

**BEFORE THE RAILROAD COMMISSION OF TEXAS**

**STATEMENT OF INTENT OF TEXAS  
GAS SERVICE COMPANY, A  
DIVISION OF ONE GAS, INC., TO  
CHANGE GAS UTILITY RATES  
WITHIN THE UNINCORPORATED  
AREAS OF THE CENTRAL TEXAS  
SERVICE AREA AND THE GULF  
COAST SERVICE AREA**

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**HEARINGS DIVISION  
GAS UTILITIES DOCKET  
NO. 10928, CONSOLIDATED**

**FINAL ORDER**

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to Tex. Gov't Code Chapter 551, *et seq.* The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

**FINDINGS OF FACT**

1. Texas Gas Services Company, a Division of ONE Gas, Inc. ("TGS") is a gas utility as that term is defined in the Texas Utility Code and is subject to the jurisdiction of the Railroad Commission of Texas ("Commission").
2. On December 20, 2019, TGS filed with the Commission a statement of intent to increase gas utility rates within the unincorporated areas of the Central Texas Service Area ("CTSA") and Gulf Coast Service Area ("GCSA") and within the City of Beaumont (the "SOI"). In the Statement of Intent, TGS requested approval to consolidate those existing service areas and the City of Beaumont to create the Central-Gulf Service Area ("CGSA"). That filing was docketed as GUD No. 10928.
3. The CTSA is comprised of the environs of Buda and the 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.
4. The GCSA is comprised of the environs of Beaumont and the incorporated and environs areas of Bayou Vista, Galveston, Groves, Jamaica Beach, Nederland, Port Arthur, and Port Neches.
5. TGS filed on December 20, 2019 a *Statement of Intent* to increase rates with each city within the CTSA and GCSA that have original jurisdiction and with the City of Beaumont.
6. On January 14, 2020, the Commission suspended the effective date for TGS's rate increase for 150 days.
7. On April 3, 2020, the parties filed a joint revised procedural schedule in which TGS agreed to extend the statutory deadline for Commission action to August 4, 2020.
8. For all customers located in each county containing territory affected by the proposed increase, TGS published a Public Notice of its SOI by direct mail, which was completed on March 9, 2020, in accordance with Tex. Util. Code §104.103(a) and 16 Tex. Admin. Code §§ 7.230 and 7.235.
9. The publication of notice meets the statutory and rule requirements of notice and provides sufficient information to ratepayers about the proposed rate increase in the SOI, in accordance with Tex. Util. Code §104.103(a) and 16 Tex. Admin. Code §§7.230 and 7.235.

10. Staff of the Railroad Commission ("Staff") timely intervened on December 30, 2019, and the presiding Administrative Law Judge ("ALJ") granted the motion on December 31, 2019.
11. TGS CTSA Cities and TGS CGSA Cities ("Cities") timely sought intervention through multiple motions filed or made on January 7 and February 18, 2020, and the presiding ALJ granted party status on January 8, January 27, and February 20, 2020. Cities is comprised of Austin, Bayou Vista, Bee Cave, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Rollingwood, Shiner, Sunset Valley, West Lake Hills, and Yoakum, Texas.
12. The Gulf Coast Service Area Steering Committee ("GCSC") timely intervened on January 8, 2020, and the presiding ALJ granted the motion on January 10, 2020. The GCSC includes Beaumont, Groves, Nederland, Port Arthur, and Port Neches, Texas.
13. The rate case expense portion of the SOI filed by TGS on December 20, 2019 was initially severed as GUD NO. 10938, *Rate Case Expenses Severed from GUD No. 10928, consolidated, Statement of Intent Filed by Texas Gas Service Company, a Division of ONE Gas, Inc., ("TGS") to Change Gas Utility Rates Within the Unincorporated Areas of the Central Texas Service Area and Gulf Coast Service Area* on January 27, 2020.
14. TGS filed seven petitions for review to the Commission pursuant to Tex. Util. Code § 103.054, and those appeals were subsequently consolidated with the main GUD No. 10928 docket.
  - a. The cities of Lockhart on April 7, 2020, Luling on April 9, 2020, Gonzales on April 9, 2020, Dripping Springs on April 14, 2020, Yoakum on April 14, 2020, and Galveston on April 30, 2020 denied TGS's *Statement of Intent*. On May 7, 2020, TGS timely filed with the Commission a petition for review from their municipal actions. The case was docketed as GUD No. 10974, and a motion to consolidate was granted on May 18, 2020.
  - b. The city of Cuero denied TGS's *Statement of Intent* on April 13, 2020, and TGS file a timely appeal with the Commission on May 13, 2020. The case was docketed as GUD No. 10976, and a motion to consolidate was granted on May 18, 2020.
  - c. The city of Rollingwood denied TGS's *Statement of Intent* on May 15, 2020, and TGS file a timely appeal with the Commission on May 15, 2020. The case was docketed as GUD No. 10977, and a motion to consolidate was granted on May 19, 2020.
  - d. The cities of Westlake Hills on April 8, 2020, Bayou Vista on March 31, 2020, Kyle on April 7, 2020, and Shiner on April 6, 2020 denied TGS's *Statement of Intent*. TGS filed with the Commission a petition for review of their municipal actions on May 18, 2020. This case was docketed as GUD No. 10978. TGS was granted a good cause exception for its late filed appeal, and a motion to consolidate was granted on May 21, 2020.
  - e. The cities of Jamaica Beach and Lakeway denied TGS's *Statement of Intent* on May 20, 2020, and TGS file a timely appeal with the Commission on May 20, 2020. The case was docketed as GUD No. 10979, and a motion to consolidate was granted on May 22, 2020.
  - f. The city of Austin denied TGS's *Statement of Intent* on May 7, 2020. The cities of Sunset Valley and Bee Cave denied TGS's *Statement of Intent* on April 7, 2020 and April 28, 2020, respectively. TGS filed with the Commission a petition for review of their municipal actions on June 4, 2020. The case was docketed as GUD No. 10981. TGS timely appealed the City of Austin's actions and was granted a good cause exception for its late filed appeal to the municipal actions of the cities of Sunset Valley and Bee Cave. The ALJ granted TGS's motion to consolidate on June 9, 2020.
  - g. The cities of Beaumont, Groves, Nederland, and Nixon did not take action to approve or deny TGS's requested rate change prior to the June 5, 2020 statutory deadline for them to take final action. On June 11, 2020, TGS timely filed with the Commission a petition

- for review of the cites' inaction. The case was docketed as GUD No. 10986, and a motion to consolidate was granted on June 16, 2020.
15. All municipal parties were aligned for purposes of discovery on January 27, 2020 pursuant to 16 Tex. Admin. Code § 1.56 (Alignment of Municipal Intervenors for Purposes of Discovery).
  16. On February 18, 2020, a prehearing technical conference was held for TGS to present a general overview of its rate study schedules and its rate case design.
  17. From March 2, 2020 through April 15, 2020, the Commission received five comment letters from the public, each voicing opposition to TGS's proposed rate amounts as contained in the Public Notice. All but one was mailed a "Complaint and Statement of Intent to Participate Form" (the "Form") in compliance with 16 Tex. Admin. Code § 7.240 (Statement of Intent to Participate).
    - a. The ALJ mailed the Form to Mr. Paul Wingstrom on March 3, 2020, to Ms. Heather Sin on March 9, 2020, and to Mr. John B. Worley and Mr. Fred Florence on April 22, 2020.
    - b. The Form was not mailed to Ms. Nancy Ojeda from Galveston, Texas, because she did not provide a return address.
    - c. The Commission received one Form from Ms. Sin, who chose to provide public comment at the June 2, 2020 hearing on the merits.
  18. A city of Austin resident and TGS customer twice sought intervenor status, which were denied.
    - a. On February 11, 2020, Paul Robbins filed a letter with the Commission requesting party/intervenor status. The ALJ issued an interim ruling on March 18, 2020 denying party/intervenor status. At the time, the City of Austin retained original jurisdiction over TGS's rate request, Mr. Robbins lacked standing as an "affected person" within the meaning of Tex. Util. Code § 101.003(2)(b), and he failed to show he had a justiciable or administratively cognizable interest and therefore lacked standing. No interim appeal was filed.
    - b. On May 11, 2020, Mr. Robbins submitted a second request for party status in GUD No. 10928. The ALJ issued an interim ruling on May 27, 2020 denying the petition for leave to intervene because it was untimely filed. The order denying intervention noted that if the request had been filed in a timely manner, it would have been denied due to the Commission lacking jurisdiction, as the Commission was not exercising appellate jurisdiction over the denial actions of the City of Austin at the time Mr. Robbins filed his request to intervene, and Mr. Robbins lacking standing. No interim appeal was filed. Mr. Robbins was given the opportunity to provide public comment at the June 2, 2020 hearing.
  19. On March 12, 2020, the ALJ issued the Notice of Hearing, which set the hearing on the merits to commence on April 15, 2020 ("Notice of Hearing").
  20. On January 31, 2020, the Commission published the Notice of Hearing in *Gas Utilities Bulletin No. 1127*.
  21. On March 24, 2020, the ALJ mailed the Notice of Hearing to the governing bodies of affected municipalities and counties in accordance with Tex. Util. Code § 104.105 (Determination of Propriety of Rate Change; Hearing).
  22. On April 3, 2020, the parties filed a joint revised procedural schedule, which the ALJ approved with modifications and in which TGS agreed to extend the statutory deadline for Commission action to August 4, 2020

23. On March 13, 2020, the Governor of Texas declared a State of Disaster in all Texas counties related to the novel coronavirus (COVID-19). In-person hearings at the Commission were not conducted given the declaration and additional orders issued by the Governor as well as concerns for the health and safety for Commission employees and those appearing before the Commission.
24. The hearing on the merits, conducted via video conferencing on the Zoom platform, commenced on April 15, 2020 and concluded on June 2, 2020 (the "Hearing").
25. At the Hearing, Ms. Heather Sin and Mr. Paul Robbins, two City of Austin residents and TGS customers, provided unsworn public comment in opposition to TGS's proposed rate amounts.
26. The evidentiary record in this docket consists of the parties' exhibits admitted at the Hearing and on June 22, 2020. Also included in the evidentiary record, through official notice taken by the ALJ, are the proposed tariffs and calculations related to the Excess Deferred Income Taxes ("EDIT") Refund that will be provided to TGS customers in September 2020 and TGS's filings responding to Examiner Request for Information ("RFI") requests 1-1, 1-2, 1-3, 1-4, 1-5, 1-6, 1-7, 1-8, 1-9, and 1-10.
27. On June 11, 2020, the ALJ issued rulings that granted TGS' and Cities motions to seal certain highly-sensitive and confidential materials.
28. On June 26, 2020, the ALJ consolidated GUD No. 10938 (rate case expenses) back into the main SOI docket.
29. On June 26, 2020, the ALJ closed the evidentiary record.

***Consolidation of Service Areas***

30. Consolidation of the CTSA, GCSA, and City of Beaumont into a single CGSA is likely to result in numerous administrative and regulatory efficiencies, and those efficiencies will benefit CGSA customers.
31. Consolidation of the CTSA, GCSA, and City of Beaumont into a single CGSA likely will reduce the number of cost-of-service analyses and rate-filing packages that TGS and the public must consider and address. This is more economical, efficient, and cost-effective for TGS and the public.
32. Consolidation of the CTSA, GCSA, and City of Beaumont into a single CGSA likely will result in greater uniformity and consistency for TGS and its customers.
33. Consolidation of the CTSA, GCSA, and City of Beaumont into a single CGSA better reflects TGS's existing centralized operations, management, and decision-making processes.
34. System-wide rates throughout the CGSA avoid unreasonable rate differences between customers and localities even when considering (1) the geographic distance between and among cities in the CGSA, (2) the climate or weather differences between and among cities in the CGSA, (3) the differences in gas consumption between and among cities in the CGSA, and (4) the rates of population and customer growth between and among cities in the CGSA.
35. Consolidation of the CTSA, GCSA, and City of Beaumont into a single CGSA is appropriate and in the public interest.

***Settlement Agreement***

36. On May 12, 2020, TGS, Staff, Cities, and GCSC (collectively, the "Parties") notified the ALJ they had reached an agreement in principle that resolved all issues in the proceeding except for TGS's request to consolidate the CTSA, GCSA, and City of Beaumont to create the Central-Gulf Service Area ("CGSA"). The parties agreed the City of Beaumont should be consolidated into the CGSA.

37. On May 29, 2020, the Parties filed the *Unanimous Settlement Agreement and Identification of Sole Issue in Dispute* (the "Settlement") and accompanying documents, which resolved all issues but the consolidation of the CTSA, GCSA, and the City of Beaumont. Due to the parties' agreement to litigate the service area consolidation issue, documents attached to the Settlement reflected terms and amounts for either consolidation or stand-alone service areas, pending the Commission's final decision on consolidation. Appended to the Order is **Attachment 1** (CGSA Rate Schedules and Tariffs), **Attachment 2** (CGSA Excess Deferred Income Tax Credit ("EDIT") Rate Schedule and Calculations), **Attachment 3** (CGSA Depreciation Rates), **Attachment 4** (CGSA Net Plant in Service), and **Attachment 5** (Share the Warmth).
38. The terms of the Settlement, including the terms that reflect consolidation of the CTSA and GCSA to create the CGSA, are just and reasonable.
39. Consistent with the Settlement, the City of Beaumont is consolidated into the GCSA.
40. TGS established it maintains its books and records in accordance with the Federal Energy Regulatory Commission's (FERC) Uniform System of Accounts (USOA) prescribed for Natural Gas Companies.
41. TGS established it has fully complied with the books and records requirements of 16 Tex. Admin. Code § 7.310, and the amounts included therein are therefore entitled to the presumption in 16 Tex. Admin. Code § 7.503 that these amounts are reasonable and necessary.
42. The test-year in this filing is based upon the financial data for the twelve-month period ending June 30, 2020 adjusted for known and measurable changes through September 30, 2019, with capital investment extending to December 31, 2019.
43. The Settlement contemplates a \$10.3 million revenue increase from current revenues for the CGSA that is not tied to any specific item in TGS's underlying cost-of-service in the CGSA.
44. The \$10.3 million revenue increase represents a decrease of approximately \$5.37 million from the revenues requested in the original filing.
45. The proposed revenue increase of \$10.3 million from current revenues is just and reasonable.
46. It is reasonable that the proposed rates for the CGSA comply with the rate-setting requirements of Chapter 104 of the Texas Utilities Code.
47. It is reasonable that the proposed rates for the CGSA will be effective for bills rendered on or after August 4, 2020 and will affect the classes of customers in the CGSA, which are listed in **Table 1** below.
48. Consistent with the Settlement, the tariffs shall be implemented for bills rendered on or after August 4, 2020 and will replace and supersede those tariffs currently in effect in the CTSA, GCSA, and City of Beaumont.
49. The rates and customer charges and volumetric rates set forth in the table below, and as reflected in **Attachment 1**, are just and reasonable for the CGSA.

**Table 1. CGSA Rate Design**

<b>Customer Classes</b>	<b>Customer Charge</b>	<b>Commodity Charge</b>	
Residential	\$ 16.00	\$0.32626	
Commercial	\$ 53.33	\$0.12679	
Commercial Transportation	\$265.33	\$0.12679	
Public Authority	\$ 81.70	\$0.12549	
Public Authority Transportation	\$104.70	\$0.12549	
Industrial	\$320.96	\$0.12707	
Industrial Transportation	\$520.96	\$0.12707	
Public School Space Heating	\$134.70	\$0.10012	
Public School Space Heating Transportation	\$234.70	\$0.10012	
Compressed Natural Gas	\$192.63	\$0.06684	
Compressed Natural Gas Transportation	\$217.63	\$0.06684	
Electrical Cogeneration	\$104.70	1st 5,000 Ccf	\$0.07720
		Next 35,000	\$0.06850
		Next 60,000	\$0.05524
		Over 100,000	\$0.04016
Electrical Cogeneration Transportation	\$104.70	1st 5,000 Ccf	\$0.07720
		Next 35,000	\$0.06850
		Next 60,000	\$0.05524
		Over 100,000	\$0.04016

50. The following capital structure, cost of debt, cost of equity, weighted cost of capital, overall rate of return, and pre-tax return for the CGSA are just and reasonable.

**Table 2. Cost of Capital**

<b>Class of Capital</b>	<b>Percent</b>	<b>Cost</b>	<b>Weighted Cost of Capital</b>	<b>Pre-tax Return</b>
Long-Term Debt	41%	4.53%	1.86%	1.86%
Common Equity	59%	9.50%	5.61%	7.09%
<b>Total</b>	<b>100%</b>		<b>7.46%</b>	<b>8.95%</b>

- 51. It is reasonable that the TGS will prepare a study of tiered residential rates for the next rate case filing for the CGSA.
- 52. Capital investment booked to plant through December 31, 2019, including investment identified in TGS's IRA filings is prudent. Specifically, the CGSA net plant of \$543,392,910, which reflects a net plant disallowance of \$205,619, is prudent.
- 53. Consistent with the Settlement, it is just and reasonable to require that any future interim rate adjustment (IRA) filings in the consolidated CGSA pursuant to Tex. Util. Code § 104.301 shall use the following factors until changed by a subsequent rate proceeding affecting rates in the service area:
  - a. The capital structure and related components as shown in **Table 2** above.

- b. For the initial IRA filing and for all subsequent IRA filings, the depreciation rate for each account shall be as show in **Attachment 3** to the Final Order.
- c. For the initial IRA filings, the beginning balance of net plant in service in the CGSA is \$543,392,910, as presented in **Attachment 4**.
- d. For the initial IRA filings, the customer charges and commodity charges as noted in **Table 1** above will be the starting rates to which any IRA adjustment is applied
- e. Federal income taxes is calculated using a 21% rate, unless the federal income tax rate is changed, in which case the new rate will be applied.
- f. The base rate revenue allocation factors to spread any change in IRA increase/decrease to the appropriate customer classes are as follows:

**Table 3. Base Rate Allocation Factors**

<b>Customer Class</b>	<b>Allocation</b>
Residential	79.79%
Commercial	16.13%
Industrial	1.07%
Public Authority	2.92%
Compressed Nat. Gas	0.09%
<b>Total</b>	<b>100%</b>

- 54. TGS's capital investment booked to plant through December 31, 2019, including investment identified in TGS's Interim Rate Adjustment ("IRA") filings in **Findings of Fact No. 53** is prudent.
- 55. TGS's proposed class revenue allocation is just and reasonable.
- 56. To give effect to Texas Utilities Code § 104.059, the Parties agree that the base year level of pension-related and other post-employment benefits ("OPEB") expenses is as follows:

**Table 4. CGSA Pension and OPEB Expenses**

<b>Description</b>	<b>Amount</b>
Pension	\$1,638,623
OPEB	\$58,982

- 57. Utility Insurance Company ("UIC") is an affiliate of TGS that provides insurance coverage to TGS and allows TGS to access the reinsurance market. During the test year, UIC provides services to TGS.
- 58. ONE Gas Pipeline Company ("OPC") is an affiliate of TGS created to own the assets of ONEOK Transmission Company ("OTC"), which is a company acquired by ONE Gas. The assets consist of a natural gas pipeline system extending from Kyle, Texas to Cuero, Texas and connecting TGS's distribution system in the area to transmission pipelines.
- 59. The affiliate costs are \$1,401,986 of affiliate UIC expenses and \$672,410 for the 13-month average of UIC costs included in prepayments in rate base.
- 60. There are no OPC affiliate costs in the revenue requirement, because ONE Gas, Inc. acquired OPC on June 30, 2019, which is the day the test year ended. OPC was an affiliate of TGS after its acquisition, and OPC-related costs were used to determine a known and

- measurable adjustment to test year costs to reflect the inclusion of the OPC assets into the existing TGS system.
61. The costs related to UIC and OPC, as included in the revenue requirement amounts, are reasonable and necessary and recoverable consistent with the provisions in Tex. Util. Code § 104.055(b).
  62. TGS is the operating division of ONE Gas, Inc. ONE Gas acquired OPC, which TGS reported to the Commission in GUD No. 10877 pursuant to Texas Utilities Code § 102.051. ONE Gas's acquisition of OPC is in the public interest
  63. A reduction in rate base by \$2,481,514 for the negative acquisition adjustment on OPC plant and the amortization of the acquisition adjustment over 20 years, to be recognized below the line, are reasonable.
  64. On July 19, 2019, ONE Gas timely notified the Commission of a June 30, 2019 purchase transaction, whereby ONE Gas acquired ONEOK Transmission Company ("OTC") and its assets from ONEOK.
  65. TGS's request to transfer the OPC assets into TGS's existing system is reasonable.
  66. TGS has established that the services provided by its affiliates, specifically the UIC, to TGS are reasonable and necessary.
  67. The affiliate expenses included in TGS's filing are reasonable and necessary costs of providing gas utility service, and the prices charged to the CGSA are no higher than the prices charged by the supplying affiliate to other affiliates or divisions of TGS, or to a non-affiliated person for the same item or class of items.
  68. It is reasonable to establish the depreciation rates for distribution and general plant, as well as TGS Division plant and corporate plant depreciation rates, as reflected in **Attachment 3** for the CGSA, are just and reasonable.
  69. TGS established it has complied with the requirements set forth in the GUD No. 10695 Accounting Order (Feb. 27, 2018) and Order Nunc Pro Tunc (March 20, 2018) for the CTSA and GCSA and that its related filings were reasonable and accurate, subject to **Findings of Fact No. 78**.
  70. It is reasonable that cloud-based service computing implementation costs, which were previously capitalized to FERC Account 101, be capitalized to FERC Account 186 after December 15, 2019 and be subject to recovery as capital investment in IRA filings. Consistent with the Settlement, TGS will continue its treatment of amortizing implementation costs of cloud-based software over the same period as on-premise software, which is 13 years.
  71. TGS's proposed treatment of meals of \$25 per person per meal, exclusive of tip and tax, is reasonable in this docket and in future rate proceedings, including IRA filings.
  72. Hotel expenses, exclusive of taxes, up to \$175 per room per night are reasonable in this docket and in future rate proceedings, including IRA filings.
  73. It is reasonable that TGS's Pipeline Integrity Testing (PIT) Rider, through which TGS will annually recover the prior year's actual expenditures, is expected to average \$276,480 per year and that the rider applies only to the CTSA regardless of the outcome of the litigated consolidation issue.
  74. It is reasonable that TGS shall file an annual reconciliation 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 TGS can implement the reconciled PIT Surcharges beginning with the first billing cycle for April of each succeeding year.



