

1301 South Mopac; Suite 400 Austin, TX 78746-6918 800-700-2443 • texasgasservice.com

February 2, 2024

The City Secretaries/Clerks of the following Texas cities:

Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas

Dear City Secretary/Clerk:

Enclosed you will find a copy of Texas Gas Service Company's Rate Schedules 10, 20, 30, 40, 48, 70, 1-INC, CAC, 1C, C-1, CNG-1, EDIT-Rider, PIT, PIT-Rider, WNA, T-1, T-TERMS, and the **Rules of Service** on file with the Railroad Commission of Texas. These rate schedules were amended to include the City of Mustang Ridge and Hutto as part of the Company's Central-Gulf Service Area ("CGSA"), effective for meters read on and after January 15, 2024.

No action is required on your part; however, these tariffs are being provided to your city to comply with Section 102.151 of the Texas Utilities Code that requires the filing of all rate schedules with the regulatory authority.

If you have any questions, please contact me at via email at erlinda.alvarado@onegas.com.

Sincerely,

Erlinda Alvarado

Erlinda Alvarado Rates Coordinator Rates and Regulatory Affairs

RESIDENTIAL SERVICE RATE

APPLICABILITY

Applicable to a residential customer or builder in a single dwelling, or in a dwelling unit of a multiple dwelling or residential apartment, for domestic purposes. A residential consumer includes an individually-metered residential unit or dwelling that is operated by a public housing agency acting as an administrator of public housing programs under the direction of the U.S. Department of Housing and Urban Development and builders prior to sale or resale of a property for domestic purposes. This rate is only available to full requirements customers of Texas Gas Service Company, a Division of ONE Gas, Inc.

TERRITORY

The incorporated areas of the Central-Gulf Service Area which includes Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of Interim Rate Adjustments (IRA) Total Customer Charge \$16.00 plus \$ 6.85 per month (Footnote 1) \$22.85 per month

\$0.32626 per Ccf

All Ccf per monthly billing period @

OTHER ADJUSTMENTS

<u>Cost of Gas Component</u>: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

<u>Conservation Adjustment</u>: The billing shall reflect adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC and Rate Schedule 1C, if applicable.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

<u>Hurricane Harvey Surcharge Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

<u>Pipeline Integrity Testing Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT, if applicable.

<u>Supersedes Rate Schedule Dated</u> <u>May 26, 2022</u> (CGSA Cities except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls, and Pflugerville)

RESIDENTIAL SERVICE RATE (Continued)

<u>Rate Case Expense Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

<u>Weather Normalization Adjustment</u>: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2020 IRA - \$2.37 (Gas Utilities Case No. 00005813); 2021 IRA - \$1.99 (Gas Utilities Case No. 00008748); 2022 IRA - \$2.49 (Gas Utilities Case No. 00012592)

COMMERCIAL SERVICE RATE

APPLICABILITY

Applicable to all commercial customers and to customers not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company, a Division of ONE Gas, Inc.

TERRITORY

The incorporated areas of the Central-Gulf Service Area which includes Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

\$53.33 plus

\$83.92 per month

\$0.12679 per Ccf

\$30.59 per month (Footnote 1)

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of Interim Rate Adjustments (IRA) Total Customer Charge

All Ccf per monthly billing period @

OTHER ADJUSTMENTS

<u>Cost of Gas Component</u>: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

<u>Conservation Adjustment</u>: The billing shall reflect adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC and Rate Schedule 1C, if applicable.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

<u>Hurricane Harvey Surcharge Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

<u>Pipeline Integrity Testing Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT, if applicable.

<u>Rate Case Expense Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE.

<u>Supersedes Rate Schedule Dated</u> <u>May 26, 2022</u> (CGSA Cities except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls, and Pflugerville)

COMMERCIAL SERVICE RATE (Continued)

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

<u>Weather Normalization Adjustment</u>: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2020 IRA - \$10.04 (Gas Utilities Case No. 00005813); 2021 IRA - \$9.07 (Gas Utilities Case No. 00008748); 2022 IRA \$11.48 (Gas Utilities Case No. 00012592)

<u>Supersedes Rate Schedule Dated</u> <u>May 26, 2022</u> (CGSA Cities except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls, and Pflugerville)

INDUSTRIAL SERVICE RATE

APPLICABILITY

Applicable to any qualifying industrial customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government.

Division B - Mining - all Major Groups Division D - Manufacturing - all Major Groups Divisions E and J - Utility and Government - facilities generating power for resale only

TERRITORY

The incorporated areas of the Central-Gulf Service Area which includes Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of Interim Rate Adjustments (IRA) Total Customer Charge \$320.96 plus <u>\$469.24 per month (Footnote 1)</u> \$790.20 per month

\$0.12707 per Ccf

All Ccf per monthly billing period @

OTHER ADJUSTMENTS

<u>Cost of Gas Component</u>: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

Hurricane Harvey Surcharge Rider: The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

<u>Pipeline Integrity Testing Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT, if applicable.

<u>Rate Case Expense Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE.

<u>Supersedes Rate Schedule Dated</u> <u>May 26, 2022</u> (CGSA Cities except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls, and Pflugerville)

INDUSTRIAL SERVICE RATE (Continued)

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2020 IRA - \$164.48 (Gas Utilities Case No. 00005813); 2021 IRA - \$137.93 (Gas Utilities Case No. 00008748); 2022 IRA - \$166.83 (Gas Utilities Case No. 00012592)

<u>Supersedes Rate Schedule Dated</u> <u>May 26, 2022</u> (CGSA Cities except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls, and Pflugerville)

PUBLIC AUTHORITY SERVICE RATE

APPLICABILITY

Applicable to any qualifying public authority, public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts. This rate is only available to full requirements customers of Texas Gas Service Company, a Division of ONE Gas, Inc.

TERRITORY

The incorporated areas of the Central-Gulf Service Area which includes Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of Interim Rate Adjustments (IRA) Total Customer Charge \$81.70 plus <u>\$56.79 per month (Footnote 1)</u> \$138.49 per month

\$0.12549 per Ccf

All Ccf per monthly billing period @

OTHER ADJUSTMENTS

<u>Cost of Gas Component</u>: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

<u>Hurricane Harvey Surcharge Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

<u>Pipeline Integrity Testing Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT, if applicable.

<u>Rate Case Expense Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

<u>Supersedes Rate Schedule Dated</u> <u>May 26, 2022</u> (CGSA Cities except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls, and Pflugerville)

PUBLIC AUTHORITY SERVICE RATE (Continued)

<u>Weather Normalization Adjustment</u>: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2020 IRA - \$19.58 (Gas Utilities Case No. 00005813); 2021 IRA - \$16.47 (Gas Utilities Case No. 00008748); 2022 IRA - \$20.74 (Gas Utilities Case No. 00012592)

<u>Supersedes Rate Schedule Dated</u> <u>May 26, 2022</u> (CGSA Cities except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls, and Pflugerville)

PUBLIC SCHOOLS SPACE HEATING SERVICE RATE

APPLICABILITY

Applicable to public schools for space heating purposes. This rate is only available to full requirements customers of Texas Gas Service Company, a Division of ONE Gas, Inc.

TERRITORY

The incorporated areas of the Central-Gulf Service Area which includes, Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

\$134.70 plus

\$191.49 per month

\$0.10012 per Ccf

\$ 56.79 per month (Footnote 1)

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of Interim Rate Adjustments (IRA) Total Customer Charge

All Ccf per monthly billing period @

OTHER ADJUSTMENTS

<u>Cost of Gas Component</u>: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

<u>Hurricane Harvey Surcharge Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

<u>Pipeline Integrity Testing Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT, if applicable.

<u>Rate Case Expense Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE.

Taxes: Plus applicable taxes and fees (including franchise fees) related to the above.

<u>Supersedes Rate Schedule Dated</u> <u>May 26, 2022</u> (CGSA Cities except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls, and Pflugerville)

PUBLIC SCHOOLS SPACE HEATING SERVICE RATE (Continued)

<u>Weather Normalization Adjustment</u>: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2020 IRA - \$19.58 (Gas Utilities Case No. 00005813); 2021 IRA - \$16.47 (Gas Utilities Case No. 00008748); 2022 IRA - \$20.74 (Gas Utilities Case No. 00012592)

UNMETERED GAS LIGHT SERVICE RATE

APPLICABILITY

Applicable to any Customer on Texas Gas Service Company, a Division of ONE Gas, Inc.'s system requiring natural gas service for gas lighting only, without the use of metering device. Gas service is only available to Customers utilizing standard gas lighting equipment manufactured with an orifice burner assembly or equivalent that is intended for lighting of sidewalks and other walkways. The Company, in its sole discretion, shall determine if Customer's lighting equipment qualifies for this tariff and shall contract with Customer for the appropriate monthly charge based upon Customer's complete installation of gas lighting equipment. Gas service under this rate schedule is available only with the Company as the sole supplier of gas for Customer and is not available for resale to others or for standby or supplemental service. This rate is only available to full requirements customers of Texas Gas Service Company, a Division of ONE Gas, Inc.

