ONE Gas, Inc.
Form 10-K
February 25, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013.
OR
__ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________ to __________.
Commission file number 001-36108
ONE Gas, Inc.
(Exact name of registrant as specified in its charter)

Oklahoma	46-3561936
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
100 West Fifth Street, Tulsa, OK	74103
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (918) 588-7000
Securities registered pursuant to Section 12(b) of the Act:

Common stock, par value of $0.01	New York Stock Exchange
(Title of each class)	(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes X No__

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes __ No X

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes _ No X*

* The registrant became subject to such requirement on January 10, 2014, and it has filed all reports so required since that date.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every
Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes X No _

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Registration S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one) Large accelerated filer X Accelerated filer __ Non-accelerated filer __ Smaller reporting company __

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes__ No X
The aggregate market value of the equity securities held by non-affiliates of the registrant on February 3, 2014, based upon the closing price of $33.63 of the registrant's common stock as reported on the New York Stock Exchange was approximately $1.7 billion. The registrant has elected to use February 3, 2014 as the calculation date, which was the initial regular-way trading date of the registrant's common stock on the New York Stock Exchange, since on June 30, 2013 (the last business day of the registrant's second fiscal quarter), the registrant had not yet been incorporated.

On February 21, 2014, the Company had 51,941,236 shares of common stock outstanding.
DOCUMENTS INCORPORATED BY REFERENCE: None.

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ONE Gas, Inc.
2013 ANNUAL REPORT

As used in this Annual Report, references to "we," "our," "us" or the "company" refer to ONE Gas, Inc., an Oklahoma corporation, and its predecessors and subsidiary, unless the context indicates otherwise.

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GLOSSARY

The abbreviations, acronyms and industry terminology used in this Annual Report are defined as follows:

ACA	Annual Cost Adjustment
AFUDC	Allowance for funds used during construction
Annual Report	Annual Report on Form 10-K for the year ended December 31, 2013
ATSR	Ad Valorem Tax Surcharge Rider
Bcf	Billion cubic feet
Bcf/d	Billion cubic feet per day
CERCLA	Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended
CFTC	Commodities Futures Trading Commission
Clean Air Act	Federal Clean Air Act, as amended
Clean Water Act	Federal Water Pollution Control Amendments of 1972, as amended
Code	Internal Revenue Code of 1986, as amended
COG	Cost of gas
COGR	Cost of gas rider
COSA	Cost-of-Service Adjustment
DOT	United States Department of Transportation
Dth	Dekatherm
ECP	ONEOK, Inc. Equity Compensation Plan
EIA	Energy Information Administration
EPA	United States Environmental Protection Agency
EPS	Diluted Earnings per share
Exchange Act	Securities Exchange Act of 1934, as amended
FERC	Federal Energy Regulatory Commission
GAAP	Accounting principles generally accepted in the United States of America
GRIP	Texas Gas Reliability Infrastructure Program
GSRS	Gas System Reliability Surcharge
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IMP	Integrity Management Program
IRS	U.S. Internal Revenue Service
IRS Ruling	Private Letter Ruling from IRS
KCC	Kansas Corporation Commission
LDCs	Local distribution companies
LIBOR	London Interbank Offered Rate
LTI Plan	ONEOK, Inc. Long-Term Incentive Plan
MMcf	Million cubic feet
Natural Gas Act	Natural Gas Act of 1938, as amended
NYSE	New York Stock Exchange
OCC	Oklahoma Corporation Commission
ONE Gas	ONE Gas, Inc.
ONE Gas Credit Agreement	ONE Gas' $700 million revolving credit agreement dated December 20, 2013 and effective January 31, 2014
ONE Gas Predecessor	ONE Gas, Inc.'s predecessor for accounting purposes that consists of the business

	attributable to ONEOK's natural gas distribution segment that was transferred to ONE Gas, Inc. in connection with its separation from ONEOK
ONEOK	ONEOK, Inc. and its subsidiaries
ONEOK Partners	ONEOK Partners, L.P. and its subsidiaries
OPEB	Other post-employment benefits
OSHA	Occupational Safety and Health Administration
PBRC	Performance-Based Rate Change

