

ONE Gas, Inc.
EARNINGS GUIDANCE*

| | 2015 Guidance | Updated 2014 Guidance | Change |
|-------------------------------|--------------------------|-----------------------------|--------|
| <i>(Millions of dollars)</i> | | | |
| Operating income | | | |
| Net margin | \$ 845 | \$ 828 | \$ 17 |
| Operations and maintenance | 422 | 424 | (2) |
| Depreciation and amortization | 135 | 127 | 8 |
| General taxes | 55 | 54 | 1 |
| Operating income | 233 | 223 | 10 |
| Other income (expense) | (2) | (1) | (1) |
| Interest expense | (47) | (48) | 1 |
| Income before income taxes | 184 | 174 | 10 |
| Income taxes | (71) | (67) | (4) |
| Net income | \$ 113 | \$ 107 | \$ 6 |

| | | | |
|-----------------------------------|--------|--------|-------|
| Capital expenditures | | | |
| System integrity and replacements | \$ 213 | \$ 172 | \$ 41 |
| Customer growth | 55 | 46 | 9 |
| Other | 32 | 67 | (35) |
| Total capital expenditures | \$ 300 | \$ 285 | \$ 15 |

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|---|--------------------------|-----------------------------|--------|
| <i>(Millions of dollars)</i> | | | |
| Cash Flow | | | |
| 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.