TERRITORY

The incorporated areas of the Central-Gulf Service Area which includes Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

COST OF SERVICE RATE

The total hourly rated consumption of all gas lighting equipment included, expressed in Ccf at the location, shall be multiplied by 730 for gas lighting equipment that runs continuously or 365 for gas lighting equipment with a light sensor, to determine the average monthly consumption of the service. The result, rounded to the next highest Ccf, shall then be billed the rates provided in this rate schedule:

Residential	\$ 0.32626 per Ccf
Commercial	\$ 0.12679 per Ccf
Industrial	\$ 0.12707 per Ccf
Public Authority	\$ 0.12549 per Ccf

OTHER ADJUSTMENTS

<u>Cost of Gas Component</u>: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

Initial Rate Schedule

Meters Read On and After <u>August 4, 2020</u> (CGSA Cities except Buda, Marble Falls, Mustang Ridge, and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls, and Pflugerville) <u>January 15, 2024</u> (City of Mustang Ridge)

UNMETERED GAS LIGHT SERVICE RATE (Continued)

CONDITIONS

The Customer shall ensure that the installation of lighting equipment conforms to industry safety standards. The Company reserves the right to review Customer's installation of lighting equipment from time to time to determine if it conforms to terms and conditions as set forth in this tariff and the executed service agreement with the Customer. Customer shall notify Company in writing within 30 days of any change in number of gas lights or other material changes made to the gas lighting installation.

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Initial Rate Schedule

Meters Read On and After August 4, 2020 (CGSA Cities except Buda, Marble Falls, Mustang Ridge, and Pflugerville) September 15, 2022 (Cities of Buda, Marble Falls, and Pflugerville) January 15, 2024 (City of Mustang Ridge)

RATE SCHEDULE 1C

CONSERVATION ADJUSTMENT CLAUSE RATE

A. <u>APPLICABILITY</u>

The Conservation Adjustment Clause ("CAC") rate, calculated pursuant to Rate Schedule CAC, shall apply to the following rate schedules listed below for all incorporated areas served by the Company in Austin, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nixon, Pflugerville, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

B. <u>CURRENT CAC RATE</u>

Rate Schedule	Customer Class	*Monthly Conservation Rate
10	Residential Service	\$ 0.74 fixed customer charge
20	Commercial Service	\$ 0.00520 per Ccf
T-1	Commercial Transportation Service	\$ 0.00520 per Ccf

*The Conservation Rate will change every three years pursuant to Rate Schedule CAC.

Supersedes Rate Schedule Dated December 31, 2018 (CGSA eff. August 4, 2020) <u>Meters Read On and After</u> <u>December 29, 2021</u> (CGSA except Buda, Marble Falls, Mustang Ridge and Pflugerville) <u>September 15, 2022</u> (Buda, Marble Falls and Pflugerville) January 15, 2024 (City of Mustang Ridge)

Rate Schedule CAC

CONSERVATION ADJUSTMENT CLAUSE

DESCRIPTION

The Conservation Adjustment Clause recovers the costs associated with the Conservation and Energy Efficiency Program offered by Texas Gas Service Company, a Division of ONE Gas, Inc., ("Company"), which offers assistance to residential and commercial customers to encourage efficient use of energy, reduce net energy consumption and lower energy utility bills.

APPLICABILITY

This rate schedule is applicable to the residential and commercial rate schedules of Texas Gas Service Company, a Division of ONE Gas, Inc., that apply to the incorporated areas of Austin, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nixon, Pflugerville, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas. This tariff will be effective beginning with the first billing cycle of 2022.

DEFINED TERMS

The following definitions are for use specifically in this rider:

- 1. <u>CAC Charge:</u> The charge on customers' monthly utility bills, the proceeds from which are used to fund the Conservation and Energy Efficiency Program;
- <u>Regulatory Body</u>: The cities of Austin, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nixon, Pflugerville, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas, including any department or office within a city with delegated authority to review and approve the Conservation and Energy Efficiency budget and CAC Charge adjustment;
- 3. <u>Residential Customers:</u> All incorporated residential gas sales customers within the cities of Austin, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nixon, Pflugerville, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas; and
- 4. <u>Commercial Customers:</u> All incorporated commercial gas sales and transportation customers within the cities of Austin, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nixon, Pflugerville, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

TERMS AND CONDITIONS

1. The CAC Charge outlined in this tariff shall be updated every three years in conjunction with the filing of the CAC budget.

<u>Supersedes Rate Schedule Dated</u> November 30, 2018 (CGSA eff. August 4, 2020) Meters Read On and After December 29, 2021 (CGSA except Buda, Marble Falls and Pflugerville) September 15, 2022 (Cities of Buda, Marble Falls and Pflugerville) January 15, 2024 (City of Mustang Ridge)

Texas Gas Service Company, a Division of ONE Gas, Inc. Central-Gulf Service Area (Select cities) (formerly Central Texas Service Area)

Rate Schedule CAC

CONSERVATION ADJUSTMENT CLAUSE (continued)

- 2. The programs offered under the Conservation Adjustment Clause (CAC) may include, but are not limited to, residential, new construction and commercial customer rebates and a low-income free appliance replacement program.
- 3. A minimum of seventy percent (70 percent) of total annual program costs shall be for direct programs including, but not limited to, direct installation programs, weatherization, low-income free equipment, and rebates on high-efficiency natural gas appliances.
- 4. The remaining program costs shall be spent on common education and administrative costs. Administrative costs shall not exceed fifteen percent (15 percent) of total CAC program costs.
- 5. Common education and administrative costs will be allocated to each rate class based upon the proportion of direct costs.
- 6. Actual expenditures on direct programs may vary from the budgeted amounts among approved programs of the same customer class.
- 7. The overall portfolio of direct program offerings shall be designed to conserve energy and contain a comprehensive array of programs that allows for participation from a wide variety of customer types. The overall budget shall be cost-effective based on the evaluation of a third-party consultant using industry standard methodologies, such as those prescribed by the California Standard Practice Manual.
- 8. Texas Gas Service will provide the City of Austin Resource Management Commission ("Commission") or successor board or commission the proposed program selection and budget no later than 45 days prior to a budget filing. The Commission will review the program selection and budget, provide input and make a recommendation to the City of Austin. Public comment and/or input shall be heard by the Commission during these meetings.
- 9. A proposed budget shall be deemed approved if all terms and conditions are met.

ADJUSTMENT OF CAC CHARGE

The CAC Charge for a given three-year period will be separately calculated for each individual customer class according to the following and shall be included on the customer's monthly utility bill. The initial charge, to begin with the first billing cycle of 2022, will be implemented in conjunction with the budget for the years 2022-2024.

Residential	Commercial
CAC Fixed Charge = $\frac{BCD + BA}{NB}$	CAC Volumetric Charge = $\frac{BCD + BA}{NV}$

Supersedes Rate Schedule Dated November 30, 2018 (CGSA eff. August 4, 2020)

Texas Gas Service Company, a Division of ONE Gas, Inc. Central-Gulf Service Area (Select cities) (formerly Central Texas Service Area)

Rate Schedule CAC

CONSERVATION ADJUSTMENT CLAUSE (continued)

BCD = Budgeted Conservation Dollars. The BCD shall include all expected costs attributable to the Company's Conservation and Energy Efficiency Program for the 12-month period ending December 31 of each year, including but not limited to, rebates paid, material costs, cost of educational and consumer awareness materials related to energy conservation/efficiency, planning, development, implementation, evaluation and administration of the CAC program.

BA = Balance Adjustment. The BA shall compute the differences between Rider CAC collections by class and expenditures by class for the 36-month period ending the prior (date) and collect the over/under recovery during the subsequent 36-month period beginning (date) of the following year.

NB = Actual bills from the prior calendar year, normalized for growth/attrition

NV = Actual volumes from the prior calendar year normalized for weather and growth/attrition, listed in Ccf

REPORTING

Program selection and the annual budget will be determined for a 3-year period.

