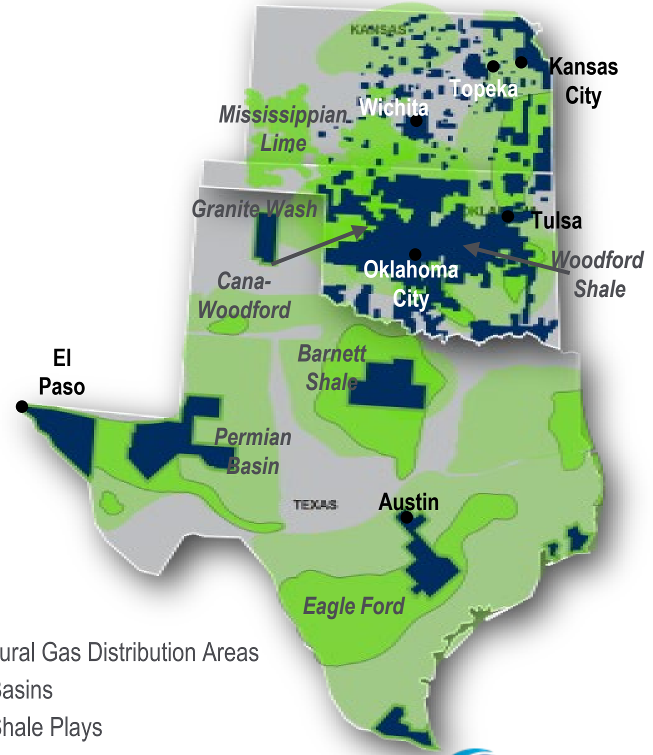
[1] Fixed percentage of total net margin on natural gas sales

ONE Gas

Proximity to Natural Gas Supply

Location Supports Sustainability

- Close proximity to significant natural gas reserves
- Delivered natural gas costs are comprised primarily of:
  - Cost of the commodity
  - Transportation costs
  - Storage fees



ONE Gas Natural Gas Distribution Areas
Natural Gas Basins
Natural Gas Shale Plays

ONE Gas

Regulatory Overview

Regulatory Mechanisms

Overview

- Oklahoma Natural Gas
  - Performance-based rate structure with a targeted ROE between 10-11 percent that provides for annual rate reviews between rate cases
- Kansas Gas Service
  - Gas System Reliability Surcharge – for incremental safety-related and government-mandated capital investments made between rate cases
- Texas Gas Service
  - Cost-of-service adjustments and El Paso Annual Rate Review (EPARR) for capital investments and certain changes in operating expenses
  - Gas Reliability Infrastructure Program for capital investments made between rate cases

ONE Gas

Regulatory Filing Timeline

Oklahoma & Kansas

ONG

New performance-based rates approved and effective August 2014

Pending outcome of rate case, performance-based rates change filing anticipated March 2017

2014 2015 2016 2017 2018

General rate case application filing in August 2015, with new rates effective early 2016, if applicable

KGS

GSRS approved November 2014, with new rates effective December 2014

GSRS filing August 2017, with new rates effective January 2018

2014 2015 2016 2017 2018

GSRS filing August 2015, with new rates effective January 2016

General rate case application filing in May 2016, with new rates effective January 2017, if applicable

Regulatory Filing Timeline

Texas

- El Paso Service Area
  - El Paso Annual Rate Review (EPARR) filing annually, with new rates effective each August, if applicable
  - Gas Reliability Infrastructure Program (GRIP) filings in remainder of service area
    - Other cities also considering EPARR
- Central Texas Service Area (includes Austin)
  - Annual GRIP filings
  - Rate case required by 2016
- Remainder of Texas
  - Annual cost of service adjustment filings in six jurisdictions
  - Annual GRIP filings in two jurisdictions
  - Rate cases as needed

