

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 09/01/2017 ORIGINAL CONTRACT DATE: RECEIVED DATE: 01/12/2018
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO:
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
1_Index	<p>TABLE OF CONTENTS Applicable to Entire System Rate Schedule Description</p> <ol style="list-style-type: none"> 1. TABLE OF CONTENTS 2. UTILITY OPERATIONS 3. CITY AND COUNTY SERVICE AREAS 4. DEFINITIONS 5. RATE R RESIDENTIAL SALES 6. RATE SV SMALL VOLUME COMMERCIAL/INDUSTRIAL SALES 7. RATE LV LARGE VOLUME COMMERCIAL/INDUSTRIAL SALES 8. RATE PA PUBLIC AUTHORITY SALES 9. RATE PGF PURCHASED GAS FACTOR SCHEDULE NO. 1 10. RIDER PSF PIPELINE SAFETY FEE 11. RIDER RCE RATE CASE EXPENSES 12. RATE M MISCELLANEOUS SERVICE CHARGES 13. RATE LEP LINE EXTENSION POLICY 14. WNA Weather Normalization Adjustment
2_Oper	<p>UTILITY OPERATIONS Applicable to Entire System Texas State Natural Gas, Inc. owns and operates a natural gas distribution system that provides natural gas service in Texas. The following will respond to inquiries regarding provisions of this Tariff for Gas Service: Texas State Natural Gas, Inc. Carlos S. Libson General Manager P.O. Drawer 887 Eagle Pass, Texas 78853 (830) 773-9511 Email Address: clibson@sbcglobal.net</p>
4_Defin	<p>DEFINITIONS Applicable to Entire System</p> <p>COMMISSION: The Railroad Commission of Texas COMPANY Texas State Natural Gas, Inc., its successors, and its assigns</p> <p>CUSTOMER: An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving gas service or who is receiving the benefit of gas service at a specified point of delivery</p> <p>LARGE VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER: A customer, other than a residential customer or public authority customer, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code, and either:</p> <ol style="list-style-type: none"> 1. whose annual volumetric usage is greater than 48,000 Ccf per year or 2. whose average monthly usage is greater than 4,000 Ccf over a twelve month

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

period.

PUBLIC AUTHORITY CUSTOMER: All governmental agencies and educational institutions other than those involving manufacturing, electrical generation, or that use boiler fuel for industrial purposes.

RATE SCHEDULE: A statement of the method of determining charges for gas service, including the conditions under which such method applies.

RESIDENTIAL CUSTOMER: Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.

RESIDENTIAL END USES: Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.

SMALL VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER: A customer, other than a residential customer, public authority customer, or Large Volume Commercial/Industrial Customer as defined herein, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.

3_Area

CITY AND COUNTY SERVICE AREAS Applicable to Entire System CITIES AND TOWNS Eagle Pass COUNTIES Maverick

17_CPC

RIDER CPC - COSA PROCESSING COST

APPLICATION OF SCHEDULE:
 Applicable to all customer classes.

Monthly calculation:

The bill of each customer shall include a surcharge designed to recover the Company's costs incurred to prepare the COSA, file public notice, and reimburse regulatory authorities conducting a review of the Company's annual adjustment, as described by and subject to the limitations identified in Rate Schedule 16, Rider COSA, under the heading Cost of Service Adjustment Expense. The surcharge will be calculated on Ccf basis using total company volumes for all customer classes, over a period of twelve (12) months commencing no earlier than the effective date for the related COSA adjustment and no later than one month after the receipt of a request for reimbursement of expenses from a regulatory authority seeking reimbursement under the provision of COSA Rate Schedule 16. All Collections with this surcharge will be applied monthly to the outstanding uncollected balance of such COSA processing expenses, and interest at the rate of six (6) percent per year shall be calculated on, and added to, the declining balance each month. To the extent that some expenses may be estimates, the Company is authorized to add such

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

expenses as incurred to the amount to be surcharged up to the total estimated expenses of Company and municipalities being reimbursed pursuant to the order in question, subject to the limitations identified in Rate Schedule 16, Rider COSA - Cost of Service Adjustment Expense. Costs incurred to prepare the 2016 filing and publish notice shall not exceed \$5000. Actual costs for the 2017 filing totalled \$1,579. Rate to recover 2017 CPC costs equals \$.0011 per Ccf.

7_LV

RATE LV LARGE VOLUME COMMERCIAL/INDUSTRIAL SALES

APPLICATION OF SCHEDULE:

Schedule applies to all Large Volume Commercial and Large Volume Industrial Customers in the incorporated area Of Eagle Pass, TX.

MONTHLY BASE RATE:

Customer's base monthly bill will be calculated using the following Customer and Ccf charges: Customer Charge \$40.00 per month, plus all Ccf at \$0.7311 per Ccf.

PURCHASED GAS FACTOR:

In addition to the base monthly bill above, each customer's bill will include a Purchased Gas Factor to account for purchased gas costs and computed in accordance with Texas State Natural Gas, Inc. Purchased Gas Factor Schedule No. 1.

TAXES:

In addition to the monthly charges above, each customer's bill will include a charge for an amount equivalent to the customer's proportional part of the city franchise fees, state gross receipts taxes, or other governmental levies payable by the Company, exclusive of federal income taxes. Municipal franchise fees are determined by each municipality's franchise ordinance. Each municipality's franchise ordinance will specify the percentage and applicability of franchise fees. From time to time, the tax factor may be adjusted, if required, to account for any over or under recovery of municipal franchise fees by the Company and to include an amount equivalent to the proportionate part of any new tax or increased franchise fee or tax, or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable.

