

GAS SERVICES DIVISION  
 GSD - 1 TARIFF REPORT

RRC COID: 3340 COMPANY NAME: NATGAS INC.

TARIFF CODE: DS RRC TARIFF NO: 29146

DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 08/09/2016 ORIGINAL CONTRACT DATE: RECEIVED DATE: 09/15/2016  
 GAS CONSUMED: Y AMENDMENT DATE: OPERATOR NO: 600486  
 BILLS RENDERED: N INACTIVE DATE:

**RATE SCHEDULE**

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
CGA2	<p>COST OF GAS ADJUSTMENT CLAUSE</p> <p>A. APPLICABILITY:</p> <p>Gas bills issued to general service customers under rate schedules to which this Rider applies will include adjustments for purchased gas costs. Any such adjustments shall be filed with the appropriate regulatory authority before the beginning of the month in which the adjustment will be applied to bills.</p> <p>B. DEFINITIONS:</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a monthly reconciliation component, and other purchased gas expenses.</p> <p>2. Commodity Cost - The Cost of Purchased Gas.</p> <p>3. Cost of Purchased Gas - The estimated cost for gas purchased by the Company from its supplier 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 commodity cost of natural gas, but shall also include all reasonable fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, and storage necessary for the movement of gas to the Company's city gate delivery point(s) and associated taxes.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from general service customers each month as a result of the monthly cost of gas reconciliation.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve month period ending with the production month of June to determine an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of five (5) percent of purchases.</p> <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for all customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to all customers during the same period. For the purpose of this computation all volumes shall be stated at 14.65 PSIA. Such ratio as determined shall in no event exceed 5 percent lost and unaccounted for gas.</p> <p>7. Monthly Cost of Gas Reconciliation - The Company will estimate the cost of gas and billing units to determine to cost of gas billed to its general service</p>

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customers. Prior to the next month billing, the Company will determine the difference between the estimated cost of gas used in the monthly billing and the actual cost of gas for the month. This difference, whether an amount of over or under collection, will be added or subtracted to the cost of gas in the following month billing.

8. Reconciliation Account - The account will be maintained by the Company to ensure 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, (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) and adjustment, if necessary, for lost and unaccounted for gas during the period in excess of five (5) percent of purchases.

9. General Service Customers - those customers served under the Residential, Commercial and Public Authority rate schedules.

## 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.

The cost of gas calculation formula is  $CGA = G/S + RC$ , where:

CGA in \$/Mcf, is the estimated unit cost of gas for the billing month.

G in dollars, is the expected cost of gas for the expected sales billing units;

S in Mcf at 14.65 PSIA, is the expected sales billing units to be billed;

RC in \$/Mcf at 14.65 PSIA, is the reconciliation component to adjust for the cumulative monthly difference between the cost of gas purchased by the Company and the amount of gas cost billed to the customer. This adjustment takes into consideration such things as any differences between estimated and actual cost of gas, any differences between expected and actual billing units, and any adjustments to the cost of gas (including credits or surcharges) made by the supplier.

## D. DETERMINATION AND APPLICATION OF THE MONTHLY COST OF GAS RECONCILIATION:

If the Monthly Cost of Gas Reconciliation reflects either an over recovery or under recovery of revenues, such amount shall be added to the Cost of Gas and divided by the general service sales volumes.

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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 Monthly Cost of Gas Reconciliation.

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 Company shall file such initial statement as soon as is reasonably possible). The Cost of Gas Statement shall set forth (a) the estimated Cost of Purchased Gas; (b) the amount of the cost of gas caused by any surcharge or refund; (c) the Reconciliation Component; and (e) the Cost of Gas Calculation. The statement shall include all data necessary for the Regulatory Authority to review and verify the calculation of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement.

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: (a) a tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30; (b) a tabulation of gas units sold to general service customers and related Cost of Gas Clause revenues; (c) the monthly reconciliation component; and (d) a description of all other costs and refunds made during the year and their effect on the Cost of Gas. This report shall be filed concurrently with the Cost of Gas Statement for August.