75. It is reasonable that TGS's Rate Schedule HARV-Rider, which is related to costs incurred to restore service following Hurricane Harvey, will recover \$489,389 over a two-year period, which reflects removal of \$225,000 of labor expense, and will apply only to the GCSA regardless of the outcome of the litigated consolidation issue.
76. It is reasonable that TGS shall file an annual reconciliation report on or before December 31st, commencing in 2020, with the Director of the Oversight and Safety Division at the Commission and reference Gas Utilities Docket No. 10928, Hurricane Harvey Surcharge Recovery Report. The report shall include: (1) the volumes used by month by customer class during the applicable period; (2) the amount of surcharge recovered, by month; and (3) the outstanding balance, by month.
77. It is reasonable that the Excess Deferred Income Tax ("EDIT") Rider, as applied to the consolidated CGSA, reflects the following:
  - a. Under "Calculation of Credit," after Section 13001(d) add, "for the protected portion of the regulatory liability for excess deferred income taxes;"
  - b. TGS will include the tax gross-up component (i.e., liability balances for both protected and unprotected EDIT) when determining the EDIT liability to be returned to customers as a result of the Act;
  - c. A four-year amortization period for unprotected EDIT; and
  - d. TGS's agreement to provide an initial EDIT refund in September 2020 for 2018 and 2019 amounts and then every February thereafter, with the refund for February 2021 consisting of amounts for calendar year 2020 in accordance with the EDIT Rider included in **Attachment 2**.
78. It is reasonable TGS make an annual filing with the Commission no later than December 31 to include the following information:
  - a. the total dollar amount of that year's EDIT Credit;
  - b. the total dollar amount actually credited to customers;
  - c. true-up amount, if any, due to the difference between items a. and b., above;
  - d. the amount of the upcoming year's EDIT Credit;
  - e. the amounts of the upcoming year's EDIT Credit per Customer; and
  - f. Excel spreadsheet(s) detailing calculations of the amounts in a through e.
79. The EDIT Rider included as part of **Attachment 2** is reasonable.
80. It is reasonable for the Rules of Service to the consolidated CGSA tariffs reflect the following:
  - a. In Section 7.1, the underlined language should be added: "This estimated amount shall be contributed by the Applicant to the Company before construction, unless the Applicant is a qualified Blanket Builder, or unless the cost of the service line was previously included in the main extension calculation under Section 8.1;"
81. It is reasonable that TGS will request an accounting order from the Commission under circumstances in which TGS incurs costs to restore service following a natural disaster or similar event, including providing notice to the cities, and provided that that, absent a city ordinance to the contrary, a Commission-approved accounting order will be applicable for incorporated and environs areas.
82. It is reasonable for TGS to work to increase awareness of the Share the Warmth customer assistance program and the opportunity for existing customers to make voluntary

contributions to the program. TGS's Share the Warmth commitment is also subject to the details provided in **Attachment 5**. Consistent with the Settlement, TGS will contribute \$120,000 annually to Share the Warmth customer assistance program until the next rate case, subject to the details provided in **Attachment 5**.

**Rate Case Expenses**

- 83. The Settlement will significantly reduce the amount of reimbursable rate case expenses associated with this docket.
- 84. The Settlement included an agreement on rate case expenses related to this consolidated proceeding, GUD No. 10928, and to GUD No. 10844, Statement of Intent of Texas Gas Service Company, a Division of ONE Gas, Inc., to Increase Rates to Recover Hurricane Harvey Response Costs Within the Gulf Coast Service Area.
- 85. TGS has established that rate case expenses associated with GUD No. 10844 include \$30,240.81 in required regulatory expenses and \$68,626.65 in litigation expenses, which is a total of \$98,867.46. The litigation expenses include amounts TGS and participating cities incurred in the docket. There are no estimated expenses for GUD No. 10844.
- 86. It is reasonable that TGS recover \$78,867.46 in rate case expenses associated with GUD No. 10844, which reflects the parties' agreement in the Settlement for a \$20,000 reduction in total expenses to be recovered and that those expenses be recovered through Rate Schedule HARV-Rider.
- 87. It is reasonable for TGS to recover rate case expenses associated with GUD No. 10844, *Statement of Intent of Texas Gas Service Company, a Division of ONE Gas, Inc., to Increase Rates to Recover Hurricane Harvey Response Costs Within the Gulf Coast Service Area*, subject to a \$20,000 reduction in total expenses to be recovered. Those expenses, subject to the \$20,000 reduction, will be recovered through Rate Schedule HARV-Rider.
- 88. TGS, Cities, and GCSC represent their reasonable rate case expenses incurred through April 30, 2020 and the estimated rate case expenses incurred through completion of this case in the table below:

**Table 5. Rate Case Expenses**

	<b>Actual Regulatory Expenses</b>	<b>Actual Litigation Expenses</b>	<b>Estimated to Completion</b>	<b>Total Recoverable Expenses</b>
<b>TGS</b>	\$656,515.81	\$447,301.98	\$215,000.00	\$1,318,817.79
<b>Cities</b>	N/A	\$185,665.66	\$100,000.00	\$ 285,665.66
<b>GCSC</b>	N/A	\$ 98,652.00	\$ 9,000.00	\$ 107,652.00
<b>Total</b>	\$656,515.81	\$731,619.64	\$324,000.00	<b>\$1,712,135.45</b>

- 89. TGS has established that its total rate case expenses of \$1,318,817.79, which consists of \$656,515.81 in actual regulatory expenses, \$447,301.98 in actual litigation expenses, and \$215,000.00 in estimated expenses, are just and reasonable.
- 90. Cities has established that its total rate case expenses of \$285,665.66, which consists of \$185,665.66 in actual litigation expenses of \$100,000.00 in estimated expenses, are just and reasonable.
- 91. GCSC has established that its total rate case expenses of \$107,652.00, which consists of \$98,652.00 in actual litigation expenses of \$9,000.00 in estimated expenses, are just and reasonable.

92. The hourly rates charged by attorneys and consultants were reasonable rates charged by firms in cases addressing utility rate matters.
93. The attorneys and consultants did not charge any expenses for luxury items and did not incur any excessive airline, lodging, or meal expenses.
94. The amount of work completed and the time and labor required to accomplish the work were reasonable given the nature of the issues addressed.
95. The complexity and expense of the work was relevant and reasonably necessary to the proceeding and was commensurate with both the complexity of the issues and necessary to completing the matter before the Commission.
96. It is reasonable that the recovery of \$1,712,135.45 in total rate case expenses be over an approximate 24-month period with the surcharge separately stated on each bill and that the surcharge shall be volume based.
97. Good cause exists to recover TGS required regulatory, litigation, and estimated expenses equally from all customers, including customers within the incorporated and unincorporated areas of the consolidated CGSA. It is reasonable to seek recovery of rate case expenses from all customers who benefit from the settlement agreement in this case, which includes all customers in the incorporated and unincorporated areas of the consolidated CGSA. Recovery of these expenses is also necessary in the interest of justice.
98. Good cause exists to recover Cities and GCSC and estimated expenses equally from all customers, including customers within the incorporated and unincorporated areas of the consolidated CGSA, because Cities and GCSC participation in GUD No. 10928 resulted in the Settlement, which benefits all such customers, and doing so is necessary in the interest of justice.
99. It is reasonable that TGS file annually, due on or before April 1, a Rate Case Expense Compliance Filing with the Commission Oversight and Safety Division, referencing GUD No. 10928. The compliance filing shall include the volumes used by month by customer class during the applicable period, the amount of rate case expense recovered by month, and the outstanding balance by month as set out in the approved Rate Schedule RCE-ENV and Rate Schedule RCE, which are both in **Attachment 1**.
100. It is reasonable that TGS, Cities, and GCSC submit to Staff invoices reflecting actual rate case expenses with sufficient detail so that Staff can accurately audit such invoices for the purposes of reconciling estimated rate case expenses to actual rate case expenses. In no case shall the total actual expenses exceed \$1,712,135.45, which includes the actual expenses submitted to the Commission as of May 2020, plus the approved estimated expenses of \$324,000.
101. It is reasonable that TGS file an annual Rate Case Expense Compliance Filing with Staff detailing the balance of actual plus estimated rate case expenses at the beginning of the annual period, the amount collected by customer class, and the ending or remaining balance within ninety (90) days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered.
102. It is just and reasonable that the rate case expense volumetric surcharge recovery rate be \$0.00437 per Ccf.
103. It is reasonable for TGS to reimburse the Commission-approved amount of rate case expenses within 30 days of the issuance of an Order authorizing recovery of those expenses to Cities and GCSC.
104. The tariffs attached to this Final Order are just and reasonable.

## CONCLUSIONS OF LAW

1. TGS is a gas utility as defined in Tex. Util. Code §§ 101.003(7) and 121.001 and is therefore subject to the jurisdiction of the Commission.
2. The Commission has jurisdiction over TGS and TGS's *Statement of Intent* under Tex. Util. Code §§ 102.001, 103.022, 103.054, 103.055, 104.001, 104.001 and 104.201.
3. Under Tex. Util. Code §102.001, the Commission has exclusive original jurisdiction over the rates and services of a gas utility for within the environs of the CTSA, GCSA, and the City of Beaumont.
4. The Commission has exclusive appellate jurisdiction under Tex. Util. Code §§102.001(b) and 103.001, *et seq.* to review a decision by a municipality that exercises its exclusive original jurisdiction, so long as the decision is appealed in accordance with Tex. Util. Code §103.051 to the following cities: Austin, Bayou Vista, Beaumont, Bee Cave, Cuero, Dripping Springs, Galveston, Groves, Gonzales, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, Rollingwood, Shiner, Sunset Valley, Westlake Hills, and Yoakum.
5. This proceeding was conducted in accordance with the requirements of Tex. Util. Code §§101.001 *et seq.*, and the Administrative Procedure Act, Tex. Gov't Code §§ 2001.001 *et seq.*
6. The proposed rates constitute a major change as defined by Tex. Util. Code § 104.101.
7. Tex. Util. Code §104.107 authorizes the Commission to suspend the operation of the schedule of proposed rates for 150 days from the date the schedule would otherwise go into effect.
8. Proper notice was given consistent with Tex. Util. Code §104.103 and 16 Tex. Admin. Code §§ 7.230 and 7.235.
9. TGS filed its SOI in accordance with Tex. Util. Code §104.102 and 16 Tex. Admin. Code §§ 7.205 and 7.210.
10. Consolidation of the CTSA, GCSA, and City of Beaumont into a single Central-Gulf Service Area ("CGSA") is just and reasonable and in the public interest.
11. The Commission has broad discretion in matters of geographic rate design including the setting of system-wide rates for a consolidated service area.
12. TGS met its burden of proof in accordance with the provisions of Tex. Util. Code §104.008 on the elements of its requested rate increase identified in this Order.
13. The revenue, rates, rate design, and service charges for the consolidated CGSA, as identified in the schedules attached to this Order, are just and reasonable, are not unreasonably preferential, prejudicial, or discriminatory, and are sufficient, equitable, and consistent in application to each class of consumer, as required by the Texas Utilities Code.
14. The overall revenues for the consolidated CGSA as established by the findings of fact and attached schedules are reasonable; fix an overall level of revenues for TGS that will permit TGS a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public over and above its reasonable and necessary operating expenses, as required by Tex. Util. Code § 104.051; and otherwise comply with Chapter 104 of the Texas Utilities Code.
15. The revenue, rates, rate design, and service charges proposed for the consolidated CGSA will not yield to TGS more than a fair return on the adjusted value of the invested capital used and useful in rendering service to the public, as required by Tex. Util. Code § 104.052.

16. The rates established in this docket for the consolidated CGSA comport with the requirements of Tex. Util. Code §104.053 and are based upon the adjusted value of invested capital used and useful, where the adjusted value is a reasonable balance between the original cost less depreciation and current cost less an adjustment for present age and condition.
17. The rates established in this case for the consolidated CGSA comply with the affiliate transaction standard set out in Tex. Util. Code § 104.055.
18. TGS, Cities, and GCSC met their burden in proving the reasonableness of their rate case expenses pursuant to Tex. Util. Code §103.022(b).
19. TGS is required by 16 Tex. Admin. Code § 7.315 to file electronic tariffs incorporating rates consistent with this Order within thirty days of the date of this Order.
20. The jurisdiction of the Commission in these consolidated cases does not extend to municipalities that are not parties to this proceeding. Tex. Util. Code §§ 102.001 and 103.055.
21. TGS has complied with the requirements set forth in the GUD No. 10695 Accounting Order (Feb. 27, 2018) and Order Nunc Pro Tunc (March 20, 2018).
22. TGS has established that TGS's books and records conform with 16 Tex. Admin. Code § 7.310 to utilize FERC's USOA prescribed for Natural Gas Companies, and CenterPoint is thus entitled to the presumption that the amounts included therein are reasonable and necessary in accordance with 16 Tex. Admin. Code § 7.503.

**IT IS THEREFORE ORDERED** that the rates, rate design, and service charges for the consolidated CGSA established in the findings of fact, conclusions of law, and as shown in **Attachment 1** are hereby **APPROVED**.

**IT IS FURTHER ORDERED** that the proposed schedule of rates for the CGSA as reflected in the Order and in **Attachment 1** are hereby **APPROVED**.

**IT IS FURTHER ORDERED** that consolidation of the City of Beaumont into the GCSA is **APPROVED**.

**IT IS FURTHER ORDERED** that consolidation of the CTSA, GCSA, and the City of Beaumont to create the CGSA is hereby **APPROVED**

**IT IS FURTHER ORDERED** that the factors established for future IRAs in **Findings of Fact No. 53** are **APPROVED**.

**IT IS FURTHER ORDERED** that TGS shall reimburse Cities and GCSC their reasonable rate case expenses as set out above and that the attached tariffs are just and reasonable.

**IT IS FURTHER ORDERED** that final actual incurred rate case expenses be filed with the Commission through completion of the case within thirty (30) days of issuance of this Order.

**IT IS FURTHER ORDERED** that TGS file an annual Rate Case Expense Compliance Filing with Staff detailing recovery of rate case expenses as described in **Findings of Fact No. 101** within ninety (90) days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered.

**IT IS FURTHER ORDERED** that within thirty (30) days of this Final Order, in accordance with 16 Tex. Admin. Code § 7.315, TGS shall electronically file its rate schedules in proper form that accurately reflect the rates in **Attachment 1** approved in this Final Order. The tariffs shall incorporate rates, rate design, and service charges consistent with this Order, as stated in the findings of fact and conclusions of law and shown on the attached Schedules.

**IT IS FURTHER ORDERED** that any incremental change in rates approved by this Final Order and implemented by TGS shall be subject to refund unless and until TGS's tariffs are electronically filed and accepted by the Gas Services Department in accordance with 16 Tex. Admin. Code § 7.315.

**IT IS FURTHER ORDERED** that the terms under the Settlement, as reflected in this Final Order, is hereby **APPROVED**.

**IT IS FURTHER ORDERED** that TGS refund, over a four-year period, unprotected EDIT resulting from the Tax Cuts and Jobs Act. The EDIT refund will appear on the customer's bill as a separate line item.

**IT IS FURTHER ORDERED** that TGS shall provide an initial EDIT refund to customers in September 2020 for 2018 and 2019 amounts and then every February thereafter, with the refund for February 2021 consisting of amounts for calendar year 2020 in accordance with the EDIT Rider included in Attachment 1.

**IT IS FURTHER ORDERED** that TGS make an annual filing with the Commission no later than December 31 that comports with the details in **Attachment 2**.

**IT IS FURTHER ORDERED** that the Hurricane Harvey Surcharge rate (HARV-Rider) apply only to the GCSA and will recover \$489,789 over a two-year period. TGS shall file an annual reconciliation report on or before December 31st, commencing in 2020. TGS shall file the report with the Commission, addressed to the Director of the Oversight and Safety Division and referencing Gas Utilities Docket No. 10928, Hurricane Harvey Surcharge Recovery Report. The report shall include: (1) the volumes used by month by customer class during the applicable period; (2) the amount of surcharge recovered, by month; and (3) the outstanding balance, by month.

**IT IS FURTHER ORDERED** that the Pipeline Integrity Testing (PIT) Rider apply only to the CTSA.

**IT IS FURTHER ORDERED** that TGS shall file on or before February 1 after each calendar year a compliance filing with the Commission showing all PIT expenses incurred during the previous calendar year and verifying the prior year's collections and any under recoveries accruing to date under the PIT Rider. Prior to the effective date of the PIT Rider and on or before February 1<sup>st</sup> of each succeeding year while this Rider is in effect, TGS shall also file an addendum to this rider with the Commission, (a) identifying the PIT Surcharges that will be applied during the ensuing 12-month recovery period from April 1 through March 31, and (b) providing the underlying data and calculations on which each PIT Surcharge for that period is based.

**IT IS FURTHER ORDERED** that TGS shall provide, on or before March 31 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 1 through March 31, and (b) the effect the PIT Surcharge is expected to have on the average monthly bill for each affected customer class. TGS also shall certify annually with the Commission that notice has been provided to customers in this manner.

**IT IS FURTHER ORDERED** TGS will request an accounting order from the Commission under circumstances in which TGS incurs costs to restore service following a natural disaster or similar event, including providing notice to the cities, and provided that the Parties agree that, absent a city ordinance to the contrary, a Commission-approved accounting order will be applicable for incorporated and environs areas.

**IT IS FURTHER ORDERED** that any incremental change in rates approved by this Final Order and implemented by TGS shall be subject to refund unless and until TGS's tariffs are electronically filed and accepted by the Gas Services Department in accordance with 16 Tex. Admin. Code § 7.315.

**IT IS FURTHER ORDERED** that all proposed findings of fact and conclusions of law not specifically adopted in this Order are hereby **DENIED**.

**IT IS FURTHER ORDERED** that all pending motions and requests for relief not previously granted or granted herein are hereby **DENIED**.

This Order will not be final and effective until twenty (20) days after a party is notified of the Commission's Order. A party is presumed to have been notified of the Commission's Order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party of interest, this Order shall not become final and effective until such motion is overruled, or if such motion is granted, this Order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until ninety (90) days from the date the Order is served on the parties.

**SIGNED** on August 4, 2020.

**RAILROAD COMMISSION OF TEXAS**

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*Wayne Christian*  
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**CHAIRMAN WAYNE CHRISTIAN**

DocuSigned by:  
*Christi Craddick*  
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**COMMISSIONER CHRISTI CRADDICK**

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*Ryan Sitton*  
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**COMMISSIONER RYAN SITTON**

**ATTEST:**

DocuSigned by:  
*Callie Farrar*  
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**SECRETARY**



**GUD No. 10928, *Consolidated***  
**Final Order**  
**Attachment 1**  
**(CGSA Rate Schedules and Tariffs)**



**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**Rate Schedule 1-ENV  
Page 1 of 4**

**COST OF GAS CLAUSE**

**A. APPLICABILITY**

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 unincorporated 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, Nederland, Nixon, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

**B. DEFINITIONS**

1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the Commodity Cost, 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 not include the cost of financial instruments unless the use of such financial instruments is approved in advance and in writing by the Director of the Oversight and Safety Division of the Railroad Commission of Texas. Such approval would be requested as part of the Company's annual gas purchase plan, which shall be submitted annually to the Commission no later than June 15.
4. 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.
5. 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 during the period, including prudently incurred gains or losses on the approved 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.

Supersedes Rate Schedule Dated

1 dated September 8, 2017 (Unincorporated Areas of the Central Texas Service Area)

1-ENV (GALV) dated May 9, 2016 (Unincorporated Areas of Bayou Vista, Galveston, and Jamaica Beach, TX)

1-ENV (SIC) dated May 9, 2016 (Unincorporated Areas of Groves, Nederland, Port Arthur, and Port Neches, TX)

Meters Read On and After

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**Rate Schedule 1-ENV  
Page 2 of 4**

**COST OF GAS CLAUSE  
(Continued)**

6. 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.
7. 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 approved 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.
8. 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. COST OF GAS**

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. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT**

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 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

Supersedes Rate Schedule Dated  
1 dated September 8, 2017 (Unincorporated Areas of the Central  
Texas Service Area)  
1-ENV (GALV) dated May 9, 2016 (Unincorporated Areas of  
Bayou Vista, Galveston, and Jamaica Beach, TX)  
1-ENV (SJC) dated May 9, 2016 (Unincorporated Areas of  
Groves, Nederland, Port Arthur, and Port Neches, TX)

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area****Rate Schedule 1-ENV  
Page 3 of 4****COST OF GAS CLAUSE  
(Continued)**

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. SURCHARGE OR REFUND PROCEDURES**

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 Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; (f) the Cost of Gas calculation, including gains and losses from approved hedging activities for the month; and (g) 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.

**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.
3. A tabulation of all other costs and refunds made during the year and their effect on the Cost of Gas Clause to date.

Supersedes Rate Schedule Dated  
1 dated September 8, 2017 (Unincorporated Areas of the Central  
Texas Service Area)  
1-ENV (GALV) dated May 9, 2016 (Unincorporated Areas of  
Bayou Vista, Galveston, and Jamaica Beach, TX)  
1-ENV (SJC) dated May 9, 2016 (Unincorporated Areas of  
Groves, Nederland, Port Arthur, and Port Neches, TX)

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area****Rate Schedule 1-ENV  
Page 4 of 4****COST OF GAS CLAUSE  
(Continued)**

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.

Supersedes Rate Schedule Dated  
1 dated September 8, 2017 (Unincorporated Areas of the Central  
Texas Service Area)  
1-ENV (GALV) dated May 9, 2016 (Unincorporated Areas of  
Bayou Vista, Galveston, and Jamaica Beach, TX)  
1-ENV (SJC) dated May 9, 2016 (Unincorporated Areas of  
Groves, Nederland, Port Arthur, and Port Neches, TX)

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.**  
**Central-Gulf Service Area**

**Rate Schedule 1-INC**  
**Page 1 of 4**

**COST OF GAS CLAUSE**

**A. APPLICABILITY**

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, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

**B. DEFINITIONS**

1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the Commodity Cost, 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. 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.
5. 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 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

Supersedes Rate Schedule Dated

1-INC dated September 8, 2017 (Cities of Austin, Bee Cave, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Nixon, Rollingwood, Shiner, Sunset Valley, West Lake Hills, and Yoakum, TX)

1-INC (GALV) dated May 9, 2016 (Cities of Bayou Vista, Galveston, and Jamaica Beach, TX)

1-INC (SJC) dated May 9, 2016 (Cities of Groves, Nederland, Port Arthur, and Port Neches, TX)

1-INC dated May 22, 2019 (City of Beaumont)

Meters Read On and After

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.**  
**Central-Gulf Service Area**

**Rate Schedule 1-INC**  
**Page 2 of 4**

**COST OF GAS CLAUSE**  
**(Continued)**

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.

6. 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.
7. 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.
8. 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. COST OF GAS**

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. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT**

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 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.

Supersedes Rate Schedule Dated

1-INC dated September 8, 2017 (Cities of Austin, Bee Cave, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Nixon, Rollingwood, Shiner, Sunset Valley, West Lake Hills, and Yoakum, TX)

1-INC (GALV) dated May 9, 2016 (Cities of Bayou Vista, Galveston, and Jamaica Beach, TX)

1-INC (SJC) dated May 9, 2016 (Cities of Groves, Nederland, Port Arthur, and Port Neches, TX)

1-INC dated May 22, 2019 (City of Beaumont)

Meters Read On and After

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**Rate Schedule 1-INC  
Page 3 of 4**

**COST OF GAS CLAUSE  
(Continued)**

**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. SURCHARGE OR REFUND PROCEDURES**

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 Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; (f) the Cost of Gas calculation, including gains and losses from hedging activities for the month; and (g) 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.

**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:

Supersedes Rate Schedule Dated  
1-INC dated September 8, 2017 (Cities of Austin, Bee Cave, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Nixon, Rollingwood, Shiner, Sunset Valley, West Lake Hills, and Yoakum, TX)  
1-INC (GALV) dated May 9, 2016 (Cities of Bayou Vista, Galveston, and Jamaica Beach, TX)  
1-INC (SJC) dated May 9, 2016 (Cities of Groves, Nederland, Port Arthur, and Port Neches, TX)  
1-INC dated May 22, 2019 (City of Beaumont)

Meters Read On and After  
 TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**Rate Schedule 1-INC  
Page 4 of 4**

**COST OF GAS CLAUSE  
(Continued)**

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.
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.