The following documents will be filed with the Regulatory Body beginning in 2018:

- 1. Rate Schedule 1C indicating the new CAC Charge for each of the affected rate classes, to be filed within 20 days of implementation;
- 2. An annual report of the prior calendar year collections and disbursements, to be filed within 120 days following the prior calendar year end. The annual report will also be made available on the Company's website. The annual filing shall include the BCD, twelve-month BA, data on the total cost of the Conservation and Energy Efficiency Program, and reporting of program administrative and education costs; and
- 3. A calendar year budget will be provided to the Regulatory Body by the Company on or before October 15 of the year prior to start of the following 3-year period. If no action is taken by the Regulatory Body by November 30, the budget and resulting CAC charge will automatically be approved for the next three-year period.

NOTICE AND REGULATORY EXPENSES

The cost of any public notice issued or regulatory expenses incurred will be recovered through the subsequent CAC Charge and are not subject to the approved budget or administrative cap.

<u>Supersedes Rate Schedule Dated</u> November 30, 2018 (CGSA eff. August 4, 2020) <u>Meters Read On and After</u> <u>December 29, 2021</u> (CGSA except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls and Pflugerville) <u>January 15, 2024</u> (City of Mustang Ridge)

COST OF GAS CLAUSE

A. <u>APPLICABILITY</u>

This Cost of Gas Clause shall apply to all general service rate schedules of Texas Gas Service Company, a Division of ONE Gas, Inc. ("Company") in all incorporated areas of its Central-Gulf Service Area including Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

B. <u>DEFINITIONS</u>

- 1. Cost of Gas The rate per billing unit or the total calculation under this clause, consisting of the Commodity Cost, the Customer Rate Relief Component, the Reconciliation Component, any surcharges or refunds, Uncollectible Cost of Gas, and the revenue associated fees and taxes.
- 2. Commodity Cost The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio plus an adjustment for any known and quantifiable under or over collection prior to the end of the reconciliation period.
- 3. Cost of Purchased Gas The estimated cost for gas purchased by the Company from its suppliers or the estimated weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all reasonable costs for services such as gathering, treating, processing, transportation, capacity and/or supply reservation, storage, balancing including penalties, and swing services necessary for the movement of gas to the Company's city gate delivery points. The cost of purchased gas may also include costs related to the purchase and transportation of Renewable Natural Gas (RNG). Renewable Natural Gas is the term used to describe pipeline-quality biomethane produced from biomass. The cost of purchased gas shall also include gains and losses from the utilization of natural gas financial instruments that are executed by the Company for the purpose of mitigating price volatility. Companies affiliated with the Company shall not be allowed to charge fees for transactions related to natural gas financial instruments utilized for purposes in this Cost of Gas Clause and hence cannot realize a profit in this regard.
- 4. Customer Rate Relief Component The rate per billing unit charged in accordance with and specified on Rate Schedule CRR, the Customer Rate Relief Rate Schedule, if applicable, which is a non-bypassable charge as defined in Tex. Util. Code § 104.362(7).
- 5. Reconciliation Component The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.
- 6. Reconciliation Audit An annual review of the Company's books and records for each 12-month period ending with the production month of June to determine the amount of over or under collection occurring during such 12-month period. The audit shall determine: (a) the total amount paid for gas purchased by the Company (per Section B(3) above) to provide service to its general service customers

<u>Supersedes Rate Schedule Dated</u> <u>August 4, 2020</u> (CGSA Cities except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls and Pflugerville)

COST OF GAS CLAUSE (Continued)

during the period, including prudently incurred gains or losses on the use of natural gas financial instruments; (b) the revenues received from operation of the provisions of this Cost of Gas Clause reduced by the amount of revenue associated fees and taxes paid by the Company on those revenues; (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause; (d) the total amount accrued for imbalances under the transportation rate schedule(s) net of fees and applicable taxes; (e) the total amount of Uncollectible Cost of Gas during the period; and (f) an adjustment, if necessary, to remove lost and unaccounted for gas costs during the period for volumes in excess of 5 percent of purchases.

- 7. Purchase/Sales Ratio A ratio determined by dividing the total volumes purchased for general service customers during the 12-month period ending June 30 by the sum of the volumes sold to general service customers. For the purpose of this computation all volumes shall be stated at 14.65 psia. Such ratio as determined shall in no event exceed 1.0526 i.e. 1/(1 0.05) unless expressly authorized by the applicable Regulatory Authority.
- 8. Reconciliation Account The account maintained by the Company to assure that over time it will neither over nor under collect revenues as a result of the operation of the Cost of Gas Clause. Entries shall be made monthly to reflect: (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records (per Section B(3) above), including prudently incurred gains or losses on the use of natural gas financial instruments; (b) the revenues produced by the operation of this Cost of Gas Clause; (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority; (d) amounts accrued pursuant to the treatment of imbalances under any transportation rate schedule(s), (e) total amount of Uncollectible Cost of Gas during the period; and (f) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of 5 percent of purchases.
- 9. Uncollectible Cost of Gas The amounts actually written off after the effective date of this rate schedule related to cost of gas will be tracked along with any subsequent recovery/credits related to the Cost of Gas Clause. Annually the charge offs minus recoveries will be included in the annual reconciliation and factored into the resulting reconciliation component.

C. <u>COST OF GAS</u>

In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. <u>DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT</u>

If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period

<u>Supersedes Rate Schedule Dated</u> <u>August 4, 2020</u> (CGSA Cities except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls and Pflugerville)

COST OF GAS CLAUSE (Continued)

beginning with the October billing cycle through the June billing cycle preceding the filing of the Reconciliation Audit. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied, subject to refund, for a 9 month period beginning with the October billing cycle and continuing through the next June billing cycle at which time it will terminate.

E. INTEREST ON FUNDS

Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit. The Company shall debit or credit to the Reconciliation Account for each month of the reconciliation period: (1) an amount equal to the outstanding over collected balance multiplied by interest of 6 percent per annum compounded monthly; or (2) an amount equal to the outstanding under collected balance multiplied by interest of 6 percent per annum compounded monthly. The Company shall also be allowed to recover a carrying charge calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the authorized rate of return.

F. <u>SURCHARGE OR REFUND PROCEDURES</u>

In the event that the rates and charges of the Company's supplier are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. Any surcharge or refund amount will be included in the Reconciliation Account.

Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Interest on Funds, above.

G. COST OF GAS STATEMENT

The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth: (a) the estimated Cost of Purchased Gas; (b) that cost multiplied by the Purchase/Sales Ratio; (c) the amount of the Cost of Gas caused by any surcharge or refund; (d) the Customer Rate Relief Component; (e) the Reconciliation Component; (f) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; (g) the Cost of Gas calculation, including gains and losses from hedging activities for the month; and (h) the beginning and ending date of the billing period. The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas.

<u>Supersedes Rate Schedule Dated</u> <u>August 4, 2020</u> (CGSA Cities except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls and Pflugerville)

COST OF GAS CLAUSE (Continued)

H. ANNUAL RECONCILIATION REPORT

The Company shall file an Annual Reconciliation Report with the Regulatory Authority which shall include but not necessarily be limited to:

- 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the 12 months ending June 30.
- 2. A tabulation of gas units sold to general service customers and related Cost of Gas Clause revenues, excluding the Customer Rate Relief Component.
- 3. A tabulation of all other costs and refunds made during the year and their effect on the Cost of Gas Clause to date.
- 4. A description of the hedging activities conducted each month during the 12 months ending June 30, including the types of transaction used, resulting gains and losses, any changes in the hedging program implemented during the period and the rationale for the changes. The report should include the customer impact of hedging activities stated as costs to the average residential and commercial customer during the period.
- 5. A description of the imbalance payments made to and received from the Company's transportation customers within the service area, including monthly imbalances incurred, the monthly balances resolved, and the amount of the cumulative imbalance. The description should reflect the system imbalance and imbalance amount for each supplier using the Company's distribution system during the reconciliation period.
- 6. A tabulation of uncollectible cost of gas during the period and its effect on the Cost of Gas Clause to date.

This report shall be filed concurrently with the Cost of Gas Statement for October. If the Regulatory Authority thereafter determines that an adjustment to the Reconciliation Component is required, such adjustment shall be included in the Reconciliation Component for the next annual Reconciliation Audit following the date of such determination.

<u>Supersedes Rate Schedule Dated</u> <u>August 4, 2020</u> (CGSA Cities except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls and Pflugerville)

ELECTRICAL COGENERATION RATE

APPLICABILITY

Service under this rate schedule is available to any customers of Texas Gas Service Company, a Division of ONE Gas, Inc., (the "Company") who use natural gas for the purpose of cogeneration or the use of fuel cell technology. Cogeneration is defined as the use of thermal energy to produce electricity with recapture of by-product heat in the form of steam, exhaust heat, etc. for industrial process use, space heating, food processing or other purposes.