SURCHARGES:

In addition to the monthly charges above, each customer's bill will include an amount for surcharges calculated in accordance with the applicable rider(s).

CONDITIONS:

1. Subject in all respects to applicable laws, rules and regulations from time to time in effect.
2. Delivery of 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 consumers served.

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
--------------------	--------------------

Also refer to Rate CP.

9_PGF

RATE PGF PURCHASED GAS FACTOR SCHEDULE NO. 1
 Applicable to Entire System

Purpose and Intent

This provision is intended to allow collection of the Company's gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that actual costs billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised and a revised tariff filed to reflect such revisions.

Applicability

This clause shall apply to all Texas State Natural Gas, Inc. tariffs that incorporate this Purchased Gas Factor tariff provision and which have been properly filed and implemented with the appropriate jurisdictional authority. Definitions Standard Cubic Foot of Gas the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit. Ccf one hundred standard cubic feet of gas. Mcf one thousand standard cubic feet of gas.

Purchased Gas Volumes

The volumes of gas, expressed in Mcf's, purchased by the Company and received into the Company's distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s)

The total cost of Purchased Gas Volumes, as received into the Company's distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas

The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf. Billed Gas Volumes The volumes of gas billed to customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcf's.

Billed Gas Revenues

The total amount of revenues attributable to billings by Texas State Natural Gas, Inc. for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Factor during the same period. Lost and Unaccounted for Gas (LUG) Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Purchased Gas Factor (PGF)

A factor on each customer's monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

Annual Review Period

The 12 month period ending June 30 of each year.

Annual Review - An annual review of the Company's records covering the 12 month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total

The total amount determined through the Annual Review to be credited or surcharged to customers' bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor

A credit or surcharge included in the Purchased Gas Factor to reflect the pro rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Company's distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by Texas State Natural Gas, Inc., pipeline transportation charges (both volumetric and demand), and gas storage charges (both volumetric and demand). The Company shall account for gas injected into and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro rata amount to adjust for previous over or under estimates of the Weighted Average Cost of Gas, plus a Reconciliation Factor to account for any Annual Imbalance Total.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers' bills over a twelve month period commencing each September 1 following the Annual Review Period. Annual Imbalance Total Where LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative; If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period. Annual Imbalance Total Where LUG Volume is positive and is greater than five percent of Purchased Gas Volumes; If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows: The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined; minus, The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's weighted Average Cost of Purchased Gas for the Review Period. Reconciliation Factor Calculation The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows: The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period. The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total. The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month. Each month of the twelve month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over or under estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month. At the end of each 12 month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12 month period. The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's Weighted Average Cost of Purchased Gas for the Review Period.

Special Transition Provision

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

It is recognized that a cumulative imbalance between gas costs and sales gas revenues collected under Texas State Natural Gas, Inc.'s Purchased Gas Adjustment Clause previously in effect, may exist at the time this new Purchased Gas Adjustment becomes effective. Subject to the limitation for Lost and Unaccounted for Gas, the Company shall amortize any such imbalance as a credit or surcharge on customers' bills over the twelve months commencing September 1, 2005. The cumulative imbalance to be amortized under this provision shall be the imbalance, if any, attributable to the period from inception of Texas State Natural Gas, Inc. through June 30, 2005.

10_PSF17

Rider PSF Pipeline Safety Fee. Applicable to all customer classes. Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC section 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commission's rules. The Company will charge a one-time customer charge per bill of \$1.44, based on \$1.44 per service line, effective 3/1/17 through 3/31/17. The Pipeline Safety Fee shall not be billed to a state agency as that term is defined in Texas Utilities Code, 101.003.

11_RCE_F

Rider RCE Rate Case Expenses.

Application: Applicable to all customer classes.

Monthly Calculation: The bill of each residential and commercial customer shall include a surcharge designed to recover the Company's rate case expenses. The surcharge will be calculated on a Ccf basis using total company volumes for Residential and Commercial customers, over a period of twelve (12) months commencing with the effective date stated above. All collections of the surcharge will be applied monthly to the outstanding uncollected balance of such rate case expenses, and interest at the rate of six (6) percent per year shall be calculated on, and added to, the declining balance each month. To the extent that some expenses may be estimates, Company is authorized to add such expenses as incurred to the amount to be surcharged up to the total estimated expenses being reimbursed. The surcharge will also reflect any taxes applicable to the rate case expense recovery charge. Company shall file an annual report with each regulatory authority with jurisdiction setting forth recoveries and the remaining balance in the rate expense account.

RCE Rate: .026470 per Ccf.

14_WNA

RIDER WNA - WEATHER NORMALIZATION ADJUSTMENT

APPLICATION

Applicable to all customer classes.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

MONTHLY CALCULATION: In order to reflect weather variances in a timely and accurate manner, the Weather Normalization Adjustment rate (WNA) shall be separately calculated and adjusted monthly by rate class for each meter reading or billing cycle (Cycle). Monthly WNA adjustments will be based upon weather information for the periods beginning with the first Cycle read in October and ending with the last Cycle read in the following April. The Weather Normalization Adjustment rate for each Cycle shall be based on the following formula:

$$\text{WNA Rate} = \text{WND} / \text{CMV} + \text{RC}$$

WND is calculated based on the following formula:

$$\text{WND} = [(\text{HDDn} / \text{HDDa} * \text{HL}) - \text{HL}] * \text{VR}$$

DEFINITIONS:

WND - Weather Normalized Dollars to be collected from the Cycle.

CMV - Current Month Volumes billed for the Cycle.