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PHMSA	United States Department of Transportation Pipeline and Hazardous Materials Safety Administration
Pipeline Safety Improvement Act	Pipeline Safety Improvement Act of 2002, as amended
Pipeline Safety, Regulatory Certainty and Job Creation Act	Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011, as amended
RICE NESHAP	National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines
ROE	Return on equity calculated consistent with utility ratemaking in each jurisdiction
ROIC	Return on invested capital
RRC	Railroad Commission of Texas
SEC	Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Separation and Distribution Agreement	Separation and Distribution Agreement dated January 14, 2014, between ONEOK and ONE Gas
SERP	Supplemental Executive Retirement Plan
Tax Matters Agreement	Tax Matters Agreement dated January 14, 2014, between ONEOK and ONE Gas
Transition Services Agreement	Transition Services Agreement dated January 14, 2014, between ONEOK and ONE Gas
TSR	Total shareholder return
Quarterly Report(s)	Quarterly Report(s) on Form 10-Q
WNA	Weather-normalization adjustments
XBRL	eXtensible Business Reporting Language

The statements in this Annual Report that are not historical information, including statements concerning plans and objectives of management for future operations, economic performance or related assumptions, are forward-looking statements. Forward-looking statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “pla “believe,” “should,” “goal,” “forecast,” “guidance,” “could,” “may,” “continue,” “might,” “potential,” “scheduled” and other w of similar meaning. Although we believe that our expectations regarding future events are based on reasonable assumptions, we can give no assurance that such expectations and assumptions will be achieved. Important factors that could cause actual results to differ materially from those in the forward-looking statements are described under Part I, Item 1A, “Risk Factors,” and Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operation and “Forward-Looking Statements,” in this Annual Report.

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PART I

ITEM 1.   BUSINESS

SEPARATION FROM ONEOK, INC.

On January 8, 2014, ONEOK's board of directors approved the distribution of all the shares of our common stock to holders of ONEOK common stock.

In order to allow ONEOK to effect the distribution, we requested, and the SEC declared effective, our Registration Statement on Form 10 on January 10, 2014. ONEOK transferred all of the assets and liabilities primarily related to its natural gas distribution business to us. Assets and liabilities included accounts receivable and payable, natural gas in storage, regulatory assets and liabilities, pipeline and other natural gas distribution facilities, customer deposits, employee-related assets and liabilities, including amounts attributable to pension and other postretirement benefits, tax-related assets and liabilities and other assets and liabilities primarily associated with ONEOK providing natural gas distribution service in Oklahoma, Kansas and Texas. Cash and certain corporate assets, such as office space in the corporate headquarters and certain IT hardware and software, were not transferred to us; however, the Transition Services Agreement between ONEOK and us provides access to such corporate assets as necessary to operate our business for a period of time to enable us to obtain the applicable corporate assets on our own.

Immediately prior to the contribution of the natural gas distribution business to us, ONEOK contributed to the capital of the natural gas distribution business all of the amounts outstanding on the natural gas distribution business's short-term note payable to and long-term line of credit with ONEOK. We received approximately $1.19 billion of cash from a private placement of senior notes, then used a portion of those proceeds to fund a cash payment of approximately $1.13 billion to ONEOK. On January 31, 2014, ONEOK distributed one share of our common stock for every four shares of ONEOK common stock held by ONEOK shareholders of record as of the close of business on January 21, 2014, the record date of the distribution. At the close of business on January 31, 2014, ONE Gas, Inc. became an independent, publicly traded company as a result of the Distribution. Our common stock began trading "regular-way" under the ticker symbol "OGS" on the NYSE on February 3, 2014.