473

RATE SCHEDULE: 473. Applicable to Ozona Unincorporated service area. Effective Date: August 9, 2016.

APPLICATION OF SCHEDULE: This schedule is applicable to tax exempt Public Authority type customers, including schools, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas. Natural gas supplied is for the individual use of the customer at one point of delivery and shall not be resold or shared with others. Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations.

MONTHLY RATE MONTHLY CUSTOMER CHARGE: \$6.50. Multiple metered customers will be assessed a single customer charge per month.

MONTHLY COMMODITY

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CHARGE: The price payable by each Public Authority customer for all consumption each month shall be \$3.57 per Mcf (Commodity Rate), subject to the Cost of Gas Adjustment and other adjustments set forth below.

COST OF ADJUSTMENT: The customer's bill shall be adjusted based on the Company's Cost of Gas Adjustment Clause.

TAXES: The Company shall collect from customers on each monthly bill an amount equal to the taxes, fees and other charges imposed by regulatory or governmental authorities through a Tax Rider on each customer's bill.

PS INSPECTION FEE: The Company shall pass on the Pipeline Safety Inspection Fee in an amount of \$1.00 per service line for each service line reported to be in service at the end each calendar year, pursuant to Texas Utilities Code 121.211 of the Commission's Rules and Regulations.

RATE CASE EXPENSE SURCHARGE: The Company shall recover approved rate case expenses through an RCE Rider on each customer's bill. The surcharge will be collected on a per Mcf basis from customers on each monthly bill.

OTHER SURCHARGES: The Company shall collect from customers on each monthly bill other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements.

PAYMENT: All bills shall be delinquent unless payment is received within fifteen (15) days from the date of the bill.

**TRDR1**

RATE SCHEDULE:

TRDR1 APPLICABILITY:

This Rider is applicable to any customer served under Residential, Commercial, and Public Authority rate schedules in all environs served by NatGas, Inc. The Company shall collect from customers on each monthly bill an amount equal to the taxes, fees and other charges imposed by regulatory or governmental authorities.

**RCE**

RATE SCHEDULE: RCE.

APPLICABILITY

This rider is applicable to any customer served under Residential, Commercial, and Public Authority rate schedules in all environs served by NatGas Inc. This schedule is for the recovery of rate case expenses approved in Gas Utilities Docket No. 10498 and shall be in effect beginning on or after August 1, 2016, for a twenty-four (24) month period or until all approved expenses are collected.

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**RATE SCHEDULE**SCHEDULE IDDESCRIPTION

## MONTHLY RATE RECOVERY FACTOR:

The price payable by each customer for all consumption each month shall be \$.17 per Mcf.

## RULES AND REGULATIONS:

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations may be obtained from the Company's office located at 3838 Oak Lawn Ave., Suite 1525, Dallas, Texas 75219.

## COMPLIANCE:

The Company will file annually, due on the 15th of each December, a report with the RRC Oversight and Safety Division. The report shall detail the monthly collections for the RCE surcharge and show the outstanding balance.

**RATE ADJUSTMENT PROVISIONS**

None

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<b>CUSTOMERS</b>				
<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
3078	N	MCF	\$ .7455	06/01/2018
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$1.5432	03/01/2018
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$1.9318	04/01/2018
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$1.1198	05/01/2018
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$3.3488	07/01/2018
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$1.7930	08/01/2018
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$1.7706	09/01/2018
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$1.3515	10/01/2018
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$3.2402	01/01/2017
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$3.6490	09/01/2016
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$2.1455	03/01/2019
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$1.9225	12/01/2018
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$2.0438	11/01/2018
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$2.7383	11/01/2016
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$3.0931	10/01/2016
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$3.8633	12/01/2016
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$2.8267	06/01/2017
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			