HDDn - Normal heating degree days during the Cycle.

HDDa - Actual heating degree days during the Cycle.

HL - Heat Load volumes calculated using the following formula: Total volumes for the Cycle less Base Load volumes where Base Load volumes are calculated by multiplying the Base Load per customer as established in the most recent rate case by the number of customers in the Cycle.

VR - Volumetric cost of service rate for the applicable customer class.

RC - The Reconciliation Component amount to be return to or recovered from customers each month from October through April as a result of any prior year's over or under collections.

RECONCILIATION AUDIT : An annual review shall be performed of the Company's books and records for each seven month period beginning with October and ending with the subsequent April to determine the amount of over or under collection by customer class occuring during such seven month period. The audit shall determine:(a) the total amount of volumetric revenues collected from customers, including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer established in the most recent rate case multiplied by the number of customers during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather-sensitive revenues billed, (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause, and (e) the amount of any over or under collection of WNA revenues from operation of the provisions of this clause.

DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of the revenues in any rate class, such amount, if any, shall be divided by the gas sales volumes by rate class, adjusted for the effects of weather, growth, and

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

conservation for the subsequent period beginning with the first Cycle read in October and ending with the last Cycle read in the following April. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a seven (7) period beginning with the first Cycle in October and continuing through the last Cycle in April at which time it will terminate until a new Reconciliation Component is determined.

MONTHLY REPORT: By the 25th day of the following month, the Company will file with the Regulatory Authority a monthly report showing the current rate adjustments for each applicable rate schedule. Supporting documentation will be made available for review upon request.

ANNUAL REPORT: By each September 1, the Company will file with the Regulatory Authority an annual report verifying the past year's WNA collections or refunds, which shall include but not necessarily be limited to:

1. A schedule of the actual gas sales volumes and respective revenues by rate class by month for the seven months ending April 30, with revenues collected via this clause identified separately.
2. A schedule of the weather normalized volumes and respective revenues by rate class for the seven months ending April 30 using the methodology adopted in the most recent rate case.
3. A calculation of the difference between the actual gas sales volumes and revenues by rate class and the weather normalized gas sales volumes and revenues.
4. A schedule showing the difference between the total amount to be collected or refunded through the annual reconciliation component and the actual amount collected or refunded during the same period.

16_COSA

RIDER COSA - COST OF SERVICE ADJUSTMENT

APPLICATION OF SCHEDULE

This Cost of Service Adjustment Clause applies to Rate R-Residential Sales, Rate SV-Small Volume Commercial/Industrial, Rate LV-Large Volume Commercial/Industrial and Rate PA-Public Authority.

If, through the implementation of the provisions of this mechanism, it is determined that charges under this rider should be increased, then the monthly volumetric charge (i.e. charger per Ccf) will be adjusted accordingly in the manner set forth herein. The adjustment implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. If, through the implementation of the provisions of this mechanism, it is determined that charges under this rider should be decreased, then no adjustment will be made to any of the

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

RATE SCHEDULESCHEDULE IDDESCRIPTION

Company's rates.

This Rider COSA-Cost of Service Adjustment is authorized for an initial implementation period of three (3) years commencing with the Company's filing under this rate schedule to be effective September 1, 2012, and ending with the implementation of the adjustment, if any, with the Company's filing under this rate schedule to be effective September 1, 2015; and will automatically renew for successive three year periods unless either the Company or the City provides written notice to the contrary to the other by February 1, 2015, or February 1 of the third filing year of any succeeding three year renewal period.

EFFECTIVE DATE OF ADJUSTMENT

Adjustments will be made in accordance with the procedures described below on an annual basis. The Company will make its annual filing no later than June 1, with the adjustments to charges effective with the bills rendered on or after September 1st of each year. The first filing pursuant to this Rider will be no later than June 1, 2012, and will be based on the calendar year ending December 31, 2011.

COMPONENTS OF THE ADJUSTMENT

Calculations of the adjustment will be based on calendar year operating expenses, return on investment, Texas gross margin tax and federal income tax. The calendar year operating expenses will be those reported to the Railroad Commission of Texas in the annual report of the Company. The adjustment will be included in the per Ccf charge of the Residential, Small Volume Commercial/Industrial, Large Volume Commercial/Industrial, and Public Authority rate schedules. The Company will file with the regulatory authority having original jurisdiction over the Company's rates, the schedules specified below by FERC Account for the applicable calendar year period. The schedules will be based upon the Company's financial data as reported to the Railroad Commission of Texas in the annual report of the Company. The will include the following information:

OPERATING EXPENSES - Operating expenses will be determined using the year-end amounts for the applicable calendar year. The applicable expenses are:

Operation and Maintenance Expense;

Customer Related Expenses;

Administrative & General Expenses;

Depreciation and Amortization Expense, based upon the methods and lives used in the company's most recent rate case;

Taxes Other Than Income Tax;

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Texas Gross Margin Tax;

Interest on Customer Deposits.

The following expenses will be excluded:

Cost of gas;

City Franchise Fees;

State Gross Receipts taxes;

Any other revenue-related taxes;

Any non-gas utility revenues or expenses.

Rate adjustments due to changes in revenue-related taxes and municipal franchise fees will be governed in accordance with the provisions of the Company's tariffs: Rate R-Residential Sales, Rate SV-Small Volume Commercial/Industrial, Rate LV-Large Volume Commercial/Industrial, and Rate P-Public Authority.

The Company will provide additional information for all operating expenses upon request by the regulatory authority during the ninety-day (90) review period.