Supersedes Rate Schedule Dated

1-INC dated September 8, 2017 (Cities of Austin, Bee Cave, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Nixon, Rollingwood, Shiner, Sunset Valley, West Lake Hills, and Yoakum, TX)

1-INC (GALV) dated May 9, 2016 (Cities of Bayou Vista, Galveston, and Jamaica Beach, TX)

1-INC (SJC) dated May 9, 2016 (Cities of Groves, Nederland, Port Arthur, and Port Neches, TX)

1-INC dated May 22, 2019 (City of Beaumont)

Meters Read On and After

TBD



**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 1Z**

**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 re-sale 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**

Environs of the Central-Gulf Service Area, which includes the unincorporated areas of Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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	\$16.00 plus
All Ccf per monthly billing period @	\$0.32626 per Ccf

**OTHER ADJUSTMENTS**

Cost of Gas Component: 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-ENV.

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.

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

Rate Case Expense Rider: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-ENV.

Taxes: Plus applicable taxes and fees related to above.

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

Supersedes Rate Schedule Dated  
June 14, 2019 (Central Texas Service Area)  
September 26, 2019 (Gulf Coast Service Area)

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 1Z**

**RESIDENTIAL SERVICE RATE  
(Continued)**

**CONDITIONS**

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

Supersedes Rate Schedule Dated  
June 14, 2019 (Central Texas Service Area)  
September 26, 2019 (Gulf Coast Service Area)

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.**  
**Central-Gulf Service Area**

**RATE SCHEDULE 2Z**

**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**

Environs of the Central-Gulf Service Area, which includes the unincorporated areas of Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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 \$53.33 plus

All Ccf per monthly billing period @ \$0.12679 per Ccf

**OTHER ADJUSTMENTS**

Cost of Gas Component: 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-ENV.

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.

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

Rate Case Expense Rider: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-ENV.

Taxes: Plus applicable taxes and fees related to above.

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

Supersedes Rate Schedule Dated  
June 14, 2019(Central Texas Service Area)  
September 26, 2019 (Gulf Coast Service Area)

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 2Z**

**COMMERCIAL SERVICE RATE  
(Continued)**

**CONDITIONS**

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

Supersedes Rate Schedule Dated

June 14, 2019(Central Texas Service Area)

September 26, 2019 (Gulf Coast Service Area)

Meters Read On and After

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 3Z**

**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**

Environs of the Central-Gulf Service Area, which includes the unincorporated areas of Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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 \$320.96 plus
- All Ccf per monthly billing period @ \$0.12707 per Ccf

**OTHER ADJUSTMENTS**

Cost of Gas Component: 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-ENV.

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.

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

Rate Case Expense Rider: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-ENV.

Taxes: Plus applicable taxes and fees related to above.

Supersedes Rate Schedule Dated  
June 14, 2019 (Central Texas Service Area)  
September 26, 2019 (Gulf Coast Service Area)

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 3Z**

**INDUSTRIAL SERVICE RATE  
(Continued)**

**CONDITIONS**

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

Supersedes Rate Schedule Dated  
June 14, 2019 (Central Texas Service Area)  
September 26, 2019 (Gulf Coast Service Area)

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 4Z**

**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**

Environs of the Central-Gulf Service Area, which includes the unincorporated areas of Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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 \$81.70 plus

All Ccf per monthly billing period @ \$0.12549 per Ccf

**OTHER ADJUSTMENTS**

Cost of Gas Component: 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-ENV.

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.

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

Rate Case Expense Rider: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-ENV.

Taxes: Plus applicable taxes and fees related to above.

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

Supersedes Rate Schedule Dated  
June 14, 2019 (Central Texas Service Area)  
September 26, 2019 (Gulf Coast Service Area)

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 4Z**

**PUBLIC AUTHORITY SERVICE RATE  
(Continued)**

**CONDITIONS**

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

Supersedes Rate Schedule Dated  
June 14, 2019 (Central Texas Service Area)  
September 26, 2019 (Gulf Coast Service Area)

Meters Read On and After  
TBD



**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 4H**

**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**

Environs of the Central-Gulf Service Area, which includes the unincorporated areas of Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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 \$134.70 plus

All Ccf per monthly billing period @ \$0.10012 per Ccf

**OTHER ADJUSTMENTS**

Cost of Gas Component: 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-ENV.

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.

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

Rate Case Expense Rider: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-ENV.

Taxes: Plus applicable taxes and fees related to above.

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

Supersedes Rate Schedule Dated  
June 14, 2019 (Central Texas Service Area)

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 4H**

**PUBLIC SCHOOLS SPACE HEATING SERVICE RATE  
(Continued)**

**CONDITIONS**

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

Supersedes Rate Schedule Dated  
June 14, 2019 (Central Texas Service Area)

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 7Z**

**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 walk ways. 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**

Environs of the Central-Gulf Service Area which includes the unincorporated areas of Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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**

Cost of Gas Component: 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-ENV.

Taxes: Plus applicable taxes and fees related to above.

**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  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 10**

**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 re-sale 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, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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	\$16.00 plus
All Ccf per monthly billing period @	\$0.32626 per Ccf

**OTHER ADJUSTMENTS**

**Cost of Gas Component:** 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.

**Conservation Adjustment:** 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.

**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.

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

**Rate Case Expense Rider:** 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**

June 3, 2019 (Austin Only)  
June 14, 2019 (All Other Inc. Areas, Central Texas Service Area)  
July 29, 2019 (Gulf Coast Service Area)  
May 22, 2019 (City of Beaumont)

**Meters Read On and After**

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 10**

**RESIDENTIAL SERVICE RATE  
(Continued)**

Weather Normalization Adjustment: 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.

Supersedes Rate Schedule Dated

- June 3, 2019 (Austin Only)
- June 14, 2019 (All Other Inc. Areas, Central Texas Service Area)
- July 29, 2019 (Gulf Coast Service Area)
- May 22, 2019 (City of Beaumont)

Meters Read On and After

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 20**

**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, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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 \$53.33 plus

All Ccf per monthly billing period @ \$0.12679 per Ccf

**OTHER ADJUSTMENTS**

Cost of Gas Component: 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.

Conservation Adjustment: 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.

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.

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

Rate Case Expense Rider: 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.

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

**Supersedes Rate Schedule Dated**

June 3, 2019 (Austin Only)  
June 14, 2019 (All Other Inc. Areas, Central Texas Service Area)  
July 29, 2019 (Gulf Coast Service Area)  
May 22, 2019 (City of Beaumont)

**Meters Read On and After**

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 20**

**COMMERCIAL SERVICE RATE  
(Continued)**

**CONDITIONS**

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

Supersedes Rate Schedule Dated

June 3, 2019 (Austin Only)  
June 14, 2019 (All Other Inc. Areas, Central Texas Service Area)  
July 29, 2019 (Gulf Coast Service Area)  
May 22, 2019 (City of Beaumont)

Meters Read On and After

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 30**

**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, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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 \$320.96 plus
- All Ccf per monthly billing period @ \$0.12707 per Ccf

**OTHER ADJUSTMENTS**

**Cost of Gas Component:** 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.

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

**Rate Case Expense Rider:** 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**

- June 3, 2019 (Austin Only)
- June 14, 2019 (All Other Inc. Areas, Central Texas Service Area)
- July 29, 2019 (Gulf Coast Service Area)
- May 22, 2019 (City of Beaumont)

**Meters Read On and After**

TBD



**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 30**

**INDUSTRIAL SERVICE RATE  
(Continued)**

**CONDITIONS**

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

**Supersedes Rate Schedule Dated**

June 3, 2019 (Austin Only)  
June 14, 2019 (All Other Inc. Areas, Central Texas Service Area)  
July 29, 2019 (Gulf Coast Service Area)  
May 22, 2019 (City of Beaumont)

**Meters Read On and After**

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 40**

**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, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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 \$81.70 plus

All Ccf per monthly billing period @ \$0.12549 per Ccf

**OTHER ADJUSTMENTS**

Cost of Gas Component: 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.

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

Rate Case Expense Rider: 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.

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

**Supersedes Rate Schedule Dated**

June 3, 2019 (Austin Only)  
June 14, 2019 (All Other Inc. Areas, Central Texas Service Area)  
July 29, 2019 (Gulf Coast Service Area)  
May 22, 2019 (City of Beaumont)

**Meters Read On and After**

TBD

**PUBLIC AUTHORITY SERVICE RATE**  
**(Continued)**

**CONDITIONS**

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

Supersedes Rate Schedule Dated

June 3, 2019 (Austin Only)  
June 14, 2019 (All Other Inc. Areas, Central Texas Service Area)  
July 29, 2019 (Gulf Coast Service Area)  
May 22, 2019 (City of Beaumont)

Meters Read On and After

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 48**

**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, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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 \$134.70 plus

All Ccf per monthly billing period @ \$0.10012 per Ccf

**OTHER ADJUSTMENTS**

Cost of Gas Component: 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.

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

Rate Case Expense Rider: 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.

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

Supersedes Rate Schedule Dated

June 3, 2019 (Austin Only)

June 14, 2019 (All Other Inc. Areas, Central Texas Service Area)

Meters Read On and After

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE 48**

**PUBLIC SCHOOLS SPACE HEATING SERVICE RATE  
(Continued)**

**CONDITIONS**

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

Supersedes Rate Schedule Dated

June 3, 2019 (Austin Only)

June 14, 2019 (All Other Inc. Areas, Central Texas Service Area)

Meters Read On and After

TBD

**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 walk ways. 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, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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**

**Cost of Gas Component:** 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.

**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  
TBD

**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, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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
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**

**Cost of Gas Component:** 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.

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

**Rate Case Expense Rider:** 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**

June 3, 2019 (Austin Only)

June 14, 2019 (All Other Inc. Areas, Central Texas Service Area)

**Meters Read On and After**

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.**  
**Central-Gulf Service Area**

**RATE SCHEDULE NO. C-1**

**Page 2 of 2**

**ELECTRICAL COGENERATION RATE**  
**(Continued)**

**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.

Supersedes Rate Schedule Dated  
June 3, 2019 (Austin Only)  
June 14, 2019 (All Other Inc. Areas, Central Texas Service Area)

Meters Read On and After  
TBD



**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE C-1-ENV  
Page 1 of 2**

**ELECTRICAL COGENERATION RATE**

**APPLICABILITY**

Service under this rate schedule is available to any customers 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**

Environs of the Central-Gulf Service Area, which includes the unincorporated areas of Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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
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**

**Cost of Gas Component:** 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-ENV.

**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.

**Rate Case Expense Rider:** The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-ENV.

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

**Taxes:** Plus applicable taxes and fees related to above.

**Supersedes Rate Schedule Dated  
June 14, 2019 (Central Texas Service Area)**

**Meters Read On and After  
TBD**

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE C-1-ENV  
Page 2 of 2**

**ELECTRICAL COGENERATION RATE  
(Continued)**

**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.

Texas Gas Service Company, a Division of ONE Gas, Inc.  
Rules of Service – Central-Gulf Service Area

RULES OF SERVICE

CENTRAL-GULF SERVICE AREA

Incorporated and Unincorporated Areas of Austin, Bayou Vista, Beaumont, Bee Cave, Buda (environs only), Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills, and Yoakum, TX

Effective for Meters Read On and After  
TBD

Supersedes and Replaces “Incorporated Central Texas Service Area” (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX) dated October 26, 2016;  
“Incorporated Central Texas Service Area” (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX) dated January 6, 2017;  
“Unincorporated Areas of the Central Texas Service Area” dated November 23, 2016;  
“Incorporated and Unincorporated Gulf Coast Service Area” dated May 9, 2016;  
“Incorporated Areas of Beaumont, TX” dated May 22, 2019

Communications Regarding this Tariff  
Should Be Addressed To:

Texas Gas Service Company, a Division of ONE Gas, Inc.  
5613 Avenue F  
Austin, Texas 78751

OR

Texas Gas Service Company, a Division of ONE Gas, Inc.  
4201 39<sup>th</sup> Street  
Port Arthur, TX 77642

OR

Texas Gas Service Company, a Division of ONE Gas, Inc.  
402 33<sup>rd</sup> Street  
Galveston, TX 77750

Texas Gas Service Company, a Division of ONE Gas, Inc.  
Rules of Service – Central-Gulf Service Area

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Texas Gas Service Company, a Division of ONE Gas, Inc.  
Rules of Service – Central-Gulf Service Area

GENERAL STATEMENT

1.1 TARIFF APPLICABILITY

Texas Gas Service Company, a Division of ONE Gas, Inc. is a gas utility operating within the State of Texas. This Tariff applies to Texas Gas Service Company, a Division of ONE Gas, Inc.'s Central-Gulf Service Area, comprising the Cities and environs of Austin, Bayou Vista, Beaumont, Bee Cave, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills, and Yoakum, and the environs of Buda, Texas. This Tariff supersedes and replaces all tariffs previously approved and applied in the Central Texas, Gulf Coast Service Areas and the City of Beaumont.

Service under this Tariff is subject to the original jurisdiction of the municipalities in the Central-Gulf Service Area and the Railroad Commission of Texas. The Company will provide service to any person and/or business within its service area in accordance with the rates, terms and conditions provided for in its Tariff and regulations.

1.2 RATE SCHEDULES

All Customers shall be served under rate schedules filed with the municipality or Railroad Commission of Texas. Customers shall be assigned to rate schedules in accordance with the class of the particular Customer, the usage which will be made of the gas and that Customer's volume requirements. The Company shall advise an Applicant or Customer regarding the most advantageous rate for his or her usage if more than one rate is applicable. A Customer assigned to a rate schedule shall remain on that schedule for a minimum of one year except that an assignment made in error may be corrected immediately. In the event of a question regarding the Customer's classification, the questions shall be resolved by reference to the coding of the Customer's primary business in the latest edition of the Standard Industrial Classification Manual of the United States Government's Office Management and Budget.

1.3 DEFINITIONS

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

<u>Adder:</u>	Shall mean the Company's incremental cost to purchase natural gas.
<u>Aggregation Areas:</u>	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>Agricultural Service:</u>	Service to Consumers engaged in agricultural production.
<u>Applicant:</u>	Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.
<u>Automated Meter Reading (AMR):</u>	The process of remotely reading a gas meter.

Texas Gas Service Company, a Division of ONE Gas, Inc.  
Rules of Service – Central-Gulf Service Area

GENERAL STATEMENT (Continued)

1.3 DEFINITIONS (Continued)

Average Day Usage:

The gas demand of a given Customer for gas in any one month divided by 30. Gas demand is considered to be equivalent to consumption during each billing month, provided however, that when service has been curtailed, demand shall be considered to be actual consumption plus estimated curtailment during the period.

Blanket Builder:

A builder or someone acting for a builder who is invoiced for the installation of service lines.

Btu:

Shall mean British thermal unit(s) and shall be computed on a temperature base of sixty degrees (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 one million (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.

Consumer:

Any person or organization receiving gas service from the Company for his or her own appliances or equipment whether or not the gas is billed directly to him or her. (For example, a rental unit where the utilities are part of the rent, the landlord is a Customer and the tenant is a Consumer.)

Consumption Period:

Shall mean a volumetric billing period.

Customer:

Any person or organization now being billed for gas service whether used by him or her, or by others.

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.

Texas Gas Service Company, a Division of ONE Gas, Inc.  
Rules of Service – Central-Gulf Service Area

GENERAL STATEMENT (Continued)

1.3 DEFINITIONS (Continued)

Day or Gas Day: Shall mean the 24-hour period commencing at 9:00 a.m. (central clock time) on one calendar day and ending at 9:00 a.m. (central clock time) the following calendar day.

Dekatherm (Dth): Shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis.

Domestic Service: Service to any Consumer which consists of gas service used directly for heating, air conditioning, cooking, water heating and similar purposes whether in a single or multiple dwelling unit.

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 Document: Any document sent electronically via email or the internet.

Electronic Flow Measurement (EFM): An electronic means of obtaining readings on a gas meter.

Electronic Fund Transfer (EFT): The process to convert a paper check or electronic bill payment request to an electronic transfer. Paper checks received by Company or their agents are destroyed.

Electronic Radio Transponder (ERT): A device that assists with remotely reading a gas meter.

Excess Flow Valve (EFV): A safety device installed below ground inside the natural gas service line between the main and the meter intended to reduce the risk of accidents in limited situations.

Expedited Service: Customer request for same day service or service during non-business hours for connection or reconnection of gas service.

Gas or Natural Gas: 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.

General Rate Schedule: A rate schedule available to all Customers of the appropriate class or classes for usages indicated therein.

Texas Gas Service Company, a Division of ONE Gas, Inc.  
Rules of Service – Central-Gulf Service Area

GENERAL STATEMENT (Continued)

1.3 DEFINITIONS (Continued)

- 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.
- Irrigation or Irrigation Pumping Service: (SIC Division A - Major Group 01) who use gas for operating engine-driven pumping equipment.
- Mcf: Shall mean one thousand (1,000) cubic feet of Gas.
- Month: Shall mean the period beginning at 9:00 a.m. central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month.
- Monthly Tolerance Limit: Shall mean five percent (5%) of the aggregate deliveries for a Qualified Suppliers Aggregation Area pool of customers for such month.
- Optional Rate Schedule: A General Rate Schedule which may be selected by a Customer in lieu of another general schedule but which may require installation of special equipment.
- Overtime Rate: The fee charged by the Company to perform work outside its normal business hours or on holidays and includes changes to previously scheduled work that must be performed outside the Company's normal business hours.
- Payment in Kind (PIK): Shall mean a reimbursement for lost and unaccounted for gas.
- PDA: Shall mean a predetermined allocation method.
- Pipeline System: Shall mean the current existing utility distribution facilities of the 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 the 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.



Texas Gas Service Company, a Division of ONE Gas, Inc.  
Rules of Service – Central-Gulf Service Area

GENERAL STATEMENT (Continued)

1.3 DEFINITIONS (Continued)

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.

Special Rate Schedule: A rate schedule designed for a specific Customer.

System: Any group of interconnected pipelines and appurtenances owned or operated by the Company and independent from any other such group of facilities.

Tariff: 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 the Company or the services provided hereunder.

Temporary Service: Any service which will not be utilized continuously at the same location for a period of two or more years.

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 seven (7) consecutive Days beginning at 9:00 a.m. Central clock time on each Monday and ending at the same time on the next succeeding Monday.

Year: Shall mean a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29.

Texas Gas Service Company, a Division of ONE Gas, Inc.  
Rules of Service – Central-Gulf Service Area

Section 2. [Reserved for future rules]

Texas Gas Service Company, a Division of ONE Gas, Inc.  
Rules of Service – Central-Gulf Service Area

Section 3: RATES AND UTILITY CHARGES

Please see current Rate Schedules on file with each applicable Regulatory Authority.

Texas Gas Service Company, a Division of ONE Gas, Inc.  
Rules of Service – Central-Gulf Service Area

CONDITION OF SERVICE

4.1 PROVISION OF SERVICE

The Company will provide gas service to any person or organization located within the Central-Gulf Service Area from the Company's facilities or in certain cases, the facilities of its supplier, in accordance with the provisions of this Tariff including Rate Schedules and Rules of Service.

4.2 FEES AND CHARGES

All fees and charges made by the Company to provide and maintain utility services as provided for in this Tariff. If the Customer elects transportation service, the commodity cost of gas shall be determined between the Customer and the Customer's selected supplier.

4.3 RESALE OF GAS

Gas delivered by the Company shall not be redelivered or resold for the use thereof by others unless otherwise expressly agreed to in writing by the Company - except, however, that those Customers receiving gas for redistribution to the Customer's tenants may separately meter each tenant's distribution point for the purpose of prorating the Customer's actual amount of gas delivered among the various tenants on a per unit basis.

4.4 CONTINUITY OF SERVICE

a) Service interruptions

- i) The Company shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the Company will reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of Customers is affected.
- ii) The Company shall make reasonable provisions to meet emergencies resulting from failure of service and will issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.
- iii) In the event of emergency or local disaster resulting in disruption of normal service, the Company may, in the public interest, interrupt service to other Customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

- b) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, the Company shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of Customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence, if applicable.

Texas Gas Service Company, a Division of ONE Gas, Inc.  
Rules of Service – Central-Gulf Service Area

CONDITION OF SERVICE (Continued)

4.4 CONTINUITY OF SERVICE (Continued)

- c) Report to Railroad Commission of Texas. The Commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four continuous hours. The notice shall also state the Company's belief as to the cause of such interruptions. If any service interruption is reported to the Commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.
- d) The procedure under which curtailments of service will be made is described in the Curtailment Plan on file with the Railroad Commission of Texas.
- e) The Company does not guarantee uninterrupted service to any Customer and shall not be liable for damages resulting from any loss of service to any Customer.

4.5 AVAILABILITY OF TARIFF

A copy of this Tariff including all applicable rates can be requested through TGS's customer service number at 1-800-700-2443 (non-emergency number) or requested under the 'Contact Us' section of [www.texasgasservice.com](http://www.texasgasservice.com). Upon the request of any Customer or Applicant, the Company shall make copies of the Tariff which may be purchased by the Customer or Applicant through TGS's customer service. The Company may charge a fee for each copy not in excess of the Company's reasonable cost to reproduce the material.

4.6 CUSTOMER INFORMATION

The Company shall make available, during normal business hours, such additional information on Rates and Services as any Customer or Applicant may reasonably request. Upon any Customer's request, the Company shall inform the Customer how to read the Customer's meter. The Company shall annually provide each Customer with notice of the availability of a concise description in English and Spanish of the Customer's rights and the Company's obligations under this Tariff. A new Customer shall be provided with an informational brochure in the mail after requested service initiation or included with the first bill mailed.

4.7 CUSTOMER COMPLAINTS

Upon receipt of a complaint, either in writing or by telephone, from the Regulatory Authority on behalf of a Customer, the Company will make a suitable investigation and advise the Regulatory Authority and complainant of the results thereof. An initial response must be made by the next business day. The Company must make a final and complete response within 15 days from the date of the complaint, unless additional time is granted within the 15 day period. Each complainant shall be advised of his or her right to file the complaint with the Regulatory Authority if not satisfied by the Company.

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CONDITION OF SERVICE (Continued)

4.8 LIMITATION OF LIABILITY

The Customer assumes all responsibility for all facilities and their installation, maintenance, operation, functionality, testing and condition thereof on the Customer's side of the point of delivery of gas to the property of the Customer or to the premises of the Consumer, as defined in Section 6.2. The Company is not liable to a Customer, and Customer shall indemnify, hold harmless, and defend the Company and its employees or agents from any and all claims or liability for personal injury, damage to property, or any incidental, consequential, business interruption, or other economic damages or losses in any manner directly or indirectly connected to, arising from, or caused by acts or omissions of any person or party on the Customer's side of said point of delivery, as defined in Section 6.2.

The Company shall be liable to the Customer or Consumer only for personal injury or property damages from or caused directly by the negligent acts or omissions of the Company or its employees occurring on the Company's side of the point of delivery. The Company shall not be liable or responsible for personal injury, property damages, or any other loss or damages arising from or caused by the negligent or intentional act or omission of any person, other than an employee of the Company, who adjusts, repairs, disconnects, changes, alters, or tampers with the Company's meter or facilities in any way.

The Company shall be liable to third parties only for personal injury or property damage directly arising from the negligence or gross negligence of the Company or its employees when acting within the scope of their employment.

In no event shall the Company or its employees be liable for incidental, consequential, business interruption, or other economic damages or losses of Customer, Consumer, or third parties in any manner, directly or indirectly, arising from, caused by, or growing out of the interruption or termination of gas utility service.