Regulatory Update

Recent Activity

- Oklahoma
  - August 2014: New rates approved, includes an increase in base rates of approximately $13.7 million and an energy-efficiency program true-up and a utility incentive adjustment of $0.9 million
- Kansas
  - November 2014: Kansas Corporation Commission approved request for interim rate relief under the Gas System Reliability Surcharge (GSRS) for approximately $3.5 million
- Texas
  - May 2014: Austin City Council approved request for interim rate relief under the Gas Reliability Infrastructure Program (GRIP) statute for approximately $5.2 million
  - July 2014: City of El Paso approved an annual increase in revenues of $3.5 million, resulting from the EPARR filing
    - GRIP filing for the remainder of the El Paso service area approved with an increase in revenues of $0.6 million
  - Received approval for interim rate relief under the GRIP statute and cost-of-service adjustments in various Texas jurisdictions totaling approximately $4.0 million in 2014

Opportunity to Narrow the Gap

Return on Equity

- Goal: Minimize the gap between allowed and actual returns*
  - 2015 ROE estimate: 7.4%
  - 2014 ROE estimate: 7.6%
  - 2013 ROE achieved: 8.0%
  - 2012 ROE achieved: 8.3%

** ROE calculations are consistent with utility ratemaking in each jurisdiction*

Financial Overview

Financial Highlights

Commitment to Strong Investment-Grade Ratings

- Strong investment-grade credit ratings, consistent with peers
  - **Moody's: A2 (Stable)**
  - **S&P: A- (Stable)**
- Strong liquidity position will support capital expenditure and working capital needs
  - Stable operating cash flows
  - $700 million revolving credit facility
  - Commercial paper program

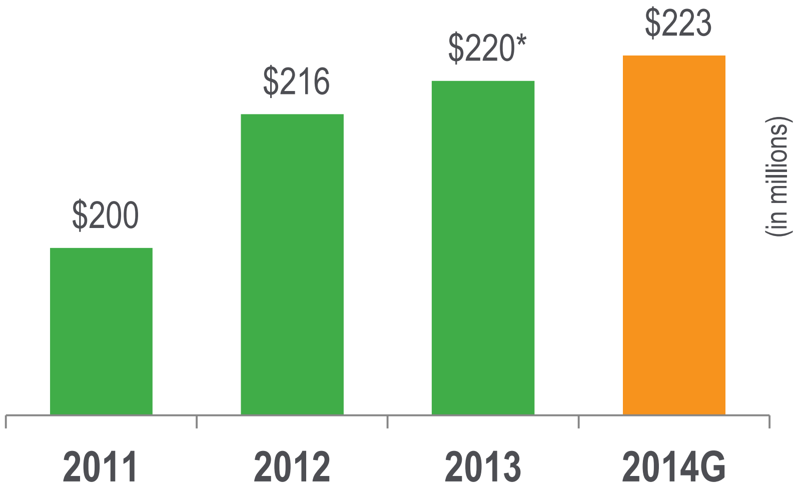
ONE Gas

2014 Guidance Increased

Financial

- Net income: increased range to $105-$110 million
  - Colder-than-normal weather
  - Residential customer growth
  - Lower interest expense
  - Higher operating costs
- Capital expenditures expected at <u>high end</u> of $240-$285 million range