RETURN ON INVESTMENT - The return on investment is nine point zero-six percent (9.06%) multiplied by the rate base balance for the applicable calendar year. The rate of return specified herein does not establish precedent for the authorized rate of return in the Company's future rate filings. The rate base balance will include:

Annual average Net Utility Plant Service;

13-Month average of Inventories;

13-Month Average of Materials and Supplies Inventories;

13-Month Average of Prepayments;

Cash Working Capital computed as 12.5% of Operating Expenses;

Annual average Deferred Federal Income Taxes (if an asset).

The rate base balance will be reduced by:

Annual average Customer Deposits;

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Annual average Deferred Federal Income Taxes (if a liability).

Supporting information for all rate base items will be provided to the regulatory authority during the ninety-day (90) review period upon request to the Company.

TEXAS GROSS MARGIN TAX - The Texas Franchise Tax will be the calendar year-end amount as recorded in the Company's books and records.

FEDERAL INCOME TAX - Federal Income Tax will be calculated by multiplying seventy-one percent (71.38%) of the Return on Investment by the Federal Income Tax Factor of 1.53845.

COST OF SERVICE ADJUSTMENT - The amount to be collected through the Cost of Service Adjustment is equal to the sum of the following: 1) Operating Expense, 2) Return on Investment, 3) Texas Gross Margin Tax, and 4) Federal Income Tax; and, by subtracting the year-end balances for the following: base revenues and other revenues (i.e. service charges).

The sum of the items listed above will be multiplied by the Federal Income Tax Factor and then by the Texas Gross Margin Tax Factor, sequentially. The Texas Gross Margin Tax factor is equal to 1.0101.

COST OF SERVICE ADJUSTMENT CHARGE - The Cost of Service Adjustment will be allocated among the customer classes in the same manner as the volumetric revenues were allocated among classes of customers in the Company's latest effective rates.

1. The per-class adjustment will be the Cost of Service Adjustment as allocated to each class, divided by the weather normalized volumes by class for the test year.

2. The resulting per Ccf charge by class will be compared to the current per Ccf rate by class increased by five (5)%. If the resulting per Ccf charge is greater than five (5)% of the current charge, the adjustment will be an increase of five (5)% of the current charge.

3. If the resulting per Ccf charge is less than the current charge increased by five (5)%, the adjustment will be equal to the adjusted Ccf charge.

ATTESTATION - A sworn statement will be filed by the Company affirming that the filed schedules are in compliance with the provisions of this tariff and are true and correct to the best of its knowledge, information, and belief. No testimony will be filed.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

PROOF OF REVENUES - The Company will also provide a schedule demonstrating the proof of revenues relied upon to calculate the proposed cost of service adjustment. The proposed adjustment will conform as closely as practicable to the revenue allocation principles in effect prior to the adjustment.

NOTICE - Notice of the annual Cost of Service Adjustment will be published in a manner consistent with that required under Section 104.103, Tex.Util.Code.no later than forty-five (45) days after the Company makes its annual filing pursuant to this rate schedule with the regulatory authority.

REGULATORY REVIEW OF ANNUAL ADJUSTMENT

The regulatory authority with original jurisdiction will have a period of not less than ninety days (90) within which to review the proposed annual adjustment. During the review period, Company will provide additional information and supporting documents as requested by the regulatory authority and such information will be provided within ten (10) working days of the original request. The rate adjustment will take effect with the bills rendered on or after September 1st of each year.

This Cost of Service Adjustment Schedule does not limit the legal rights and duties of the regulatory authority. The Company's annual adjustment will be made in accordance with all applicable laws. If at the end of the ninety day (90) review period, the Company and the regulatory authority with original jurisdiction have not reached agreement on the proposed Cost of Service Adjustment, the regulatory authority may take action to deny such adjustment, and the Company will have the right to appeal the regulatory authority's action. Upon the filing of any appeal, the Company will have the right to implement the proposed Cost of Services Adjustment, subject to refund.

COST OF SERVICE ADJUSTMENT EXPENSES

To defray the cost, if any, of regulatory authorities conducting a review of the Company's annual adjustment, the Company will reimburse the regulatory authorities for their reasonable expenses for such review in an aggregate amount not to exceed \$15,000. Any reimbursement contemplated hereunder will be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made. A regulatory authority seeking reimbursement under this provision, will submit its request for reimbursement to the Company no later than October 1st of the year in which the adjustment is made and the Company will reimburse the regulatory authorities in accordance with this provision on or before October 15th of the year the adjustment is made.

The cost of service adjustment expenses for the Company, including the cost to provide public notice and reimburse City expenses as required herein, will not to

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

RATE SCHEDULE	
SCHEDULE ID	DESCRIPTION
	exceed \$35,000.

RATE ADJUSTMENT PROVISIONS
None

CUSTOMERS				
RRC CUSTOMER NO	CONFIDENTIAL?	BILLING UNIT	PGA CURRENT CHARGE	PGA EFFECTIVE DATE
18323	N	ccf	\$.4099	02/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass			
18323	N	ccf	\$.3757	03/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass			
18323	N	ccf	\$.3158	01/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass			

REASONS FOR FILING
NEW?: N
RRC DOCKET NO:
CITY ORDINANCE NO: City Ord. 2017-09, 2011-02
AMENDMENT (EXPLAIN):
OTHER (EXPLAIN): Update Rates for 2017 COSA

SERVICES	
TYPE OF SERVICE	SERVICE DESCRIPTION
B	Commercial Sales
<u>OTHER TYPE DESCRIPTION</u>	
C	Industrial Sales
<u>OTHER TYPE DESCRIPTION</u>	