TERRITORY

The incorporated areas of the Central-Gulf Service Area, which includes, Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of		\$104.70 plus
Interim Rate Adjustments (IRA)		<u>\$56.79 per month (Footnote 1)</u>
Total Customer Charge		\$161.49 per month
For the First	5,000 Ccf/Month	\$0.07720 per Ccf
For the Next	35,000 Ccf/Month	\$0.06850 per Ccf
For the Next	60,000 Ccf/Month	\$0.05524 per Ccf
All Over	100,000 Ccf/Month	\$0.04016 per Ccf

OTHER ADJUSTMENTS

<u>Cost of Gas Component</u>: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

<u>Hurricane Harvey Surcharge Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

<u>Pipeline Integrity Testing Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT, if applicable.

<u>Rate Case Expense Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE.

<u>Supersedes Rate Schedule Dated</u> <u>May 26, 2022</u> (CGSA Cities except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls, and Pflugerville)

ELECTRICAL COGENERATION RATE (Continued)

<u>Taxes</u>: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

Gas taken under this rate shall be used exclusively for the purpose of cogeneration and fuel cell technology as defined in the Applicability section of this rate schedule and not for other purposes. The gas taken under this rate will be separately metered.

This rate will not be available for standby use.

The curtailment priority of any customer served under this rate schedule shall be the same as the curtailment priority which would pertain if gas were used directly to provide energy for uses as defined and listed in the Company's curtailment plan.

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2020 IRA - \$19.58 (Gas Utilities Case No. 00005813); 2021 IRA - \$16.47 (Gas Utilities Case No. 00008748); 2022 IRA - \$20.74 (Gas Utilities Case No. 00012592)

COMPRESSED NATURAL GAS SERVICE RATE

APPLICABILITY

Applicable to any non-residential customer of Texas Gas Service Company, a Division of ONE Gas, Inc., (the "Company") for usage where customer purchases natural gas which will be compressed and used as a motor fuel. Service will be separately metered. This rate does <u>not</u> include compression by the Company beyond normal meter sales pressure.

TERRITORY

The incorporated areas of the Central-Gulf Service Area which includes Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of Interim Rate Adjustments (IRA) Total Customer Charge \$192.63 plus <u>\$391.17 per month (Footnote 1)</u> \$583.80 per month

All Ccf per monthly billing period @

\$0.06684 per Ccf

OTHER ADJUSTMENTS

<u>Cost of Gas Component</u>: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

<u>Hurricane Harvey Surcharge Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

<u>Pipeline Integrity Testing Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT, if applicable.

<u>Rate Case Expense Rider</u>: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

Supersedes Rate Schedule Dated	Meters Read On and After
May 26, 2022 (CGSA Cities except Buda, Marble	May 25, 2023 (CGSA Cities except
Falls and Pflugerville)	Mustang Ridge)
September 15, 2022 (Cities of Buda, Marble Falls,	January 15, 2024 (City of Mustang Ridge)
and Pflugerville)	

COMPRESSED NATURAL GAS SERVICE RATE (Continued)

CONDITIONS

Subject to all applicable laws and orders and the Company's rules and regulations on file with the regulatory authority.

The Company's Average Payment Plan, also known as the Average Bill Calculation Plan (ABC/APP Plan), is not available to customers served on this rate schedule.

This rate does not include any road use fees, permits, or taxes etc. It provides for the delivery of uncompressed natural gas only.

Customer must provide affidavit to the Company certifying that the gas delivered will be compressed for use as motor fuel.

Compressor station subject to inspection by Company engineers.

Footnote 1: 2020 IRA - \$133.74 (Gas Utilities Case No. 00005813); 2021 IRA - \$113.60 (Gas Utilities Case No. 00008748); 2022 IRA - \$143.83 (Gas Utilities Case No. 00012592)

EXCESS DEFERRED INCOME TAX CREDIT

A. <u>APPLICABILITY</u>

This Excess Deferred Income Tax Credit applies to all general service rate schedules of Texas Gas Service Company, a Division of ONE Gas, Inc. ("Company") currently in force in the Company's Central-Gulf Service Area within the incorporated and unincorporated areas of Austin, Bastrop (environs only), Hutto (environs only), Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas: 10, 20, 30, 40, 48, C-1, CNG-1, 1Z, 2Z, 3Z, 4H, 4Z, C-1-ENV, CNG-1-ENV, T-1, and T-1-ENV.

B. <u>CALCULATION OF CREDIT</u>

The annual amortization of the regulatory liability for excess deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017 and in compliance with GUD No. 10695, will be credited to customers annually on a one-time, per bill basis in February of each year and will show as a separate line item on the customer's bill until fully amortized. The initial credit will occur in September 2020.

EDIT CREDIT – The total amount, if any, of the credit in a given year will be determined by: The average rate assumption method ("ARAM") as required by the Tax Cuts and Jobs Act of 2017 Section 13001(d) for the protected portion of the regulatory liability for excess deferred income taxes; and A 4-year amortization for nonprotected property.

TRUE-UP ADJUSTMENT – The Excess Deferred Income Tax credit shall be trued-up annually. The True-Up Adjustment will be the difference between the amount of that year's EDIT Credit and the amount actually credited to customers.

EDIT CREDIT PER CUSTOMER – The EDIT credit per customer will be determined by allocating that year's credit, plus/minus any prior year true up adjustment, among the customer classes utilizing the same class revenue allocation as approved in the most recent general rate case, and then by dividing each class's portion by the number of customers in that class.

C. <u>EDIT CREDIT PER CUSTOMER</u>

Residential:	\$ 5.93
Commercial:	\$ 24.37
Industrial:	\$ 404.01
Public Authority:	\$ 48.92
Public Schools Space Heat:	\$ 48.92
Electrical Cogeneration:	\$ 48.92
Compressed Natural Gas:	\$ 281.16

Taxes: Plus applicable taxes and fees (including franchises fees) related to above.

Supersedes Same Rate Schedule Dated	Meters Read On and After
January 27, 2022	January 27, 2023 (CGSA except Bastrop Env., Buda
	Inc., Hutto Env., Marble Falls, Mustang Ridge and
	Pflugerville)
	January 15, 2024 (Hutto Env. and Mustang Ridge)

EXCESS DEFERRED INCOME TAX CREDIT (Continued)

D. <u>OTHER ADJUSTMENTS</u>

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

E. <u>ANNUAL FILING</u>

The Company shall make a filing with the Commission each year no later than December 31, including the following information:

the total dollar amount of that year's EDIT Credit; the total dollar amount actually credited to customers; true-up amount, if any, due to the difference between items a. and b., above; the amount of the upcoming year's EDIT Credit; and the amounts of the upcoming year's EDIT Credit per Customer.

F. <u>CONDITIONS</u>

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Supersedes Same Rate Schedule Dated January 27, 2022

Meters Read On and After

January 27, 2023 (CGSA except Bastrop Env., Buda Inc., Hutto Env., Marble Falls, Mustang Ridge and Pflugerville) January 15, 2024 (Hutto Env. and Mustang Ridge)

PIPELINE INTEGRITY TESTING (PIT) RIDER

PURPOSE

The purpose of this Pipeline Integrity Testing Rider is to promote the public interest in pipeline safety by enabling Texas Gas Service Company, a Division of ONE Gas, Inc. (the "Company") to recover the reasonable and necessary Pipeline Integrity Safety Testing expenses incurred by the Company during the prior year (including contractor costs but excluding the labor cost of Texas Gas Service Company employees. These legally mandated operating and maintenance expenses shall be recovered through a separate monthly volumetric charge (the Pipeline Integrity Testing or "PIT" Surcharge) that shall be shown as a separate line item on the customer's monthly bill and calculated for each customer class as described below. Capital expenditures associated with the Pipeline Integrity Program shall continue to be recovered through base rates and any interim rate adjustments implemented pursuant to Section 104.301 of the Gas Utility Regulatory Act.

APPLICABILITY

This Rider shall be applied to all gas sales and transportation customers within the service territory designated below, except special contract customers.

TERRITORY

This Rider shall apply to the following gas sales and standard transportation rate schedules of the Company's Central-Gulf Service Area ("CGSA") within the incorporated and unincorporated areas of Austin, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nixon, Pflugerville, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas and in the environs area of Bastrop and Hutto, Texas: 10, 20, 30, 40, 48, C-1, CNG-1, 1Z, 2Z, 3Z, 4H, 4Z, C-1-ENV, CNG-1-ENV, T-1, and T-1-ENV.

