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# ONE Gas, Inc. (OGS)

Q3 2025 Earnings Call

## CORPORATE PARTICIPANTS

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**Curtis L. Dinan**

*Senior Vice President & Chief Operating Officer, ONE Gas, Inc.*

## OTHER PARTICIPANTS

**Julien Dumoulin-Smith**

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**David Arcaro**

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**Gabriel Moreen**

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Good day and welcome to ONE Gas Third Quarter Earnings Conference Call. Today's conference is being recorded. And at this time, I would like to turn the conference over to Erin Dailey. Please go ahead, Ms. Dailey.

**Erin Bender Dailey**

*Director-Investor Relations & Sustainability, ONE Gas, Inc.*

Thank you, Elliot. Good morning, and thank you for joining us on our third quarter 2025 earnings conference call. This call is being webcast live and a replay will be available later today. After our prepared remarks, we're happy to take your questions.

Statements made during this call that might include ONE Gas expectations or predictions should be considered forward-looking statements and 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. Actual results could differ materially from those projected in any forward-looking statements. For a discussion of factors that could cause actual results to differ, please refer to our SEC filings.

Joining me on the call this morning are Sid McAnnally, President and Chief Executive Officer; Chris Sighinolfi, Senior Vice President and Chief Financial Officer; and Curtis Dinan, Senior Vice President and Chief Operating Officer.

And now, I'll turn the call over to Sid.

## Robert Sid McAnnally

*President, Chief Executive Officer & Director, ONE Gas, Inc.*

Good morning. We appreciate your interest in ONE Gas and are pleased to be with you to share highlights and key developments from our third quarter. In August, we raised our full-year guidance on strong year-to-date financial performance and the expected impact of Texas House Bill 4384. Based on third quarter results and confidence in our outlook for the rest of the year, we've also tightened our 2025 earnings forecast. We now expect earnings per share to be between \$4.34 and \$4.40.

Our three states serve as a cornerstone of the nation's energy supply, producing over one third of US natural gas. The states we serve are committed to economic growth and actively encourage the use of natural gas for both residential and commercial applications. This strong foundation is fueling continued momentum from both our core residential base and high-growth sectors like data centers, advanced manufacturing, and utility scale power generation. We are fully leveraging these opportunities to support growth and invest in our system, all while keeping our commitment to customer affordability.

One example of our forward-thinking approach to serve this growing customer demand is the Austin System Reinforcement Project, which we completed in the third quarter. This project boosts our available winter peak capacity by approximately 25% and provides increased access to natural gas indexed at the Waha Hub, which typically trades at a discount to other sources of supply for the Austin metro area. As a result, our customers benefit from enhanced reliability during peak demand periods and improved affordability as we are able to pass on savings from lower cost supply sources.

This landmark capital investment, the largest by far in ONE Gas history, was delivered ahead of schedule, under budget, and without any lost time injuries, underscoring our ability to efficiently execute major projects. As we meet the needs of our residential and commercial customers today, we are confidently pursuing growth opportunities.

Now, I'll turn the call over to Chris for the quarter's financial details. Chris?

## Christopher P. Sighinolfi

*Chief Financial Officer & Senior Vice President, ONE Gas, Inc.*

Thanks, Sid, and good morning, everyone. As Sid noted, we are narrowing our 2025 earnings forecast. We now expect net income to range between \$262 million and \$266 million, with earnings per diluted share projected between \$4.34 and \$4.40. There was no change to the respective midpoints of our net income and earnings per share guidance, which, as we discussed during our second quarter call, are above the levels we initially guided. We continue to project capital expenditures of approximately \$750 million for the year.

Turning to our third quarter financial results, net income was \$26.5 million or \$0.44 per diluted share compared with \$19.3 million or \$0.34 in the same period last year. Third quarter revenues reflect an increase of approximately \$19.2 million from new rates and \$1.4 million from continued customer growth. Third quarter operating and maintenance expenses increased approximately 4.9% year-over-year, consistent with our guidance and primarily reflecting higher labor costs and a decision to execute certain O&M activities earlier than initially planned.