OUR BUSINESS

As of December 31, 2013, we were a wholly owned subsidiary of ONEOK. Following the separation, we became an independent, publicly traded, 100 percent regulated natural gas distribution utility. ONEOK has not retained any ownership interest in our company.

We are one of the largest natural gas utilities in the United States. We are comprised of ONEOK's former natural gas distribution business and we are the successor to the company founded in 1906 as Oklahoma Natural Gas Company. Our company was incorporated under the laws of the state of Oklahoma on August 30, 2013. We are the largest natural gas distributor in Oklahoma and Kansas and the third largest natural gas distributor in Texas, providing service as a regulated public utility to wholesale and retail customers. We serve residential, commercial, industrial, transportation and wholesale and public authority customers in all three states. Our largest natural gas distribution markets in terms of customers are Oklahoma City and Tulsa, Oklahoma; Kansas City, Wichita and Topeka, Kansas; and Austin and El Paso, Texas. Our three divisions, Oklahoma Natural Gas, Kansas Gas Service and Texas Gas Service, distribute natural gas as public utilities to approximately 87 percent, 69 percent and 14 percent of the natural gas distribution customers in Oklahoma, Kansas and Texas, respectively.

We describe in this Annual Report the business transferred to us by ONEOK in connection with the separation as if it were our business for all historical periods described. However, we are a newly formed entity that did not independently conduct any operations before the separation. References in this document to our historical assets, liabilities, business or activities refer to the historical assets, liabilities, business or activities of the transferred business as conducted by ONEOK before the separation. The financial statements for ONE Gas Predecessor in this Annual Report have been derived from the natural gas distribution business contained within ONEOK's historical financial records as if we had been a separate company for all periods presented. The assets and liabilities in the financial statements are reflected on a historical basis, immediately prior to the separation. The financial statements also include expense allocations for certain corporate functions historically performed by ONEOK, including allocations of general corporate expenses related to executive oversight, accounting, treasury, tax, legal and information technology, among others. We believe our assumptions underlying the financial statements, including the assumptions regarding the allocation of general corporate expense from ONEOK, are reasonable. However, the financial statements may not include all of the actual expenses that would have been incurred and may not reflect our results of operations, financial position and cash flows had we been a standalone company during the periods presented.

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OUR STRATEGY

Our primary business objective is to grow our business responsibly, while delivering quality customer service, enabling us to deliver an attractive total return to our shareholders over time and to maintain our financial stability. We intend to accomplish this objective by executing on the strategies listed below:

- Focus on Safety of Employees, Contractors, the Public and the Environment - We are committed to pursuing a zero-incident safety culture with a focus on mitigating risk and eliminating incidents that may harm our employees, contractors, the public or the environment. Comparing 2009 with 2013, we have experienced steady improvement across a number of key safety metrics, including a 53 percent reduction in our recordable incident rate and a 37 percent reduction in our preventable vehicle incident rate. In addition, the majority of our capital spending is focused on the safety, reliability and efficiency of our system.