The Customer shall make or procure conveyance to the Company of perpetual right-of-way across the property owned or controlled by the Customer that is satisfactory to the Company, provides clear access to Company's facilities, and enables the Company to provide service to Customer's property or the premises of the Consumer.

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## INITIATION OF SERVICE

### 5.1 REGULAR SERVICE

Application for service can be made by telephone or through the internet. Each Applicant must comply with the appropriate requirements of this Tariff before service shall be instituted. No written agreement shall be required for residential service under the standard provisions of this Tariff; commencement of service by the Company and the use of gas service by the Customer shall be evidence of such agreement. Any Customer requesting service under any special provision of this Tariff must execute a written agreement for service in the form prescribed by the Company designating those provisions which shall apply. Each Applicant may be required to produce two forms of verifiable identification; one being a government-issued identification card bearing a photograph of Applicant; and verifiable proof of their right to occupy a specific service address as of a specific date of occupancy.

### 5.2 SPECIAL CONTRACTS

Under certain special conditions, the Company may agree to rates, terms or conditions of service other than those provided in this Tariff. Such service must be established under the terms of a special contract or service agreement. To the extent that the provisions of any special contract are at variance with this Tariff, the provisions of the contract shall apply.

### 5.3 TEMPORARY SERVICE

Temporary Service shall be furnished under the same rate schedules applicable to regular service of a similar kind.

### 5.4 FEES AND CHARGES

The Company shall charge a non-refundable fee to each Applicant to compensate for the cost involved in initiation or reconnection of service or when service is transferred from one name to another at any location, or whenever a meter is reset or relocated on the same premises at the request of the Customer, all as specified in Section 21.1 of this Tariff.

Whenever the Applicant requests expedited service, the Company will accomplish the work as expeditiously as possible and the Customer will be charged at the Company's approved rate for service work. Expedited service and the charges therefore shall be made only on request of the Applicant. Whenever service is furnished from the facilities of a third party and the Company must pay any special fees to that third party, the Company may, at its option, pass that charge plus 20 percent for handling through to the Applicant requesting service. See Section 21.1 relating to fees for the above.

### 5.5 ESTABLISHMENT OF CREDIT

Each Applicant for service shall be required to make a security deposit in accordance with Section 10 of this Tariff to establish and maintain satisfactory credit. These deposits shall be computed in the same manner for the same class of service, provided however, that a deposit shall be waived if:

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INITIATION OF SERVICE (Continued)

5.5 ESTABLISHMENT OF CREDIT (Continued)

- a) The Applicant has been a Customer for the same kind of service within the last two years and did not have more than one occasion in which a bill for service from any such utility service account was delinquent and no disconnection for non-payment was made;
- b) The Applicant furnishes an acceptable letter of credit;
- c) The Applicant demonstrates a satisfactory credit rating by presentation of satisfactory credit references capable of quick, inexpensive verification (applicable to residential Customers only);
- d) The Applicant is 65 years of age or older and has no outstanding balance for natural gas utility service which accrued within the last two years (applicable to residential Customers only);
- e) The application is made for or guaranteed by an agency of the federal, state or local government; or
- f) The Applicant has been determined to be a victim of family violence as defined by TEX. FAM. CODE ANN., §71.004. This determination shall be evidenced by the applicant/s submission of a certification letter developed by the Texas Council on Family Violence (made available on its Web site).

5.6 GROUNDS FOR REFUSAL TO SERVE

The Company may refuse service to any Applicant for any of the following reasons:

- a) Failure to pay fees, advances or contributions or to make any deposit required for service under this Tariff;
- b) Failure of the Applicant to furnish any service or meter location specified for service under this Tariff;
- c) Existence of an unsafe condition such as a leak in the Applicant's piping system which, in Company's sole opinion, may endanger life or property;
- d) The Applicant is indebted to the Company for the same class of utility service at the same or another service location within the Company's system; or
- e) Delinquency in payment for gas service by another occupant if that person still resides at the premises to be served.

The right to refuse service shall terminate when the Applicant has complied with the Company's requirements or corrected the cause for the refusal to serve.



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INITIATION OF SERVICE (Continued)

5.7 REASONABLE TIME

The Company shall have a reasonable amount of time to institute service following application therefore or execution of an agreement for service. The time may vary depending on approvals and permits required, the extent of the facilities to be built, and the Company's workload at the time.

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METERING AND DELIVERY OF GAS

6.1 METER LOCATION

The Company shall have the sole right to determine the location of the meter in accordance with the needs of the service.

Each Applicant shall furnish and subsequently maintain a suitable location on his or her premises for the Company's meter and related facilities at a point selected by the Company. Meters shall be located where they will be safely accessible for reading and service, adequately ventilated, and not subject to damage. Meters shall not be located within any enclosed area unless the enclosure is solely intended as a meter house. It may be necessary for the Company to install bollards or guard posts around the meters for safety.

6.2 POINT OF DELIVERY

The point of delivery of gas sold by the Company to the Customer shall be at the outlet side of the Company's meter, provided that in those cases in which the Customer owns a section of the underground pipe between the Customer's property line and the meter, the point of delivery shall be at the property line. The title of all gas sold by the Company to the Consumer shall pass from the Company at the point of delivery. The point(s) of delivery and point(s) of redelivery for Transportation Service shall be as provided in the contract entered into between the Customer and the Company.

6.3 MULTIPLE METERS

Each Customer or group of Customers located on the same lot or tract of land may be served from a single meter location. The Company may, at its option, permit additional meter locations to simplify installation of facilities or provide better service. Whenever more than one meter location is permitted for the same Customer, the Company shall bill the usage through each meter separately, provided that any combined billings in effect at the time of adoption of this Tariff may be continued until the affected Customer discontinues service or upon order by the Regulatory Authority.

6.4 CONNECTION TO COMPANY FACILITIES

No Consumer shall make any connection or alteration of any kind on any of the Company's facilities upstream of the Company's meter or shall permit any other person to make such connection or alteration.

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## INSTALLATION OF EQUIPMENT

### 7.1 EQUIPMENT FURNISHED BY THE COMPANY

The Company shall furnish and install at its expense, the service pipe from the Company's existing main to the property line nearest the meter and the equipment related thereto, including meter valve and service regulator. Whenever the meter is located at any point other than the property line, the Company shall determine the estimated cost of that portion of the service between the property line and the meter set. This estimate shall be based on the size and footage to be installed and charged in accordance with Section 8 and other applicable provisions of this Tariff. This estimated amount shall be contributed by the Applicant to the Company before construction, unless the Applicant is a qualified Blanket Builder, or unless the cost of the service line was previously included in the main extension calculation under Section 8.1. Although affixed to or buried in the Customer's property, the entire service and meter set shall become the property of the Company and shall be operated and maintained by the Company.

### 7.2 EQUIPMENT FURNISHED BY THE APPLICANT

The Applicant shall furnish and install at his or her expense, all piping and equipment required to conduct and utilize the gas furnished, from the outlet of the meter set to the point(s) of utilization and those portions of the service line and meter set not furnished by the Company as described in Section 7.1 above. The adequacy, safety and compliance with applicable codes and ordinances shall be the responsibility of the Applicant and no action of the Company in accordance with this Tariff shall release the Applicant of the responsibility for the facilities installed by him or her.

### 7.3 STATUTES, CODES, AND ORDINANCES

All piping and installations owned by the Applicant shall comply with all applicable legal requirements, whether federal, state, county, municipal, or otherwise, and shall be properly designed for the pressures and volumes to be handled. In those locations where there are no applicable state or local requirements, the applicable provisions of the National Fuel Gas Code 54; ANSI Z223.1 and any amendments thereto shall apply.

### 7.4 CHECKS AND TESTS

The Company shall have the right to check new installations prior to initiation of service and to make any test of the Applicant's facilities it deems necessary, at no charge to the customer.

### 7.5 REFUSAL TO SERVE

The Company shall refuse service to any Applicant who refuses entry for observation or whose facilities do not comply with the applicable provisions of this Tariff. The right to refuse service shall terminate with the correction of the condition(s) which was cause for refusal. Initiation of service, however, shall not be considered to be acceptance or approval by the Company of such facilities.

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## EXTENSION OF FACILITIES

### 8.1 EXTENSION OF MAINS

The Company shall install the necessary facilities to provide service to Applicants whose premises are located beyond the Company's existing distribution facilities in accordance with the provisions of this Section. The expenditure for such extensions must either be cost justified or the Applicant(s) and Company must mutually agree to terms that justify the installation.

### 8.2 DESIGN AND COST OF FACILITIES

As soon as practical after an application for service is received, the Company shall determine the extent of the facilities required to serve the new customer and the cost thereof. This cost shall include all amounts to be spent for system improvements necessary to deliver the required gas, such as mains, regulator and meter stations, upgrading and/or reinforcement, all in accordance with the Company's current practice. Whenever the Company chooses to install facilities of greater capacity than would be required to serve the new customer for which the application is being made or to permit supply from another source, the estimate of costs shall be based on only the size and capacity normally used to serve requirements similar to that of the Applicant.

### 8.3 ALLOWANCE FOR NEW BUSINESS

The Company shall also determine the number of existing permanent Customers located along the route of the extension expected to be served therefrom. To be included, the occupant of each premise must request service and demonstrate capability for using such service through a major gas burning appliance. Single or groups of individually owned mobile homes shall be included only if the wheels and hitch have been removed from each mobile home and/or substantial improvements have been made to the property. Mobile home parks may be served either through a master meter or individual meters served by a Company-owned system, provided that required mains can be installed and dedicated streets or rights-of-way have been provided to the Company for installation of facilities as evidenced by agreement executed on the Company's form. An allowance to be determined by the Company may be given for each Customer whose premises exist at the time of application to be served from the proposed main extension. In order to qualify for this allowance, the Customer must file an application and agree to initiate gas service upon completion of the Company's facilities.

### 8.4 ADVANCES

The mutually agreed upon terms will determine the amount of advance required. The Applicant shall have 30 calendar days after notification of the amount required to execute an extension agreement on the Company's form and pay the required advance. At the end of that time, the Company may revise its estimates to reflect any changes in costs or conditions which will affect the amount of the advance. The Company may waive collection of any advance based on an economic analysis of the project.

### 8.5 CONSTRUCTION OF FACILITIES

As soon as practical after the advance has been paid or it has been determined that no advance will be required, the Company shall begin construction of the required facilities and thereafter prosecute the

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EXTENSION OF FACILITIES (Continued)

8.5 CONSTRUCTION OF FACILITIES (Continued)

work with reasonable diligence. The Company shall not be responsible for delays in the construction of the facilities occasioned by events or conditions reasonably beyond the Company's control. Whenever the construction of the new facilities requires the acquisition of rights-of-way across the Applicant(s) land(s), these rights-of-way shall be provided by the Applicant(s) in the Company's name and on its form at no cost to the Company (except for fees involved in the recording of documents).

8.6 REVIEW OF ADVANCES

The Company shall review each extension agreement on the first anniversary of the signing of that agreement. Upon the Applicant(s) request if the extension provided for in the agreement has not been installed through no fault of the Company, the agreement shall be considered to be terminated and a complete refund made to the Applicant(s). Once the extension has been installed and service has been initiated, the Company shall thereafter review the extension agreement at its second through fifth execution date. At each review, the number of Customers then served directly from the extension shall be compared with the number served on the last prior anniversary date. A refund, shall be given for each additional Customer served, based on mutually agreed upon terms provided that the total of the refunds given does not exceed the cost of the extension of facilities.

8.7 REFUND LIMITATIONS

The Company may, at its sole option, make a refund at any time. In no case, however, shall a refund be given unless the number of Customers then served is greater than the number for whom refunds have previously been given. No refund shall be given which shall cause the total refunds to be greater than the total amount of the advance. No interest shall be paid on any advance made under the provisions of this Section. At the end of the five year period, any remaining amount of the advance shall be retained by the Company as a contribution in aid of construction.

8.8 DELIVERY OF REFUNDS

Upon Applicant(s) request, when a refund is due, a check in the appropriate amount and a letter setting forth the method of calculation of the refund and the balance remaining un-refunded shall be made to the person or business in whose name the extension agreement is made or to his or her assignee. If that letter is returned undelivered, the check shall be cancelled and the next review made without regard to that refund. All sums described in this Section which are returned undelivered and remain unclaimed in the Company's possession for a period of six months following expiration of the five year period of the extension agreement shall be retained by the Company and considered a contribution in aid of construction.

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CUSTOMER-OWNED SYSTEMS

9.1 INDIVIDUALLY METERED SYSTEMS

The Company shall not render service to any Customer through a meter not connected to a system owned by the Company or one of the Company's suppliers.

9.2 MASTER METERS

The Company shall provide service through a master meter into the piping systems of others to be distributed to more than one Consumer, except when the gas served is resold to those Consumers on either a commodity or separate cost of service basis; provided, however, that those Customers purchasing gas for redistribution to the Customer's own tenants only on the Customer's premises may separately meter each tenant distribution point for the purpose of prorating the Consumer's actual purchase price of gas delivered among the various tenants on a per unit basis, and further provided that the provisions of this Section 9 shall not preclude the Company from supplying natural gas to a third party for resale to the public as fuel for natural gas powered vehicles (NGV's).

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## SECURITY DEPOSITS

### 10.1 REQUIREMENTS

The Company shall require a security deposit from any present or prospective Customer in accordance with Sections 5.5 and 18.1 of this Tariff to guarantee payment of bills, and from any present Customer who during the last 12 consecutive months has on more than one occasion paid their utility bill after becoming delinquent. However, the deposit requirement may, at the option of the Company be based on annual usage experienced at the particular address with application of one-sixth of the annual amount as determined as the required deposit. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. The deposit shall be refunded to residential Customers in the form of cash or credit to a customer's account when the Customer has paid 12 consecutive bills without having service disconnected for non-payment, and without having one or more occasion in which a bill was delinquent or a payment was returned, and the Customer is not currently delinquent.

### 10.2 RECEIPTS

The Company shall maintain such records as may be necessary to permit any Customer to receive any deposit return to which he or she is entitled without presentation of the receipt. A record of any unclaimed deposits shall be maintained by the Company for at least 4 years.

### 10.3 INTEREST

The Company shall pay interest on all security deposits for the time held at the rate as set by the Public Utility Commission annually except when

- a) The deposit is held 30 days or less;
- b) Notice is sent to the Customer's last known address that the deposit is no longer required;
- c) The service to which the deposit relates has been discontinued; or
- d) All or any part of the deposit has been applied to a delinquent account.

Interest on deposits earned during the preceding year shall be paid to the Customer annually. Payment shall be made either by check or as a credit on the monthly bill at the Company's option.

### 10.4 RETURN OF DEPOSITS

Deposits on residential accounts returned to the Customer in accordance with Section 10.1 above shall be applied in the first calendar quarter following the month in which the good payment record is established. Whenever the deposit of any Customer is returned to the Customer, the Company shall pay all previously unpaid interest with the payment.

### 10.5 ACCEPTABLE FORMS OF DEPOSIT

Any one of the following forms of credit security may be accepted from Customers and Applicants for service:

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SECURITY DEPOSITS (Continued)

10.5 ACCEPTABLE FORMS OF DEPOSIT (Continued)

- a) A cash deposit of as much as one-sixth (1/6) the estimated annual billings for service requested; but no less than the minimum deposit set forth in Section 21.2;
- b) For commercial customers only, a nontransferable, irrevocable letter of credit from an established financial institution, payable for as much as one-sixth (1/6) the estimated annual billings for services requested and, which can be drawn on for a minimum of two (2) years; but no less than the minimum deposit set forth in Section 21.2; or
- c) For commercial customers only, a surety bond issued by a reputable insurance company which can be drawn on for a minimum of 2 years .

10.6 FRANCHISE AGREEMENTS

To the extent the terms of a franchise agreement are inconsistent with this Section, the terms of the franchise agreement controls. Applicable to customers inside the corporate limits of an incorporated municipality that imposes a municipal franchise fee to Company for the gas service provided to Customer.



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GAS MEASUREMENT

11.1 PRESSURE

The standard serving and measurement pressure shall be 4 ounces (0.25 psig) or 7” Water Column above the standard atmospheric pressure in the area served. The atmospheric pressure and standard serving pressure determined to be the average in the cities and environs of the Central-Gulf Service Area are listed below.

Cities and their Environs	Atmospheric Pressure PSIA	Standard Serving Pressure PSIA
Austin	14.40	14.65
Bayou Vista	14.70	14.95
Beaumont	14.70	14.95
Bee Cave	14.40	14.65
Buda	14.40	14.65
Cedar Park	14.40	14.65
Cuero	14.48	14.73
Dripping Springs	14.40	14.65
Galveston	14.70	14.95
Gonzales	14.48	14.73
Groves	14.70	14.95
Jamaica Beach	14.70	14.95
Kyle	14.40	14.65
Lakeway	14.40	14.65
Lockhart	14.48	14.73
Luling	14.48	14.73
Nederland	14.70	14.95
Nixon	14.48	14.73
Port Arthur	14.70	14.95
Port Neches	14.70	14.95
Rollingwood	14.40	14.65
Shiner	14.48	14.73
Sunset Valley	14.40	14.65
Yoakum	14.48	14.73
West Lake Hills	14.40	14.65

The Consumer and the Company may, at the Company’s option, agree to a higher serving pressure. Service regulators shall be set as close as practical to the standard serving pressure under a load condition of approximately 10 percent of meter capacity. Increases in serving pressure because of the inadequacy of the Consumer’s facilities shall not be permitted.

11.2 UNIT OF MEASUREMENT

The standard unit of measurement shall be one hundred cubic feet (Ccf). A cubic foot shall be defined as the amount of gas which occupies a volume of one cubic foot at the standard serving pressure and at a temperature of 60 degrees Fahrenheit.

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GAS MEASUREMENT (Continued)

11.2 UNIT OF MEASUREMENT (Continued)

Whenever the Company delivers gas at any pressure other than the standard serving pressure, volumes shall be corrected to the standard serving pressure in the manner provided in this Tariff, provided however, that such correction may be made to any other standard provided in the rate schedules or special agreement under which the Customer is served. The Company may, at its sole option, waive the correction of measurement for temperature deviation.

11.3 BILLING UNIT

Unless otherwise specified on the rate schedules or by special agreement, Customers shall be billed on the basis of Ccf measured at or corrected to the standard serving pressure. The index of the meter shall be the sole determinant of volumes passing through the meter. Whenever the meter reads directly in hundreds or smaller units, a reading of one-half a billing unit or more (500 Ccf or more) shall be considered a whole billing unit. Readings of less than one-half a unit shall be disregarded for billing. In those cases in which heating value is used as the billing unit, the calculation of the heating value in BTU's shall be made in accordance with Section 11.7 of this Tariff.

11.4 PRESSURE CORRECTION - STANDARD METERING

Whenever gas is delivered to any Customer served under a rate schedule which provides for standard metering, the Company shall correct actual volumes measured to volumes which would have been measured if the gas had been delivered at the standard serving pressure. Corrections shall be made by one of the following methods.

- a) The Company may install pressure or pressure and temperature compensating measurement equipment whenever the cost of this equipment is justified by the volumes served. Such measurements shall be equipped with devices which mechanically or electronically correct the actual measured volumes in accordance with Boyle's Law. Variations in actual atmospheric pressure shall not be considered.

The Company may use factor billing whenever the volumes to be delivered are too small to justify special metering. The factor shall be determined by dividing the actual serving pressure by the standard serving pressure, both expressed in absolute units based on the standard atmospheric pressure in the area as specified in Section 11.1 hereof. This factor shall be applied to the measured volumes to determine the correct number of billing units.

11.5 METERING - SPECIAL POSITIVE DISPLACEMENT

Whenever gas is delivered to any Customer served under a rate schedule which provides for special metering and positive displacement or turbine type metering is used, all volumes shall be determined in accordance with the recommendations of the manufacturer of the meter. Meters may be read in actual volumes which shall then be corrected to the standard billing unit or may be furnished with devices designed to correct the actual volumes to the standard billing units. The following criteria shall be used in the correction of volumes or design and calibration of correcting devices:

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GAS MEASUREMENT (Continued)

11.5 METERING - SPECIAL POSITIVE DISPLACEMENT (Continued)

- a) Pressure correction shall be made in accordance with Boyle's Law. Calculations based on pressure reading on a continuously recording chart shall use the average pressure indicated thereon applied to the measured volumes. Correcting devices shall be set at the specified serving pressure and the service regulators shall be adjusted as close to that pressure as practical. Corrections for deviations from Boyle's Law ("supercompressibility") may be made whenever the volumes delivered justify the cost of making such corrections.
- b) The flowing temperature of the gas shall be assumed to be 60 degrees Fahrenheit unless temperature correction is provided. Corrections shall be made in accordance with Charles' Law.
- c) Whenever a continuously recording instrument is used, the average temperature indicated thereon shall be applied to the measured volumes. The specific gravity of the gas shall be assumed to be the value last indicated by test or reported by the upstream pipeline supplier prior to the installation of the metering facilities. Whenever subsequent reports or tests indicate significant changes in gravity, volume calculations shall be changed prospectively to reflect the new gravity.

11.6 METERING - SPECIAL ORIFICE

Whenever gas is delivered to any Customer served under a rate schedule with provisions for special metering and orifice metering is used, all volumes shall be determined in accordance with the recommendations for measuring gas contained in the American Gas Association's Gas Measurement Committee Report No. 3, Orifice Metering of Natural Gas (1992), and subsequent revisions thereof. Orifice meter charts shall be calculated using a standard integrating device or other method recognized in the industry. The following criteria shall be used in the correction of volumes or design and calibration of orifice metering:

- a) Correction for deviation of gas from Boyle's Law shall be made in accordance with Report No. 3.
- b) Temperature of gas passing the meter shall be assumed to be 60 degrees Fahrenheit unless suitable equipment has been installed to measure actual flowing temperature. The arithmetical average of the temperature recorded during each meter charge period while the gas is flowing shall be used in the computations of volumes during the period.
- c) The standard atmospheric pressure for the area served shall be used for measurement irrespective of any variation in the actual barometric pressure.
- d) The specific gravity of the gas shall be assumed to be the value last obtained in a spot test made with a gravity balance, impact type unit or other acceptable method. Tests shall be made as frequently as found necessary to assure accurate measurement.

11.7 BTU MEASUREMENT

The heating value of gas for use in billing shall be defined as the gross thermal value of one cubic foot of gas at a pressure of 14.73 psia and temperature of 60 degrees Fahrenheit on a dry basis.

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GAS MEASUREMENT (Continued)

11.7 BTU MEASUREMENT (Continued)

The number of billing units delivered shall be determined by multiplying the heating value determined in accordance with this Section by the volumes delivered during the period, expressed in the same units and measured at, or corrected to 14.73 psia and 60 degrees Fahrenheit, and multiplying by the factor necessary to convert the heating value/measurement units to the billing units provided in the appropriate rate schedule. The heating value of the gas shall be determined using one of the following methods:

- a) Processing a continuous sample of the main stream at the meter location through a recording calorimeter of a standard type;
- b) Analysis of gas samples accumulated from the main stream at the meter location in a sample bottle of an approved type;
  - i) passing the sample through a recording calorimeter of a standard type;
  - ii) passing the sample through a flow calorimeter of a standard type; or
  - iii) passing the sample through a chromatograph to determine the chemical composition and calculating the total heating value from the sum of the constituents.

11.8 CUSTOMER-OWNED METERS

A Customer may install and operate a meter or any other device to measure gas volumes, pressure, temperature, BTU content or specific gravity downstream of the point of delivery. Unless expressly otherwise agreed to by the Company and Customer, however, the Company's meter and equipment shall be the sole determinant of volumes for Company's billing purposes.