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**CUSTOMERS**

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3078	N	MCF	\$3.8849	05/01/2017
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$2.8404	07/01/2017
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$3.0967	02/01/2017
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$1.9577	03/01/2017
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$4.1266	04/01/2017
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$3.1040	11/01/2017
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$2.6371	12/01/2017
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$3.6862	01/01/2018
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$1.7682	02/01/2018
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$3.4211	08/01/2017
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$3.8421	09/01/2017
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$.9064	01/01/2019
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$2.0296	04/01/2019
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$1.8049	05/01/2019
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			
3078	N	MCF	\$2.1326	02/01/2019
<u>CUSTOMER NAME</u>	Ozona Unincorporated Service Area			

**REASONS FOR FILING**

**NEW?: N**

**RRC DOCKET NO: 10498**

**CITY ORDINANCE NO:**

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**AMENDMENT (EXPLAIN):**

**OTHER (EXPLAIN): IMPLEMENTING NEW RATES PER GUD 10498 IN AND AROUND THE UNINCORPORATED OZONA AREA**

**SERVICES**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>
D	Public Authority Sales
<u>OTHER TYPE DESCRIPTION</u>	

**PREPARER - PERSON FILING**

**RRC NO: 577 ACTIVE FLAG: Y INACTIVE DATE:**  
**FIRST NAME: Pamela MIDDLE: Suzanne LAST NAME: Joyce**  
**TITLE: Controller**  
**ADDRESS LINE 1: 3838 Oak Lawn Ave**  
**ADDRESS LINE 2: Suite 1525**  
**CITY: Dallas STATE: TX ZIP: 75219 ZIP4: 4527**  
**AREA CODE: 214 PHONE NO: 526-6273 EXTENSION: 14**



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CURTAILMENT PLAN

PLAN ID	DESCRIPTION
489	RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION GAS UTILITIES DIVISION OIL AND GAS DOCKET GAS UTILITIES DIVISION NO. 20-62,505 DOCKET NO. 489 ORDER RELATING TO THE APPROVAL BY THE COMMISSION OF CURTAILMENT PROGRAMS FOR NATURAL GAS TRANSPORTED AND SOLD WITHIN THE STATE OF TEXAS

After due notice the Railroad Commission of Texas on the 30th day of November, 1972, heard testimony and requested written curtailment priorities from representatives of investor owned and municipal gas utilities companies, private industry consumers and others responsible for directing available natural gas supplies to the consumers of natural gas in the State of Texas.

WHEREAS, pursuant to the authority granted to the Railroad Commission of Texas in Article 6050 to 6066, inclusive, R.C.S., as amended; and

WHEREAS, the Commission has determined the need for a curtailment program to assure effective control of the flow of natural gas to the proper destinations to avoid suffering and hardship of domestic consumers; and

WHEREAS, the Commission has determined a need to make natural gas available to all gas consumers on a reasonable but limited basis during times of needed curtailment to the end that the public will be best served; and

WHEREAS, the Commission has determined that the transportation delivery and/or sale of natural gas in the State of Texas for any purpose other than human need consumption will be curtailed to whatever extent and for whatever periods the Commission may find necessary for the primary benefit of human needs customers (domestic and commercial consumption) and such small industries as cannot practically be curtailed without curtailing human needs.

IT IS THEREFORE, ORDERED BY THE RAILROAD COMMISSION OF TEXAS that the following rules relating to the approval by the Commission of curtailment programs for gas transported and sold within the State of Texas shall apply to all parties responsible for directing available and future natural gas supplies to the consumers of natural gas in the State of Texas.

RULE 1. Every natural gas utility, as that term is defined in Article 6050, R.C.S. of Texas, as amended, intrastate operations only, shall file with the Railroad Commission on or before Feb. 12, 1973, its curtailment program. The Commission may approve the program without a hearing; set the matter for a public hearing on its own motion or on the motion of any affected customer of said utility. The curtailment program to be filed shall include, in verified form, the following information:

A. Volume of gas reserves attached to its system together with a brief description of each separate source of gas reserves setting forth the following:

1. the name of the supplier,
2. the term of each contract in years, and the years remaining on said contract,
3. the volume of recoverable reserve contracted for, and
4. rated deliverability of such reserves in MCF.

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B. Capacity and location of underground storage, if any, attached to its system with a statement of whether the company's storage balance is above or below its desired level for this time, and, if below, what plans has the company made to restore the balance.