QUALIFYING EXPENSES

This Rider applies only to the legally mandated safety testing of the Company's transmission lines in the CGSA under the Pipeline Integrity Safety Testing Program. The operating and maintenance expense items that qualify for recovery under this Rider shall include the contractor costs associated with land and leak survey, permitting, and job order preparation and completion; the clearing of right-of-way; any needed notifications to adjacent businesses and residences; traffic control equipment and personnel; Direct Current Voltage Gradient ("DCVG"), Close Interval ("CI"), and other surveys to ensure the integrity of the pipeline system; any required rigid bypasses; flushing of the lines and testing and disposal of the flush water; hydrostatic testing of the lines and analysis and disposal of the test water; any required "pigging" of the lines in connection with safety testing; any required x-ray welding; metallurgical testing of the pipeline or components thereof; site restoration, painting, and clean-up; expenses associated with providing a supply of compressed natural gas ("CNG") to ensure uninterrupted service to customers during testing; and any other operating and maintenance expenses reasonably necessary to safely and effectively perform required safety testing of the Company's pipelines in the CGSA. Neither capital expenditures by the Company, nor the labor cost of Texas Gas Service Company employees, shall be recovered under this Rider.

<u>Supersedes Rate Schedule Dated</u> <u>October 26, 2016</u> (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX) <u>January 6, 2017</u> (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX) <u>November 23, 2016</u> (Unincorporated Areas of the Central Texas Service Area) Meters Read On and After <u>August 4, 2020</u> (CGSA except Bastrop Env., Buda Inc., Hutto Env., Marble Falls, Mustang Ridge, and Pflugerville) <u>September 15, 2022</u> (Bastrop Env., Buda Inc., Marble Falls and Pflugerville) <u>January 15, 2024</u> (Hutto Env. and Mustang Ridge)

PIPELINE INTEGRITY TESTING (PIT) RIDER (Continued)

CALCULATION OF PIT SURCHARGES

The Pipeline Integrity Testing Surcharges established under this Rider shall be designed so as to recover the Total Testing Expense incurred in the prior year for Pipeline Integrity Safety Testing, except that qualifying expenses incurred in 2019 and 2020 shall be included for recovery in the first filing, and shall be calculated as follows:

The Total Annual Testing Expense shall be divided by the estimated average annual usage to produce the annual PIT Surcharge.

PIT Surcharge	=	Total Annual Testing Expense
		Estimated Annual Usage

Based upon customer data for the prior calendar year and any other relevant factors, the estimated annual usage may be revised annually to account for customer growth, and the resulting revised PIT Surcharge shall be applied to each class for the ensuing 12-month recovery period.

ANNUAL RECONCILIATION

After completion of each annual recovery period, the total revenues collected under this Rider for that year shall be reconciled against the revenues previously calculated to be collected for that year, and the PIT Surcharge for each class shall be adjusted upward or downward so that the Company recovers any underrecoveries or refunds any overrecoveries that may have accrued under the Rider, plus monthly interest on those underrecoveries or overrecoveries at the cost of long-term debt approved in the Company's most recent general rate case in which rates were set for application to customers in the CGSA. The reconciliation shall be filed with the regulatory authority on or before February 21st of each year, and the regulatory authority shall complete its review of the reconciliation on or before March 21st of each year, so that the Company can implement the reconciled PIT Surcharges beginning with the first billing cycle for April of each succeeding year.

DEFERRED ACCOUNTING

The Company is authorized and directed to defer, as a regulatory asset, all Pipeline Integrity Safety Testing expenses incurred during the testing cycle starting on January 1, 2016 and all revenues specifically collected under this Rider shall be applied to the deferred expense account. The Company shall not earn a return on any regulatory asset created under this provision, and no such regulatory asset shall be included in the Company's invested capital (rate base) for ratemaking purposes.

<u>Supersedes Rate Schedule Dated</u> <u>October 26, 2016</u> (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX) <u>January 6, 2017</u> (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX) <u>November 23, 2016</u> (Unincorporated Areas of the Central Texas Service Area) Meters Read On and After <u>August 4, 2020</u> (CGSA except Bastrop Env., Buda Inc., Hutto Env., Marble Falls, Mustang Ridge, and Pflugerville) <u>September 15, 2022</u> (Bastrop Env., Buda Inc., Marble Falls and Pflugerville) <u>January 15, 2024</u> (Hutto Env. and Mustang Ridge)

PIPELINE INTEGRITY TESTING (PIT) RIDER (Continued)

ANNUAL REPORT & APPLICABLE PSCC

On or before February 21st after each calendar year, the Company shall file a report with the Commission and the CGSA Cities showing all Pipeline Integrity Safety Testing expenses incurred during the previous calendar year and verifying the prior year's collections and any underrecoveries or overrecoveries accruing to date under this Rider. The report shall separately identify and list such expenses by account number and project number. Prior to the effective date of this Rider and on or before February 21st of each succeeding year while this Rider is in effect, the Company shall also file an Addendum to this Rider with the Commission and the CGSA Cities (a) identifying the PIT Surcharges that will be applied during the ensuing 12-month recovery period from April 1st through March 31st, and (b) providing the underlying data and calculations on which each PIT Surcharge for that period is based.

NOTICE TO AFFECTED CUSTOMERS

In addition to the annual report and Addendum to this Rider required above, the Company shall provide, on or before March 31st after each calendar year, written notice to each affected customer of (a) the PIT Surcharge that will be applied during the ensuing 12-month period from April 1st through March 31st, and (b) the effect the PIT Surcharge is expected to have on the average monthly bill for each affected customer class. The written notice shall be provided in both English and Spanish, shall be the only information contained on the piece of paper on which it is printed, and may be provided either by separate mailing or by insert included with the Company's monthly billing statements. The Company shall also file an affidavit annually with the Commission and the CGSA Cities certifying that notice has been provided to customers in this manner. The notice shall be presumed to be complete three calendar days after the date the separate mailing or billing statement is deposited in a postage-paid, properly addressed wrapper in a post office or official depository under care of the United States Postal Service. The initial notice shall be filed with, reviewed, and approved by the regulatory authority, and each subsequent notice shall follow the same format as that of the approved initial notice.

<u>Supersedes Rate Schedule Dated</u> <u>October 26, 2016</u> (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX) <u>January 6, 2017</u> (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX) <u>November 23, 2016</u> (Unincorporated Areas of the Central Texas Service Area) Meters Read On and After <u>August 4, 2020</u> (CGSA except Bastrop Env., Buda Inc., Hutto Env., Marble Falls, Mustang Ridge, and Pflugerville) <u>September 15, 2022</u> (Bastrop Env., Buda Inc., Marble Falls and Pflugerville) <u>January 15, 2024</u> (Hutto Env. and Mustang Ridge)

PIPELINE INTEGRITY TESTING (PIT) SURCHARGE RIDER

A. <u>APPLICABILITY</u>

The Pipeline Integrity Testing Surcharge (PIT) rate as set forth in Section (B) below is for the recovery of costs associated with pipeline integrity testing as defined in Rate Schedule PIT. This rate shall apply to the following gas sales and standard transportation rate schedules of Texas Gas Service Company, a Division of ONE Gas, Inc. currently in force in the Company's Central-Gulf Service Area ("CGSA") within the incorporated and unincorporated areas of Austin, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nixon, Pflugerville, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas and in the environs area of Bastrop and Hutto, Texas: 10, 20, 30, 40, 48, C-1, CNG-1, T-1, 1Z, 2Z, 3Z, 4Z, 4H, C-1-ENV, CNG-1-ENV and T-1-ENV.

B. <u>PIT RATE</u>

\$0.00030 per Ccf

This rate will be in effect until all approved and expended pipeline integrity testing expenses are recovered under the applicable rate schedules.

C. <u>OTHER ADJUSTMENTS</u>

Taxes: Plus applicable taxes and fees (including franchises fees) related to above.

D. <u>CONDITIONS</u>

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Supersedes Rate Schedule Dated March 28, 2022 (CGSA except Bastrop Env., Buda Inc., Marble Falls and Pflugerville) September 15, 2022 (Bastrop Env., Buda Inc., Marble Falls and Pflugerville) Meters Read On and After March 28, 2023 (CGSA except Bastrop Env., Hutto Env. and Mustang Ridge) January 15, 2024 (Hutto Env. and Mustang Ridge)

WEATHER NORMALIZATION ADJUSTMENT CLAUSE

APPLICABILITY

The Weather Normalization Adjustment Clause (WNA) shall apply to the following general service rate schedules of Texas Gas Service Company, a Division of ONE Gas, Inc. (the "Company") in the incorporated and unincorporated areas served in the Central-Gulf Service Area including Austin, Bastrop (environs only), Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Hutto (environs only), Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills, and Yoakum, Texas: Rate Schedules 10, 1Z, 20, 2Z, 40, 4Z, 48 and 4H. The WNA shall be effective during the September through May billing cycles.