Operating Income

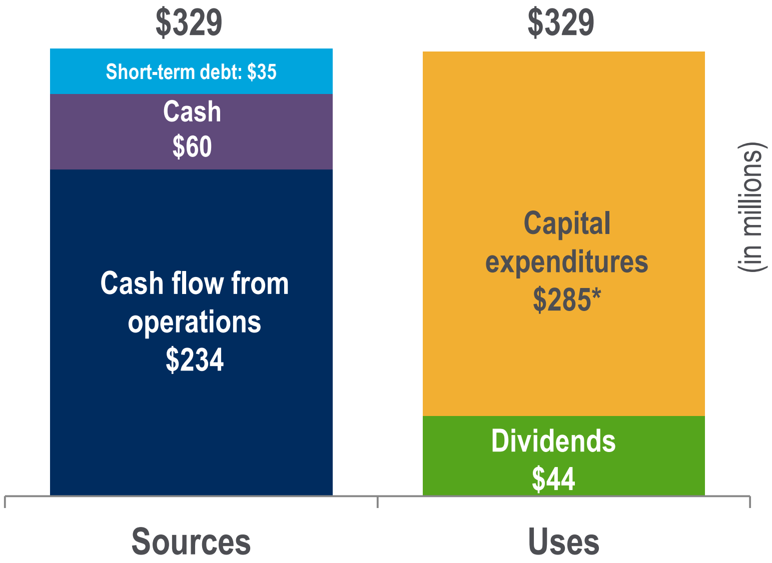


* *Includes $10.2 million charge related to separation*

2014 Cash Flow

Sources and Uses

- Target dividend payout ratio of 55-65% of net income
- Capital expenditures primarily funded by cash flow from operations
- Dividend of 28 cents per share per quarter

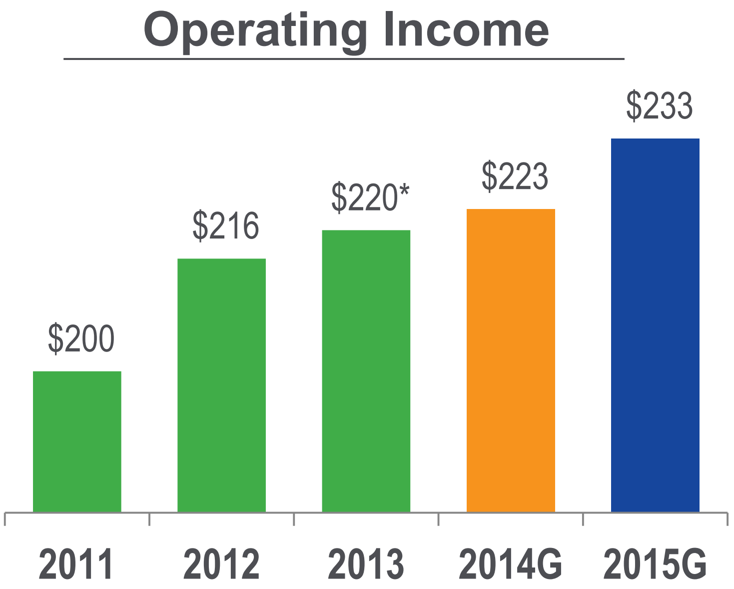


* Expected at high end of $240-$285 million range

2015 Guidance

Issued December 2014

- Net income: range of $108-$118 million
  - Earnings growth driven by new rates and customer growth
  - Separation costs in 2014
  - Higher depreciation driven by capital investments
  - Higher pension costs driven by lower discount rate and asset returns
- Operating income midpoint: $233 million
- Cash flows from operations midpoint: $240 million
- Capital expenditures: $300 million
- Estimated average rate base: $2.7 billion**