Excluding interest-related to KGSS-I securitized bonds, interest expense net decreased \$3.4 million year-over-year in the third quarter, primarily due to lower rates on commercial paper borrowings. In August, we issued long-

term debt in the form of a \$250-million term loan that will mature in 2026. Our next maturity after this is not until 2029.

As I mentioned during last quarter's call, we have fully satisfied our 2025 equity needs and covered a portion of 2026 through existing forwards, which in total represent approximately 40% of our planned five-year equity needs. For added clarity, we plan to settle roughly \$200 million of forward shares in December and defer approximately \$25 million for year-end 2026 settlement.

Our balance sheet remains strong with an adjusted CFO-to-debt ratio projected to be around 19%, which is at the upper end of the range for our current credit ratings. In addition, last week, we enhanced our liquidity by increasing the size of our revolving credit facility to \$1.5 billion and extending the facility's maturity to October of 2030. Yesterday, our board declared a quarterly dividend of \$0.67 per share, unchanged from the prior quarter.

Curtis, I'll turn things over to you.

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### Curtis L. Dinan

*Senior Vice President & Chief Operating Officer, ONE Gas, Inc.*

Thank you, Chris, and good morning, everyone. On the regulatory front, we completed all 2025 interim filings, including September's approval of a \$3.2-million GRIP filing for the Rio Grande Valley service area. As we have noted previously, Texas Gas Service filed a rate case requesting a \$41.1-million increase and proposing to consolidate our three service areas into a single jurisdiction. The case remains on track with the procedural schedule, and a final decision is expected to be effective during the first quarter of 2026.

Turning to operations, we continue to invest in our workforce for the long-term success of our business. Alongside our efforts to bring line locating resources in-house, we are also planning to do the same with our Watch and Protect program. While onboarding and training new employees temporarily increases costs, the long-term benefits are clear. Our teams operate more efficiently, deliver strong performance, create a pipeline of future talent, and reduce our reliance on external contractors. In-sourcing line locating has delivered significant operational improvements as total excavation damages have decreased by 13% year-over-year, even though we've seen an 8% increase in ticket volumes.

Capital execution remains strong. We have completed approximately \$575 million in capital projects through the third quarter, keeping us on pace to deliver our \$750 million full-year budget. This included the Austin system reinforcement project, which represents our most significant project to date. This pipeline installation was technically challenging, requiring three complicated river bores while working in a busy metro area. Ultimately, we installed approximately 50,000 feet of pipe, introducing a new source of supply, and expanding system capacity to support system reliability and to meet growing demand in the Austin area.

Delivering this large and complicated project ahead of schedule and under budget demonstrates our ability to effectively execute the many utility-scale generation, advanced manufacturing and data center opportunities that are moving forward across our three states. For many of these large-scale projects, partnering with us as the local utility is a natural fit. Our proximity to major natural gas production and existing pipeline infrastructure allows us to provide fast, cost-effective service, whether through new connections, short line extensions or system upgrades. We are able to serve these customers under a fully regulated framework and, in most cases, with only modest increases to our forecasted capital budgets, all while keeping natural gas service affordable for our residential customers.

To provide greater clarity on these opportunities, we are working across all three of our states on significant utility-scale power generation projects approximating 1.5 gigawatts of capacity. Customers are now progressing through the mid to late stages of their investment decisions, and we are ready to execute these projects as they advance. Other examples include providing natural gas to a 200-megawatt fabrication plant and data center and a project we announced earlier this year that supplies natural gas for onsite power generation and receives renewable natural gas from the customer's facility.

Our approach to these opportunities is deliberate, prioritizing projects that enhance our system, position us for additional growth opportunities, and provide benefits for all customers. We will provide more details once final agreements are in place.

With that, I'll turn it back to Sid.

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### Robert Sid McAnnally

*President, Chief Executive Officer & Director, ONE Gas, Inc.*

Thank you, Curtis. As we pursue these new large-scale projects that will support our region's economy, we remain committed to our current customers, providing them with safe, reliable, and affordable natural gas to keep their homes warm and their businesses running. With winter approaching, I want to thank all of our coworkers whose dedication allows us to deliver comfort and value to our 2.3 million customers. I'm proud to work alongside each of them.