PREPARER - PERSON FILING
RRC NO: 710 ACTIVE FLAG: Y INACTIVE DATE:
FIRST NAME: Marynell MIDDLE: LAST NAME: Myers
TITLE: Authorized Agent
ADDRESS LINE 1: 3 Lakeway Centre Ct., Ste 110
ADDRESS LINE 2:
CITY: Austin STATE: TX ZIP: 78734 ZIP4:
AREA CODE: 512 PHONE NO: 261-4152 EXTENSION:

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

CURTAILMENT PLAN

<u>PLAN ID</u>	<u>DESCRIPTION</u>
----------------	--------------------

LINE EXTENSION POLICY

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

QUALITY OF SERVICE

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

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
280254	12_M		<p>RATE M MISCELLANEOUS SERVICE CHARGES Applicable to Entire System Application</p> <p>The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges.</p>
280255	12_M.1		<p>1. CONNECTIONS: Institution and reconnection of service for Residential and Small Commercial customers including labor for meter set under standard circumstances. Industrial connections and Commercial or Public Authority connections of meters greater than 275 cfh, may require additional connection charges at actual cost, but not less than \$45.00. In addition, other charges as specified under Rate LEP - Line Extension Policy may apply. \$45.00</p>
280256	12_M.2		<p>2. DISCONNECTIONS: Disconnection of service for all customer classes. \$ 25.00</p>
280257	12_M.3		<p>3. CHARGE FOR TEMPORARY DISCONTINUANCE OF SERVICE - RESIDENTIAL: Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$ 45.00</p>
280258	12_M.4		<p>4. FIELD READ OF METER: A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party. \$ 25.00</p>
280259	12_M.5		<p>5. CHARGE FOR METER TESTING : The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee. The customer must be properly informed of the result of any test on a meter that services him. \$45.00</p>
280260	12_M.6		<p>6. RESTORING SERVICE DURING BUSINESS HOURS: Restore</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13306
-----------------	----------------------

		service after termination for non-payment during standard business hours. \$45.00.
280261	12_M.7	7. RESTORING SERVICE AFTER BUSINESS HOURS: Restore service after termination for non-payment after standard business hours. \$ 65.00.
280262	12_M.8	8. TAMPERING : Tampering or interfering with gas meters, equipment or other related facilities will result in a tampering charge plus any related costs associated with the consumption of gas, repairing or replacing the damaged facilities. Further attempts to tamper or interfere with these facilities will result in permanent termination of gas service. \$125.00 + costs.
280263	12_M.9	9. RETURNED CHECKS - FIRST OCCURRENCE: Returned check fee for first occurrence on a customer bill \$ 25.00.
280264	12_M.10	10. RETURNED CHECKS - SECOND AND SUBSEQUENT OCCURRENCES: Returned check fee for second and subsequent occurrences on same customer bill. \$75.00.
280265	12_M.11	11. LATE PAYMENT PENALTY: Charge for late payments not physically received by the due date printed on the bill at one of the Company's authorized pay stations or lock boxes, or post-marked by the due date printed on the bill. \$10.00.
280266	12_M.12	12. METER RE-READS: The Company shall, upon request of a customer, make a re-read of the meter serving that customer. If the Company validates the accuracy of the original read, the Meter Re-read fee will be charged. If the Company determines that the original read was inaccurate, no charge will be assessed for the Meter Re-read. \$25.00.
280267	12_M.13	13. TRIP CHARGE DURING BUSINESS HOURS: A Trip Charge is made for responding to a service call during standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to, furnace light-ups, gas appliance light-ups, etc. \$45.00
280268	12_M.14	14. TRIP CHARGE AFTER BUSINESS HOURS: A Trip Charge is made for responding to a service call after standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to, furnace light-ups, gas appliance light-ups, etc. \$65.00.
280269	12_M.15	15. ADDITIONAL TRIP DURING BUSINESS HOURS : Additional trip required, including but not limited

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

280270	12_M.16	to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment during standard business hours. \$45.00.
280271	12_M.T	<p>16. ADDITIONAL TRIP AFTER BUSINESS HOURS: Additional trip required, including but not limited to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment after standard business hours. \$65.00</p> <p>T. TAXES: The monthly charges above will include a charge for an amount equivalent to the customer's proportional part of the city franchise fees, state gross receipts taxes, or other governmental levies payable by the Company, exclusive of federal income taxes. Municipal franchise fees are determined by each municipality's franchise ordinance. Each municipality's franchise ordinance will specify the percentage and applicability of franchise fees. From time to time, the tax factor may be adjusted, if required, to account for any over or under recovery of municipal franchise fees by the Company and to include an amount equivalent to the proportionate part of any new tax or increased franchise fee or tax, or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable.</p>
280272	13_LEP	<p>RATE LEP - LINE EXTENSION POLICY Applicable to Entire System The company has the right to contract with individual customers for the installation of gas facilities as provided for by the city franchise. Upon the request of a prospective new customer for service in an area served by Texas State Natural Gas, Inc., Texas State Natural Gas, Inc. will extend its main lines up to 50 feet from an existing Texas State Natural Gas, Inc. main in the Public Rights of Way, without charge. The 50-foot allowance applies to a single customer or to a group of customers requesting service from the same extension. Customers requesting mainline extensions in excess of 50 feet shall bear the cost of any additional mainline, the cost of all yard and service lines, and the cost of any appurtenant equipment and other costs necessary to install the extension. In addition, a minimum charge of \$150 will be assessed to each residential customer and \$400 will be assessed to each non-residential customer for installations of meters of 275 cfh or less. For meters greater than 275 cfh, actual cost</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13306