- Increase Our Achieved ROE - We continually seek to improve our regulatory ROE through improved operational performance and regulatory mechanisms. For 2013, our achieved ROE was 8.0 percent across all of our service territories. Our achieved ROE includes a noncash charge to income of approximately $10.2 million before taxes, associated with the write-off of the remaining balance of certain costs associated with ONEOK's acquisition of Kansas Gas Service in 1997 that were recorded previously as a regulatory asset. The write-off was a part of the KCC settlement for the separation of our Kansas Gas Service assets from ONEOK. The weighted-average regulatory ROE that we were allowed to earn during that same period was 9.9 percent. The difference between our achieved and allowed ROE is related primarily to regulatory lag. We make investments that increase our rate base and we incur increases in our costs that are above the amounts reflected in the rates we charge for our service. Additionally, we are not allowed recovery of certain costs we incur. The rates we charge are set in regulatory proceedings generally referred to as rate cases. The delay between the time such investments are made or increases in costs are incurred and the time that our rates are adjusted to reflect these investments and costs is referred to as regulatory lag. We have several mechanisms in place that reduce regulatory lag by allowing for adjustments to our rates between rate cases. In Oklahoma, we are under a performance-based rates mechanism, which provides for streamlined annual rate reviews between rate cases to ensure our achieved ROE remains within the established band of 10 percent to 11 percent. In Kansas, we are allowed to recover a return on qualifying capital investments between rates cases under the GSRS. In Texas, each of our jurisdictions allows us, on an annual basis, to (1) request cost-of-service adjustments to recover and earn a return on investments in rate base and certain changes in operating expenses or (2) recover a return on and return of capital investments between rates cases under the GRIP. Texas Gas Service is also allowed to accrue a rate of return, taxes and depreciation expense on safety-related natural gas distribution plant replacements from the time the replacements are in service until the plant is reflected in base rates.

In addition, we have several initiatives underway to improve our operational performance. These initiatives include implementing technology that is expected to result in increased productivity and lower operating expenses and restructuring our contractual agreements with third party contractors to reduce construction costs and operating expenses.

- Focus on Our Credit Metrics and Our Balanced Approach to Capital Management - We believe that maintaining an investment-grade credit rating is prudent for our business as we seek to access the capital markets to finance capital investments. We intend to maintain strong credit metrics while we pursue a balanced approach to capital investment and a return of capital to shareholders via a dividend that we believe will be competitive with our peer group.

- Advocate Constructive Relationships with Key Stakeholders - We plan to continue our constructive relationships with all our key stakeholders, including our employees, customers, investors and regulators. Our strategy includes seeking outcomes in future rate cases that provide a fair return on our infrastructure investments, while also meeting the needs of our customers through efficient and reliable service. In addition, we will continue our efforts to deliver on our strong record of safety and environmental compliance. We also seek to promote a diverse and inclusive workforce and to reward employees through a market-based compensation system.

- Identify and Pursue Growth Opportunities - Our growth opportunities are primarily driven by capital investments related to safety and reliability enhancements to our existing system and the economic and population growth in our service territories. As a result of our commitment to enhance the integrity, reliability and safety of our existing infrastructure, we are making significant investments in our existing system, which leads to further growth of our rate base. In addition, as our service territories continue to experience economic growth, we expect to grow our rate base through capital investments in new service lines and main line extensions that we believe will allow us to meet the

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energy needs of new customers. As a result of overall trends in the natural gas and energy industries, we believe that the competitiveness of natural gas is increasing relative to other energy alternatives, which is creating new market opportunities for natural gas as an energy source within our existing service territories. Finally, we will evaluate strategic acquisition opportunities based on our disciplined financial and operating approach, while weighing these alternatives against future investment opportunities with respect to our existing rate base.

REGULATORY OVERVIEW

We are subject to the regulations and oversight of the state and local regulatory agencies of the territories in which we operate. Rates and charges for natural gas distribution services are established by the OCC for Oklahoma Natural Gas and by the KCC for Kansas Gas Service. Texas Gas Service is subject to regulatory oversight by the various municipalities that it serves, which have primary jurisdiction in their respective areas. Rates in unincorporated areas of Texas and all appellate matters are subject to regulatory oversight by the RRC. These regulatory authorities have the responsibility of ensuring that the utilities in their jurisdictions provide safe and reliable service at a reasonable cost, while providing utility companies the opportunity to earn a fair and reasonable return on their investments.

Generally, a utility’s rates and charges are established in rate case proceedings. Regulatory authorities may also approve mechanisms that allow for adjustments for specific costs or investments made between rate cases. Due to the nature of the regulatory process, there is an inherent lag between the time that a utility makes investments or incurs additional costs and the setting of new rates to recover those investments or costs.