PURPOSE

The WNA refunds over-collections or surcharges under-collections of revenue due to colder or warmer than normal weather, as established in the Company's most recent rate filing.

WNA MECHANISM

In order to reflect weather effects in a timely and accurate manner, the WNA adjustment shall be calculated separately for each billing cycle and rate schedule. The weather factor, determined for each rate schedule in the most recent rate case, shows the effect of one heating degree day on consumption for that rate schedule. During each billing cycle, the weather factor is multiplied by the difference between normal and actual heating degree days for the billing period and by the number of customers billed. This WNA volume adjustment is priced at the current cost of service rate per Ccf to determine a WNA revenue adjustment, which is spread to the customers in the billing cycle on a prorata basis. The WNA for each billing cycle and rate schedule shall be based on the following formula:

WNA Rate = WNAD, where CV

WNAD = Weather Normalization Adjustment Dollars to be collected from each billing cycle and rate schedule. This factor shall be based on the following formula:

<u>Supersedes Rate Schedule Dated</u> <u>October 26, 2016</u> (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX) <u>January 6, 2017</u> (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX) <u>November 23, 2016</u> (Unincorporated Areas of the Central Texas Service Area) <u>May 9, 2016</u> (Gulf Coast Service Area) <u>May 22, 2019</u> (City of Beaumont) Meters Read On and After <u>August 4, 2020</u> (CGSA except Bastrop Env., Buda Inc., Hutto Env., Marble Falls, Mustang Ridge and Pflugerville) <u>September 15, 2022</u> (Bastrop Env., Buda Inc., Marble Falls and Pflugerville) <u>January 15, 2024</u> (Hutto Env. and Mustang Ridge)

WEATHER NORMALIZATION ADJUSTMENT CLAUSE (Continued)

WNAD = (HDD Diff * CB * WF) * COS rate, where

HDD Diff = (Normal HDD – Actual HDD), the difference between normal and actual heating degree days for the billing period.

CB = Number of customers billed for the billing period.

WF = Weather factor determined for each rate schedule in the most recent rate case.

Austin, Bastrop (environs only), Bee Cave, Buda, Cedar Park, Dripping Springs, Kyle, Lakeway, Marble Falls, Pflugerville, Rollingwood, Sunset Valley, and West Lake Hills: Residential 0.15498; Commercial 0.38392; Public Authority 1.94154; Public Schools 3.95052 Weather Station: KATT

<u>Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum:</u> Residential 0.14213; Commercial 0.21988; Public Authority 0.95317 Weather Station: KSAT

Bayou Vista, Galveston, and Jamaica Beach: Residential 0.18569; Commercial 0.44273; Public Authority 3.44053 Weather Station: KGLS

Beaumont, Groves, Nederland, Port Arthur, and Port Neches: Residential 0.17379; Commercial 0.28946; Public Authority 2.28489 Weather Station: KBPT

CV = Current Volumes for the billing period.

FILING WITH THE CITIES AND THE RAILROAD COMMISSION OF TEXAS (RRC)

The Company will file monthly reports showing the rate adjustments for each applicable rate schedule. Supporting documentation will be made available for review upon request. By each October 1, the Company will file with the Cities and the RRC an annual report verifying the past year's WNA collections or refunds.

<u>Supersedes Rate Schedule Dated</u> <u>October 26, 2016</u> (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX) <u>January 6, 2017</u> (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX) <u>November 23, 2016</u> (Unincorporated Areas of the Central Texas Service Area) <u>May 9, 2016</u> (Gulf Coast Service Area) <u>May 22, 2019</u> (City of Beaumont) Meters Read On and After <u>August 4, 2020</u> (CGSA except Bastrop Env., Buda Inc., Hutto Env., Marble Falls, Mustang Ridge and Pflugerville) <u>September 15, 2022</u> (Bastrop Env., Buda Inc., Marble Falls and Pflugerville) <u>January 15, 2024</u> (Hutto Env. and Mustang Ridge)

TRANSPORTATION SERVICE RATE

APPLICABILITY

Applicable to customers who have elected Transportation Service not otherwise specifically provided for under any other rate schedule.

Service under this rate schedule is available for the transportation of customer-owned natural gas through Texas Gas Service Company, a Division of ONE Gas, Inc.'s (the "Company") distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.

AVAILABILITY

Natural gas service under this rate schedule is available to any individually metered, non-residential customer for the transportation of customer owned natural gas through the Company's Central-Gulf Service Area distribution system which includes the incorporated areas of Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.

COST OF SERVICE RATE

During each monthly billing period, a customer charge per meter per month listed by customer class as follows:

Commercial \$265.3	3 per month		
plus Interim Rate Adjustments	\$30.59 (Footnote 1)	Total Rate	\$295.92
Industrial \$520.9	6 per month		
plus Interim Rate Adjustments	\$469.24 (Footnote 2)	Total Rate	\$990.20
Public Authority \$104.7	0 per month		
plus Interim Rate Adjustments	\$56.79 (Footnote 3)	Total Rate	\$161.49
Public Schools Space Heat \$234.7	0 per month		
plus Interim Rate Adjustments	•	Total Rate	\$291.49
Compressed Natural Gas \$217.6	3 per month		
plus Interim Rate Adjustments	•	Total Rate	\$608.80
Electrical Cogeneration \$104.7	0 per month		
plus Interim Rate Adjustments	\$56.79 (Footnote 6)	Total Rate	\$161.49
Supersedes Rate Schedule Dated		Meters	s Read On and After
May 26, 2022 (CGSA Cities except Bu	da, Marble	<u>May 2</u>	5, 2023 (CGSA Cities except
Falls and Pflugerville)		Musta	ng Ridge)
September 15, 2022 (Cities of Buda, M	arble Falls,	Januar	y 15, 2024 (City of Mustang Ridge)
and Pflugerville)			

TRANSPORTATION SERVICE RATE (Continued)

Plus – All Ccf per monthly billing period listed by customer class as follows:

Commercial	\$0.12679 per Ccf
Industrial	\$0.12707 per Ccf
Public Authority	\$0.12549 per Ccf
Public Schools Space Heat	\$0.10012 per Ccf
Compressed Natural Gas	\$0.06684 per Ccf
Electrical Cogeneration	
For the First 5,000Ccf/month	\$0.07720 per Ccf
For the Next 35,000 Ccf/month	\$0.06850 per Ccf
For the Next 60,000 Ccf/month	\$0.05524 per Ccf
All Over 100,000 Ccf/month	\$0.04016 per Ccf

ADDITIONAL CHARGES

- 1) A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder.
- 2) A charge will be made each month to recover the cost of any applicable franchise fees paid to the cities.
- 3) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the incorporated areas of the Central-Gulf Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.
- 4) The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE.
- 5) The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT, if applicable.
- 6) The billing of commercial transportation shall reflect adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC and Rate Schedule 1C, if applicable.
- 7) The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.
- 8) The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

<u>Supersedes Rate Schedule Dated</u> <u>May 26, 2022</u> (CGSA Cities except Buda, Marble Falls and Pflugerville) <u>September 15, 2022</u> (Cities of Buda, Marble Falls, and Pflugerville)

TRANSPORTATION SERVICE RATE (Continued)

SUBJECT TO

- 1) Tariff T-TERMS, General Terms and Conditions for Transportation.
- 2) Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.
- 3) Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2020 IRA - \$10.04 (Gas Utilities Case No. 00005813); 2021 IRA - \$9.07 (Gas Utilities Case No. 00008748); 2022 IRA - \$11.48 (Gas Utilities Case No. 00012592)

Footnote 2: 2020 IRA - \$164.48 (Gas Utilities Case No. 00005813); 2021 IRA - \$137.93 (Gas Utilities Case No. 00008748); 2022 IRA - \$166.83 (Gas Utilities Case No. 00012592)

Footnote 3: 2020 IRA - \$19.58 (Gas Utilities Case No. 00005813); 2021 IRA - \$16.47 (Gas Utilities Case No. 00008748); 2022 IRA - \$20.74 (Gas Utilities Case No. 00012592)

Footnote 4: 2020 IRA - \$19.58 (Gas Utilities Case No. 00005813); 2021 IRA - \$16.47 (Gas Utilities Case No. 00008748); 2022 IRA - \$20.74 (Gas Utilities Case No. 00012592)

Footnote 5: 2020 IRA - \$133.74 (Gas Utilities Case No. 00005813); 2021 IRA - \$113.60 (Gas Utilities Case No. 00008748); 2022 IRA - \$143.83 (Gas Utilities Case No. 00012592)

Footnote 6: 2020 IRA - \$19.58 (Gas Utilities Case No. 00005813); 2021 IRA - \$16.47 (Gas Utilities Case No. 00008748); 2022 IRA - \$20.74 (Gas Utilities Case No. 00012592)

1.1 REQUIREMENTS FOR TRANSPORTATION SERVICE

Nothing shall be deemed to supersede the respective rights and obligations of Texas Gas Service Company, a Division of ONE Gas, Inc. ("Company") and Customer as provided by Texas statutes, rules, and/or regulations. The Company reserves the right to seek modification or termination of transportation service or any of the tariffs to which it applies and the unilateral right to seek regulatory approval to make any changes to, or to supersede, the rates, charges and terms of transportation service.