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METER READING AND ACCURACY

12.1 METER READING

Meters shall be read as nearly as may be practical on the same day of each calendar month. Whenever a reading of a general service meter is missed or the meter is not registering, the Company shall estimate the amount of gas used during the period. Such estimates shall be based on either -

- a) That Customer’s use of gas during the same period(s) in previous years;
- b) That Customer’s normal use of gas during preceding months; or
- c) The use of a similar Customer for the period missed.

If practical, an actual reading shall be made after two consecutive estimated bills. All meters in Special Service shall be read at least once a month. Whenever such a meter fails to register or is misread, the amount of gas used during the preceding period shall be estimated using data applicable to that Special Service Customer only. The Company will make a special reading of any meter upon request and payment of a service charge will be made in accordance with Section 21.1. The time of the special reading shall be agreed upon with the Customer so that he or she may be present. If the original reading was in error (subject to consumption between the two readings) the service charge will be refunded to the Customer.

12.2 ACCESS TO THE METER

The Customer shall permit the Company safe access to the meter at all reasonable times for reading thereof and at all reasonable times for reading, maintenance, testing, or replacement of the meter. Upon the Customer’s failure or refusal to grant such access, the Company may issue a written notice to the Customer, advising them the situation must be corrected and access granted within 5 working days and that failure to do so can result in the disconnection of service and removal of the meter. Additional fees may apply and will be assessed to such Customer as specified in Section 21.1.

12.3 METER ACCURACY

The accuracy limit of all Company meters is established at two percent (2%) fast or slow. Any meter found to be registering outside of the limits of accuracy shall immediately be removed or repaired. As long as the meter is operating within the limits of accuracy, it shall be the conclusive determination as to the quantities of gas delivered to the Customer on whose service it is set.

12.4 METER TESTING AT CUSTOMER REQUESTS

The Company shall have the right to remove and/or test the meter used to determine the quantity of gas delivered. The Customer may request that the Company make a special test of the meter through which he or she is served. Requests for such tests shall be made in writing and the Company shall have 10 days after receipt of the request to remove the meter for testing or to test the meter in place. Tests on removed meters shall be conducted within a reasonable time. If the test is to be performed after the period of presumed accuracy listed by the manufacturer or if the test is to be performed for a residential or small commercial Customer for whom no such test has been performed within the previous four (4) years for the same Customer at the same location, no service charge will be assessed. Otherwise, the Customer shall pay a service charge for such test as specified in Section 21.1.

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METER READING AND ACCURACY (Continued)

12.5 BILLING ADJUSTMENTS - GENERAL SERVICE

Whenever it has been determined that a meter reading and the subsequent billing has been in error, the Company shall recalculate the affected bill(s). If the date and amount of the error can be definitely fixed, the Company shall refund or may bill the affected Customer for the entire difference between the actual bills rendered and the amount which should have been billed. If a meter is found to have registered inaccurately (such as a meter found to be registering fast or slow), the Company shall refund or bill an amount equal to the difference between the actual bills rendered and the amount which would have been billed if the meter was 100 percent accurate during the time since the last previous test or six months, whichever is less. If the meter is found not to have registered, then the rebilling shall be limited to a three-month period previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same Customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated Customers, when not available. Undercharges billed to the Customer may be repaid in a series of equal installments over a reasonable period of time. This Section shall not apply to meter errors found as a result of routine testing in the Company's or its designee's meter shop.

12.6 PROVISIONS FOR SPECIAL SERVICE

The following modifications shall apply to the provisions of this Section for all Special Service rate schedules and service under special written agreements:

- a) Orifice and turbine meters shall be tested at least four times per year at intervals not to exceed 120 days. Should the Customer so elect, tests shall be made in the presence of his or her representative.
- b) Whenever a meter is found to be registering above or below the limits of accuracy, adjustment of the bill (either up or down) shall be limited to the monthly billing subsequent to the last meter test. The adjustment shall be made upon the basis of the best data available, using the first of the following methods, whichever is most appropriate:
  - i) by using registration of Customer's check meter(s);
  - ii) by correcting the error, if the percentage of error is ascertainable by calibration test or mathematical calculation; or
  - iii) by estimating the quantity of gas delivered by comparison with deliveries during the preceding period under similar conditions when accurate registration was obtained.

12.7 PERIODIC TESTS

The Company shall make periodic tests of meters, associated devices and instruments to assure their accuracy. Such tests shall be scheduled within the calendar year or earlier, when the interval is stated in years; or within the calendar month, or earlier when the interval is stated in months. The basic periodic test interval shall be no longer than provided for in the manufacturer's recommendations, a copy of which is available upon request.

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BILLING AND PAYMENT OF BILLS

13.1 RENDERING OF BILLS

Bills for all service shall be rendered monthly as promptly as feasible after the meter has been read. Bills shall be due and payable in full on or before the due date, which shall be stated on the face of the bill and shall not be earlier than fifteen (15) days after the bill is mailed (including electronic mail). Bills shall be considered to have been rendered when deposited in the United States Mail with postage prepaid thereon or, when the customer has elected to receive billings via electronic mail, when the electronic document has been sent. Payment shall be considered received when the correct amount has been received through a company authorized payment method. If not paid by the date due, the bill shall be considered delinquent.

13.2 BILLING PERIOD

Bills shall be rendered at regular monthly intervals unless otherwise authorized or unless service is rendered for a period of less than a month.

13.3 ESTIMATED BILLS

In the event any meter cannot be read at the end of the billing period, the Company shall bill the Customer on the basis of an estimated consumption determined in accordance with Section 12.1 of this Tariff. The next bill based on actual reading after an estimated bill shall make any corrections necessary to bring the Customer's account to a current status for the actual consumption.

13.4 DISPUTED BILLS

- a) In the event of a dispute between the Customer and the Company regarding the bill, the Company will make such investigation as is required by the particular case and report the results to the Customer. If the Customer wishes to obtain the benefits of subsection b) of this Section, notification of the dispute must be given to the Company prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the Company shall inform the Customer of the complaint procedures of the appropriate regulatory authority.
- b) Notwithstanding any other subsection of this section, the Customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that Customer's average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this section only, the Customer's average usage for the billing period shall be the average of the Customer's usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar Customers and under similar conditions.

13.5 PAYMENT RE-PROCESSING FEE

The Company may charge or add to the Customer's account and collect a fee (as provided in Section 21.1 d) to recover costs for reprocessing any payment, including paper check, electronic transfer payment, and debit and credit card payment, that has been rejected or returned to the Company by the bank for any reason other than bank error.

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BILLING AND PAYMENT OF BILLS (Continued)

13.6 E-STATEMENTS

The Customer may at its option receive bills and notices via electronic mail, thereby eliminating paper bills and notices.

13.7 PAYMENT OPTIONS

The Company, at its option and discretion, may contract with payment vendors to provide various payment options and authorize these vendors to accept payments from Customers on the Company's behalf. Payment options may be electronic, telephonic, in person, or by mail and may include automatic bank draft, credit/debit card, check or cash. Contracted payment vendors may charge Customers an additional fee of the use of that payment option and shall be solely responsible for collecting that fee from the Customer.

13.8 DEFERRED PAYMENT PLANS

The Company, at its sole discretion, may offer a deferred payment plan for delinquent Customer accounts. Deferred payment plans shall conform to the following guidelines:

- a) Every deferred payment plan entered into due to the Customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.
- b) For purposes of determining reasonableness, the following shall be considered:
  - i) size of delinquent account;
  - ii) Customer's ability to pay;
  - iii) Customer's payment history;
  - iv) time that the debt has been outstanding;
  - v) reasons why debt has been outstanding; and
  - vi) other relevant factors concerning the circumstances of the Customer.
- c) A deferred payment plan, if reduced to writing shall state immediately preceding the space provided for the Customer's signature and in bold-face print at least two sizes larger than any other used that, "If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the Company's failure or refusal to comply with the terms of this agreement."
- d) A deferred payment plan may include a one-time late payment penalty up to but no more than 5% of the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the Company's error (such as an



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inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

- e) If a Customer has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the Company shall have the right to disconnect pursuant to disconnection rules in Section 17.2 of this Tariff and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.
- f) The Company shall not refuse a Customer participation in a deferred payment plan on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

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QUALITY OF GAS

14.1 HEATING VALUE

Gas delivered to Consumers in all service areas shall have an average gross heating value of at least 900 British Thermal Units per cubic foot measured when saturated with water vapor at a pressure of 14.73 psia and temperature of 60 degrees Fahrenheit. Gas of lesser heating value may be delivered for short periods, providing that the average heating value for the calendar month in which the reduction occurs is equal to or greater than the standard and that the burning characteristics of the gas are not significantly altered.

14.2 CHARACTER OF GAS

All gas furnished to Consumers in the Central-Gulf Service Area shall be of merchantable quality suitable for use in standard gas burning appliances. Merchantable quality shall mean that the gas must be commercially free from dust, resins, water and hydrocarbons in liquid form at the pressure and temperature at which the gas is delivered.

14.3 ODORIZATION

All gas shall be odorized with a chemical odorant at a sufficient rate to make it readily detectable. Gas containing enough natural odorant as prescribed by the Railroad Commission of Texas need not be odorized unless the odorant level drops below the acceptable level.

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SERVICE WORK

15.1 CERTAIN SERVICES PROVIDED AT NO CHARGE

When a Customer or Consumer smells or detects natural gas and contacts the Company, the Company shall provide to the Consumer at no-charge to the Customer or Consumer leakage and pressure investigations to ensure that unsafe conditions do not exist. Where leakage or unsafe conditions are determined by the Company to be in the Customer's or Consumer's piping or equipment, the Customer or Consumer will be so advised and service will be discontinued until such time that all leakage and other unsafe conditions have been properly corrected by the Customer or Consumer. In addition, when service is initiated, gas air adjustments on a standard domestic and commercial gas range and water heater will be made.

Any other work performed on any Consumer's appliances or housepiping will be on a charge basis.

15.2 OTHER SERVICE

The Company may have personnel available for and may undertake other service work on the Consumer's premises on a charge basis, as time permits. Charges shall be made at the Company's standard rate in the Service Area and such work and the associated revenues and costs shall be considered non-utility.

15.3 EXPEDITED SERVICE

A Customer may request an expedited service. Charges may apply. (See Section 21 – Fees and Deposits)

15.4 NO ACCESS

A fee may be charged to a Customer who requests a specific time for service, if the Company agrees to the time, sends appropriate personnel to the appointed location and the Customer is not present to allow access to the premises. (See Section 21 – Fees and Deposits)

15.5 MATERIALS OR EQUIPMENT FURNISHED BY THE COMPANY

The Company shall furnish and install the service pipe, and equipment related thereto, including meter valve and service regulator, from the Company's main to the Customer's meter. Although affixed to or buried in the Customer's property, the entire service line and meter set shall become the property of the Company and shall be operated and maintained by the Company.

15.6 MATERIALS OR EQUIPMENT FURNISHED BY THE APPLICANT

The Applicant shall furnish and install at his or her expense all piping, conversions of existing equipment, and appliances required to conduct and utilize the gas furnished by the Company. The adequacy, safety, and compliance with applicable codes and ordinances of piping, conversion equipment and appliances shall remain the responsibility of the Applicant and no action of the Company in accordance with this Tariff shall release the Applicant of the responsibility to furnish and install the facilities required by this Section.

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SERVICE WORK (Continued)

15.7 CODES AND ORDINANCES

All piping, installations, and conversion equipment owned by the Applicant shall comply with all applicable federal, state, and city ordinances and shall be properly designed for the pressures and volumes to be handled. Where there are no appropriate ordinances, the applicable provisions of the National Fuels Gas Code 54; ANSI Z223.1, and any amendments thereto shall apply.

15.8 INSPECTIONS AND TESTS

The Company shall have the right to inspect new installations and/or conversions of appliances and equipment prior to initiation of service and to require any test or repair of the Applicant's facilities it deems necessary, at no charge to the customer.

15.9 REFUSAL TO SERVE

The Company shall refuse service to any Applicant who refuses Company or Company's representatives access to or entry for observation or whose facilities do not comply with the applicable provision of this Tariff. The right to refuse service shall terminate upon satisfactory correction of the condition that was the cause for refusal. Initiation of service, however, shall not be considered acceptance or approval by the Company of such facilities.

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MAINTENANCE OF EQUIPMENT

16.1 MAINTENANCE BY COMPANY

The Company shall maintain all facilities owned by it and shall be responsible for the safe conduct and handling of the gas until it passes the point of delivery. The Company's representative shall have the right to enter the Customer's premises at any reasonable time, in the event of an emergency at any time, to read the meter or make any necessary inspection, repair, adjustment, or replacement of any property owned by the Company.

16.2 MAINTENANCE BY THE CUSTOMER

The Customer shall maintain all facilities owned by him or her and shall be responsible for the safe conduct and handling of the gas after it passes the point of delivery. The Customer shall remove, repair or adjust any Customer-owned property which may pose a threat of damage to the property of the Company. The Customer shall take all reasonable means to assure that no one other than an employee of the Company shall adjust, repair, disconnect or change the meter or other Company facilities in any way. In case of loss or damage to the Company's property from the negligence or willful acts of the Customer or Consumer or the Customer's or Consumer's representatives, the Customer will reimburse the Company for all costs of repairing or replacing the damaged property, including any costs of collection such as attorney's fees.

16.3 LEAKS - RIGHT TO DISCONNECT FOR

The Customer or Consumer shall give the Company notice of any leaking or escaping gas as soon as it is detected. Upon receipt of this notice, the Company shall investigate the matter as promptly as feasible under the circumstances. If the Company's test indicates leakage in the Customer's or Consumer's facilities, the Company shall have the right to disconnect service immediately until the Customer or Consumer has had the condition corrected. If leakage is found to be from Company owned facilities, the Company shall have the right to disconnect service for a reasonable period of time until it can be corrected by the Company. The Company shall have the right to disconnect service immediately if any of the Customer's or Consumer's appliances or equipment is, in the Company's opinion, operating in an unsafe manner.

16.4 FACILITIES CURRENTLY OWNED BY THE CUSTOMER

Any facilities downstream of the meter installed by the Customer shall remain the property and responsibility of the Customer. Whenever the condition of the facility is such that replacement is required, the work shall be done by the Company pursuant to the provisions of Section 16.7 of this Tariff. New facilities will continue to be installed pursuant to Sections 7.1 and 7.2 of this Tariff.

16.5 RESPONSIBILITY

Nothing in this Section shall make the Company responsible for the safe upkeep of any Customer or Consumer-owned facilities.

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MAINTENANCE OF EQUIPMENT (Continued)

16.6 RELOCATION OF COMPANY FACILITIES

- a) A charge of not more than actual cost may be made for relocating a meter or other Company equipment on the same premises at the request of the Customer or Consumer.
- b) If the Company shall for its own convenience and not for the safety or convenience of the Customer, change the point of delivery or change the location of its equipment on private property, the Company shall bear the expense.

16.7 REPLACEMENT OF CUSTOMER-OWNED PIPING

- a) When repair or replacement of Customer-owned piping becomes necessary due to deterioration of the line, damage to the line (except when caused by Customer or Customer's agent), relocation of the Company's distribution main, or for other safety reasons, the Company will relocate Customer's meter to the exterior of the building wall, as close as possible to the existing stub out (where piping exits the structure), and will replace the service piping up to the stub out. The Company will own and be responsible for all service piping from the main line to the meter, and Customer will own and be responsible for all piping from the meter to the building.
- b) The Customer may be billed for all costs of the meter relocate and pipeline replacement.
- c) In the absence of any provision contained in a deed of dedication authorizing the Company to install the service piping and meter on Customer's premises, the owner of the premises shall execute an agreement establishing the meter location, authorizing the Company to install or replace the line, and granting Company access for such work. If the Customer or owner of the premises refuses to give Company personnel or Company authorized personnel appropriate access to the property for purposes of installation, the Customer will retain responsibility for his/her facilities and shall bear the expense of any replacement or repairs.

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DISCONTINUANCE OF SERVICE

17.1 BY CUSTOMER

The Customer shall be responsible for all charges for gas service from the time Customer gives notice of the intention to discontinue service until the Company has read the meter, or for five working days from the date of such notice, whichever is the shorter period of time.

17.2 FOR NON-PAYMENT

The Company shall have the right to discontinue service to any Customer for non-payment of bills or other charges authorized by this Tariff or the applicable rate schedules, following the due date specified in Section 13.1 hereof. Before discontinuing service for non-payment, the Company shall mail a separate written notice to the Customer in English and Spanish with the words “TERMINATION NOTICE” or similar language prominently displayed. This notice shall include a telephone number to contact the Company, the amount of the delinquent bill and the date by which the bill must be paid to avoid disconnection, and a statement of how to contact the Company in case of illness or other emergency. If a representative of the Company makes an attempt to collect a past due amount, a collection fee per visit shall be assessed to such Customers as specified in Section 21.1.

No Customer shall be disconnected for non-payment:

- a) Within a period of 5 working days after mailing of the notice or the day following the date indicated in the notice, whichever is the later time.
- b) After full payment of the delinquent bill except when there is not sufficient time to advise Company's service personnel of receipt of the payment.
- c) Before 7:00 AM or after 7:00 PM on any day or on Friday, Saturday, Sunday, Holiday, or day before a holiday unless Company personnel are available the following day for the purpose of making collections or reconnecting service.
- d) If within 5 working days after the date of delinquency of the bill the Company receives a written request from the Customer not to discontinue service for health reasons and the request is accompanied by a written statement from a licensed physician. Upon receipt of such request, the Company will suspend termination of service for a period up to 20 days. The Customer shall sign a deferred payment plan agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

17.3 EXTREME WEATHER EMERGENCY

Except where there is a known dangerous condition or a use of natural gas service in a manner that is dangerous or unreasonably interferes with service to others, the Company shall not disconnect natural gas service to:

- a) A delinquent residential customer during an extreme weather emergency. An extreme weather emergency means a day when the previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Station for the county where the customer takes service.

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DISCONTINUANCE OF SERVICE (Continued)

17.3 EXTREME WEATHER EMERGENCY (Continued)

- b) A delinquent residential customer for a billing period in which the Company receives a written pledge, letter of intent, purchase order, or other written notification from an energy assistance provider that it is forwarding sufficient payment to continue service.
- c) A delinquent residential customer on a weekend day, unless personnel or agents of the Company are available for the purpose of receiving payment or making connections and reconnecting service.

The Company shall defer collection of the full payment of bills that are due during an extreme weather emergency until after the emergency is over and shall work with customers to establish a payment schedule for deferred bills.

Beginning in the September or October billing periods, the Company shall give notice as follows:

- a) The Company shall provide a copy of Railroad Commission of Texas Rule 7.460, Suspension of Gas Utility Service Disconnection During an Extreme Weather Emergency, to the social service agencies that distribute funds from the Low Income Home Energy Assistance Program within the Company's service areas.
- b) The Company shall provide a copy of Railroad Commission of Texas Rule 7.460, Suspension of Gas Utility Service Disconnection During an Extreme Weather Emergency, to any other social service agency of which the Company is aware that provides financial assistance to low income customers in the Company's service areas.
- c) The Company shall provide a copy of Railroad Commission of Texas Rule 7.460, Suspension of Gas Utility Service Disconnection During an Extreme Weather Emergency, to all residential customers of the Company and customers who are owners, operators or managers of master metered systems. Owners, operators or managers of master metered systems shall provide a copy of this rule to all their customers.

17.4 SPECIAL CONDITIONS

The Company shall have the right to discontinue service to any Consumer for any of the following reasons:

- a) Without notice for the presence of what the Company considers to be an unsafe condition on the Consumer's premises or if an emergency exists;
- b) Without notice for willful destruction or damage to or tampering with the Company's property by the Consumer or by others with knowledge or negligence of the Consumer;
- c) Within 5 working days after written notice if the Consumer uses his or her equipment in any way which causes or creates a potential for adverse affect on the Company's service to others;
- d) Without notice if failure to curtail by such Consumer endangers the supply to Consumers in Priority Class A or B;



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DISCONTINUANCE OF SERVICE (Continued)

17.4 SPECIAL CONDITIONS (Continued)

- e) 5 working days after written notice from the Company for refusal to grant Company personnel or its designee's access to the Consumer's premises at any reasonable time for any lawful purpose;
- f) 5 working days after written notice from the Company for use, sale or delivery of gas in violation of the provisions of this Tariff or violation of any applicable laws, orders or ordinances, provided that disconnection may be made without notice if the violation creates an unsafe condition;
- g) For Customers acquiring their own supplies of gas, the Company may discontinue service upon request of a Supplier, provided however, that the Supplier represents to the Company that notice has been given to the Customer by the Supplier of delinquency in payment at least five working days prior to Supplier's request for disconnection, and provided that Supplier agrees to indemnify and hold harmless the Company from any potential resulting liability;
- h) If a Customer fails to uphold the terms of a deferred payment plan; or
- i) Within 5 working days after written or electronic notice, for Consumers enrolled in e-bill, that any payment including paper check, electronic transfer payment, and debit or credit card payment, that has been rejected or returned to the Company by the bank.

17.5 RIGHT OF ENTRY

The Company shall have the right to enter the Consumer's premises at any reasonable time to shut off service in accordance with this Tariff and to remove its meter and any other Company property. If the Company is required to take legal action to enforce its rights hereunder, the Company shall be entitled to recover all of its necessary expenses and fees including, but not limited to attorneys' fees, police escort fees and/or the cost to relocate the meter at the Customer's expense.

17.6 ABANDONMENT OF SERVICE

Unless requested by the Customer, service shall not be abandoned (permanent disconnection of any Customer other than a temporary Customer) without permission of the Regulatory Authority. Failure of the Customer to request reinstatement of service within a reasonable period of time after disconnection shall be considered a request for permanent discontinuance of service.

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RE-ESTABLISHMENT OF SERVICE

18.1 FOR NON-PAYMENT

When service has been disconnected for non-payment, the Company shall require that the Customer pay the total amount of his or her account then due plus the prescribed reconnect fee or make satisfactory arrangements for that payment before service is reinstated. In addition, the Company shall require that the Customer re-establish satisfactory credit in accordance with Section 5 of this Tariff.

18.2 FOR OTHER REASONS

If disconnection has been made by the Company for reasons other than non-payment, service shall not be reinstated until the condition for which it was terminated has been corrected to the Company's satisfaction. The Customer shall also be required to pay a reconnect fee before service is turned on. When service has been disconnected at the Customer's request for a period of one year or more, the request for service shall be treated as a new application. When service has been disconnected for less than one year, the request shall be treated in the same manner as a disconnection for non-payment.

18.3 RECONNECTION

The Company shall restore service as soon as feasible after receipt of a reconnection request and compliance with the requirements of this Section. The Company shall charge a non-refundable reconnection fee for all Customers in accordance with Section 21.1. The restoration of service will be accomplished as expeditiously as scheduling permits. If the Customer requests service after hours or earlier than reconnection would otherwise be scheduled, the Company shall offer expedited service in accordance with Section 21.1. Customer shall be advised that an additional fee will be charged and must agree to pay such charge. In the event the Company is required to make more than one call because the reason for disconnection has not been properly corrected, the reconnect fee may be charged for each call made. No fee shall be charged for any reconnection made after disconnection due to Company's operation. See Section 21.1 for fees.