Oklahoma Natural Gas currently operates under a PBRC mechanism, which provides for streamlined annual rate reviews between rate cases and includes adjustments for incremental capital investment and certain expenses. Under this mechanism, we have a targeted ROE of between 10 percent and 11 percent. If our achieved ROE is below 10 percent, our base rates in Oklahoma are increased upon OCC approval to an amount necessary to restore the ROE to 10.5 percent. If our achieved ROE exceeds 11 percent, the portion of the earnings above 11 percent is shared with our customers, with our customers receiving the benefit of 75 percent of the earnings above 11 percent and our company receiving the benefit of the remaining 25 percent. Other regulatory mechanisms in Oklahoma include the following:

- Purchase Gas Adjustment Clause - Oklahoma Natural Gas’ commodity costs are passed through to its customers without markup via the PGA. Any costs that result from natural gas that is used in operations and the fuel-related portion of bad debts are also recovered through the PGA.
- Temperature Adjustment Clause - TAC is designed to reduce customers’ bills for the additional volumes used when the actual heating degree days exceed the normalized heating degree days and to increase the customers’ bills for volumes not used when actual heating degrees days are less than the normal heating degree days. The TAC is in effect for the months of November through April.
- Energy Efficiency Programs - Oklahoma Natural Gas has an Energy Efficiency Program, available to all of its gas sales customers. The costs associated with these programs and an incentive to offer these programs are recovered through a monthly surcharge on customer bills. Oklahoma Natural Gas collects approximately $10 million each year from natural gas sales customers to fund the program, which provides education, heating system check-ups, and appliance rebates to promote energy efficiency.
- Rate Design for Residential Customers - Oklahoma Natural Gas is authorized to utilize a rate structure with two different rate choices. Rate Choice “A” is designed for customers whose annual normalized volume is less than 50 Dth. The tariff for these customers contains both a fixed monthly service charge and a per Dth delivery fee. Although a portion of the net margin for customers in Rate Choice “A” is dependent on usage, these customers use relatively small quantities of natural gas and therefore the net margin that is dependent on usage is not significant. The fixed monthly residential customer charge for Oklahoma Natural Gas is $13.21 for Rate Choice “A” customers. Rate Choice “B” is designed for customers whose annual normalized volume is 50 Dth or greater. The tariff for these customers contains only a fixed monthly service charge of $28.76. For the year ended December 31, 2013, approximately 83 percent of Oklahoma Natural Gas’ net margin from its sales customers was recovered from fixed charges. At December 31, 2013,

68 percent of Oklahoma Natural Gas’ residential customers are on Rate Choice “B.”

- Rate Design for Commercial and Industrial Customers - Oklahoma Natural Gas is authorized to utilize a rate structure with two different rate choices for its Small Commercial and Industrial, or SCI, customers. Rate Choice “A” is designed for SCI customers whose annual normalized volume is less than 40 Dth. The tariff for these customers contains both a fixed monthly service charge and a delivery fee. Rate Choice “B” is designed for SCI customers whose annual normalized volume is 40 Dth or greater but less than 150 Dth. The tariff for these customers contains only a fixed monthly service charge. All of Oklahoma Natural Gas’ Large Commercial and Industrial, or LCI, customers are on a fixed monthly service charge. At December 31, 2013, 72 percent of Oklahoma Natural Gas’ commercial and industrial customers are on either SCI Rate Choice “B” or LCI.

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- Compressed Natural Gas Rebate Program - The CNG Rebate Program is designed to promote and support the CNG market in the state of Oklahoma by offering rebates to Oklahoma residents who purchase dedicated and bi-fueled natural gas vehicles or install residential CNG fueling stations. The rebates are funded by a $0.25 per gasoline gallon equivalent surcharge that Oklahoma Natural Gas is authorized to collect on fuel purchased from a CNG dispenser owned by Oklahoma Natural Gas. In 2013, Oklahoma Natural Gas collected approximately $0.6 million under this program.