** Includes $10.2 million charge related to separation*

*** Calculation consistent with utility ratemaking in each jurisdiction*

ONE Gas

Five-year Financial Outlook

Updated December 2014

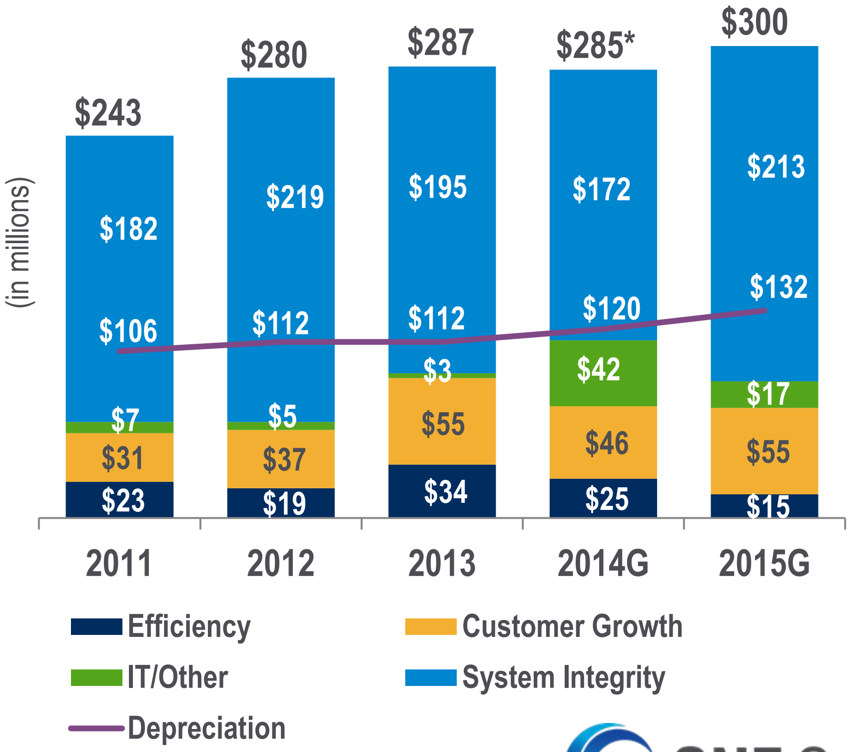
- Expected average annual net income growth of 5-8% comparing 2014 earnings guidance with 2019
  - Driven by capital investments and customer growth
  - Rate base expected to grow an average of 5-6% per year between 2014-2019
- Expected average annual dividend growth of 6-8% between 2014-2019
  - Target dividend payout ratio of 55-65% of net income
- Expected capital expenditures of between $300-$325 million per year in 2015-2019

ONE Gas

Capital Expenditures

Capital Spending Exceeds Depreciation

- Majority of capital expenditures for safety, reliability and efficiency
  - System integrity and replacements
  - Efficiency
    - Automated meter reading (64% coverage)
    - Operational efficiency efforts
- New service lines and main extensions for customer growth
- 2014 by state:
  - Oklahoma: ~40%
  - Kansas: ~30%
  - Texas: ~30%



** Expected at high end of $240-$285 million range*
Note: Capital expenditures include accruals and any adjustments in the fiscal year.

Creating value for stakeholders

Creating Value for Stakeholders

Identify and Pursue Growth Opportunities

- Capital investments targeted toward safety, reliability and efficiency
  - Approximately 70% of annual forecast
  - Efficiency projects reduce expenses to sustainable levels
- Minimize gap between actual and allowed returns
  - Annual filings for interim rate adjustments
  - File rate cases as warranted
- Develop incremental sources of regulated revenue
  - Transportation revenues to new compressed natural gas (CNG) stations
  - Transportation revenues to distributed generation

Compressed Natural Gas (CNG)

Current Environment

- Currently operate 27 fueling stations accessible to the public
- Currently providing supply to 45 retail and 36 private CNG stations
- Increased CNG volumes 50% between Q3 2013 and Q3 2014
- Supporting industry efforts to encourage development of more vehicle options by car and truck manufacturers
- Industry
  - Increased interest in CNG for transportation, particularly by fleet operators
  - Tax incentives further contribute to positive economics
  - Increased industry investments in fueling stations
- Benefits
  - Use of CNG increases load
    - One vehicle is equivalent to one home
    - One pickup truck is equivalent to two homes
    - One refuse truck is equivalent to 12 homes
    - One transit bus is equivalent to 25 homes
    - Incremental margins from CNG demand could mitigate residential rate increases, enhancing competitive position and customer satisfaction
    - Home-fueling technology innovations could be a game changer

ONE Gas™

Summary

Key Investment Considerations

Focused business strategy

- 100% regulated natural gas distribution utility

Constructive regulatory environment

- Multiple mechanisms and riders

Significant scale

- 2.1 million customers
- High percentage of residential customers and fixed charges

Conservative financial profile

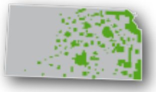
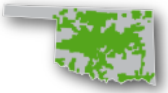
- Stable earnings and cash flow
- Commitment to “A-level” investment-grade credit ratings

