

**TEXAS GAS SERVICE COMPANY  
CENTRAL TEXAS SERVICE AREA  
ANNUAL RECONCILIATION REPORT  
JULY 1, 2019 - JUNE 30, 2020**

<b>A.</b>	<b>COST OF PURCHASED GAS</b>
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<b>B</b>	<b>COST OF GAS REVENUE</b>
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TOTAL PURCHASES		
	MCF @14.65	DOLLARS
Prior Period Adjustments		\$ -
2019 July	489,718	1,719,406.18
August	467,847	1,547,854.15
September	521,157	1,793,664.13
October	907,535	2,983,903.21
November	1,736,294	5,351,034.85
December	2,023,493	6,922,315.76
2020 January	1,876,664	6,004,164.89
February	2,099,167	6,064,707.04
March	961,982	2,908,399.07
April	826,491	2,295,099.61
May	616,482	1,825,838.44
June	539,269	1,400,570.34
TOTAL	13,066,099	\$ 40,816,957.67

TOTAL SALES		
	MCF @14.65	COG COLLECTED
		\$ -
2019 July	539,183	1,996,411.80
August	483,822	1,714,566.42
September	491,410	1,661,596.44
October	534,591	1,812,846.01
November	1,174,047	3,452,920.40
December	1,831,512	6,138,471.34
2020 January	2,097,289	6,779,656.08
February	1,906,313	5,650,840.38
March	1,655,051	4,569,151.69
April	881,702	2,326,659.66
May	734,729	2,017,123.45
June	583,123	1,595,894.03
TOTAL	12,912,772	\$ 39,716,137.70

C. MONTHLY BALANCE CENTRAL TEXAS

		Total Purchases	Total COG Revenue	(Over) / Under Collection on COG	Financial Hedging	Bad Debt *	3rd Party Gas Loss Recovery	Adjustments	Cumulative Balance	Cumulative Balance Including Interest	Interest Calculation
Balance Brought Forward									\$ (3,332,474.74)	\$ (3,332,474.74)	
PPA		\$ -	\$ -	\$ -					(3,332,474.74)	(3,332,474.74)	
2019	July	1,719,406.18	(1,996,411.80)	(277,005.62)	-	12,740.22	(1,811.55)	-	(3,598,551.69)	(3,615,214.06)	(16,662.37)
	August	1,547,854.15	(1,714,566.42)	(166,712.27)	-	11,197.44	(103.01)	-	(3,754,169.53)	(3,788,907.97)	(18,076.07)
	September	1,793,664.13	(1,661,596.44)	132,067.69	-	19,222.75	(2,114.84)	-	(3,604,993.93)	(3,658,676.91)	(18,944.54)
	October	2,983,903.21	(1,812,846.01)	1,171,057.20	1,415.29	3,146.66	(1,289.77)	-	(2,430,664.55)	(2,502,640.92)	(18,293.38)
	November	5,351,034.85	(3,452,920.40)	1,898,114.45	27,900.15	1,652.73	(840.63)	-	(503,837.85)	(588,327.42)	(12,513.20)
2020	December	6,922,315.76	(6,138,471.34)	783,844.42	77,422.96	8,594.67	(2,754.57)	-	363,269.63	275,838.42	(2,941.64)
	January	6,004,164.89	(6,779,656.08)	(775,491.19)	136,985.59	4,920.08	(125.39)	-	(270,441.28)	(356,493.30)	1,379.19
	February	6,064,707.04	(5,650,840.38)	413,866.66	101,299.42	3,360.91	(1,004.58)	-	247,081.13	159,246.65	(1,782.47)
	March	2,908,399.07	(4,569,151.69)	(1,660,752.62)	74,981.30	8,019.94	(1,849.00)	-	(1,332,519.24)	(1,419,557.50)	796.23
	April	2,295,099.61	(2,326,659.66)	(31,560.05)	-	10,895.26	(518.93)	-	(1,353,702.96)	(1,447,839.01)	(7,097.79)
	May	1,825,838.44	(2,017,123.45)	(191,285.01)	-	23,773.40	(517.76)	-	(1,521,732.33)	(1,623,107.57)	(7,239.20)
	June	1,400,570.34	(1,595,894.03)	(195,323.69)	-	(7,633.40)	(3,839.79)	-	(1,728,529.21)	(1,838,019.99)	(8,115.54)
	TOTAL	\$ 40,816,957.67	\$ (39,716,137.70)	\$ 1,100,819.97	\$ 420,004.72	\$ 99,890.66	\$ (16,769.82)	\$ -			\$ (109,490.77)

\* During the reconciliation period, bad debt **increased** the reconciliation collection factors by approximately \$0.0083 / Mcf for incorporated customers and \$0.0090 / Mcf for environs customers.