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NOTICE

19.1 GENERAL

Notice is required for all matters in this Tariff other than billing and payment of bills, which shall be deemed to have been given by the Customer when a letter with postage prepaid has been deposited in the United States Mail addressed to the Company at the office specified on the front sheet of this Tariff, and to the Customer when addressed to Customer at his or her last known service address, or to either party when directly communicated to the other party in person or by telephone.

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AVERAGE BILL CALCULATION PLAN or AVERAGE PAYMENT PLAN

20.1 DESCRIPTION-RESIDENTIAL

Any residential Customer may elect to participate in the Company's Average Payment Plan, also known as the Average Bill Calculation Plan ("ABC/APP Plan"), or as such ABC/APP Plan may be modified from time to time for payment of charges for gas service. In the event the Company modifies the ABC/APP Plan, the Company shall notify individual Customers of those changes when the Customer requests enrollment. In general, the conditions under which a Customer may participate in the ABC/APP Plan are set forth below:

- a) The Company reserves the right to adjust the monthly ABC/APP Plan payments of any Customer at any time for changes in conditions or rates;
- b) The Company shall advise each Customer in the ABC/APP Plan of the monthly ABC/APP Plan payment to be paid by the Customer. Each participating Customer will receive a regular monthly gas bill which will reflect actual consumption and charges for that billing month and the amount of any debit or credit balance before the payment of that month's ABC/APP Plan payment. The Customer shall continue to pay the monthly ABC/APP Plan payment amount each month for gas service, notwithstanding the current gas service charge shown on the bill;
- c) In addition to the monthly ABC/APP Plan amount, any other charges incurred by the Customer shall be paid monthly when due;
- d) Interest shall neither be charged to the Customer on accrued ABC/APP Plan debit balances nor paid by the Company on accrued ABC/APP Plan credit balances;
- e) Any amount due the Customer or the Company will be settled and paid at the time a Customer, for any reason, ceases to be a participant in the ABC/APP Plan;
- f) Any Customer's participation in the ABC/APP Plan may be discontinued by the Company if the monthly plan payment has not been paid on or before the due date of the monthly plan payment;
- g) If any Customer in the ABC/APP Plan shall cease, for any reason, to participate in the ABC/APP Plan, then the Company may deny that Customer's reentry into the ABC/APP Plan until the following year.

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FEES AND DEPOSITS

21.1 FEES

All fees and charges shall be adjusted by taxes and fees (including franchise fees) where applicable. In the incorporated areas of Bayou Vista, Cuero, Galveston, Gonzales, Groves, Jamaica Beach, Lockhart, Luling, Nederland, Nixon, Port Arthur, Shiner and Yoakum only, all fees and charges (excluding advances, contributions in aid of construction and deposits) shall be adjusted by the amount which represents the actual gross receipts, occupation, revenue taxes and franchise fees paid by Texas Gas Service Company, a Division of ONE Gas, Inc.

a) Initiation of Service:

- i) Connect: (Section 5.4) \$35.00

A connection fee shall be charged to any Applicant for the cost involved in initiation of service. This fee shall be charged when a meter is set and/or gas turned on.

- ii) Read-In: (Section 5.4) \$15.00

A read-in fee shall be charged to any Applicant for the cost involved in initiation of service. This fee shall be charged when only a meter reading is required.

- iii) Special Handling & Expedited Service: (Sections 5.4 and 15.3)

In addition to initiation of service fee above, a fee may be charged to any Applicant whose request to initiate service cannot be worked during normal business hours or requires special handling. Applicant must be advised that an additional fee will be charged and must agree to pay such charge. These charges include:

- 1) Special Handling \$15.00

The Company may, at Applicant or Customer’s request, provide special handling in order to meet the Applicant or Customer’s requirements. Special handling does not include calling the Applicant/Customer in advance or A.M. or P.M. scheduling

- 2) Expedited Service and Overtime Rate \$60.00

The Applicant or Customer’s request for expedited service may be scheduled at any time to fit the Company’s work schedule, and an Expedited Service charge shall be collected. The Company shall not be obligated to provide Expedited Service when the personnel and resources to do so are not reasonably available.

- b) Services - Others As stated below

Whenever service is furnished from the facilities of others and the Company must pay any special fees to the supplying Company, the Applicant may be requested to reimburse the Company for such charge.

Texas Gas Service Company, a Division of ONE Gas, Inc.  
Rules of Service – Central-Gulf Service Area

FEES AND DEPOSITS (Continued)

21.1 FEES (Continued)

c) Customer Requested Meter Test: (Section 12.4)

Positive Displacement	<u>Charge</u>
Up to 1500 cubic feet per hour	\$150.00
Over 1500 cubic feet per hour	\$200.00
Orifice Meters	
All sizes	\$200.00

d) Payment Re-processing Fee: (Section 13.5) \$25.00

e) Collection Fee: (Section 17.2) \$15.00

A Collection Fee shall be charged to any Customer whose failure to respond to a termination notice necessitates the dispatch of a Company representative to attempt collection of payment from Customer.

f) Reconnect Fees: (Section 18.3) \$35.00

A reconnect fee shall be charged to any Customer whose service is terminated and then re-initiated unless terminated in error by the Company. This fee is the same as the Standard Initiation Fee charged for new service.

- (i) Regular Labor and After Hours Rates \$45.00 (Regular)  
\$60.00 (After Hours)

Charge for non-routine services including but not limited to repeat high bill investigations and building meter loops.

g) Special Read: (Section 12.1) \$15.00

A special read fee shall be charged for customer requested reading of a meter of which estimated billing has been made. This is not in connection with Section 12.4.

h) Meter Exchange (Customer Request): (Section 16.6) \$150.00

A fee will be charged for customers requested meter exchanges when a meter is working properly or is done for the customer's convenience.

Texas Gas Service Company, a Division of ONE Gas, Inc.  
Rules of Service – Central-Gulf Service Area

FEES AND DEPOSITS (Continued)

21.1 FEES (Continued)

- i) Meter Tampering – Residential: (Section 16.2) \$150.00  
A fee will be charged to repeat customers who knowingly tamper with Company property (i.e. broken meter locks, broken stop cocks, tampered meter dials, and broken meter blind seals).
- j) Unauthorized Consumption: (Section 16.2) \$30 plus expenses  
Charges for the replacement of an illegally broken meter seal or locking device to the Customer who could be reasonably expected to benefit from gas service received through said meter.
- k) No Access Fee: (Section 15.4) \$15.00  
A fee charged to a Customer who schedules an appointment but fails to appear.
- l) Meter Removal Fee: (Section 12.2) \$25.00
- m) Account Research Fee: \$20.00/hr  
A fee will be charged for Customer account information requiring research of accounting/billing information.
- n) Police Escort Fee: (Section 17.4) As stated below  
A fee charged when the Company is required to use law enforcement personnel to escort it into locked sites or sites requiring animal control in order for the Company to access a meter. Company will charge the stated amounts or current rate charged by the entity providing the police escort for this service.
- o) Excess Flow Valve Installation Fee: \$400.00  
Pursuant to Code of Federal Regulations, §192.383(d) a fee for installation of an excess flow valve (EFV) will be assessed when a Customer requests such installation on the Customer’s service line. The EFV will be installed at a date mutually agreeable to both Company and Customer, but after January 1, 2018. The Company reserves the sole right to conduct any required maintenance that may result from the installation. The customer shall be assessed a one-time installation fee.

FEES AND DEPOSITS (Continued)

21.2 DEPOSITS

- a) Advances: (Section 8.4) As stated below

Texas Gas Service Company, a Division of ONE Gas, Inc.  
Rules of Service – Central-Gulf Service Area

Estimated expenditure to serve the premises of new business beyond the existing distribution facilities of the Company.

b) <u>Customer Deposits:</u> (Section 10.1)	As stated below
Minimum deposit residential:	\$75.00
Minimum non residential deposit:	\$250.00



**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 not 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, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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 \$192.63 plus

All Ccf per monthly billing period @ \$0.06684 per Ccf

**OTHER ADJUSTMENTS**

Cost of Gas Component: 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.

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

Rate Case Expense Rider: 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  
June 3, 2019 (Austin Only)  
June 14, 2019 (All Other Inc. Areas, Central Texas Service Area)

Meters Read On and After  
TBD

**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.

Supersedes Rate Schedule Dated  
June 3, 2019 (Austin Only)  
June 14, 2019 (All Other Inc. Areas, Central Texas Service Area)

Meters Read On and After  
TBD

**COMPRESSED NATURAL GAS SERVICE RATE**

**APPLICABILITY**

Applicable to any non-residential customer 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 not include compression by Texas Gas Service Company, a Division of ONE Gas, Inc. (the "Company") beyond normal meter sales pressure.

**TERRITORY**

Environs of the Central-Gulf Service Area, which includes the unincorporated areas of Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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 \$ 192.63 plus

All Ccf per monthly billing period @ \$0.06684 per Ccf

**OTHER ADJUSTMENTS**

Cost of Gas Component: 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-ENV.

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.

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

Rate Case Expense Rider: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-ENV.

Taxes: Plus applicable taxes and fees related to above.

**Texas Gas Service Company, a Division of ONE Gas, Inc.**  
**Central-Gulf Service Area**

**RATE SCHEDULE CNG-I-ENV**  
**Page 2 of 2**

**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 an affidavit to the Company certifying that the gas delivered will be compressed for use as motor fuel.

The Customer's compressor station is subject to inspection by Company engineers.

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE EDIT-RIDER**

**EXCESS DEFERRED INCOME TAX CREDIT**

**A. APPLICABILITY**

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, Bayou Vista, Beaumont, Bee Cave, Buda (environs only), Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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. CALCULATION OF CREDIT**

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 true-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. EDIT CREDIT PER CUSTOMER**

Residential:	\$
Commercial:	\$
Industrial:	\$
Public Authority:	\$
Public Schools Space Heat:	\$

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

**D. OTHER ADJUSTMENTS**

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

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE EDIT-RIDER**

**EXCESS DEFERRED INCOME TAX CREDIT  
(Continued)**

**E. ANNUAL FILING**

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

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

**F. CONDITIONS**

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  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE HARV-RIDER**

**HURRICANE HARVEY SURCHARGE**

**A. APPLICABILITY**

The Hurricane Harvey Surcharge rate as set forth in Section (B) below is for the recovery of losses incurred by the Company as a direct result of Hurricane Harvey and not recoverable from any other source. The 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 within the incorporated and unincorporated areas of Bayou Vista, Beaumont, Galveston, Groves, Jamaica Beach, Nederland, Port Arthur, and Port Neches, 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. SURCHARGE RATE**

All Ccf during each billing period: \$0.01141 per Ccf

This rate will be in effect until all approved and expended Hurricane Harvey costs and associated rate case expenses are recovered under the applicable rate schedules.

**C. OTHER ADJUSTMENTS**

Taxes: Plus applicable taxes and fees (including franchise 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.

**E. COMPLIANCE**

TGS shall file a reconciliation report annually on or before December 31<sup>st</sup>, commencing in 2020. TGS shall file the report with the Commission, addressed to the Director of the Oversight and Safety Division and referencing Gas Utilities Docket No. 10928, Hurricane Harvey Surcharge Recovery Report. The report shall include:

- The volumes used by month by customer class during the applicable period,
- The amount of surcharge recovered, by month
- The outstanding balance, by month

Reports for the Commission should be filed electronically at [GUD\\_Compliance@rrc.texas.gov](mailto:GUD_Compliance@rrc.texas.gov) or at the following address:

Compliance Filing  
Director of Oversight and Safety Division  
Gas Services Dept.  
Railroad Commission of Texas  
P.O. Box 12967  
Austin, TX 78711-2967

Initial Rate Schedule

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE PPI  
Page 1 of 3**

**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, 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, 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.

**Supersedes Rate Schedule Dated**

**October 26, 2016** (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX)

**January 6, 2017** (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX)

**November 23, 2016** (Unincorporated Areas of the Central Texas Service Area)

**Meters Read On and After**

TBD



**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE PIT  
Page 2 of 3**

**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.

$$\text{PIT Surcharge} = \frac{\text{Total Annual Testing Expense}}{\text{Estimated Annual Usage}}$$

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.

Supersedes Rate Schedule Dated  
October 26, 2016 (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX)  
January 6, 2017 (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX)  
November 23, 2016 (Unincorporated Areas of the Central Texas Service Area)

Meters Read On and After  
 TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area****RATE SCHEDULE P11  
Page 3 of 3****PIPELINE INTEGRITY TESTING (PIT) RIDER  
(Continued)****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.

**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.

**Supersedes Rate Schedule Dated**

**October 26, 2016** (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX)

**January 6, 2017** (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX)

**November 23, 2016** (Unincorporated Areas of the Central Texas Service Area)

**Meters Read On and After**

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE PIT-RIDER**

**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.XXXXX 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.**  
**All Service Areas****RATE SCHEDULE PSF**  
**Page 1 of 3****PIPELINE SAFETY AND REGULATORY PROGRAM FEES****TEXAS ADMINISTRATIVE CODE**

<b>TITLE 16</b>	<b>ECONOMIC REGULATION</b>
<b>PART 1</b>	<b>RAILROAD COMMISSION OF TEXAS</b>
<b>CHAPTER 8</b>	<b>PIPELINE SAFETY REGULATIONS</b>
<b>SUBCHAPTER C</b>	<b>REQUIREMENTS FOR GAS PIPELINES ONLY</b>
<b>Rule §8.201</b>	<b>Pipeline Safety and Regulatory Program Fees</b>

- (a) Application of fees. Pursuant to Texas Utilities Code, §121.211, the Commission establishes a pipeline safety and regulatory program fee, to be assessed annually against operators of natural gas distribution pipelines and pipeline facilities and natural gas master metered pipelines and pipeline facilities subject to the Commission's jurisdiction under Texas Utilities Code, Title 3. The total amount of revenue estimated to be collected under this section does not exceed the amount the Commission estimates to be necessary to recover the costs of administering the pipeline safety and regulatory programs under Texas Utilities Code, Title 3, excluding costs that are fully funded by federal sources for any fiscal year.
- (b) Natural gas distribution systems. The Commission hereby assesses each operator of a natural gas distribution system an annual pipeline safety and regulatory program fee of \$1.00 for each service (service line) in service at the end of each calendar year as reported by each system operator on the U.S. Department of Transportation (DOT) Gas Distribution Annual Report, Form PHMSA F7100.1-1 due on March 15 of each year.
- (1) Each operator of a natural gas distribution system shall calculate the annual pipeline safety and regulatory program total to be paid to the Commission by multiplying the \$1.00 fee by the number of services listed in Part B, Section 3, of Form PHMSA F7100.1-1, due on March 15 of each year.
  - (2) Each operator of a natural gas distribution system shall remit to the Commission on March 15 of each year the amount calculated under paragraph (1) of this subsection.
  - (3) Each operator of a natural gas distribution system shall recover, by a surcharge to its existing rates, the amount the operator paid to the Commission under paragraph (1) of this subsection. The surcharge:
    - (A) shall be a flat rate, one-time surcharge;

**PIPELINE SAFETY AND REGULATORY PROGRAM FEES**  
**(Continued)**

- (B) shall not be billed before the operator remits the pipeline safety and regulatory program fee to the Commission;
  - (C) shall be applied in the billing cycle or cycles immediately following the date on which the operator paid the Commission;
  - (D) shall not exceed \$1.00 per service or service line *(For the calendar year 2019 annual pipeline safety and regulatory program fee, billed effective with meters read on and after March 27, 2020, Texas Gas Service Company, a Division of ONE Gas, Inc. will bill all customers a one-time customer charge per bill of \$1.00, based on \$1.00 per service line)*; and
  - (E) shall not be billed to a state agency, as that term is defined in Texas Utilities Code, §101.003.
- (4) No later than 90 days after the last billing cycle in which the pipeline safety and regulatory program fee surcharge is billed to customers, each operator of a natural gas distribution system shall file with the Commission's Oversight and Safety Division a report showing:
- (A) the pipeline safety and regulatory program fee amount paid to the Commission;
  - (B) the unit rate and total amount of the surcharge billed to each customer;
  - (C) the date or dates on which the surcharge was billed to customers; and
  - (D) the total amount collected from customers from the surcharge.
- (5) Each operator of a natural gas distribution system that is a utility subject to the jurisdiction of the Commission pursuant to Texas Utilities Code, Chapters 101 - 105, shall file a generally applicable tariff for its surcharge in conformance with the requirements of §7.315 of this title (relating to Filing of Tariffs).
- (6) Amounts recovered from customers under this subsection by an investor-owned natural gas distribution system or a cooperatively owned natural gas distribution system shall not be included in the revenue or gross receipts of the system for the purpose of calculating municipal franchise fees or any tax imposed under Subchapter B, Chapter 182, Tax Code, or under Chapter 122, nor shall such amounts be subject to a sales and use tax imposed by Chapter 151, Tax Code, or Subtitle C, Title 3, Tax Code.
- (c) Natural gas master meter systems. The Commission hereby assesses each natural gas master meter system an annual pipeline safety and regulatory program fee of \$100 per master meter system.
- (1) Each operator of a natural gas master meter system shall remit to the Commission the annual pipeline safety and regulatory program fee of \$100 per master meter system no later than June 30 of each year.

**Texas Gas Service Company, a Division of ONE Gas, Inc.**  
**All Service Areas****RATE SCHEDULE PSF**  
**Page 3 of 3****PIPELINE SAFETY AND REGULATORY PROGRAM FEES**  
**(Continued)**

- (2) The Commission shall send an invoice to each affected natural gas master meter system operator no later than April 30 of each year as a courtesy reminder. The failure of a natural gas master meter system operator to receive an invoice shall not exempt the natural gas master meter system operator from its obligation to remit to the Commission the annual pipeline safety and regulatory program fee on June 30 each year.
- (3) Each operator of a natural gas master meter system shall recover as a surcharge to its existing rates the amounts paid to the Commission under paragraph (1) of this subsection.
- (4) No later than 90 days after the last billing cycle in which the pipeline safety and regulatory program fee surcharge is billed to customers, each natural gas master meter system operator shall file with the Oversight and Safety Division a report showing:
- (A) the pipeline safety and regulatory program fee amount paid to the Commission;
  - (B) the unit rate and total amount of the surcharge billed to each customer;
  - (C) the date or dates on which the surcharge was billed to customers; and
  - (D) the total amount collected from customers from the surcharge.
- (d) Late payment penalty. If the operator of a natural gas distribution system or a natural gas master meter system does not remit payment of the annual pipeline safety and regulatory program fee to the Commission within 30 days of the due date, the Commission shall assess a late payment penalty of 10 percent of the total assessment due under subsection (b) or (c) of this section, as applicable, and shall notify the operator of the total amount due to the Commission.

**Source Note:** The provisions of this §8.201 adopted to be effective September 8, 2003, 28 TexReg 7682; amended to be effective November 24, 2004, 29 TexReg 10733; amended to be effective May 15, 2005, 30 TexReg 2849; amended to be effective December 19, 2005, 30 TexReg 8428; amended to be effective April 18, 2007, 32 TexReg 2136; amended to be effective November 12, 2007, 32 TexReg 8121; amended to be effective September 21, 2009, 34 TexReg 6446; amended to be effective August 30, 2010, 35 TexReg 7743; amended to be effective November 14, 2011, 36 TexReg 7663; amended to be effective November 11, 2013, 38 TexReg 7947; amended to be effective January 6, 2020, 45 TexReg 121

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area****RATE SCHEDULE RCE****RATE CASE EXPENSE SURCHARGE****A. APPLICABILITY**

The Rate Case Expense Surcharge (RCE) rate as set forth in Section (B) below is implemented pursuant to City Ordinances, other regulatory approval or by operation of law. This rate shall apply to the following rate schedules of Texas Gas Service Company, a Division of ONE Gas, Inc. ("Company") in the incorporated areas served in the Central-Gulf Service Area including Austin, Bayou Vista, Beaumont, Bee Cave, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas: 10, 20, 30, 40, 48, C-1, CNG-1, and T-1.

**B. RCE RATE**

All Ccf during each billing period:                      \$0.00437 per Ccf

This rate will be in effect until all approved and expended rate case expenses are recovered under the applicable rate schedules. The Company will recover \$\_\_\_\_\_ in actual expense and up to \$\_\_\_\_\_ in estimated expense, not to exceed actual expense. The Rate Case Expense Surcharge will be a separate line item on the bill.

**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.

Initial Rate Schedule

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area****RATE SCHEDULE RCE-ENV****RATE CASE EXPENSE SURCHARGE****A. APPLICABILITY**

The Rate Case Expense ("RCE") Surcharge rate as set forth in Section (B) below is pursuant to Gas Utilities Docket No. 10928 : Statement of Intent Filed by Texas Gas Service Company, a Division of ONE Gas, Inc. to Increase Gas Utility Rates Within the Unincorporated Areas of the Central Texas Service Area and Gulf Coast Service Area and, Final Order Finding of Fact No. . This rate shall apply to the following rate schedules of the Company in the unincorporated areas served in the 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, Nederland, Nixon, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas: 1Z, 2Z, 3Z, 4H, 4Z, C-1-ENV, CNG-1-ENV, and T-1-ENV.

**B. RCE RATE**

All Ccf during each billing period:        \$0.00437 per Ccf

This rate will be in effect until all approved and expended rate case expenses are recovered under the applicable rate schedules. The Company will recover \$\_\_\_\_\_ in actual expense and up to \$\_\_\_\_\_ in estimated expense, not to exceed actual expense. The Rate Case Expense Surcharge will be a separate line item on the bill.

**C. OTHER ADJUSTMENTS**

Taxes: Plus applicable taxes and 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.

**E. COMPLIANCE**

The Company shall file an annual rate case expense reconciliation report within 90 days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department and referencing Gas Utilities Docket No. 10928 Rate Case Expense Recovery Report. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports for the Commission should be filed electronically at GUD\_Compliance@rrc.texas.gov or at the following address:

Compliance Filing  
Director of Oversight and Safety Division  
Gas Services Dept.  
Railroad Commission of Texas  
P.O. Box 12967  
Austin, TX 78711-2967

Initial Rate Schedule

Meters Read On and After  
TBD



**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE T-1  
Page 1 of 3**

**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, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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	\$ 265.33 per month
Industrial	\$ 520.96 per month
Public Authority	\$ 104.70 per month
Public Schools Space Heat	\$ 234.70 per month
Compressed Natural Gas	\$ 217.63 per month
Electrical Cogeneration	\$ 104.70 per month

**Supersedes Rate Schedule Dated**

- June 3, 2019 (Central Texas Service Area - Austin Only)
- June 14, 2019 (Central Texas Service Area - All Other Incorporated Areas)
- July 29, 2019 (Gulf Coast Service Area)
- May 22, 2019 (City of Beaumont)

**Meters Read On and After**

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.**  
**Central-Gulf Service Area**

**RATE SCHEDULE T-1**  
**Page 2 of 3**

**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.

**Supersedes Rate Schedule Dated**

June 3, 2019 (Central Texas Service Area - Austin Only)  
 June 14, 2019 (Central Texas Service Area - All Other Incorporated Areas)  
 July 29, 2019 (Gulf Coast Service Area)  
 May 22, 2019 (City of Beaumont)

**Meters Read On and After**

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE T-1  
Page 3 of 3**

**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.

Supersedes Rate Schedule Dated

June 3, 2019 (Central Texas Service Area - Austin Only)  
 June 14, 2019 (Central Texas Service Area - All Other Incorporated Areas)  
 July 29, 2019 (Gulf Coast Service Area)  
 May 22, 2019 (City of Beaumont)

Meters Read On and After

TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**Rate Schedule T-1-ENV  
Page 1 of 3**

**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 unincorporated areas of the Central-Gulf Service Area distribution system which includes the environs of Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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	\$ 265.33 per month
Industrial	\$ 520.96 per month
Public Authority	\$ 104.70 per month
Public Schools Space Heat	\$ 234.70 per month
Compressed Natural Gas	\$ 217.63 per month
Electrical Cogeneration	\$ 104.70 per month

Supersedes Rate Schedule Dated  
June 14, 2019 (Central Texas Service Area)  
September 26, 2019 (Gulf Coast Service Area)

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**Rate Schedule T-1-ENV  
Page 2 of 3**

**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) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the unincorporated 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.
- 3) The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-ENV.
- 4) The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT, if applicable.
- 5) The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.
- 6) The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

Supersedes Rate Schedule Dated  
June 14, 2019 (Central Texas Service Area)  
September 26, 2019 (Gulf Coast Service Area)

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**Rate Schedule T-1-ENV  
Page 3 of 3**

**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.

Supersedes Rate Schedule Dated  
June 14, 2019 (Central Texas Service Area)  
September 26, 2019 (Gulf Coast Service Area)

Meters Read On and After  
TBD

**GENERAL TERMS AND CONDITIONS  
FOR TRANSPORTATION SERVICE**

**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.

Btu: 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.