ONE Gas

Appendix

Customer and Asset Mix

Key Statistics as of Dec. 31, 2013


	Kansas	Oklahoma	Texas	Total
Average Number of Customers	632,638	847,023	634,251	2,113,912
Number of Employees	1,000	1,100	700	3,100*
Miles of Service Lines	8,000	4,600	5,700	18,300
Distribution – Miles	11,400	18,200	9,600	39,200
Transmission – Miles	1,600	800	400	2,800
High Density Cities	Kansas City, Topeka, Wichita	Oklahoma City, Tulsa	Austin, El Paso	7 cities make up the majority of customers
Percentage of Customers in Metropolitan Areas	59%	81%	75%	73%
Market Share - Customers Served	69%	87%	14%	

** Includes corporate employees*

ONE Gas

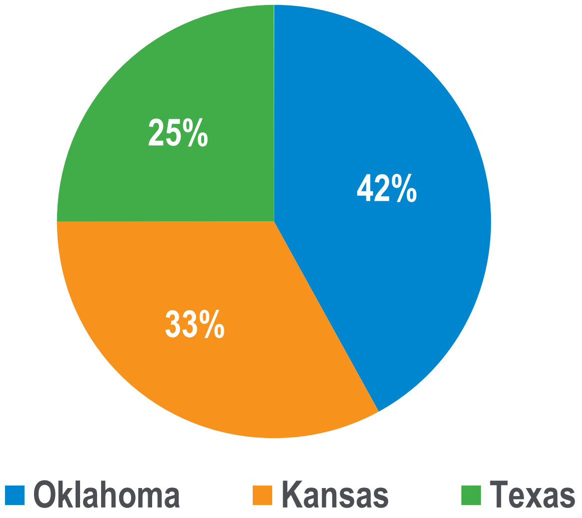
Projected Rate Base

By State

- Projected rate base consists of:
  - \+ Property, plant and equipment
  - \+ Working capital
  - \+ / – Other rate base items
  - – Accumulated deferred income taxes
  - – Accumulated depreciation

2014 Rate Base*

Total: $2.5 billion**



** Estimated average rate base for the year ending Dec. 31, 2014*

*** Calculation consistent with utility ratemaking in each jurisdiction*

ONE Gas

Regulatory Information

By State as of Sept. 30, 2014

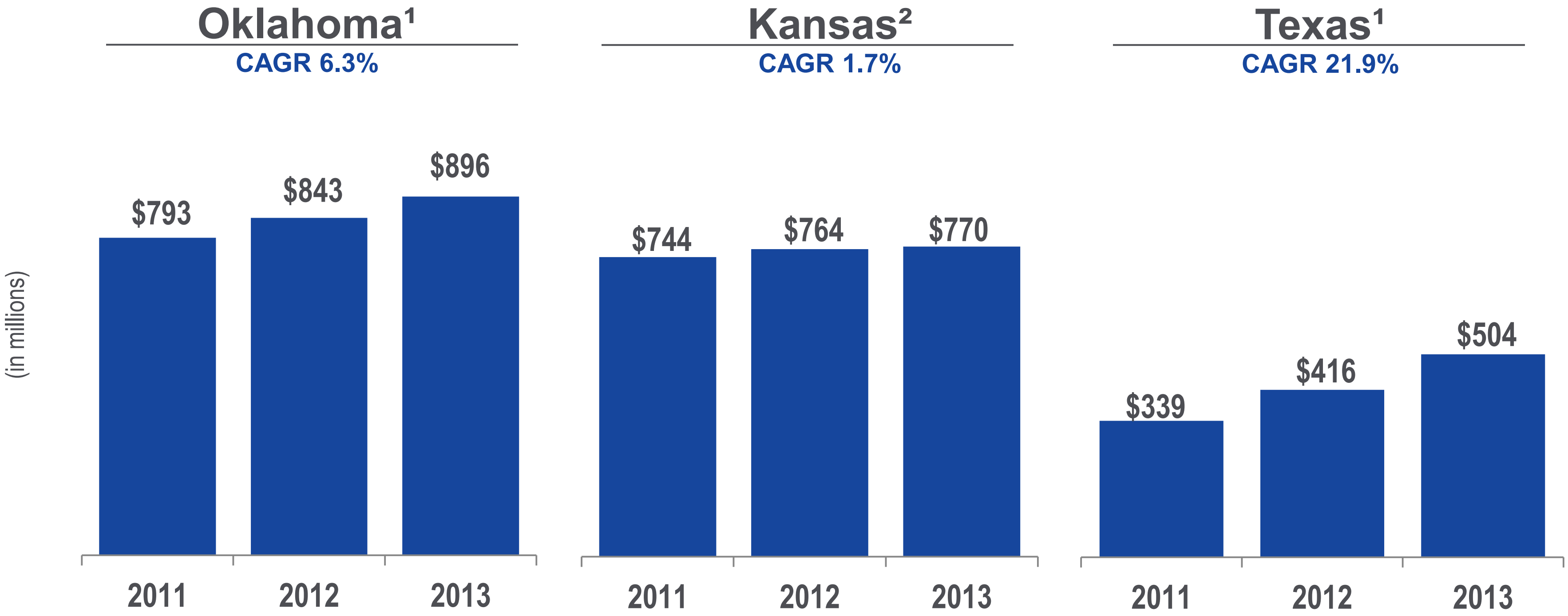
	Rate Base (in millions)	Authorized Rate of Return	Authorized Return on Equity
Oklahoma Natural Gas[1]	$938	8.535%	10-11%
Kansas Gas Service[2]	$781	N/A	N/A
Texas Gas Service[1]	$542	8.55%	10.4%