280273	14_DEP	will be assessed, but not less than \$400. Texas State Natural Gas, Inc. is not required to extend its mains or facilities if the customer will not use gas for space heating and water heating, or the equivalent load, at a minimum.	CUSTOMER DEPOSITS Charged to customers pursuant to Rules of Service, Section 5 Residential \$50.00 Commercial minimum \$150.00
--------	--------	--	--

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 09/01/2017 ORIGINAL CONTRACT DATE: RECEIVED DATE: 01/12/2018
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO:
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID DESCRIPTION
 4_Defin

DEFINITIONS Applicable to Entire System

COMMISSION: The Railroad Commission of Texas COMPANY Texas State Natural Gas, Inc., its successors, and its assigns

CUSTOMER: An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving gas service or who is receiving the benefit of gas service at a specified point of delivery

LARGE VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER: A customer, other than a residential customer or public authority customer, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code, and either:

1. whose annual volumetric usage is greater than 48,000 Ccf per year or
2. whose average monthly usage is greater than 4,000 Ccf over a twelve month period.

PUBLIC AUTHORITY CUSTOMER: All governmental agencies and educational institutions other than those involving manufacturing, electrical generation, or that use boiler fuel for industrial purposes.

RATE SCHEDULE: A statement of the method of determining charges for gas service, including the conditions under which such method applies.

RESIDENTIAL CUSTOMER: Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.

RESIDENTIAL END USES: Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.

SMALL VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER: A customer, other than a residential customer, public authority customer, or Large Volume Commercial/Industrial Customer as defined herein, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.

8_PA

RATE PA PUBLIC AUTHORITY SALES

APPLICATION OF SCHEDULE:

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Schedule applies to all Public Authority Customers in the incorporated area of Eagle Pass, TX.

MONTHLY BASE RATE:

Customer's base monthly bill will be calculated using the following Customer and Ccf charges: Customer Charge \$40.00 per month, plus all Ccf at \$0.7598 per Ccf.

PURCHAED GAS FACTOR:

In addition to the base monthly bill above, each customer's bill will include a Purchased Gas Factor to account for purchased gas costs and computed in accordance with Texas State Natural Gas, Inc. Purchased Gas Factor Schedule No. 1.

TAXES:

In addition to the monthly charges above, each customer's bill will include a charge for an amount equivalent to the customer's proportional part of the city franchise fees, state gross receipts taxes, or other governmental levies payable by the Company, exclusive of federal income taxes. Municipal franchise fees are determined by each municipality's franchise ordinance. Each municipality's franchise ordinance will specify the percentage and applicability of franchise fees. From time to time, the tax factor may be adjusted, if required, to account for any over or under recovery of municipal franchise fees by the Company and to include an amount equivalent to the proportionate part of any new tax or increased franchise fee or tax, or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable.

SURCHARGES:

In addition to the monthly charges above, each customer's bill will include an amount for surcharges calculated in accordance with the applicable rider(s).

CONDITIONS:

1. Subject in all respects to applicable laws, rules and regulations from time to time in effect.
 2. Delivery of 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 consumers served.
- Also refer to Rate CP.

9_PGF

RATE PGF PURCHASED GAS FACTOR SCHEDULE NO. 1
 Applicable to Entire System

Purpose and Intent

This provision is intended to allow collection of the Company's gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that actual costs billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

RATE SCHEDULESCHEDULE IDDESCRIPTION

billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised and a revised tariff filed to reflect such revisions.

Applicability

This clause shall apply to all Texas State Natural Gas, Inc. tariffs that incorporate this Purchased Gas Factor tariff provision and which have been properly filed and implemented with the appropriate jurisdictional authority. Definitions Standard Cubic Foot of Gas the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit. Ccf one hundred standard cubic feet of gas. Mcf one thousand standard cubic feet of gas.

Purchased Gas Volumes

The volumes of gas, expressed in Mcf's, purchased by the Company and received into the Company's distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s)

The total cost of Purchased Gas Volumes, as received into the Company's distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas

The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf. Billed Gas Volumes The volumes of gas billed to customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcf's.

Billed Gas Revenues

The total amount of revenues attributable to billings by Texas State Natural Gas, Inc. for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Factor during the same period. Lost and Unaccounted for Gas (LUG) Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Purchased Gas Factor (PGF)

A factor on each customer's monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

Annual Review Period

The 12 month period ending June 30 of each year.

Annual Review - An annual review of the Company's records covering the 12 month period ending June 30 to determine LUG volumes and any imbalances between the

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total

The total amount determined through the Annual Review to be credited or surcharged to customers' bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor

A credit or surcharge included in the Purchased Gas Factor to reflect the pro rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Company's distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by Texas State Natural Gas, Inc., pipeline transportation charges (both volumetric and demand), and gas storage charges (both volumetric and demand). The Company shall account for gas injected into and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro rata amount to adjust for previous over or under estimates of the Weighted Average Cost of Gas, plus a Reconciliation Factor to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers' bills over a twelve month period commencing each September 1 following the Annual Review Period. Annual Imbalance Total Where LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative; If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period. Annual Imbalance Total Where LUG Volume is positive and is greater than five percent of Purchased Gas Volumes; If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows: The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined; minus, The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's weighted Average Cost of Purchased Gas for the Review Period. Reconciliation Factor Calculation The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows: The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period. The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total. The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month. Each month of the twelve month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over or under estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month. At the end of each 12 month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12 month period. The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's Weighted Average Cost of Purchased Gas for the Review Period.