Operator, we're now ready for questions.

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## QUESTION AND ANSWER SECTION

**Operator:** Thank you. [Operator Instructions] First question comes from Julien Dumoulin-Smith with Jefferies. Your line is open. Please go ahead.

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### Julien Dumoulin-Smith

*Analyst, Jefferies LLC*

Hey. Good morning, team. How you guys all doing?

Q

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### Robert Sid McAnnally

*President, Chief Executive Officer & Director, ONE Gas, Inc.*

Good morning, Julien.

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### Julien Dumoulin-Smith

*Analyst, Jefferies LLC*

Hey. Excellent. Thanks for the time. Maybe just to start with the highest level here, I mean, how are you thinking about the long-term four to six percent given both, obviously, the tailwind of the legislation as well as some of these recent Fed cuts? And maybe, Chris, specifically, I'd love to get your thoughts about what's reflected in guidance and especially what this means for forward-looking views given the latest Fed actions here.

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### Christopher P. Sighinolfi

*Chief Financial Officer & Senior Vice President, ONE Gas, Inc.*

A

Yeah. Thanks, Julien, and good morning. Maybe I'll take those in reverse order. If you think about interest rates – and just a reminder, we utilize commercial paper to finance the initial investments we make in rate base before they're included in regulatory outcomes and formally in rate base and to underwrite our investments in gas and storage above recovered amounts. And on average throughout the year, that at present sizing is about \$800 million of carried CP.

If you go back a couple of years ago, we had outlined – when the Fed policy rate was at 5.5% and our CP rate was 5.6% to 5.7%, we had outlined a model in our financial forecast of 10 25-basis rate cuts by the end of 2027. We have achieved with the Fed cut last week 6 of those 10 cuts. They each came earlier than we had expected them to. And that 10 cut in total got down to a rate that we saw as normalized against what the Federal Reserve stipulates its own normalized policy rate to be. So, we still expect four additional cuts over the next couple of years in line with the Fed's forecast of normalization.

If you think about order of magnitude at \$800 million of average CP and our tax rate, every 25-basis-point cut, if true for the full year, is about \$0.025 of EPS pickup. So, our plan did contemplate a normalization in monetary conditions. We've seen that. We've seen that come faster than we initially expected it to. And we do fully expect more to come.

If you think about the 4% to 6% EPS guidance range and note that this year we talked about being at the high end of that range, in the wake of strong year-to-date performance and then the signing of the Texas House bill in June, we had updated our forecast in September's Investor Relations deck to note that we would be above the high end of that range with the impact of those items.

So, that's as much as I think we'll say now. A reminder, we will have a refreshed five-year outlook and a more specific 2026 outlook on our normal cadence ahead of utility week in December.

**Julien Dumoulin-Smith**

*Analyst, Jefferies LLC*

Q

Totally. Excellent. Thanks, Chris. And, Sid, if I can follow that up, and I don't mean to nitpick too much, but any color on the tightening of the 2025 guidance range? Just – you took \$0.02 off the top. Like I don't mean to nitpick, but curious to juxtapose that against the comments you just provided a second ago.

**Christopher P. Sighinolfi**

*Chief Financial Officer & Senior Vice President, ONE Gas, Inc.*

A

If you note in my prepared remarks – Julien, it's a good question – I noted that some of our O&M expenses this year was the result of doing some activities earlier than we had previously planned to do them. There are certain – for example, there are certain environmental remediation projects where we received permits to take action earlier than we had expected to. And so, there's a couple of million dollars of additional O&M that we expect to bear this year that was not originally in the forecast.

**Julien Dumoulin-Smith**

*Analyst, Jefferies LLC*

Q

Got it. It seems like more of a timing issue than anything there.

**Christopher P. Sighinolfi**

*Chief Financial Officer & Senior Vice President, ONE Gas, Inc.*

A

That's correct.

**Julien Dumoulin-Smith**

*Analyst, Jefferies LLC*

Q

Excellent, guys. Perfect. Well, I'll leave it there. I'll let others jump in. Thank you so much, guys. Take care. Nicely done. We'll speak in a couple of months here.