[1] The rate base, authorized rate of return and authorized return on equity presented in this table are those from the last approved rate filings for each jurisdiction. These amounts are not necessarily indicative of current or future rate bases, rates of return or returns on equity.
[2] Last rate case was settled without a determination of rate base, return on equity or rate of return; rate base includes the amounts included in the company's filings and is not necessarily indicative of current or future rate base.

ONE Gas

Authorized Rate Base

Historical by State

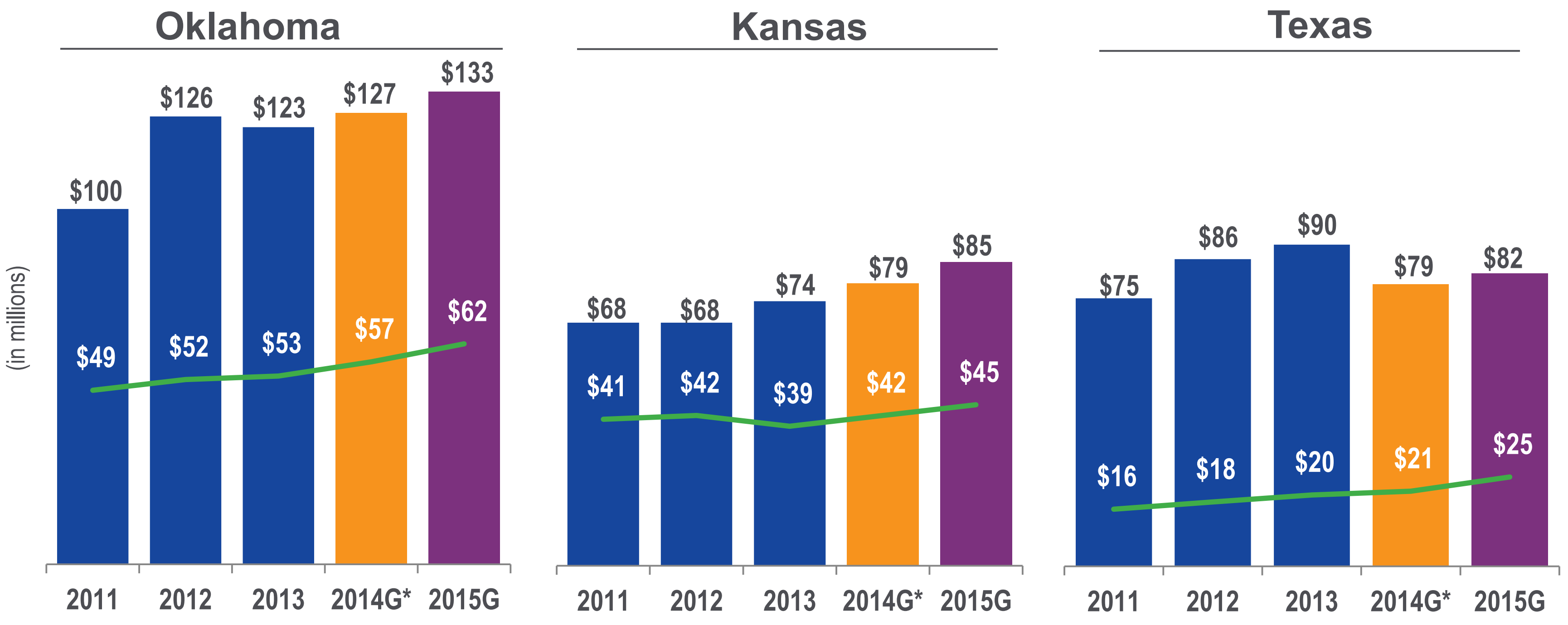


[1] Rate bases presented in this table are those from the last approved rate filings for each jurisdiction. These amounts are not necessarily indicative of current or future rate bases.

[2] Last rate case was settled without a determination of rate base and includes the amounts included in the company's filings; these amounts are not necessarily indicative of current or future rate base.

Capital Expenditures

By State



* 2014G: Expected at high end of $240-$285 million range

Note: Capital expenditures include accruals and any adjustments in the fiscal year.

ONE Gas

Regulatory Constructs

By State

Mechanism	Oklahoma	Kansas	Texas*
Performance-based rates	X		
Capital investments; safety-related riders	X**	X	X
Weather normalization	X	X	X
Purchased Gas Adjustment/Cost of Gas riders	X	X	X
Energy efficiency/conservation programs	X		X
Pension and Other Post-Retirement Benefits Trackers	X**	X	X
Cost of Service Adjustment / El Paso Annual Rate Review	X**		X

** 10 jurisdictions in Texas; not all mechanisms apply to each jurisdiction*
*** Incorporated in performance-based rates*

ONE Gas™

Cost of Gas

Passed Through to Customers

- Actual costs of the commodity, transportation and storage of natural gas are passed through to customers without markup