Special Transition Provision

It is recognized that a cumulative imbalance between gas costs and sales gas revenues collected under Texas State Natural Gas, Inc.'s Purchased Gas Adjustment Clause previously in effect, may exist at the time this new Purchased Gas Adjustment becomes effective. Subject to the limitation for Lost and Unaccounted for Gas, the Company shall amortize any such imbalance as a credit or surcharge on customers' bills over the twelve months commencing September 1, 2005. The cumulative imbalance to be amortized under this provision shall be the imbalance, if any, attributable to the period from inception of Texas State Natural Gas, Inc. through June 30, 2005.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Rider PSF Pipeline Safety Fee. Applicable to all customer classes. Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC section 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commission's rules. The Company will charge a one-time customer charge per bill of \$1.44, based on \$1.44 per service line, effective 3/1/17 through 3/31/17. The Pipeline Safety Fee shall not be billed to a state agency as that term is defined in Texas Utilities Code, 101.003.

11_RCE_F

Rider RCE Rate Case Expenses.

Application: Applicable to all customer classes.

Monthly Calculation: The bill of each residential and commercial customer shall include a surcharge designed to recover the Company's rate case expenses. The surcharge will be calculated on a Ccf basis using total company volumes for Residential and Commercial customers, over a period of twelve (12) months commencing with the effective date stated above. All collections of the surcharge will be applied monthly to the outstanding uncollected balance of such rate case expenses, and interest at the rate of six (6) percent per year shall be calculated on, and added to, the declining balance each month. To the extent that some expenses may be estimates, Company is authorized to add such expenses as incurred to the amount to be surcharged up to the total estimated expenses being reimbursed. The surcharge will also reflect any taxes applicable to the rate case expense recovery charge. Company shall file an annual report with each regulatory authority with jurisdiction setting forth recoveries and the remaining balance in the rate expense account.

RCE Rate: .026470 per Ccf.

14_WNA

RIDER WNA - WEATHER NORMALIZATION ADJUSTMENT

APPLICATION

Applicable to all customer classes.

MONTHLY CALCULATION: In order to reflect weather variances in a timely and accurate manner, the Weather Normalization Adjustment rate (WNA) shall be separately calculated and adjusted monthly by rate class for each meter reading or billing cycle (Cycle). Monthly WNA adjustments will be based upon weather information for the periods beginning with the first Cycle read in October and ending with the last Cycle read in the following April. The Weather Normalization Adjustment rate for each Cycle shall be based on the following formula:

$$\text{WNA Rate} = \text{WND} / \text{CMV} + \text{RC}$$

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

WND is calculated based on the following formula:

$$WND = [(HDDn / HDDa * HL) - HL] * VR$$

DEFINITIONS:

WND - Weather Normalized Dollars to be collected from the Cycle.

CMV - Current Month Volumes billed for the Cycle.

HDDn - Normal heating degree days during the Cycle.

HDDa - Actual heating degree days during the Cycle.

HL - Heat Load volumes calculated using the following formula: Total volumes for the Cycle less Base Load volumes where Base Load volumes are calculated by multiplying the Base Load per customer as established in the most recent rate case by the number of customers in the Cycle.

VR - Volumetric cost of service rate for the applicable customer class.

RC - The Reconciliation Component amount to be return to or recovered from customers each month from October through April as a result of any prior year's over or under collections.

RECONCILIATION AUDIT : An annual review shall be performed of the Company's books and records for each seven month period beginning with October and ending with the subsequent April to determine the amount of over or under collection by customer class occurring during such seven month period. The audit shall determine:(a) the total amount of volumetric revenues collected from customers, including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer established in the most recent rate case multiplied by the number of customers during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather-sensitive revenues billed, (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause, and (e) the amount of any over or under collection of WNA revenues from operation of the provisions of this clause.

DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of the revenues in any rate class, such amount, if any, shall be divided by the gas sales volumes by rate class, adjusted for the effects of weather, growth, and conservation for the subsequent period beginning with the first Cycle read in October and ending with the last Cycle read in the following April. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a seven (7) period beginning with the first Cycle in October and continuing throught the last Cycle in April at which time it will terminate until a new Reconciliation Component is determined.

MONTHLY REPORT: By the 25th day of the following month, the Company will file with the Regulatory Authority a monthly report showing the current rate adjustments for each applicable rate schedule. Supporting documentation will be made available for

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

review upon request.

ANNUAL REPORT: By each September 1, the Company will file with the Regulatory Authority an annual report verifying the past year's WNA collections or refunds, which shall include but not necessarily be limited to:

1. A schedule of the actual gas sales volumes and respective revenues by rate class by month for the seven months ending April 30, with revenues collected via this clause identified separately.
2. A schedule of the weather normalized volumes and repective revenues by rate class for the seven months ending April 30 using the methodology adopted in the most recent rate case.
3. A calculation of the difference between the actual gas sales volumes and revenues by rate class and the weather mormalized gas sales volumes and revenues.
4. A schedule showing the difference between the total amount to be collected or refunded through the annual reconciliation component and the actual amount collected or refunded during the same period.

16_COSA

RIDER COSA - COST OF SERVICE ADJUSTMENT

APPLICATION OF SCHEDULE

This Cost of Service Adjustment Clause applies to Rate R-Residential Sales, Rate SV-Small Volume Commercial/Industrial, Rate LV-Large Volume Commercial/Industrial and Rate PA-Public Authority.

If, through the implementation of the provisions of this mechanism, it is determined that charges under this rider should be increased, then the monthly volumetric charge (i.e. charger per Ccf) will be adjusted accordingly in the manner set forth herein. The adjustment implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. If, through the implementation of the provisions of this mechanism, it is determined that charges under this rider should be decreased, then no adjustment will be made to any of the Company's rates.