Supersedes Rate Schedules Dated  
October 26, 2016 (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX)  
January 6, 2017 (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX)  
November 23, 2016 (Unincorporated Areas of the Central Texas Service Area)  
May 9, 2016 (Incorporated and Unincorporated Areas of the Gulf Coast Service Area)  
May 22, 2019 (City of Beaumont)

Meters Read On and After  
 TBD

**GENERAL TERMS AND CONDITIONS  
FOR TRANSPORTATION SERVICE  
(Continued)**

<u>Cumulative Tolerance Limit:</u>	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.
<u>Dekatherm (Dth):</u>	Shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis.
<u>Electrical Cogeneration Service:</u>	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.
<u>Electronic Flow Measurement (EFM):</u>	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.
<u>Industrial Service:</u>	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.

Supersedes Rate Schedules Dated  
October 26, 2016 (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX)  
January 6, 2017 (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX)  
November 23, 2016 (Unincorporated Areas of the Central Texas Service Area)  
May 9, 2016 (Incorporated and Unincorporated Areas of the Gulf Coast Service Area)  
May 22, 2019 (City of Beaumont)

Meters Read On and After  
TBD



**GENERAL TERMS AND CONDITIONS  
FOR TRANSPORTATION SERVICE  
(Continued)**

Month: 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.

PDA: 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.

Tariff: 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.

Supersedes Rate Schedules Dated  
October 26, 2016 (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX)  
January 6, 2017 (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX)  
November 23, 2016 (Unincorporated Areas of the Central Texas Service Area)  
May 9, 2016 (Incorporated and Unincorporated Areas of the Gulf Coast Service Area)  
May 22, 2019 (City of Beaumont)

Meters Read On and After  
TBD

**GENERAL TERMS AND CONDITIONS  
FOR TRANSPORTATION SERVICE  
(Continued)**

- 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 COMPANY'S RESPONSIBILITY**

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 CUSTOMER'S RESPONSIBILITY**

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

- 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;

Supersedes Rate Schedules Dated  
October 26, 2016 (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX)  
January 6, 2017 (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX)  
November 23, 2016 (Unincorporated Areas of the Central Texas Service Area)  
May 9, 2016 (Incorporated and Unincorporated Areas of the Gulf Coast Service Area)  
May 22, 2019 (City of Beaumont)

Meters Read On and After  
TBD

**GENERAL TERMS AND CONDITIONS  
FOR TRANSPORTATION SERVICE  
(Continued)**

- 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.
- 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.

Supersedes Rate Schedules Dated

October 26, 2016 (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX)

January 6, 2017 (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX)

November 23, 2016 (Unincorporated Areas of the Central Texas Service Area)

May 9, 2016 (Incorporated and Unincorporated Areas of the Gulf Coast Service Area)

May 22, 2019 (City of Beaumont)

Meters Read On and After

TBD

**GENERAL TERMS AND CONDITIONS  
FOR TRANSPORTATION SERVICE  
(Continued)**

- 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.
- 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.

Supersedes Rate Schedules Dated

October 26, 2016 (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX)

January 6, 2017 (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX)

November 23, 2016 (Unincorporated Areas of the Central Texas Service Area)

May 9, 2016 (Incorporated and Unincorporated Areas of the Gulf Coast Service Area)

May 22, 2019 (City of Beaumont)

Meters Read On and After

TBD

**GENERAL TERMS AND CONDITIONS  
 FOR TRANSPORTATION SERVICE  
 (Continued)**

- 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.

Supersedes Rate Schedules Dated  
October 26, 2016 (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX)  
January 6, 2017 (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX)  
November 23, 2016 (Unincorporated Areas of the Central Texas Service Area)  
May 9, 2016 (Incorporated and Unincorporated Areas of the Gulf Coast Service Area)  
May 22, 2019 (City of Beaumont)

Meters Read On and After  
 TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.  
Central-Gulf Service Area**

**RATE SCHEDULE WNA  
Page 1 of 2**

**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, Bayou Vista, Beaumont, Bee Cave, Buda (environs only), Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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:

$$\text{WNA Rate} = \frac{\text{WNAD}}{\text{CV}}, \text{ where}$$

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

- Supersedes Rate Schedule Dated
- October 26, 2016 (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX)
- January 6, 2017 (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX)
- November 23, 2016 (Unincorporated Areas of the Central Texas Service Area)
- May 9, 2016 (Gulf Coast Service Area)
- May 22, 2019 (City of Beaumont)

Meters Read On and After  
TBD

**Texas Gas Service Company, a Division of ONE Gas, Inc.**  
**Central-Gulf Service Area**

**RATE SCHEDULE WNA**  
**Page 2 of 2**

**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, Bee Cave, Buda (environs only), Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills:

Residential 0.15498; Commercial 0.38392; Public Authority 1.94154; Public Schools 3.95052

Weather Station: KATT

Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum:

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.

Supersedes Rate Schedule Dated

October 26, 2016 (Cities of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, TX)

January 6, 2017 (Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum, TX)

November 23, 2016 (Unincorporated Areas of the Central Texas Service Area)

May 9, 2016 (Gulf Coast Service Area)

May 22, 2019 (City of Beaumont)

Meters Read On and After

TBD

**GUD No. 10928, *Consolidated***

**Final Order**

**Attachment 2**

**(CGSA Excess Deferred Income Tax Credit  
("EDIT") Rate Schedule and Calculations)**



**EXCESS DEFERRED INCOME TAX CREDIT**

**A. APPLICABILITY**

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, Bayou Vista, Beaumont, Bee Cave, Buda (environs only), Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, 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. CALCULATION OF CREDIT**

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 true-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. EDIT CREDIT PER CUSTOMER**

Residential:	\$	23.19
Commercial:	\$	95.35
Industrial:	\$	1,580.89
Public Authority:	\$	191.42
Public Schools Space Heat:	\$	191.42
Electrical Cogeneration:	\$	191.42
Compressed Natural Gas:	\$	1,100.18

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

**D. OTHER ADJUSTMENTS**

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

**EXCESS DEFERRED INCOME TAX CREDIT**  
**(Continued)**

**E. ANNUAL FILING**

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

1. the total dollar amount of that year's EDIT Credit;
2. the total dollar amount actually credited to customers;
3. true-up amount, if any, due to the difference between items a. and b., above;
4. the amount of the upcoming year's EDIT Credit;
5. the amounts of the upcoming year's EDIT Credit per Customer; and
6. Excel spreadsheet(s) detailing calculations of the amounts in 1 through 5.

**F. CONDITIONS**

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

1	2018 EDIT Amortization	\$ 4,320,311
2	2019 Actual EDIT Credit	\$0
3	(Under) Over Credit	\$4,320,311
4	2019 EDIT Amortization	\$ 4,236,668
5	Total 2020 EDIT Credit Amount	<u>\$8,556,979</u>

	CUSTOMER CLASS	PERCENT OF REVENUES PER GUD No. 10928			TOTAL EDIT CREDIT	MONTHLY BILLS	EDIT CREDIT PER CUSTOMER
		(b)	(c)	(d)			
6	Gas Sales and Transportation						
7	Residential	79.790%	\$6,827,614	294,414	\$23.19		
8	Commercial	16.130%	1,380,241	14,476	\$95.35		
9	Public Authority	2.920%	249,864	1,305	\$191.42		
10	Industrial	1.070%	91,560	58	\$1,580.89		
11	CNG	0.090%	7,701	7	\$1,100.18		
	Grand Total	100.000%	\$8,556,979	310,260			

Environs BILL COUNT	Environs EDIT CREDIT
(f)	(g)
23,432	\$543,388
686	65,410
61	11,677
1	1,581
1	1,100
24,181	\$623,156

Incorporated BILL COUNT	Incorporated EDIT CREDIT
(h)	(i)
270,982	\$6,284,073
13,789	1,314,781
1,245	238,318
57	90,111
6	6,601
286,079	\$7,933,883

**GUD No. 10928, *Consolidated***  
**Final Order**  
**Attachment 3**  
**(CGSA Depreciation Rates)**

**TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.**  
**CENTRAL-GULF SERVICE AREA**  
**TWELVE MONTHS ENDED JUNE 30, 2019**  
**UPDATED FOR KNOWN AND MEASURABLE CHANGES THROUGH SEPTEMBER 30, 2019**

**DEPRECIATION AND AMORTIZATION RATES - SERVICE AREA DIRECT - CONSOLIDATED**

LINE NO.	DESCRIPTION	ANNUAL DEPR/AMORT RATES
<u>INTANGIBLE PLANT</u>		
1	(301) Organization	4.00%
2	(301) Organization - OPC	6.67%
3	(302) Franchises & Consents	4.02%
4	(303) Misc. Intangible	4.06%
5	(303) Misc. Intangible- OPC	0.00%
6	Total Intangible Plant	<u>0.00%</u>
<u>GATHERING AND TRANSMISSION PLANT</u>		
7	(325) Land & Land Rights	0.00%
8	(327) Field Comprss Station Strcutres	0.00%
9	(328) Field Meas/Reg Station Structures	0.00%
10	(329) Other Structures	0.00%
11	(332) Field Lines	0.00%
12	(333) Field Compressor Station Equip	0.00%
13	(334) Field Meas/Reg Station Equipment	0.00%
14	(336) Purification Equipment	0.00%
15	(337) Other Equip	0.00%
16	(365) Land & Land Rights	0.00%
17	(365.1) Land - OPC	0.00%
18	(365.2) Rights of Way - OPC	1.30%
19	(366) Meas/Reg Station Structures	0.00%
20	(366.1) Compressor Station Stru - OPC	4.04%
21	(367) Mains	1.75%
22	(367) Mains - OPC	1.75%
23	(368) Compressor Station Equip	0.00%
24	(369) Measure/Reg. Station Equipment	1.83%
25	(369) Measuring & Regulating - OPC	1.83%
26	(369.1) Measuring Station Equip - OPC	2.62%
27	(371) Other Equipment	0.00%
28	(371) Other Transmission Eq - OPC	2.62%
29	Total Gathering and Transmission Plant	<u>2.62%</u>
<u>DISTRIBUTION PLANT</u>		
30	(374) Land & Land Rights	0.00%
31	(374.1) Land & Land Rights	0.00%
32	(374.2) Land & Land Rights	0.00%
33	(375.1) Structures & Improvements	1.71%
34	(375.2) Other Distr Systems Struct	2.38%
35	(376) Mains	1.73%
36	(376.9) Mains - Cathodic Protection Anodes	6.67%
37	(377) Compressor Station Equipment	0.00%
38	(378) Meas. & Reg. Station - General	1.97%

**TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.**  
**CENTRAL-GULF SERVICE AREA**  
**TWELVE MONTHS ENDED JUNE 30, 2019**  
**UPDATED FOR KNOWN AND MEASURABLE CHANGES THROUGH SEPTEMBER 30, 2019**

**DEPRECIATION AND AMORTIZATION RATES - SERVICE AREA DIRECT - CONSOLIDATED**

LINE NO.	DESCRIPTION	ANNUAL DEPR/AMORT RATES
39	(379) Meas. & Reg. Station - C.G.	1.69%
40	(380) Services	2.24%
41	(381) Meters	4.04%

**TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.**  
**CENTRAL-GULF SERVICE AREA**  
**TWELVE MONTHS ENDED JUNE 30, 2019**  
**UPDATED FOR KNOWN AND MEASURABLE CHANGES THROUGH SEPTEMBER 30, 2019**

**DEPRECIATION AND AMORTIZATION RATES - SERVICE AREA DIRECT - CONSOLIDATED**

LINE NO.	DESCRIPTION	ANNUAL DEPR/AMORT RATES
42	(382) Meter Installations	0.00%
43	(383) House Regulators	2.55%
44	(385) Indust. Meas. & Reg. Stat. Equipment	1.87%
45	(386) Other Property on Customer Premises	-0.16%
46	(387) Meas. & Reg. Stat. Equipment	1.95%
47	Total Distribution Plant	<hr/>
 <u>GENERAL PLANT</u>		
48	(389) Land & Land Rights	0.00%
49	(389.1) Land & Land Rights	0.00%
50	(390) Structures & Improvements	0.00%
51	(390.1) Structures & Improvements	2.46%
52	(390.2) Leasehold Improvements	14.88%
53	(391) Office Furniture & Equipment	6.67%
54	(391.1) Office Furniture & Equipment	6.67%
55	(391.1) Office Furniture & Fixt - OPC	6.67%
56	(391.9) Computer & Equipment	14.29%
57	(392) Transportation Equipment	8.49%
58	(393) Stores Equipment	6.67%
59	(394) Tools, Shop & Garage	6.67%
60	(394.1) Tools, Shop & Garage	6.67%
61	(394.1) Tools - OPC	6.67%
62	(395) CNG Equipment	0.00%
63	(396) Major Work Equipment	5.46%
64	(397) Communication Equipment	6.67%
65	(398) Miscellaneous General Plant	6.67%
66	Total General Plant	<hr/>

**TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.**  
**CENTRAL-GULF SERVICE AREA**  
**TWELVE MONTHS ENDED JUNE 30, 2019**  
**UPDATED FOR KNOWN AND MEASURABLE CHANGES THROUGH SEPTEMBER 30, 2019**

**DEPRECIATION AND AMORTIZATION RATES - TGS DIVISION**

LINE NO.	DESCRIPTION	ANNUAL DEPR/AMORT RATES
<u>INTANGIBLE PLANT</u>		
1	(301) Organization	0.00%
2	(302) Franchises & Consents	0.00%
3	(303) Misc. Intangible	0.00%
4	Total Intangible Plant	<u>0.00%</u>
<u>GATHERING AND TRANSMISSION PLANT</u>		
5	(325) Land & Land Rights	0.00%
6	(327) Field Comprss Station Strucutres	0.00%
7	(328) Field Meas/Reg Station Structures	0.00%
8	(329) Other Structures	0.00%
9	(332) Field Lines	0.00%
10	(333) Field Compressor Station Equip	0.00%
11	(334) Field Meas/Reg Station Equipment	0.00%
12	(336) Purification Equipment	0.00%
13	(337) Other Equip	0.00%
14	(365) Land & Land Rights	0.00%
15	(366) Meas/Reg Station Structures	0.00%
16	(367) Mains	0.00%
17	(368) Compressor Station Equip	0.00%
18	(369) Measure/Reg. Station Equipment	0.00%
19	(371) Other Equipment	0.00%
20	Total Gathering and Transmission Plant	<u>0.00%</u>
<u>DISTRIBUTION PLANT</u>		
21	(374) Land & Land Rights	0.00%
22	(375.1) Structures & Improvements	0.00%
23	(376) Mains	0.00%
24	(377) Compressor Station Equipment	0.00%
25	(378) Meas. & Reg. Station - General	0.00%
26	(379) Meas. & Reg. Station - C.G.	0.00%
27	(380) Services	0.00%
28	(381) Meters	0.00%
29	(382) Meter Installations	0.00%
30	(383) House Regulators	0.00%
31	(385) Indust. Meas. & Reg. Stat. Equipment	0.00%
32	(386) Other Property on Customer Premises	0.00%
33	(387) Meas. & Reg. Stat. Equipment	0.00%
34	Total Distribution Plant	<u>0.00%</u>



GENERAL PLANT

35	(389) Land & Land Rights	0.00%
36	(390.1) Structures & Improvements	2.59%
37	(390.2) Leasehold Equipment	17.39%
38	(391.1) Office Furniture & Fixtures	6.67%
39	(391.2) Data Processing Equipment	0.00%
40	(391.3) Office Machines	0.00%
41	(391.4) Audio Visual Equipment	0.00%
42	(391.6) Purchased Software	0.00%
43	(391.9) Computer & Equipment	14.29%
44	(392.6) Aircraft	0.00%
45	(394) Tools	6.67%
46	(394.2) Shop Equipment	0.00%
47	(397) Communication Equipment	6.67%
48	(398) Miscellaneous General Plant	6.67%
49	Total General Plant	<hr/> <hr/>

**TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.**  
**CENTRAL-GULF SERVICE AREA**  
**TWELVE MONTHS ENDED JUNE 30, 2019**  
**UPDATED FOR KNOWN AND MEASURABLE CHANGES THROUGH SEPTEMBER 30, 2019**

**DEPRECIATION AND AMORTIZATION RATES - CORPORATE**

LINE NO.	DESCRIPTION	ANNUAL DEPR/AMORT RATES
<u>INTANGIBLE PLANT</u>		
1	(301) Organization	0.00%
2	(302) Franchises & Consents	0.00%
3	(303) Misc. Intangible	0.00%
4	Total Intangible Plant	
<u>GATHERING AND TRANSMISSION PLANT</u>		
5	(325) Land & Land Rights	0.00%
6	(327) Field Comprss Station Strcutres	0.00%
7	(328) Field Meas/Reg Station Structures	0.00%
8	(329) Other Structures	0.00%
9	(332) Field Lines	0.00%
10	(333) Field Compressor Station Equip	0.00%
11	(334) Field Meas/Reg Station Equipment	0.00%
12	(336) Purification Equipment	0.00%
13	(337) Other Equip	0.00%
14	(365) Land & Land Rights	0.00%
15	(366) Meas/Reg Station Structures	0.00%
16	(367) Mains	0.00%
17	(368) Compressor Station Equip	0.00%
18	(369) Measure/Reg. Station Equipment	0.00%
19	(371) Other Equipment	0.00%
20	Total Gathering and Transmission Plant	
<u>DISTRIBUTION PLANT</u>		
21	(374) Land & Land Rights	0.00%
22	(375.1) Structures & Improvements	0.00%
23	(376) Mains	0.00%
24	(377) Compressor Station Equipment	0.00%
25	(378) Meas. & Reg. Station - General	0.00%
26	(379) Meas. & Reg. Station - C.G.	0.00%
27	(380) Services	0.00%
28	(381) Meters	0.00%
29	(382) Meter Installations	0.00%
30	(383) House Regulators	0.00%
31	(385) Indust. Meas. & Reg. Stat. Equipment	0.00%
32	(386) Other Property on Customer Premises	0.00%
33	(387) Meas. & Reg. Stat. Equipment	0.00%

**TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.**  
**CENTRAL-GULF SERVICE AREA**  
**TWELVE MONTHS ENDED JUNE 30, 2019**  
**UPDATED FOR KNOWN AND MEASURABLE CHANGES THROUGH SEPTEMBER 30, 2019**

**DEPRECIATION AND AMORTIZATION RATES - CORPORATE**

LINE NO.	DESCRIPTION	ANNUAL DEPR/AMORT RATES
34	Total Distribution Plant	
<u>GENERAL PLANT</u>		
35	(389) Land & Land Rights	0.00%
36	(390.1) Structures & Improvements	2.01%
37	(390.2) Leasehold Improvements	13.01%
38	(391.1) Office Furniture & Equipment	6.67%
39	(391.19) Airplane Hanger Furniture	6.67%
40	(391.2) Data Processing Equipment	0.00%
41	(391.3) Office Machines	5.00%
42	(391.4) Audio Visual Equipment	20.00%
43	(391.5) Artwork	0.00%
44	(391.6) Purchased Software	7.69%
45	(391.6) Banner Software	7.69%
46	(391.6) PowerPlant System	7.69%
47	(391.6) Riskworks	7.69%
48	(391.6) Maximo	7.69%
49	(391.6) Dynamic Risk Assessment	7.69%
50	(391.6) Concur Project	7.69%
51	(391.6) Journey-Employee Count	7.69%
52	(391.6) Journey-Employee-ODC Distrigas	7.69%
53	(391.6) Ariba Software	7.69%
54	(391.6) Accounts Payable Software	7.69%
55	(391.8) Micro Computer Software	20.00%
56	(391.81) Aircraft Computer Equipment	0.00%
57	(391.9) Computer & Equipment	0.00%
58	(392.6) Aircraft	6.28%
59	(394) Tools	0.00%
60	(394.1) Tools	0.00%
61	(394.2) Shop Equipment	0.00%
62	(396) Major Work Equipment	0.00%
63	(397) Communication Equipment	5.00%
64	(397.2) Telephone Equipment	0.00%
65	(398) Miscellaneous General Plant	0.00%
66	Total General Plant	

**GUD No. 10928, *Consolidated***  
**Final Order**  
**Attachment 4**  
**(CGSA Net Plant in Service)**

**TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.**  
**CENTRAL-GULF SERVICE AREA**  
**TWELVE MONTHS ENDED JUNE 30, 2019**  
**UPDATED FOR KNOWN AND MEASURABLE CHANGES THROUGH SEPTEMBER 30, 2019**