  - Natural gas used in operations is recovered in “Purchased Gas” or “Cost of Gas” riders
    - Cost of Gas component of bad debts is included in cost of gas
- No direct commodity risk to ONE Gas divisions
- 44 Bcf of natural gas in storage at Sept. 30, 2014 for 2014/2015 heating season

ONE Gas

Non-GAAP Information

ONE Gas has disclosed in this presentation cash flow from operations before changes in working capital, which is a non-GAAP financial measure. 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, non-cash pension and other benefit costs, cash payments for asset removal costs, and certain other items.

The non-GAAP financial measure described above is useful to investors because the measurement is used as an indicator of financial performance of the company's investments to generate cash flows sufficient to pay dividends to our investors. ONE Gas cash flow from operations before changes in working capital should not be considered in isolation or as a substitute for net income or any other measure of financial performance presented in accordance with GAAP.

This non-GAAP financial measure excludes some, but not all, items that affect net income. Additionally, this calculation may not be comparable with similarly titled measures of other companies. A reconciliation of cash flow from operations before changes in working capital is included in this presentation.

Cash Flow From Operations

*Before Changes In Working Capital**

(Millions of dollars)	2015 Guidance	Updated 2014 Guidance	Change
Net Income	**$ 113**	$ 107	$ 6
Depreciation and amortization	**135**	127	8
Non-cash pension and other benefit costs	**31**	24	7
Asset removal costs	**(49)**	(41)	(8)
Other	**10**	17	(7)
Cash flow from operations before changes in working capital	**$ 240**	$ 234	$ 6

** Amounts shown are midpoints of ranges provided.*

ONE Gas

ONE Gas