		Incorporated Purchases	Incorporated COG Revenue	(Over) / Under Collection on COG	Financial Hedging	Bad Debts *	3rd Party Gas Loss Recovery	Adjustments	Cumulative Balance	Cumulative Balance Including Interest	Interest Calculation
Balance Brought Forward				\$ -					\$ (2,892,145.71)	\$ (2,892,145.71)	
PPA											
2019	July	1,536,916.31	(1,784,407.69)	(247,491.38)	-	11,388.03	(1,619.28)		(3,129,868.34)	(3,144,329.07)	(14,460.73)
	August	1,390,490.35	(1,540,533.20)	(150,042.85)	-	10,059.04	(92.54)		(3,269,944.68)	(3,300,127.05)	(15,721.65)
	September	1,595,544.47	(1,481,336.04)	114,208.43	-	17,099.50	(1,881.24)		(3,140,518.00)	(3,187,201.01)	(16,500.64)
	October	2,607,486.05	(1,587,439.05)	1,020,047.00	1,415.29	2,749.71	(1,127.07)		(2,117,433.07)	(2,180,052.08)	(15,936.01)
	November	4,677,732.53	(3,031,549.57)	1,646,182.96	27,900.15	1,444.77	(734.86)		(442,640.05)	(516,159.32)	(10,900.26)
2020	December	6,147,545.87	(5,475,059.05)	672,486.82	77,422.96	7,632.72	(2,446.27)		312,456.19	236,356.12	(2,580.80)
	January	5,313,514.21	(6,031,672.75)	(718,158.54)	136,985.59	4,354.13	(110.97)		(264,473.59)	(339,391.88)	1,181.78
	February	5,317,434.06	(4,986,601.27)	330,832.79	101,299.42	2,946.79	(880.80)		169,724.61	93,109.36	(1,696.96)
	March	2,586,611.27	(4,085,168.16)	(1,498,556.89)	74,981.30	7,132.61	(1,644.43)		(1,248,362.79)	(1,324,512.49)	465.55
	April	1,994,223.87	(2,025,365.34)	(31,141.47)	-	9,466.95	(450.90)		(1,270,488.21)	(1,353,260.48)	(6,622.56)
	May	1,596,441.17	(1,768,850.79)	(172,409.62)	-	20,786.52	(452.71)		(1,422,564.01)	(1,512,102.58)	(6,766.30)
	June	1,233,177.92	(1,408,701.46)	(175,523.54)	-	(6,721.08)	(3,380.87)		(1,608,189.50)	(1,705,288.58)	(7,560.51)
	TOTAL	\$ 35,997,118.08	\$ (35,206,684.37)	\$ 790,433.71	\$ 420,004.72	\$ 88,339.70	\$ (14,821.92)	\$ -			\$ (97,099.08)