**PLANT IN SERVICE - SERVICE AREA DIRECT**

LINE NO.	DESCRIPTION	Plant In Service	CCNC	Reserves	NET PLANT
		DIRECT	DIRECT	DIRECT	
		ADJUSTED AT	ADJUSTED AT	ACCTS 1080100 &	
		ACCT 1010	12/31/2019	1110	
		12/31/2019	ACCT 1060	AT12/31/2019	
		(l)	(i)	(n)	
<u>INTANGIBLE PLANT</u>					
1	(301) Organization	\$56,257	\$0	(\$44,740)	
2	(301) Organization- OPC	1,307	0	(770)	
3	(302) Franchises & Consents	393,474	0	(394,901)	
4	(303) Misc. Intangible	739,593	0	(724,253)	
5	(303) Misc. Intangible- OPC	14,336	0	(14,336)	
6	(303.1) Misc. Intangible			0	
7	Total Intangible Plant	\$1,204,966	\$0	(\$1,178,999)	
<u>GATHERING AND TRANSMISSION PLANT</u>					
8	(325) Land & Land Rights	\$0	\$0	\$0	
9	(327) Field Comprss Station Structres	0	0	0	
10	(328) Field Meas/Reg Station Structures	0	0	0	
11	(329) Other Structures	0	0	0	
12	(332) Field Lines	0	0	0	
13	(333) Field Compressor Station Equip	0	0	0	
14	(334) Field Meas/Reg Station Equipment	0	0	0	
15	(336) Purification Equipment	0	0	0	
16	(337) Other Equip	0	0	0	
17	(365) Land & Land Rights	0	0	0	
18	(365.1) Land - OPC	89,637	0	0	
19	(365.2) Rights of Way - OPC	2,446	0	(2,140)	
20	(366) Meas/Reg Station Structures	0	0	0	
21	(366.1) Compressor Station Structure - OPC	2,346	0	(2,346)	
22	(367) Mains	3,986,195	1,383,735	(881,900)	
23	(367) Mains -OPC	6,907,892	0	(2,391,474)	
24	(368) Compressor Station Equip	0	0	0	
25	(369) Measure/Reg. Station Equipment	211,577	2,125,754	(98,857)	
26	(369) Measure/Reg. Station Equipment - OPC	132,499	0	(65,463)	
27	(369.1) Measuring Station Equipment - OPC	810,700	0	(547,849)	
28	(371) Other Equipment	0	0	0	
29	(371) Other Equipment - OPC	45,840	0	(11,657)	
30	Total Gathering and Transmission Plant	\$12,189,131	\$3,509,489	(\$4,001,686)	
<u>DISTRIBUTION PLANT</u>					
31	(374) Land & Land Rights	\$0	\$0	(\$255)	
32	(374.1) Land & Land Rights	19,503	0		
33	(374.2) Land & Land Rights	95,672	14,851	(9,440)	
	(375) Structures & Improvements		0	(23,965)	
34	(375.1) Structures & Improvements	44,795	(916)	(5,562)	
35	(375.2) Other Distr Systems Struct	4,141	916	33,450	
36	(376) Mains	266,104,328	47,205,547	(69,796,295)	
37	(376.9) Mains - Cathodic Protection Anodes	26,308,139	121,820	(9,076,393)	
38	(377) Compressor Station Equipment	0	0	0	
39	(378) Meas. & Reg. Station - General	10,475,013	3,113,370	(2,834,950)	
40	(379) Meas. & Reg. Station - C.G.	2,577,593	248,266	(709,490)	
41	(380) Services	184,605,821	4,817,418	(37,685,344)	
42	(380.1) Ind Service Line Equip	8,569	16,935		
43	(380.2) Comm Service Line Equip	21,332	231,867		

**TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.**  
**CENTRAL-GULF SERVICE AREA**  
**TWELVE MONTHS ENDED JUNE 30, 2019**  
**UPDATED FOR KNOWN AND MEASURABLE CHANGES THROUGH SEPTEMBER 30, 2019**

**PLANT IN SERVICE - SERVICE AREA DIRECT**

LINE NO.	DESCRIPTION	Plant In Service	CCNC	Reserves	NET PLANT
		DIRECT	DIRECT	DIRECT	
		ADJUSTED AT	ADJUSTED AT	ACCTS 1080100 &	
		ACCT 1010	12/31/2019	1110	
		12/31/2019	ACCT 1060	AT12/31/2019	
		(i)	(i)	(n)	
	(380.4) Yard Lines-Customer Svc	0	51,577		
	(380.6) Services - Tie-Ins Total	0	0		
44	(381) Meters	65,519,292	382,424	(25,554,494)	
45	(382) Meter Installations	0	17,551	(10,238)	
46	(383) House Regulators	9,172,496	63,865	(4,025,431)	
47	(385) Indust. Meas. & Reg. Stat. Equipment	13,360,367	1,074,139	(4,458,571)	
48	(386) Other Property on Customer Premises	1,063,249	0	(1,052,175)	
49	(387) Meas. & Reg. Stat. Equipment	0	0	0	
50	Total Distribution Plant	<u>\$579,380,311</u>	<u>\$57,359,627</u>	<u>(\$155,209,152)</u>	
	<b>GENERAL PLANT</b>				
51	(389) Land & Land Rights	\$0	\$0	\$3,573	
52	(389.1) Land & Land Rights	48,883	0		
53	(390) Structures & Improvements	0	0	0	
54	(390.1) Structures & Improvements	4,633,733	211,664	(252,297)	
55	(390.2) Leasehold Improvements	1,190,235	179,002	(1,078,808)	
56	(391) Office Furniture & Equipment	0	0	0	
57	(391.1) Office Furniture & Equipment	946,652	236	(510,509)	
58	(391.1) Office Furniture & Equipment - OPC	14,671	0	(14,671)	
	(391.4) Audio Visual Equipment Total	0	0		
59	(391.9) Computer & Equipment	972,232	0	(762,033)	
60	(392) Transportation Equipment	13,129,136	735,013	(4,879,991)	
	(392.2) Pickup Trucks & Vans	0	0		
61	(393) Stores Equipment	8,809	0	(8,148)	
62	(394) Tools, Shop & Garage	6,771,463	152,286	(2,588,208)	
63	(394.1) Tools	110,591	9,007		
64	(394.1) Tools - OPC	483	0	(483)	
65	(395) CNG Equipment	0	0	37,480	
66	(396) Major Work Equipment	1,560,721	399,123	(856,371)	
67	(397) Communication Equipment	18,246,798	508,294	(7,853,407)	
68	(398) Miscellaneous General Plant	130,360	0	(82,334)	
69	Total General Plant	<u>\$47,764,766</u>	<u>\$2,194,625</u>	<u>(\$18,846,207)</u>	
70	Total Orig Cost Plant in Service	<u>\$640,539,174</u>	<u>\$63,063,741</u>	<u>(\$179,236,045)</u>	\$524,366,870
71	Division Net Plant				\$2,167,863
72	Corporate Allocated Net Plant				\$16,858,177
73	GRAND TOTAL NET PLANT				<u>\$543,392,910</u>

**WKP C.b**

**TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.  
 CENTRAL-GULF SERVICE AREA  
 TWELVE MONTHS ENDED JUNE 30, 2019  
 UPDATED FOR KNOWN AND MEASURABLE CHANGES THROUGH SEPTEMBER 30, 2019**

**PLANT IN SERVICE - TGS DIVISION**

LINE NO.	DESCRIPTION	Plant In Service	CCNC	Reserves
		TGS DIVISION ADJUSTED ACCT 1010 AT 12/31/2019 (o)	TGS DIVISION ADJUSTED ACCT 1060 AT 12/31/2019 (f)	TGS DIVISION ADJUSTED ACCT 1060 AT 12/31/2019 (i)
<u>INTANGIBLE PLANT</u>				
1	(301) Organization	\$0	\$0	\$0
2	(302) Franchises & Consents	0	0	0
3	(303) Misc. Intangible	0	0	0
4	(303.1) Misc. Intangible			0
5	Total Intangible Plant	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>GATHERING AND TRANSMISSION PLANT</u>				
6	(325) Land & Land Rights	\$0	\$0	\$0
7	(327) Field Comprss Station Strucutres	0	0	0
8	(328) Field Meas/Reg Station Structures	0	0	0
9	(329) Other Structures	0	0	0
10	(332) Field Lines	0	0	0
11	(333) Field Compressor Station Equip	0	0	0
12	(334) Field Meas/Reg Station Equipment	0	0	0
13	(336) Purification Equipment	0	0	0
14	(337) Other Equip	0	0	0
15	(365) Land & Land Rights	0	0	0
16	(366) Meas/Reg Station Structures	0	0	0
17	(367) Mains	0	0	0
18	(368) Compressor Station Equip	0	0	0
19	(369) Measure/Reg. Station Equipment	0	0	0
20	(371) Other Equipment	0	0	0
21	Total Gathering and Transmission Plant	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>DISTRIBUTION PLANT</u>				
22	(374) Land & Land Rights	\$0	\$434,697	\$0
23	(374.2) Land & Land Rights			0
24	(375) Structures & Improvements	0	0	0

**WKP C.b**

**TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.  
 CENTRAL-GULF SERVICE AREA  
 TWELVE MONTHS ENDED JUNE 30, 2019  
 UPDATED FOR KNOWN AND MEASURABLE CHANGES THROUGH SEPTEMBER 30, 2019**

**PLANT IN SERVICE - TGS DIVISION**

LINE NO.	DESCRIPTION	Plant In Service	CCNC	Reserves
		TGS DIVISION ADJUSTED ACCT 1010 AT 12/31/2019	TGS DIVISION ADJUSTED ACCT 1060 AT 12/31/2019	TGS DIVISION ADJUSTED ACCT 1060 AT 12/31/2019
		(o)	(f)	(i)
25	(375.1) Structures & Improvements	0	0	
26	(375.2) Other Distr Systems Struct	0	0	0
27	(376) Mains	0	0	0
28	(376.9) Mains - Cathodic Protection Anodes	0	0	0
29	(377) Compressor Station Equipment	0	0	0
30	(378) Meas. & Reg. Station - General	0	0	0
31	(379) Meas. & Reg. Station - C.G.	0	0	0
32	(380) Services	0	0	0
33	(380.1) Ind Service Line Equip	0	0	
34	(380.2) Comm Service Line Equip	0	0	
35	(380.4) Yard Lines-Customer Svc	0	0	
36	(381) Meters	0	0	0
37	(382) Meter Installations	0	0	0
38	(383) House Regulators	0	0	0
39	(385) Indust. Meas. & Reg. Stat. Equipment	0	0	0
40	(386) Other Property on Customer Premises	0	0	0
41	(387) Meas. & Reg. Stat. Equipment	0	0	0
42	Total Distribution Plant	\$0	\$434,697	\$0
<b>GENERAL PLANT</b>				
43	(389) Land & Land Rights	\$0	\$0	\$0
44	(390.1) Structures & Improvements	73,670	3,001,147	(23,228)
45	(390.2) Leasehold Equipment	106,600	0	(107,526)
46	(391.1) Office Furniture & Fixtures	438,158	0	(270,743)
47	(391.2) Data Processing Equipment	0	0	0
48	(391.3) Office Machines	0	0	0
49	(391.4) Audio Visual Equipment	0	0	0
50	(391.6) Purchased Software	0	0	0
51	(391.9) Computer & Equipment	2,192,582	0	(1,603,600)



**WKP C.b**

**TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.  
 CENTRAL-GULF SERVICE AREA  
 TWELVE MONTHS ENDED JUNE 30, 2019  
 UPDATED FOR KNOWN AND MEASURABLE CHANGES THROUGH SEPTEMBER 30, 2019**

**PLANT IN SERVICE - TGS DIVISION**

LINE NO.	DESCRIPTION	Plant In Service	CCNC	Reserves
		TGS DIVISION ADJUSTED ACCT 1010 AT 12/31/2019	TGS DIVISION ADJUSTED ACCT 1060 AT 12/31/2019	TGS DIVISION ADJUSTED ACCT 1060 AT 12/31/2019
		(o)	(f)	(i)
52	(392.6) Aircraft	0	0	0
53	(394) Tools	20,066	0	(9,348)
54	(394.1) Tools	0	0	
55	(394.2) Shop Equipment	0	0	0
56	(396) Major Work Equipment	0	0	
56	(397) Communication Equipment	1,080,882	0	(670,595)
57	(398) Miscellaneous General Plant	0	0	0
58	Total General Plant	<u>\$3,911,958</u>	<u>\$3,001,147</u>	<u>(\$2,685,039)</u>
59	Total Orig Cost Plant in Service	\$3,911,958	\$3,435,844	(\$2,685,039)
60	Allocation Factor to Service Area	<u>46.4931%</u>	<u>46.4931%</u>	<u>46.4931%</u>
1	Total Allocated Plant In Service	<u>\$1,818,791</u>	<u>\$1,597,431</u>	<u>(\$1,248,358)</u>

WKP C.C

TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.  
 CENTRAL-GULF SERVICE AREA  
 TWELVE MONTHS ENDED JUNE 30, 2019

PLANT IN SERVICE - CORPORATE

LINE NO.	DESCRIPTION	Plant In Service		CCNC		Reserves			
		CORPORATE ADJUSTED ACCT 1010 AT 12/31/2019	ALLOCATION TO TGS YEAR ADJUSTED AS ALLOCATED	CORPORATE ADJUSTED ACCT 1060 AT 12/31/2019	ALLOCATION TO TGS	CORPORATE TEST YEAR ADJUSTED AS ALLOCATED	CORPORATE ADJUSTED ACCTS 1080100 & 1110 AT 12/31/2019	ALLOCATION TO TGS YEAR ADJUSTED AS ALLOCATED	
		(\$)	(t)	(f)	(g)	(h)	(i)	(j)	
<b>INTANGIBLE PLANT</b>									
1	(301) Organization	\$0		\$0				\$0	
2	(302) Franchises & Consents	0		0				0	
3	(303) Misc. Intangible	0		0				0	
4	(303.1) Misc. Intangible							0	
5	Total Intangible Plant	\$0		\$0				\$0	
<b>GATHERING AND TRANSMISSION PLANT</b>									
6	(325) Land & Land Rights	\$0		\$0				\$0	
7	(327) Field Compress Station Structures	0		0				0	
8	(328) Field Meas/Reg Station Structures	0		0				0	
9	(329) Other Structures	0		0				0	
10	(332) Field Lines	0		0				0	
11	(333) Field Compressor Station Equip	0		0				0	
12	(334) Field Meas/Reg Station Equipment	0		0				0	
13	(336) Purification Equipment	0		0				0	
14	(337) Other Equip	0		0				0	
15	(365) Land & Land Rights	0		0				0	
16	(366) Meas/Reg Station Structures	0		0				0	
17	(367) Mains	0		0				0	
18	(368) Compressor Station Equip	0		0				0	
19	(369) Measure/Reg. Station Equipment	0		0				0	
20	(371) Other Equipment	0		0				0	
21	Total Gathering and Transmission Plant	\$0		\$0				\$0	
<b>DISTRIBUTION PLANT</b>									
22	(374) Land & Land Rights	\$0		\$0				\$0	
23	(374.2) Land & Land Rights							0	
24	(375) Structures & Improvements	0		0				0	
25	(375.1) Structures & Improvements							0	
26	(375.2) Other Distr Systems Struct	0		0				0	
27	(376) Mains	0		0				0	
28	(376.9) Mains - Cathodic Protection Anodes	0		0				0	
29	(377) Compressor Station Equipment	0		0				0	
30	(378) Meas & Reg. Station - General	0		0				0	

WKP C.C

TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.  
 CENTRAL-GULF SERVICE AREA  
 TWELVE MONTHS ENDED JUNE 30, 2019

PLANT IN SERVICE - CORPORATE

LINE NO.	DESCRIPTION	Plant In Service			CCNC			Reserves		
		CORPORATE ADJUSTED ACCT 1010 AT 12/31/2019	ALLOCATION TO TGS	CORPORATE TEST YEAR ADJUSTED AS ALLOCATED	CORPORATE ADJUSTED ACCT 1060 AT 12/31/2019	ALLOCATION TO TGS	CORPORATE TEST YEAR ADJUSTED AS ALLOCATED	CORPORATE ADJUSTED ACCTS 1080100 & 1110 AT 12/31/2019	ALLOCATION TO TGS	CORPORATE TEST YEAR ADJUSTED AS ALLOCATED
31	(379) Meas. & Reg. Station - C.G.	0	25.01%	0	0	25.01%	0	25.01%	0	
32	(380) Services	0	25.01%	0	0	25.01%	0	25.01%	0	
33	(380.1) Ind. Service Line Equip	0	25.01%	10,295	0	25.01%	(845)	25.01%	(211)	
34	(380.2) Comm. Service Line Equip	0	25.01%	1,392,457	46,575	25.01%	(2,288,860)	25.01%	(572,444)	
35	(380.4) Yard Lines-Customer Svc	0	25.01%	903,502	0	25.01%	(918,873)	25.01%	(229,810)	
36	(381) Meters	0	25.01%	0	0	25.01%	0	25.01%	0	
37	(382) Meter Installations	0	25.01%	0	0	25.01%	0	25.01%	0	
38	(383) House Regulators	0	25.01%	0	0	25.01%	0	25.01%	0	
39	(385) Indust. Meas. & Reg. Stat. Equipment	0	25.01%	0	0	25.01%	0	25.01%	0	
40	(386) Other Property on Customer Premise	0	25.01%	0	0	25.01%	0	25.01%	0	
41	(387) Meas. & Reg. Stat. Equipment	0	25.01%	0	0	25.01%	0	25.01%	0	
42	Total Distribution Plant	\$0		\$0	\$0		\$0		\$0	

GENERAL PLANT

43	(389) Land & Land Rights	\$0	25.01%	0	\$0	25.01%	\$0	25.01%	\$0
44	(390.1) Structures & Improvements	41,164	25.01%	10,295	0	25.01%	(845)	25.01%	(211)
45	(390.2) Leasehold Improvements	5,567,600	25.01%	1,392,457	46,575	25.01%	(2,288,860)	25.01%	(572,444)
46	(391.1) Office Furniture & Equipment	3,612,563	25.01%	903,502	0	25.01%	(918,873)	25.01%	(229,810)
47	(391.19) Airplane Hanger Furniture	0	25.01%	0	0	25.01%	0	25.01%	0
48	(391.2) Data Processing Equipment	0	25.01%	0	0	25.01%	0	25.01%	0
49	(391.3) Office Machines	36,237	25.01%	9,063	0	25.01%	(14,780)	25.01%	(3,696)
50	(391.4) Audio Visual Equipment	1,084,093	25.01%	271,132	0	25.01%	135,462	25.01%	33,879
51	(391.5) Artwork	0	25.01%	0	0	25.01%	0	25.01%	0
52	(391.6) Purchased Software	87,580,223	25.01%	21,903,814	15,775,629	25.01%	(29,390,226)	25.01%	(7,350,496)
53	(391.6) Banner Software	5,471,603	30.41%	1,663,919	0	30.41%	(1,397,680)	30.41%	(425,036)
54	(391.6) PowerPlant System	870,000	24.02%	208,931	0	24.02%	(378,334)	24.02%	(90,857)
55	(391.6) Riskworks	0	0.00%	0	0	0.00%	0	0.00%	0
56	(391.6) Maximo	4,573,482	24.71%	1,130,044	0	24.71%	(2,317,729)	24.71%	(572,679)
57	(391.6) Dynamic Risk Assessment	0	0.00%	0	0	0.00%	0	0.00%	0
58	(391.6) Concur Project	47,648	27.95%	13,318	0	27.95%	(47,648)	27.95%	(13,318)
59	(391.6) Journey-Employee-ODC Distritggs	69,568,284	25.01%	17,399,028	0	25.01%	(27,610,504)	25.01%	(6,905,387)
60	(391.6) Journey-Employee Count	1,848,836	27.95%	516,769	0	27.95%	(869,166)	27.95%	(242,941)
61	(391.6) Arba Software	0	30.96%	0	0	30.96%	0	30.96%	0
62	(391.6) Accounts Payable Software	903,328	30.96%	279,633	0	30.96%	(158,900)	30.96%	(49,189)
63	(391.8) Micro Computer Software	16,187,204	25.01%	4,048,420	0	25.01%	(4,191,893)	25.01%	(1,048,392)

WKP C.C

TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.  
 CENTRAL-GULF SERVICE AREA  
 TWELVE MONTHS ENDED JUNE 30, 2019

PLANT IN SERVICE - CORPORATE

LINE NO.	DESCRIPTION	Plant In Service			CCNC			Reserves		
		CORPORATE ADJUSTED ACCT 1010 AT 12/31/2019	ALLOCATION TO TGS	CORPORATE TEST YEAR ADJUSTED AS ALLOCATED	CORPORATE ADJUSTED ACCT 1060 AT 12/31/2019	ALLOCATION TO TGS	CORPORATE TEST YEAR ADJUSTED AS ALLOCATED	CORPORATE ADJUSTED ACCTS 1080100 & 1110 AT 12/31/2019	ALLOCATION TO TGS	CORPORATE TEST YEAR ADJUSTED AS ALLOCATED
		(s)	(t)	(u)	(f)	(g)	(h)	(i)	(j)	
64	(391.81) Aircraft Computer Equipment	0	25.01%	0	0	25.01%	0	25.01%	0	
65	(391.9) Computer & Equipment	0	25.01%	0	0	25.01%	0	25.01%	0	
66	(392.6) Aircraft	0	25.01%	0	0	25.01%	0	25.01%	0	
67	(394) Tools	0	25.01%	0	0	25.01%	0	25.01%	0	
68	(394.1) Tools	0	25.01%	0	0	25.01%	0	25.01%	0	
69	(394.2) Shop Equipment	0	25.01%	0	0	25.01%	0	25.01%	0	
70	(396) Major Work Equipment	0	25.01%	0	0	25.01%	0	25.01%	0	
71	(397) Communication Equipment	102,489	25.01%	25,632	0	25.01%	(11,944)	25.01%	(2,987)	
72	(397.2) Telephone Equipment	0	25.01%	0	0	25.01%	0	25.01%	0	
73	(398) Miscellaneous General Plant	0	25.01%	0	0	25.01%	0	25.01%	0	
74	Total General Plant	\$197,494,752	25.20%	49,775,956	\$15,822,203	25.01%	\$3,957,133	25.16%	(\$17,473,565)	
75	Total Orig Cost Plant In Service			\$49,775,956			\$3,957,133		(\$17,473,565)	
76	Allocation Factor to Service Area			46.4931%			46.4931%		46.4931%	
77	Total Allocated Plant In Service			\$23,142,385			\$1,839,794		(\$8,124,002)	

**GUD No. 10928, *Consolidated***  
**Final Order**  
**Attachment 5**  
**(Share the Warmth)**

Texas Gas Service, a Division of ONE Gas, Inc.  
Central-Gulf Rate Case TYE June 30, 2019  
Updated for Known and Measurable Changes through Sept. 30, 2019

### Detailed Share the Warmth Terms

TGS will make contributions in the CGSA to Share the Warmth of \$120,000 annually until the next general rate case in the CGSA if the Commission approves consolidation. If the Commission does not approve consolidation, TGS will contribute \$100,000 annually to Share the Warmth for the CTSA and \$20,000 annually to Share the Warmth for the GCSA. TGS will also endeavor to increase awareness of the Share the Warmth Program among its CGSA customers to promote increased customer contributions. TGS will produce at least one bill insert per year to customers, increase mentions on social media, increase visibility on the TGS website, increase training of its customer service representatives at its call centers, and make improvements in delivering messages to customers who receive bills via electronic (paperless) means.

TGS will issue a joint news release with the program administrators each fall, bringing awareness to the Share the Warmth Program and inviting support.

The purpose of TGS's contribution is not to replace other sources of customer support, but to provide resources in addition to existing resources. (i.e., Travis County contributed \$111,000 of its own General Fund utility assistance program in 2019.)

The first contribution from Texas Gas Service will occur on November 1, 2020. Prior to that date, a committee will meet and review the amount of funds expended on natural gas utility assistance by Travis County and the Catholic Charities of Central Texas (the Program Administrators) in the preceding calendar year. This Committee will include a representative from the Travis County Health and Human Service Department, City of Austin Telecommunications and Regulatory Affairs department, Texas Gas Service and a representative from Catholic Charities of Central Texas.

This committee will also convene in the fall of 2020 to review the current contracts and guidelines between TGS and Travis County and TGS and Catholic Charities. The committee will review eligibility requirements, maximum contribution amounts, number of times a year a customer is eligible for assistance and make recommendations for changes in the Share the Warmth Program so that Share the Warmth will complement and support existing programs to the best of their ability.

On November 1, 2021, TGS will make another \$1200,000 contribution to the Programs for the CGSA if consolidation is approved (or \$100,000 for the CTSA and \$20,000 for the GCSA, if consolidation is not approved) if all funds for Share the Warmth, CEAP (Consolidated Energy Assistance Program) and for the Program Administrators have been expended. If all funds have not been expended, then TGS's contribution will be reduced to an amount that will meet the expected need. This amount will be determined by the Committee.

This process will continue each year until the next general rate case in the CGSA (or CTSA and GCSA if consolidation is not approved).