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Austin, Texas 78746
texasgasservice.com

February 21, 2022

VIA EMAIL

Honorable Mayor and Council Members of

Austin, Bee Cave, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Nixon, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas

RE: Annual Reporting Requirement per Rate Schedule Pipeline Integrity Testing (PIT) Rider for the Central-Gulf Service Area served by Texas Gas Service Company

Texas Gas Service Company, a Division of ONE Gas, Inc., (“TGS” or the “Company”) was authorized recovery of Pipeline Integrity Testing (“PIT”) expenses for the above captioned cities of the Central-Gulf Service Area (“CGSA”) pursuant to Rate Schedule PIT Rider approved by the Railroad Commission of Texas in Gas Utilities Docket No. 10928. TGS is filing this letter in compliance with the annual reporting requirements of the PIT Rider rate schedule.

For the calendar year ending December 31, 2021, the Company incurred Pipeline Integrity Testing expenses in the CGSA totaling \$468,947. As a result of the 2021 annual PIT report, the Company was authorized to recover \$163,519. During the period April 2021 through December 2021, the Company recovered \$89,935. The Company estimates it will recover an additional \$73,584 during the period January through March 2022, leaving no balance uncollected. As a result of the 2020 annual PIT report, the Company was authorized to recover \$7,261. During the period April 2020 through March 2021, the Company recovered \$0, leaving a balance of \$7,261 undercollected, which will be added to the recovery during 2022 as set forth in the tariff. The Company has calculated a rate of \$0.00280 per Ccf to be collected from customers for the 12-month period, April 2022 through March 2023.

Enclosed are a copy of the PIT-Rider tariff showing the \$0.00280 rate, a copy of the proposed Public Notice and supporting documentation. The proposed Public Notice follows the same format as that of the notice previously approved under the prior PIT Rider.

If you have any questions or concerns, please contact me at stacey.mctaggart@onegas.com or at 512-370-8354.

Respectfully submitted,

Stacey McTaggart
Rates and Regulatory Director

PUBLIC NOTICE
2022 CGSA Pipeline Integrity Testing Rider

Texas Gas Service Company, a Division of ONE Gas, Inc., (the “Company” or “TGS”) hereby gives notice of rates to be charged from April 2022 through March 2023 under the Pipeline Integrity Testing (“PIT”) Rider applicable to the Central Gulf Service Area incorporated and environs areas of Austin, Bee Cave, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Nixon, Rollingwood, Shiner, Sunset Valley, West Lake Hills, and Yoakum Texas and the environs of Buda, Texas. The PIT Rider permits the Company to recover the cost of pipeline safety testing that the Company is required to perform by law.

The effect of the PIT Rider on the various customer classes within the CTSA is set forth in the table below:

Rate Schedule	PIT Rate per Ccf	Average Monthly Bill Impact	Number of Customers
Residential	\$0.00280	\$0.09	247,975
Commercial	\$0.00280	\$0.72	12,479
Public Authority	\$0.00280	\$1.16	585
Industrial	\$0.00280	\$7.16	26
Standard Transportation	\$0.00280	\$9.25	866

Persons with questions or who want more information about this filing may contact the Company at 1-800-700-2443. A copy of the filing will be available for inspection during normal business hours at the Company’s office at 9228 Tuscany Way in Austin, Texas or on the Company's website at <https://www.texasgasservice.com/rate-information/central-gulf> .

PIPELINE INTEGRITY TESTING (PIT) SURCHARGE RIDER

A. APPLICABILITY

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, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Nixon, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas and in the environs area of Buda, 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. PIT RATE

\$0.00280 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. OTHER ADJUSTMENTS

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

D. CONDITIONS

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

Texas Gas Service Company, a Division of ONE Gas, Inc.
Central Gulf Service Area- Central Texas cities only
Pipeline Integrity Testing Rider
Rate Calculation

Line	Description	Amount
1	Pipeline Integrity Testing Costs Deferred in 2021	468,947
2	Prior years true-up	<u>7,261</u>
3	Total to Recover April 2022 through March 2023	<u>\$476,208</u>
4	Annual Volumes (Ccf)	<u>168,973,363</u>
5	PIT Rider Rate per Ccf for April 2022 through March 2023	<u><u>\$0.00280</u></u>
6	(Line 3 divided by Line 4)	