		Unincorporated Purchases	Unincorporated Revenue	(Over) / Under Collection on COG	Financial Hedging	Bad Debts *	3rd Party Gas Loss Recovery	Adjustments	Cumulative Balance	Cumulative Balance Including Interest	Interest Calculation
Balance Brought Forward				\$ -					\$ (440,329.03)	\$ (440,329.03)	
PPA											
2019	July	182,489.87	(212,004.11)	(29,514.24)		1,352.19	(192.27)		(468,683.35)	(470,885.00)	(2,201.65)
	August	157,363.80	(174,033.22)	(16,669.42)		1,138.40	(10.47)		(484,224.85)	(488,780.92)	(2,354.42)
	September	198,119.66	(180,260.40)	17,859.26		2,123.25	(233.60)		(464,475.93)	(471,475.90)	(2,443.90)
	October	376,417.16	(225,406.96)	151,010.20		396.95	(162.70)		(313,231.48)	(322,588.83)	(2,357.38)
	November	673,302.32	(421,370.83)	251,931.49		207.96	(105.77)		(61,197.81)	(72,168.11)	(1,612.94)
2020	December	774,769.89	(663,412.29)	111,357.60		961.95	(308.30)		50,813.43	39,482.29	(360.84)
	January	690,650.68	(747,983.33)	(57,332.65)		565.95	(14.42)		(5,967.69)	(17,101.42)	197.41
	February	747,272.98	(664,239.11)	83,033.87		414.12	(123.78)		77,356.52	66,137.29	(85.51)
	March	321,787.80	(483,983.53)	(162,195.73)		887.33	(204.57)		(84,156.45)	(95,045.00)	330.69
	April	300,875.74	(301,294.32)	(418.58)		1,428.31	(68.03)		(83,214.75)	(94,578.52)	(475.22)
	May	229,397.27	(248,272.66)	(18,875.39)		2,986.88	(65.05)		(99,168.32)	(111,004.99)	(472.89)
	June	167,392.42	(187,192.57)	(19,800.15)		(912.32)	(458.92)		(120,339.71)	(132,731.40)	(555.02)
	TOTAL	\$ 4,819,839.59	\$ (4,509,453.33)	\$ 310,386.26	\$ -	\$ 11,550.96	\$ (1,947.90)	\$ -			\$ (12,391.69)

D. NORMALIZED SALES VOLUMES CENTRAL TEXAS INC AND ENV

		Actual Sales Mcf @ 14.65 (Inc and Env)	Weather/Customer Normalized Sales (Inc)	Weather/Customer Normalized Sales (Env)
2019	October	534,591	465,295	70,369
	November	1,174,047	843,646	176,596
	December	1,831,512	1,654,987	208,577
2020	January	2,097,289	2,426,599	113,619
	February	1,906,313	1,964,812	278,553
	March	1,655,051	1,653,872	206,370
	April	881,702	907,032	84,312
	May	734,729	562,231	125,938
	June	583,123	521,285	70,760
TOTAL		11,398,357	10,999,759	1,335,094

F. RECONCILIATION COMPONENT - INC AND ENV

June 2020 Balance (Inc)	(1,608,189.50)
Interest on PGA Balance (w/o hedge interest)	(97,099.08)
Interest on storage	220,261.58
TOTAL	(1,485,027.00)
Divided By:	
Weather/Customer Normalized Sales (Inc Only)	10,999,759
Incorporated Reconciliation Component @ 14.65 psi	\$ (0.1350) per MCF OR \$ (0.0135) per CCF
Incorporated Reconciliation Component @ 14.73 psi	\$ (0.1357) per MCF OR \$ (0.0136) per CCF
June 2020 Balance (Env)	\$ (120,339.71)
Interest on PGA Balance (Environs)	(12,391.69)
Interest on storage (Environs)	29,336.28
TOTAL	(103,395.12)
Divided By:	
Weather/Customer Normalized Sales (Env Only)	1,335,094
Environs Reconciliation Component @ 14.65 psi	\$ (0.0774) per MCF OR \$ (0.0077) per CCF
Environs Reconciliation Component @ 14.73 psi	\$ (0.0779) per MCF OR \$ (0.0078) per CCF

E. INTEREST ON PGA BALANCE

Calculated Interest	\$ (109,490.77)
Interest Rate per Tariff	6%
Calculated Interest (Incorporated)	\$ (97,099.08)
Calculated Interest (Environs)	\$ (12,391.69)

G. P/S RATIO AND LOST AND UNACCOUNTED FOR %

Purchase / Sales Ratio		
	Purchases @14.65	Sales @14.65
2019	PPA	-
	JUL	489,718
	AUG	467,847
	SEP	521,157
	OCT	907,535
	NOV	1,736,294
2020	DEC	2,023,493
	JAN	1,876,664
	FEB	2,099,167
	MAR	961,982
	APR	826,491
	MAY	616,482
	JUN	539,269
	TOT	13,066,099
		12,912,772
P/S RATIO =		1.0119
UNACCT % =		1.17%
Amt. write-off		-