**Robert Sid McAnnally**

*President, Chief Executive Officer & Director, ONE Gas, Inc.*

A

Yeah. Thank you – thanks for the questions, Julien.

**Operator:** We now turn to David Arcaro with Morgan Stanley. Your line is open. Please go ahead.

**David Arcaro**

*Analyst, Morgan Stanley & Co. LLC*

Q

Hey. Thank you. Good morning.

**Robert Sid McAnnally**

*President, Chief Executive Officer & Director, ONE Gas, Inc.*

A

Good morning, David.

**David Arcaro**

*Analyst, Morgan Stanley & Co. LLC*

Q

Was wondering if you could – maybe just on the growth rate that you've indicated would be above the 6% level here through the plan. Just curious if you would consider that to be kind of a structural higher growth outlook for the core of the business. And could that be – consider it to be longer term, could we see growth continue at that rate? Or is it more – is 4% to 6% still the right level? Just maybe depends on the starting year as to how you think about that.

**Christopher P. Sighinolfi**

*Chief Financial Officer & Senior Vice President, ONE Gas, Inc.*

A

Hi, David. It's Chris again. Yeah, I do believe it is structural in nature, that's why we've outlined it that way. Again, 4% to 6%, the initial high end of that range, and then with some of the changes in the environmental backdrop suggesting in our Investor Relations materials in September that we would be above the high end of that range for the duration of the five-year period. I think you can look, as your question assumes, at those component items as being structural in nature and having a carryforward effect that we believe is durable.

**David Arcaro**

*Analyst, Morgan Stanley & Co. LLC*

Q

Excellent. Yeah. That helps. And then, appreciate the update here on the large load activity that you're seeing. I was wondering if you could talk about maybe just any other clarity on where you're seeing that 1.5 gigawatts come in and what the potential investment opportunities might look like on the back of potentially finalizing some of those new large load projects.

**Curtis L. Dinan**

*Senior Vice President & Chief Operating Officer, ONE Gas, Inc.*

A



Hey, David. This is Curtis. And as I had mentioned in my remarks, we're seeing that across all three state opportunities to provide service to different entities that are looking at much larger scale than perhaps we've served in the past. And that's been built in and around our systems.

The last part of that answer is really important, the in and around our systems. We're trying to leverage our existing system, our existing workforce, and everything that goes to support that to respond to these customer inquiries. There's certainly more in the market and we can read about those each day, but we're staying very disciplined in those projects that we will pursue. And for those reasons, there are lower capital needs. We have infrastructure in place, we have folks in place, and we can respond to them very quickly. And that's the need of those customers, in many cases, is the quick response. And so, I think we're best positioned to be able to do that.

We'll continue to look at different opportunities that come up. But it's, again, a fairly tight set of criteria that we look at to evaluate those before we put a lot of resources behind to chase those. So, my comments around not a lot of – or not a significant impact to our capital forecast really ties back to that we're leveraging off of our system that's already there. It's working with our upstream providers, the relationships we have established there to be able to respond to these requests, and I think that makes us very efficient in being able to do that.

**David Arcaro**

*Analyst, Morgan Stanley & Co. LLC*

Okay. Excellent. Thanks for the color. Appreciate it.

**Robert Sid McAnnally**

*President, Chief Executive Officer & Director, ONE Gas, Inc.*

Thank you, David.

**Operator:** We now turn to Gabe Moreen with Mizuho. Your line is open. Please go ahead.

**Gabriel Moreen**

*Analyst, Mizuho Securities USA LLC*

Hey. Good morning, everyone. I just wanted to ask about, I think, the additional investment in bringing stuff in-house. Will that impact, you think, affect O&M up front? I know you've been really successful at line locating and maybe just had a little more cost up front for savings later. Is it going to be kind of a similar sort of cadence with this and how material would it be?

**Curtis L. Dinan**

*Senior Vice President & Chief Operating Officer, ONE Gas, Inc.*

Gabe, this is Curtis. And one of the items that Chris was talking about earlier on some of the things that we've pulled forward, it's a continuation of those initiatives. We're opportunistic when we do it, looking at a couple of things, our past experience and where we are in the maturity of those folks that have joined the company and developed and gotten their qualifications to be able to go into full service. And then, it's looking at what's available in the market.