1.2 **DEFINITIONS**

The following definitions shall apply to the indicated words as used in this Tariff:

Adder:	Shall mean the Company's incremental cost to purchase natural gas.
Aggregation Areas:	Shall mean aggregation pools established by the Company within geographic, operational, administrative, and/or other appropriate parameters, for the purposes of nominating and imbalances.
<u>Btu:</u>	Shall mean British thermal unit(s) and shall be computed on a temperature base of 60° Fahrenheit and at the standard pressure base of the applicable service area and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and "MMBtu" shall mean 1,000,000 Btu.
Commercial Service:	Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.
Commission or The Commission:	The Railroad Commission of Texas.
Company:	Texas Gas Service Company, a Division of ONE Gas, Inc.
Consumption Period:	Shall mean a volumetric billing period.

<u>Supersedes Rate Schedules Dated</u> <u>October 26, 2016</u> (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX) <u>January 6, 2017</u> (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX) <u>November 23, 2016</u> (Unincorporated Areas of the Central Texas Service Area) <u>May 9, 2016</u> (Incorporated and Unincorporated Areas of the Gulf Coast Service Area) <u>May 22, 2019</u> (City of Beaumont) Meters Read On and After August 4, 2020 (CGSA except Bastrop Env., Buda Inc., Hutto Env., Marble Falls, Mustang Ridge and Pflugerville) September 15, 2022 (Bastrop Env., Buda Inc., Marble Falls and Pflugerville) January 15, 2024 (Hutto Env. and Mustang Ridge)

May 9, 2016 (Incorporated and Unincorporated Areas

of the Gulf Coast Service Area) May 22, 2019 (City of Beaumont)

GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE (Continued)

Cumulative Tolerance Limit:	Shall mean the percent of aggregate historical annual deliveries of a Qualified Supplier's Aggregation Area pool of customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit.
<u>Customer</u> :	Any person or organization now being billed for gas service whether used by him or her, or by others.
<u>Day or Gas Day:</u>	Shall mean the 24-hour period commencing at 9:00 a.m. (Central Standard Time) on one calendar day and ending at 9:00 a.m. (Central Standard Time) the following calendar day.
Dekatherm (Dth):	Shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis.
Electrical Cogeneration Service:	Service to Consumers who use natural gas for the purpose of generating electricity. This service uses thermal energy to produce electricity with recapture of by-product heat in the form of steam, exhaust heat, etc. for industrial process use, space heating, food processing or other purposes.
Electronic Flow Measurement (EFM):	A device that remotely reads a gas meter.
<u>Gas or Natural Gas:</u>	Shall mean the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof.
Industrial Service:	Service to Consumers engaged primarily in a process which changes raw or unfinished materials into another form of product. This classification shall embrace all Consumers included in Division A (except Major Groups 01 and 02) and Division D of the Standard Industrial Classification Manual.
<u>Mcf:</u>	Shall mean 1,000 cubic feet of Gas.
<u>Supersedes Rate Schedules Dated</u> <u>October 26, 2016</u> (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX) <u>January 6, 2017</u> (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX) <u>November 23, 2016</u> (Unincorporated Areas of the Central Texas Service Area)	<u>Meters Read On and After</u> <u>August 4, 2020</u> (CGSA except Bastrop Env., Buda Inc., Hutto Env., Marble Falls, Mustang Ridge and Pflugerville) <u>September 15, 2022</u> (Bastrop Env., Buda Inc., Marble Falls and Pflugerville) <u>January 15, 2024</u> (Hutto Env. and Mustang Ridge)

<u>Month:</u>	Shall mean the period beginning at 9:00 a.m. Central Standard Time on the first Day of each calendar month and ending at 9:00 a.m. Central Standard Time on the first Day of the next succeeding calendar month.
Monthly Tolerance Limit:	Shall mean 5% of the aggregate deliveries for a Qualified Suppliers Aggregation Area pool of customers for such month.
Payment in Kind (PIK):	Shall mean a reimbursement for lost and unaccounted for gas.
<u>PDA:</u>	Shall mean a predetermined allocation method.
Pipeline System:	Shall mean the current existing utility distribution facilities of Company located in the State of Texas.
Point of Delivery:	Shall mean the point or points where gas is delivered from the Pipeline System to Customer.
Point of Receipt:	Shall mean the point or points where Company shall receive Gas into the Pipeline System from Customer.
Point Operator:	Shall mean the person or entity that controls the Point of Receipt or Point of Delivery.
Qualified Supplier:	Shall mean an approved supplier of natural gas for transportation to customers through the Company's pipeline system.
Regulatory Authority:	The City Council or equivalent municipal governing body of each respective city in the Central-Gulf Service Area, or the Railroad Commission of Texas, as applicable.
Service Area:	The area receiving gas utility service provided by the Company under the terms of this Tariff.

<u>Supersedes Rate Schedules Dated</u> <u>October 26, 2016</u> (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX) <u>January 6, 2017</u> (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX) <u>November 23, 2016</u> (Unincorporated Areas of the Central Texas Service Area) <u>May 9, 2016</u> (Incorporated and Unincorporated Areas of the Gulf Coast Service Area) <u>May 22, 2019</u> (City of Beaumont) Meters Read On and After <u>August 4, 2020</u> (CGSA except Bastrop Env., Buda Inc., Hutto Env., Marble Falls, Mustang Ridge and Pflugerville) <u>September 15, 2022</u> (Bastrop Env., Buda Inc., Marble Falls and Pflugerville) <u>January 15, 2024</u> (Hutto Env. and Mustang Ridge)

<u>Tariff:</u>	Shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over Company or the services provided hereunder.
Transportation Form:	Shall mean the Company approved selection of transportation service document.
Transportation Rate Schedule:	A rate schedule designed for service to any Customer for the transportation of Customer-owned natural gas through the Company's distribution system.
Transportation Service:	The transportation by the Company of natural gas owned by someone other than the Company through the Company's distribution system.
Week:	Shall mean a period of 7 consecutive Days beginning at 9:00 a.m. Central Standard Time on each Monday and ending at the same time on the next succeeding Monday.
Year:	Shall mean a period of 365 consecutive Days, or 366 consecutive Days when such period includes a February 29.

1.3 <u>COMPANY'S RESPONSIBILITY</u>

Company shall deliver to Customer, at the Point of Delivery, volumes of gas, as received from designated Qualified Supplier, for the Customer, at a mutually agreed upon Point of Receipt, less Payment in Kind (PIK).

a) In no event shall Company be required to expand, modify, construct, rearrange, or change the operations of the Pipeline System in order to receive gas from or on behalf of Customer or in order to deliver gas to Customer at any existing Points of Delivery. Company reserves the right in its sole discretion to remove, relocate, expand, or rebuild, without approval of Customer, any portion of the Pipeline System. Customer shall make no alterations, additions, or repairs to or on the Pipeline System.