Kansas Gas Service operates under a traditional regulatory framework, whereby periodic rate cases are filed with the KCC as needed to increase base rates in order for Kansas Gas Service to be permitted an opportunity to earn its authorized ROE. Other regulatory mechanisms in Kansas include the following:

- Cost of Gas Rider and Annual Cost Adjustment - The COGR and ACA allow Kansas Gas Service to recover the actual cost of the natural gas it sells to its customers. The COGR includes a monthly estimate of the cost Kansas Gas Service incurs in transporting, storing and purchasing natural gas supply for its sales customers, the ACA and other charges and credits. The ACA is an annual component of the COGR that compares the cost of gas recovered through the COGR for the preceding year with the actual natural gas supply costs and the fuel-related portion of bad debts for the same period. Any over or under recovery is reflected in the subsequent year’s COGR.
- Weather Normalization Adjustment - The WNA mechanism allows Kansas Gas Service to accrue the variation in net margin due to abnormal weather occurring from November through March. WNA is designed to reduce customers’ bills for the additional volumes used when the actual heating degree days exceed the normalized heating degree days and to increase the customers’ bills for the reduction in volumes used when actual heating degrees days are less than the normal heating degree days. Once a year, the amount of the adjustment is determined and is then applied to customers’ bills over the subsequent 12-month period.
- Ad Valorem Tax Surcharge Rider - The ATSR allows Kansas Gas Service to recover the difference each year between the property tax costs built into its rates and its actual property tax costs without having to file a rate case. The amount of the adjustment is determined annually and recovered over the subsequent 12 months as a change in the delivery-charge component.
- Pension and Other Postretirement Benefits Trackers - The Pension and OPEB Trackers allow Kansas Gas Service to track and defer for recovery in its next rate case the difference between the pension and OPEB costs included in base rates and actual expense as determined in accordance with GAAP.
- Gas System Reliability Surcharge - The GSRS surcharge allows Kansas Gas Service the ability to begin recovering a return of capital costs for qualifying infrastructure investments (i.e., pipeline safety projects and relocation projects) incurred each year between rate case filings. After five annual filings, Kansas Gas Service is required to file a rate case or cease collection of the surcharge.

The fixed monthly residential customer charge for Kansas Gas Service is $15.35. For the year ended December 31, 2013, approximately 51 percent of Kansas Gas Service’s net margin from its sales customers was recovered from fixed charges. Kansas experiences the highest heating degree days of all of the ONE Gas service territories, which brings a level of stability to net margin even though a significant portion is based on usage.

Texas Gas Service has grouped its customers into 10 service areas, each of which includes between 2 and 34 cities or jurisdictions. Periodic rate cases are filed with the cities, or the RRC, as needed, in order for Texas Gas Service to have an opportunity to earn its authorized ROE. Other regulatory mechanisms and constructs in Texas include the following:

- GRIP statute - In four service areas, comprising 81 percent of Texas Gas Service’s customers, Texas Gas Service makes an annual filing under the GRIP statute, which allows it to recover return, taxes and depreciation on the annual net investment increase. After five annual GRIP filings, Texas Gas Service is required to file a full rate case. A full rate case may be filed at shorter intervals if desired by either Texas Gas Service or the regulator.
- Cost-of-Service Adjustment filings - In six service areas, comprising 19 percent of its customers, Texas Gas Service makes an annual COSA filing. COSA tariffs permit Texas Gas Service to recover return, taxes and depreciation on the

annual increases in net investment, as well as annual increases or decreases in certain expenses and revenues. One COSA has no cap on the amount of the increase. Four of the COSAs have no cap on increases related to investment; but, have caps ranging from 3.5 percent to 5 percent or the change in the Consumer Price Index for expense increases. One COSA caps all increases at the increase in the Consumer Price Index. A full rate case may be filed when desired b