We've seen a lot of opportunities to hire some really quality individuals to join our company, as well as having really good experience of the folks that we brought in, allowing us to get ahead. We realize some of the benefits quicker, and so that's given us the confidence to move a little bit earlier to in-source some of those additional activities.



So, it's somewhat episodic in terms of when those larger classes are brought in, and we go through that process. But as you said, at the front end of it, it's a little bit higher investment, but it's yielding really good benefits for us. And we continue to expect even more benefits in the longer term.

**Robert Sid McAnnally**

*President, Chief Executive Officer & Director, ONE Gas, Inc.*

A

So, Gabe, this is Sid. You're wise to compare this to line locating. We shared with you a number of years ago that we believed there would be a benefit to in-sourcing line locating from both an execution standpoint and building additional capacity that we could deploy when there was no line locating to be done. And over the last three or four years, we've really proven that. We've seen the value add, we've seen it be accretive, and we've also seen the quality of the work.

So, Watch and Protect is just another step in that direction, and we wanted to be transparent about it. But we believe, given the fact that we've presented a theory, tested the theory and proven it, now we can go on this with a pretty high level of confidence and run the same play with Watch and Protect.

And to your question about materiality, the scale of Watch and Protect is much less than line locate. So, the impact will be less. But you're right that there is a front-end cost in bringing people along and doing the training on the front end.

**Gabriel Moreen**

*Analyst, Mizuho Securities USA LLC*

Q

Got it. Thanks, Sid. Thanks, Curtis. And then maybe if I can ask on 2026 CapEx, you grew rate base a little bit less than I think your intended CAGR in 2025. You also finished up that big Austin project. But is it right to assume there will be some sort of acceleration in 2026? And are there any discrete other projects you've kind of point to around 2026 CapEx plans?

**Christopher P. Sighinolfi**

*Chief Financial Officer & Senior Vice President, ONE Gas, Inc.*

A

Hey, Gabe. It's Chris. I think you're right given the commentary from Curtis about activities in the territory to think about a upward sloping trajectory of capital expenditure. And there might be a more punctuated step-up next year. Again, full details for that. I'd hold your patience till we come out with that formally in about a month time. But you're thinking about the component items in the way I would if I were you.

**Gabriel Moreen**

*Analyst, Mizuho Securities USA LLC*

Q

Got it...

**Curtis L. Dinan**

*Senior Vice President & Chief Operating Officer, ONE Gas, Inc.*

A

One of the other things to think about is in some of those capital projects, too, depending upon the type of contract that it is, the term of service that a customer wants, they may be actually the ones paying the capital in those situations. So, to de-risk the exposure to us and to all of our other customers in the longer term, that may hold a lid on capital somewhat compared to what you might think it would be, given the activity levels.

**Gabriel Moreen**

*Analyst, Mizuho Securities USA LLC*

Got it. Okay. We'll stay tuned. Thank you.

Q

**Robert Sid McAnnally**

*President, Chief Executive Officer & Director, ONE Gas, Inc.*

Thank you, Gabe.

A

**Operator:** We now turn to Bill Appicelli with UBS. Your line is open. Please go ahead.

**William James Appicelli**

*Analyst, UBS Securities LLC*

Hey. Good morning.

Q

**Robert Sid McAnnally**

*President, Chief Executive Officer & Director, ONE Gas, Inc.*

Good morning, Bill.

A

**William James Appicelli**

*Analyst, UBS Securities LLC*

Just – yeah, great. Just a question on the benefits of the legislation in Texas. I don't know if you can quantify what that's been year-to-date and maybe what that would be on a full-year run rate.