H.	<b>HEDGING ACTIVITY AND AVERAGE IMPACT TO RESIDENTIAL / COMMERCIAL PARTICIPATING CUSTOMERS</b>
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Hedge Cost	\$	443,527.49
Hedge Recoveries		(23,522.77)

Net Hedge Cost	\$	420,004.72
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	Volumes (Mcf at 14.65)	Average 12 month Customer Count
Total CTSA Inc	11,395,080	242,862
Residential Inc	7,669,291	230,547
Commercial Inc	3,467,794	11,769

Rate per Total Mcf	\$	0.0369
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Res \$ Amt	\$	282,678.01
Com \$ Amt	\$	127,817.44

Res \$ Amt / Res Cust	\$	1.23
Com \$ Amt / Com Cust	\$	10.86

Texas Gas Service continues to make use of financial call options to mitigate against the potential for spikes in the price of natural gas that are passed through to our customers. European Style Call Options are used, as they have been over the last ten years. These options allow the buyer the right, but not the obligation, to purchase a specified number of contracts (volumes) at a given strike price, on a predetermined date. At the maturity date, if the market price is higher than the strike price, the holder will receive a financial settlement. If the market price is lower at maturity, the option expires and the holder's loss is limited to the price of the contract (the premium cost). No other type of financial instrument was used during the 19-20 period.