1.4 <u>CUSTOMER'S RESPONSIBILITY</u>

Customer, by selecting service under a transportation service rate schedule by completing a Transportation Form, warrants and agrees that:

<u>Supersedes Rate Schedules Dated</u> <u>October 26, 2016</u> (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX) <u>January 6, 2017</u> (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX) <u>November 23, 2016</u> (Unincorporated Areas of the Central Texas Service Area) <u>May 9, 2016</u> (Incorporated and Unincorporated Areas of the Gulf Coast Service Area) <u>May 22, 2019</u> (City of Beaumont) Meters Read On and After <u>August 4, 2020</u> (CGSA except Bastrop Env., Buda Inc., Hutto Env., Marble Falls, Mustang Ridge and Pflugerville) <u>September 15, 2022</u> (Bastrop Env., Buda Inc., Marble Falls and Pflugerville) <u>January 15, 2024</u> (Hutto Env. and Mustang Ridge)

- a) Gas received by Company for the Customer shall be free from all adverse claims, liens, and encumbrances;
- b) Customer shall indemnify and hold Company harmless from and against all suits, actions, causes of action, claims and demands, including attorneys' fees and costs, arising from or out of any adverse claims by third parties claiming ownership of, or an interest in said gas caused by the failure to provide clear title to the gas;
- c) Customer acknowledges Company shall not be responsible in any way for damages or claims relating to the Customer's gas or the facilities of the Customer or others containing such gas prior to receipt into Company's facilities or after delivery to the Customer;
- d) Customer must provide Company with a signed Transportation Form identifying its Qualified Supplier. Customer may designate no more than one Qualified Supplier. This authorization shall be in a form agreeable to Company and shall remain in effect until a signed replacement is received by Company;
- e) Customer acknowledges the Qualified Supplier's responsibilities under Section 1.5;
- f) Transportation Service is not available for a term less than 12 months. Termination of transportation service may, at the Company's sole discretion, delay Customer's request to resume transportation service;
- g) Electronic flow measurement (EFM) may be required for Customers under transportation service, at the Company's sole discretion. The Customer may be required to reimburse the Company for any cost related to the installation of the EFM as well as provide for or reimburse the Company for any ongoing maintenance, repair, or communications costs; and
- h) In the event Customer's source of gas supply is terminated by Customer's Qualified Supplier due to non-payment or other reasons, or if customer is otherwise unable to continue as a transportation customer, Customer may, upon the first of the month after 30 calendar days advance notice to Company, obtain service from Company under the general sales tariff applicable to Customer. Prior to commencing such service, Company may, in its sole discretion, require Customer to post a deposit or bond.

1.5 **QUALIFIED SUPPLIER'S RESPONSIBILITY**

Qualified Supplier shall act on behalf of the Customer to procure gas supplies, deliver gas supplies plus Payment in Kind volume, into mutually agreed upon Points of Receipt and shall act as the Customer's agent with respect to nominations, operational notices and resolution of imbalances.

a) Qualified Suppliers shall aggregate their Customers' volumes for balancing purposes, into Aggregation Areas, as determined, in the Company's sole discretion.

Supersedes Rate Schedules Dated	Meters Read On and After
October 26, 2016 (Cities of Austin, Bee Cave, Cedar Park,	August 4, 2020 (CGSA except Bastrop Env.,
Dripping Springs, Kyle, Lakeway, Rollingwood,	Buda Inc., Hutto Env., Marble Falls, Mustang
Sunset Valley, and West Lake Hills, TX)	Ridge and Pflugerville)
January 6, 2017 (Cities of Cuero, Gonzales, Lockhart,	September 15, 2022 (Bastrop Env., Buda Inc.,
Luling, Nixon, Shiner, and Yoakum, TX)	Marble Falls and Pflugerville)
November 23, 2016 (Unincorporated Areas of the Central	January 15, 2024 (Hutto Env. and Mustang
Texas Service Area)	Ridge)
May 9, 2016 (Incorporated and Unincorporated Areas	
of the Gulf Coast Service Area)	
May 22, 2019 (City of Beaumont)	

- b) Qualified Supplier shall submit nominations to the Company's gas scheduling department, in accordance with their currently effective nomination process, which can be provided to the parties upon request. Customer and Qualified Supplier shall exercise commercially reasonable best efforts to deliver to the Pipeline System Dths of gas that Company is to deliver from the Pipeline System to Customer during any particular Hour, Day, Week and Month, including but not limited to volumes needed for peak Day usage for Customer's facilities. Qualified Supplier shall not intentionally nominate more or less gas than is anticipated for consumption by Customer(s), except as may be needed for balancing purposes to the extent Company accepts such nomination.
- c) Before the start of the Gas Day, the Point Operator and Company shall establish a predetermined allocation (PDA) method to specify how gas received or delivered by Company shall be allocated in accordance with confirmed nominations at such point. Only one PDA methodology shall be applied per allocation period.
- d) Daily Quantity of Transportation Service Gas: Company shall receive and deliver gas hereunder as nearly as practicable at uniform hourly and daily rates of flow. It is recognized that it may be physically impracticable, because of measurement, gas control limitations and other operating conditions, to stay in zero imbalance each hour and each day; therefore, the daily and hourly quantities received may, due to the aforementioned reasons, vary above or below the daily and hourly quantities delivered. If the quantities received and the quantities delivered hereunder should create an imbalance at the end of any hour, Day, Week, or Month, then Company and Customer shall adjust receipts and/or deliveries at any time to the end that the quantities received and delivered shall be kept as near to zero imbalance as practicable.
- e) Quality of Transportation Service Gas: The gas procured by a Qualified Supplier, for receipt by Company, shall conform to the standards prescribed in Company's applicable rate schedules, Agreements, and applicable local, state or federal laws, rules and/or regulations.

1.6 IMBALANCES

Qualified Supplier shall, to the extent practicable, not deliver into the Pipeline System more or less Dths of Gas than Company delivers to the Aggregation Area of Customers, at the Points of Delivery, during a Consumption Period. The following imbalance provisions shall be applied to the Qualified Supplier for its Aggregation Area of Customers.

a) If Company receives less Dths of Gas than are delivered to the Aggregate Area Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Consumption Period, then Qualified Supplier shall purchase such under-delivered volumes at 105% of the applicable index, plus the Adder.

<u>Supersedes Rate Schedules Dated</u> <u>October 26, 2016</u> (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX) <u>January 6, 2017</u> (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX) <u>November 23, 2016</u> (Unincorporated Areas of the Central Texas Service Area) <u>May 9, 2016</u> (Incorporated and Unincorporated Areas of the Gulf Coast Service Area) <u>May 22, 2019</u> (City of Beaumont) Meters Read On and After <u>August 4, 2020</u> (CGSA except Bastrop Env., Buda Inc., Hutto Env., Marble Falls, Mustang Ridge and Pflugerville) <u>September 15, 2022</u> (Bastrop Env., Buda Inc., Marble Falls and Pflugerville) <u>January 15, 2024</u> (Hutto Env. and Mustang Ridge)

- b) If Company receives more Dths of Gas than are delivered to the Aggregate Area Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Consumption Period, Qualified Supplier shall sell such excess Gas to Company at 95% of the applicable index.
- c) The applicable index and Adder will be defined in the Qualified Supplier Agreement and amended from time to time.
- d) A proportional share of any upstream pipeline transportation service charges and penalties incurred by the Company, that in whole or in part, are the result of Qualified Supplier's scheduling and/or managing the upstream transportation of the Customer's gas to Company's interconnection point(s) with the upstream pipeline(s). Proceeds from this charge will be credited to the Reconciliation Account. The Company will bill Qualified Supplier for these charges and penalties manually on a separate bill. Payment shall be required in accordance with applicable Rules of Service.
- e) The Company will provide monthly imbalance statements along with calculations of the charges in accordance with the aforementioned provisions to the Qualified Supplier each month.
- f) Payments for imbalance settlements will be due each month within 15 business days of the imbalance statement date. The Company may elect at its sole discretion to accrue the imbalance settlement provisions each month and only require periodic settlement rather than monthly payments.
- g) On or about 15 days after the Company receives necessary volumetric information from other parties for each Consumption Period after commencement of Gas receipts and deliveries hereunder, Company shall render to the Qualified Supplier a statement for the preceding Consumption Period showing the total Dths of Gas received and delivered and each Point of Receipt and Point of Delivery. If information necessary for statement purposes is in the possession of Customer, Customer shall furnish such information to Company on or before the 6th Day of the Month in which the statement requiring such data is to be rendered.
- h) Both parties hereto shall have the right at any and all reasonable times within 24 months from the time period in question, to examine the books and records of the other to the extent necessary to verify the accuracy of any statement, computation, or demand made hereunder.

<u>Supersedes Rate Schedules Dated</u> <u>October 26, 2016</u> (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX) <u>January 6, 2017</u> (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX) <u>November 23, 2016</u> (Unincorporated Areas of the Central Texas Service Area) <u>May 9, 2016</u> (Incorporated and Unincorporated Areas of the Gulf Coast Service Area) May 22, 2019 (City of Beaumont) Meters Read On and After <u>August 4, 2020</u> (CGSA except Bastrop Env., Buda Inc., Hutto Env., Marble Falls, Mustang Ridge and Pflugerville) <u>September 15, 2022</u> (Bastrop Env., Buda Inc., Marble Falls and Pflugerville) <u>January 15, 2024</u> (Hutto Env. and Mustang Ridge)