C. Peak day and average daily deliverability on an annual basis of its wells, gas plants and underground storage attached to its system.

D. Peak day capacity of its system.

E. Forecast of additions to reserves for each of the next two succeeding years.

F. Location and size of the line pipes, compressor stations, operating maximum line pressures, and a map showing delivery points along the system.

G. Disposition of all gas entering its system, with names of all customers other than residential customers and volumes delivered to each during the past calendar year. Identify those customers using 3,000 MCF gas per day, or more, which are under a service contract, and if such contract includes an "Interruptible Service" clause, and if so, attach a reproduced copy of the relevant provisions of such contract.

H. Steps taken in past years, being taken at the present, and to be taken to alleviate curtailments.

RULE 2. Until such time as the Commission has specifically approved a utilities curtailment program, the following priorities in descending order shall be observed:

A. Deliveries for residences, hospitals, schools, churches and other human needs customers.

B. Deliveries of gas to small industrials and regular commercial loads (defined as those customers using less than 3,000 MCF per day) and delivery of gas for use as pilot lights or in accessory or auxiliary equipment essential to avoid serious damage to industrial plants.

C. Large users of gas for fuel or as a raw material where an alternate cannot be used and operation and plant production would be curtailed or shut down completely when gas is curtailed.

D. Large users of gas for boiler fuel or other fuel users where alternate fuels can be used. This category is not to be determined by whether or not a user has actually installed alternate fuel facilities, but whether or not an alternate fuel "could" be used. E. Interruptible sales made subject to interruption or curtailment at Seller's sole discretion under contracts or tariffs which provide in effect for the sale of such gas as Seller may be agreeable to selling and Buyer may be agreeable to buying from time to time.

RULE 3. Each gas utility that has obtained Commission approval of a curtailment program shall conduct operations in compliance with such program. So long as any gas utility which has obtained Commission approval of a curtailment program continues to curtail deliveries to its customers, except as provided by contract or those customers included in Part E of Rule 2 above, it

(a) shall file on or before April 1 of each year, under oath, the information called for in

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Rule 1, for the preceeding year, and

(b) shall not, without Commission approval, make sales of gas to any new customers or increase volumes sold to existing customers, except those new or existing customers defined in Parts A & B of Rule 2 above.

IT IS FURTHER ORDERED that this cause be held open for such other and further orders as may be deemed necessary. ENTERED AT AUSTIN, TEXAS, this 5th day of January, 1973.

**LINE EXTENSION POLICY**

<u>POLICY ID</u>	<u>DESCRIPTION</u>

**QUALITY OF SERVICE**

<u>QUAL_SERVICE ID</u>	<u>DESCRIPTION</u>

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## SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
273682	1092		Deposit- Security Deposit Policy.  No security deposit will be required of a new customer who establishes satisfactory credit pursuant to the company's rules of service. Each time service has been disconnected for non-payment or tampering, a deposit must precede each reconnection. The initial deposit shall be approximately equal to one eighth (1/8) expected annual usage (but not less than \$50.00) and each supplemental deposit shall be \$25.00. The total deposit shall not, however, exceed one sixth (1/6) of expected annual billings. Service will not be reconnected until the deposit or additional deposit is tendered and all arrearages, charges and damages due to the company are paid or otherwise satisfactorily secured.
273673	1083		Turn on new service with meter set - during business hours \$18.00
273674	1084		Turn on new service with meter set - after hours \$27.00
273675	1085		Turn on service (shut-in test required) - during business hours \$15.50
273676	1086		Turn on service (shut-in test required) - after hours \$23.25
273677	1087		Turn on service (meter read only required) and miscellaneous service calls \$8.00
273678	1088		Turn on service (meter read only required) and miscellaneous service calls - after hours \$12.00
273679	1089		Reconnect delinquent service or service temporarily off at customer's request - during business hours \$23.50
273680	1090		Reconnect delinquent service or service temporarily off at customer's request - after hours \$35.25
273681	1091		Dishonored check charges \$15.00