Texas Gas Service Company, a Division of ONE Gas, Inc.
Central Gulf Service Area- Central Texas cities only
Pipeline Integrity Testing Rider
Bill Impact

Line	Rate Schedule	Bills	Customers	Volumes	Average Use per Customer	PIT Rate per Ccf	Average Monthly Bill Impact
1	Residential	2,975,695	247,975	92,353,700	31	0.0028	\$ 0.09
2	Commercial	149,742	12,479	38,577,330	258	0.0028	0.72
3	Industrial	312	26	798,338	2,559	0.0028	7.16
4	Public Authority	7,021	585	2,919,284	416	0.0028	1.16
6	Standard Transportation	10,391	866	34,324,710	3,303	0.0028	9.25

Texas Gas Service Company, a Division of ONE Gas, Inc.
Central Gulf Service Area- Central Texas cities only
Pipeline Integrity Testing Rider
True-up of prior years recovery of Pipeline Integrity Testing expenses

Line	Description	Amount	
1	Approved 2019 Amount to Recover	\$7,168	
2	Recoveries Apr-Dec 2020	93	
3	Unrecovered 2019 PIT Expenses at 12/13/2020	<u>\$7,261</u>	
4	Recoveries Jan - Mar 2021	<u>(0)</u>	
5	Unrecovered 2019 PIT Expenses at 12/13/2020	\$7,261	
6	Interest on Under (Over) Recovery at WACOC	<u>0</u>	
7	Remaining 2018 Costs to recover (refund)	<u><u>\$7,261</u></u>	\$7,261
8	Approved 2020 Amount to Recover	\$163,519	
9	Recoveries Apr-Dec 2021	<u>(89,935)</u>	
10	Unrecovered 2020 PIT Expenses at 12/13/2021	\$73,584	
11	Estimated recoveries Jan-Mar 2022	<u>(73,584)</u>	
12	Estimated unrecovered 2020 PIT Expenses at 3/31/2022	<u><u>\$0</u></u>	<u>\$0</u>
13	Total Prior Year True-Up		<u><u>\$7,261</u></u>

Texas Gas Service Company, a Division of ONE Gas, Inc.
Central Gulf Service Area- Central Texas cities only
Pipeline Integrity Testing Rider
Deferred Pipeline Integrity Testing Expense

Project Number	Project Description	Expenditure Type	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Grand Total	
091.082.7200.010014	(2021 IMP) LINE 2000	Contract Labor (O&M)											42,580.00		42,580.00	
		Contractor Supplied Labor	26,070.00	7,430.00						808.06	25,168.00	113,621.14	32,584.25	9,872.14	195,890.59	411,444.18
		Direct Purchase Material							564.25							564.25
		Employee Expensed Meals												37.23		37.23
		Employee Expensed Travel												1.41		1.41
		Othe Charges Conversion - CSI Prepaid Inventory - Invoice 098833					1,815.37									1,815.37
		Restoration	468.00													468.00
		Stores Material Issues							4,939.63		4,860.74	56.44	71.70			9,928.51
		Stores Overhead							907.90		1,166.58	13.55	20.08			2,108.11
Grand Total			26,538.00	7,430.00	-	1,815.37	-	6,411.78	808.06	31,195.32	113,691.13	32,676.03	52,490.78	195,890.59	468,947.06	

Texas Gas Service Company, a Division of ONE Gas, Inc.
Central Gulf Service Area- Central Texas cities only
Pipeline Integrity Testing Rider
Recovery of Pipeline Integrity Testing Expense

Recoveries

January-21	(0.24)
February-21	(0.01)
March-21	(0.09)
April-21	(12,798.24)
May-21	(10,591.26)
June-21	(9,116.78)
July-21	(7,959.42)
August-21	(7,680.08)
September-21	(7,898.02)
October-21	(8,188.26)
November-21	(10,402.19)
December-21	(15,300.29)
Total Net Recoveries in 2021	(89,934.88)