I. Central Texas Imbalance Report

Imbalances	Customer A MCF	Imbalance \$	Customer B MCF	Imbalance \$	Customer C MCF	Imbalance \$	Customer D MCF	Imbalance \$	Customer E MCF	Imbalance \$	Customer F MCF	Imbalance \$	Customer G MCF	Imbalance \$	Customer H MCF	Imbalance \$		
Balance Brought Forward		- \$ -		- \$ -		- \$ -		- \$ -		- \$ -		- \$ -		- \$ -		- \$ -		
2019 July	644	3,057.55	(6,106)	(19,815.44)	(91)	3,442.34	(5,314)	(15,912.61)	-	-	(17)	117.99	(3,689)	(14,203.77)	-	-	1,001.07	
August	(1,200)	(2,639.36)	(8,359)	(24,220.79)	(436)	2,192.89	(5,062)	(13,814.80)	-	-	213	741.50	(748)	(4,677.58)	8	490.00		
September	1,481	3,491.55	6,978	19,689.90	(1,988)	(7,213.58)	(4,045)	(11,721.04)	-	-	275	713.36	(3,555)	(8,346.38)	(8)	(447.86)		
October	5,526	15,783.33	(4,242)	(12,749.00)	26,870	75,987.44	6,976	20,226.40	-	-	446	1,312.61	1,945	881.01	(26)	1,058.40		
November	(278)	(1,006.62)	335	1,822.99	(618)	(2,232.21)	(1,454)	(4,811.87)	(340)	(961.19)	(66)	(248.09)	(7,870)	(17,889.81)	-	(997.15)		
December	(442)	300.13	91	(3,387.64)	(273)	1,865.17	(434)	2,844.45	340	961.19	340	965.95	8,714	8,010.81	-	3,913.14		
2020 January	(7)	(207.05)	(363)	(314.44)	6,022	12,290.59	4,799	9,602.83	-	-	356	749.22	(523)	964.67	-	(500.29)		
February	794	2,098.71	(1,363)	(3,948.66)	126	(933.44)	(4,742)	(8,001.91)	-	-	(723)	(1,372.44)	(10,840)	(26,345.71)	-	1,914.43		
March	2,444	6,219.93	589	6,067.56	(1,026)	1,289.16	7,907	18,134.14	-	-	661	1,564.69	8,353	40,564.29	-	(7,369.60)		
April	120	(1,292.38)	(894)	(5,667.73)	(488)	(3,300.99)	58	(3,397.78)	-	-	(75)	(483.24)	(10,251)	(41,177.89)	-	10,531.57		
May	(1,464)	(3,057.91)	(4,809)	(10,732.67)	(82)	234.11	(293)	199.77	-	-	9	81.75	9,843	25,144.64	-	(6,389.11)		
June	923	1,986.42	(4)	633.46	(59)	(504.49)	14	(728.60)	-	-	(461)	(1,032.06)	(4,003)	(12,698.57)	8	961.38		
TOTAL	8,541	\$ 24,734.30	(18,147)	\$ (52,622.46)	27,957	\$ 83,116.99	(1,590)	\$ (7,381.02)	0	\$ -	958	\$ 3,111.24	(12,624)	\$ (49,774.29)	(18)	\$ 4,165.98		
	Customer I MCF	Imbalance \$	Customer J MCF	Imbalance \$	Customer K MCF	Imbalance \$	Customer L MCF	Imbalance \$	Customer M MCF	Imbalance \$	Customer N MCF	Imbalance \$					Imbalances Total MCF	\$
Balance Brought Forward		- \$ -		- \$ -		- \$ -		- \$ -		- \$ -		- \$ -						
2019 July	23	232.37	-	130.45	(254)	(416.45)	(3,015)	(10,099.45)	270	3,436.16	209	242.00					(17,340)	(48,788)
August	110	397.24	-	74.45	(484)	(960.35)	(1,522)	(4,117.87)	485	2,590.19	203	277.99					(16,792)	(43,666)
September	109	231.87	(99)	(347.31)	(848)	(2,105.20)	2,527	6,160.55	(230)	(974.54)	186	525.26					783	(343)
October	623	1,793.55	765	2,187.80	(855)	(1,633.91)	(4,188)	(10,062.67)	8,286	19,801.25	(1,181)	(2,865.13)					40,945	111,721
November	(13)	(50.96)	(1)	(14.12)	(549)	(2,824.72)	(26)	(354.00)	535	2,442.49	(125)	(285.29)					(10,470)	(27,411)
December	(14)	41.97	4	56.91	564	2,606.67	2,256	5,595.22	(637)	(2,528.87)	132	311.46					10,641	21,557
2020 January	154	313.17	(2)	(10.49)	(683)	(1,009.90)	(1,120)	(2,696.13)	1,496	2,918.50	(1)	(23.48)					10,128	22,077
February	5	(16.16)	(9)	5.65	(105)	473.28	564	1,070.20	598	507.88	7	(10.38)					(15,688)	(34,559)
March	(19)	34.60	19	(37.92)	(553)	(741.20)	(1,912)	(3,747.05)	11	(348.77)	(14)	(38.93)					16,460	61,591
April	(72)	(201.55)	76	212.60	(1,032)	(299.77)	77	443.91	462	(617.20)	(15)	(63.36)					(12,034)	(45,314)
May	60	136.21	4	16.03	(139)	(1,362.82)	1,360	2,261.14	483	1,875.30	(141)	(233.12)					4,831	8,173
June	(3)	(15.84)	3	(3.03)	(535)	(859.67)	927	1,655.93	168	202.40	116	208.93					(2,906)	(10,194)
TOTAL	963	\$ 2,896.47	760	\$ 2,271.02	(5,473)	\$ (9,134.04)	(4,072)	\$ (13,890.22)	11,927	\$ 29,304.79	(624)	\$ (1,954.05)					8,558	\$ 14,844.71

The imbalance payments in this report are reflective of Qualified Supplier’s over or under deliveries to the Aggregation Area of Customers at the Points of Delivery during a Consumption Period in accordance with the applicable Rate Schedule T-Terms.