Q

**Christopher P. Sighinolfi**

*Chief Financial Officer & Senior Vice President, ONE Gas, Inc.*

Yeah, Bill, I would point you back to the commentary we had in last quarter's call. Effectively, what we were seeking to do with that is give you some context based on our experience with these safety related 8.209 regulatory structure that's been in place in Texas for a long time. Given that the accounting treatment under that context is now applicable to all capital, we were giving some context about how you could gross that up on a full-year basis. And what we were noting with 8.209 is it was \$4 million to \$5 million of operating income benefit for about 25% of our capital deployment that would now be applicable to 100% of the capital deployment in Texas.

A

One thing just to note is that capital deployment is not a uniform thing. We don't deploy the same amount of capital every day throughout the year. And, obviously, there's a greater impact on projects that close in January than projects that close in December. And so, there's some – I'm a little bit apprehensive to index any particular quarter or anything of that nature. I wouldn't want you to take a look at third quarter, for example, and think that it's emblematic of every quarter. There are fluctuations that will occur. But I think if you anchor back to the commentary we offered on the second quarter call, that's as good a representation as I can offer you.

**William James Appicelli**

*Analyst, UBS Securities LLC*

Okay. And then, I mean, does that influence the capital plan moving forward in terms of whether it's the sequencing of projects or the level of investment because of this mechanism? I mean, just comparing to – I don't know how much of that was contemplated when the original guidance was given this time last year and the target of where you expect to be within the earnings range, I know we're going to get an update on all that here in the

Q

next few weeks. But just any color in terms of how you guys are – is that a meaningful tool in the toolkit now that influences sort of the capital allocation decisions? Or is it more of a – I don't want to make more of it than it is?

**Robert Sid McAnnally**

*President, Chief Executive Officer & Director, ONE Gas, Inc.*

A

Yeah. Bill, it's fair. Your observations about the landscape having changed since we offered guidance for 2025 is accurate. And you'll see that reflected as we share our guidance in just a few weeks.

In terms of the impact of the Texas legislation on our forward planning, we allocate our system integrity investments based on system needs. There's no attempt to leverage anything external. It's really looking at what the system needs and where we need to invest to keep operating a system that's safe and reliable.

On the growth side, as Curtis said, we've been pretty disciplined around how we analyze projects that come our way. And we're thinking about not only can we find an opportunity to be supportive of economic development across our footprint, but where does this fit our forward plans for our system on the whole? So, there's enormous growth in Texas, but we also see growth in Oklahoma as the Dallas area continues to grow north. There are many opportunities for us.

I guess the safest thing for me to say to you is we're grateful for the Texas legislation, but it will not warp our spending in terms of system integrity or growth. We're going to pursue opportunities using the same strategy that we have before. We just have more opportunities and at a greater scale.

**William James Appicelli**

*Analyst, UBS Securities LLC*

Q

Right. Appreciate the color. Thank you.

**Robert Sid McAnnally**

*President, Chief Executive Officer & Director, ONE Gas, Inc.*

A

Yeah, thank you.

**Operator:** We now turn to Selman Akyol with Stifel. Your line is open. Please go ahead.

**Selman Akyol**

*Analyst, Stifel, Nicolaus & Co., Inc.*

Q

Thank you. Good morning, all. Appreciate the comments and the results you're getting on the line locating and bringing that in-house. And I heard you loud and clear in terms of the Watch and Protect program being somewhat less. But just curious, are there other opportunities you see beyond those two as we think longer term?

**Curtis L. Dinan**

*Senior Vice President & Chief Operating Officer, ONE Gas, Inc.*

A

Yeah. Hey, Selman. This is Curtis. Good morning. And you're absolutely right. There are other things that we're looking at in addition to the Watch and Protect. We still have more to go in what we want to get to from a line locating process. So, I think that opportunity will continue for a few more years in addition to Watch and Protect.

There's other areas that we have been using more internal crews to complete around some of our construction projects. So, we've been growing our capabilities in that regard, both from an engineering standpoint as well as

our execution in the field. So, we've relied on those internal resources more, and we've added to those crews to be able to respond to it.

So, just like our thought processes around the line locating and the Watch and Protect, we'll continue to look for those types of opportunities where it makes sense for us and where we can get more value out of bringing those in-house and again, at the same time, grow our capabilities as a company. So, it's a really good spot to be in, continuing to invest and grow in that regard. And we've proven we can do it, and we're seeing the benefits of having taken those actions.