Cash Outs	Customer A MCF	Cash out \$	Customer O MCF	Cash out \$	Customer B MCF	Cash out \$	Customer C MCF	Cash out \$	Customer D MCF	Cash out \$	Customer E MCF	Cash out \$	Customer F MCF	Cash out \$	Customer G MCF	Cash out \$		
Balance Brought Forward		\$ -		- \$ -		- \$ -		- \$ -		- \$ -		- \$ -		- \$ -		- \$ -		
2019 July	-	-	30,185	71,889	-	-	-	-	(801)	(2,042)	(108)	(283)	-	-	-	-		
August	-	-	50,133	109,813	-	-	(2,877)	(6,618)	(859)	(1,977)	(34)	(82)	-	-	-	-		
September	-	-	34,834	77,844	18,899	39,769	-	-	-	-	(46)	(113)	-	-	-	-		
October	(1,570)	(5,830)	39,408	97,419	31,576	71,410	(35,691)	(131,887)	(11,655)	(43,068)	55	118	(240)	(886)	5,340	12,053		
November	-	-	38,583	100,885	361	886	(10,194)	(39,891)	(31,148)	(125,900)	(340)	(961)	(207)	(494)	-	-		
December	(1,912)	(7,094)	39,388	95,014	8,592	19,655	(23,828)	(87,858)	(20,915)	(77,963)	(536)	(1,417)	-	-	1,922	4,398		
2020 January	(930)	(3,157)	29,968	63,209	14,188	28,404	9,611	19,243	-	-	(923)	(2,134)	277	554	49,172	98,502		
February	-	-	28,034	51,881	-	-	8	14	(4,926)	(17,322)	(216)	(438)	(88)	(276)	-	-		
March	8,977	15,490	29,914	54,529	15,247	26,327	14,367	24,809	-	-	(1,083)	(2,166)	195	337	26,736	46,438		
April	805	1,226	28,920	46,470	1,564	2,383	2,733	4,166	13,150	18,674	(539)	(953)	-	-	-	-		
May	-	-	30,097	53,909	(3,968)	(12,236)	12,370	21,132	14,035	23,976	(344)	(675)	275	470	1,308	2,220		
June	-	-	148,616	240,058	(7,921)	(23,089)	8,006	12,724	3,879	6,165	(268)	(504)	(600)	(1,749)	-	-		
TOTAL	5,370	\$ 635.39	528,080	\$ 1,062,919.38	78,538	\$ 153,509.17	(25,495)	\$ (184,165.49)	(39,240)	\$ (219,456.58)	(4,382)	\$ (9,607.53)	(388)	\$ (2,045.22)	84,478	\$ 163,610.85		
	Customer I MCF	Cash out \$	Customer J MCF	Cash out \$	Customer L MCF	Cash out \$	Customer M MCF	Cash Out \$	Customer N MCF	Cash Out \$							Cash Out Total MCF	\$
Balance Brought Forward		- \$ -		- \$ -		- \$ -		- \$ -		- \$ -							- \$ -	
2019 July	-	-	(324)	(826)	(761)	(1,914)	(694)	(1,744.47)	124	278.81							27,621	65,359
August	144	299	(229)	(528)	(3,687)	(8,558)	(3,302)	(7,559.36)	124	254.00							39,413	85,044
September	126	265	(97)	(224)	1,086	2,303	(2,921)	(6,871.58)	372	786.87							52,253	113,760
October	(669)	(2,474)	(1,111)	(4,105)	304	543	(11,605)	(42,915.77)	1,056	2,063.20							15,198	(47,560)
November	(328)	(1,286)	(389)	(1,523)	(4,726)	(18,705)	(3,317)	(12,967.45)	(108)	(423.60)							(11,813)	(100,380)
December	(549)	(2,026)	(272)	(1,004)	1,979	4,514	(6,008)	(22,346.39)	(35)	(304.37)							(2,174)	(76,431)
2020 January	60	119	(308)	(1,050)	(640)	(2,183)	697	672.62	511	1,001.71							101,683	203,182
February	31	55	(551)	(1,735)	1,581	2,775	1,897	3,347.87	2,138	3,753.66							27,908	42,056
March	513	886	(133)	(413)	(561)	(1,921)	1,708	2,916.06	2,447	4,200.45							98,327	171,432
April	(521)	(1,502)	127	194	(1,971)	(5,990)	(2,893)	(8,286.98)	3,554	5,358.60							44,929	61,738
May	680	3,894	163	279	985	1,674	(1,282)	(3,932.71)	(32)	(96.58)							54,287	90,615
June	815	1,296	99	157	4,513	7,358	(1,498)	(4,475.95)	491	794.45							156,132	238,733
TOTAL	302	\$ (473.96)	(3,025)	\$ (10,777.09)	(1,898)	\$ (20,104.70)	(29,218)	\$ (104,164.11)	10,642	\$ 17,667.20	0	\$ -					603,764	\$ 847,547.31