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**Selman Akyol**

*Analyst, Stifel, Nicolaus & Co., Inc.*

Q

Got it. Thank you for that. And I guess this next one really sort of a two-parter in and around large load and data center. But curious, do you see – are your conversations like 2026, 2027 or do they extend all the way through 2030 when people would be looking to get in service?

And then, I guess, and I'm really thinking about sort of your growth profile and does this opportunity set bend that higher. And then the other question related to that is, is everything you're discussing being done under the regulatory framework or would there be any chance to get higher returns outside of that?

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**Curtis L. Dinan**

*Senior Vice President & Chief Operating Officer, ONE Gas, Inc.*

A

Yeah. So, a couple of parts to your question there. Let me talk about the term of some of these. Some of the larger projects would end up being multi-trains of what I would think of in terms of the number of generation – generators that they will deploy over time. So, those will extend out over a number of years and will scale into larger opportunities. That's also true in some of the advanced manufacturing facilities that we're talking to. There's an initial project load, but they have plans to continue to scale that over the next four or five years. So, that does build in a growth profile from that respect.

And then there are other smaller projects like the one that I mentioned in my prepared remarks. We announced it earlier this year. That project will be in service here in the fourth quarter. So, obviously, a much shorter timeframe from execution of the contracts to completion. And I think that speaks to our approach of pursuing those projects that are in and around our system. That wasn't a significant build to be able to serve that customer, to deliver them gas off of our system, and then as they produce RNG, to be able to take that gas back into our system where they're able to recognize the value of those RNG credits that they can generate. So that's – I know that answer sounds a little broad, but it truly is all over the board, both in terms of the size and the timing of when those projects will continue to be developed.

In terms of our regulated model or trying to create something outside the regulated model, we are not looking at something outside the regulated model. I think this is a really good opportunity to continue to serve our existing customers. When we do things like the Austin system reinforcement project, that was a project to reinforce our system as the name implies in the Austin area. But it also – because we're bringing additional supply into that community, it gives us the chance to support additional growth.

There will be other projects that do that same thing that help reinforce the supply we have coming into our existing communities and trying to pair those with growth opportunities, be it generation, be it data centers or whatever those needs are. We just think we can be much more efficient when we compare several different opportunities together and solve several customers' problems that will create more value for those customers and will continue to grow our company. And the net benefit of that is to our existing customers where they're going to have more

reliable supply, just like we described in the Austin project. So, a lot of good things happening there, and we see a real advantage of being able to do that within our regulated model.

Selman Akyol

*Analyst, Stifel, Nicolaus & Co., Inc.*

Got it. Appreciate all the detail. Thank you.

Robert Sid McAnnally

*President, Chief Executive Officer & Director, ONE Gas, Inc.*

Thank you, Selman.

**Operator:** That concludes the question-and-answer session. I would now like to hand back to the ONE Gas team for closing remarks.

Erin Bender Dailey

*Director-Investor Relations & Sustainability, ONE Gas, Inc.*

Thank you, all, again for your interest in ONE Gas. We look forward to seeing many of you at conferences in New York the second week of December. Our quiet period for the fourth quarter will start when we close our books in early January and extend until we release earnings in mid to late February. We'll provide conference call details at a later date. Have a wonderful day.

**Operator:** This concludes the ONE Gas third quarter earnings conference call. You may now disconnect.

#### Disclaimer

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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; regulatory or legislative changes in the jurisdictions in which we operate; the length and severity of unpredictable events, including, but not limited to, pandemics, 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 November 3, 2025, which is included as an exhibit in 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 (SEC) 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](http://www.sec.gov). Other unpredictable or unknown factors not discussed in this transcript could also have material adverse effects on the Company, its operations or the outcomes described in the forward-looking statements in this transcript or in the Company’s filings with the SEC.

All future dividend decisions discussed in this transcript are subject to the approval of the ONE Gas board of directors.

We have disclosed forward-looking and expressly disclaim any duty to update any statement made in this transcript, whether as a result of new information, new developments or otherwise, except to the extent that disclosure may be required by law.