This Rider COSA-Cost of Service Adjustment is authorized for an initial implementation period of three (3) years commencing with the Company's filing under this rate schedule to be effective September 1, 2012, and ending with the implementation of the adjustment, if any, with the Company's filing under this rate schedule to be effective September 1, 2015; and will automatically renew for successive three year periods unless either the Company or the City provides written notice to the contrary to the other by February 1, 2015, or February 1 of the third filing year of any succeeding three year renewal period.

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

RATE SCHEDULESCHEDULE IDDESCRIPTION

EFFECTIVE DATE OF ADJUSTMENT

Adjustments will be made in accordance with the procedures described below on an annual basis. The Company will make its annual filing no later than June 1, with the adjustments to charges effective with the bills rendered on or after September 1st of each year. The first filing pursuant to this Rider will be no later than June 1, 2012, and will be based on the calendar year ending December 31, 2011.

COMPONENTS OF THE ADJUSTMENT

Calculations of the adjustment will be based on calendar year operating expenses, return on investment, Texas gross margin tax and federal income tax. The calendar year operating expenses will be those reported to the Railroad Commission of Texas in the annual report of the Company. The adjustment will be included in the per Ccf charge of the Residential, Small Volume Commercial/Industrial, Large Volume Commercial/Industrial, and Public Authority rate schedules. The Company will file with the regulatory authority having original jurisdiction over the Company's rates, the schedules specified below by FERC Account for the applicable calendar year period. The schedules will be based upon the Company's financial data as reported to the Railroad Commission of Texas in the annual report of the Company. The will include the following information:

OPERATING EXPENSES - Operating expenses will be determined using the year-end amounts for the applicable calendar year. The applicable expenses are:

Operation and Maintenance Expense;

Customer Related Expenses;

Administrative & General Expenses;

Depreciation and Amortization Expense, based upon the methods and lives used in the company's most recent rate case;

Taxes Other Than Income Tax;

Texas Gross Margin Tax;

Interest on Customer Deposits.

The following expenses will be excluded:

Cost of gas;

City Franchise Fees;

State Gross Receipts taxes;

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Any other revenue-related taxes;

Any non-gas utility revenues or expenses.

Rate adjustments due to changes in revenue-related taxes and municipal franchise fees will be governed in accordance with the provisions of the Company's tariffs: Rate R-Residential Sales, Rate SV-Small Volume Commercial/Industrial, Rate LV-Large Volume Commercial/Industrial, and Rate P-Public Authority.

The Company will provide additional information for all operating expenses upon request by the regulatory authority during the ninety-day (90) review period.

RETURN ON INVESTMENT - The return on investment is nine point zero-six percent (9.06%) multiplied by the rate base balance for the applicable calendar year. The rate of return specified herein does not establish precedent for the authorized rate of return in the Company's future rate filings. The rate base balance will include:

Annual average Net Utility Plant Service;

13-Month average of Inventories;

13-Month Average of Materials and Supplies Inventories;

13-Month Average of Prepayments;

Cash Working Capital computed as 12.5% of Operating Expenses;

Annual average Deferred Federal Income Taxes (if an asset).

The rate base balance will be reduced by:

Annual average Customer Deposits;

Annual average Deferred Federal Income Taxes (if a liability).

Supporting information for all rate base items will be provided to the regulatory authority during the ninety-day (90) review period upon request to the Company.

TEXAS GROSS MARGIN TAX - The Texas Franchise Tax will be the calendar year-end amount as recorded in the Company's books and records.

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

FEDERAL INCOME TAX - Federal Income Tax will be calculated by multiplying seventy-one percent (71.38%) of the Return on Investment by the Federal Income Tax Factor of 1.53845.

COST OF SERVICE ADJUSTMENT - The amount to be collected through the Cost of Service Adjustment is equal to the sum of the following: 1) Operating Expense, 2) Return on Investment, 3) Texas Gross Margin Tax, and 4) Federal Income Tax; and, by subtracting the year-end balances for the following: base revenues and other revenues (i.e. service charges).

The sum of the items listed above will be multiplied by the Federal Income Tax Factor and then by the Texas Gross Margin Tax Factor, sequentially. The Texas Gross Margin Tax factor is equal to 1.0101.

COST OF SERVICE ADJUSTMENT CHARGE - The Cost of Service Adjustment will be allocated among the customer classes in the same manner as the volumetric revenues were allocated among classes of customers in the Company's latest effective rates.

1. The per-class adjustment will be the Cost of Service Adjustment as allocated to each class, divided by the weather normalized volumes by class for the test year.

2. The resulting per Ccf charge by class will be compared to the current per Ccf rate by class increased by five (5)%. If the resulting per Ccf charge is greater than five (5)% of the current charge, the adjustment will be an increase of five (5)% of the current charge.

3. If the resulting per Ccf charge is less than the current charge increased by five (5)%, the adjustment will be equal to the adjusted Ccf charge.

ATTESTATION - A sworn statement will be filed by the Company affirming that the filed schedules are in compliance with the provisions of this tariff and are true and correct to the best of its knowledge, information, and belief. No testimony will be filed.

PROOF OF REVENUES - The Company will also provide a schedule demonstrating the proof of revenues relied upon to calculate the proposed cost of service adjustment. The proposed adjustment will conform as closely as practicable to the revenue allocation principles in effect prior to the adjustment.

NOTICE - Notice of the annual Cost of Service Adjustment will be published in a manner consistent with that required under Section 104.103, Tex.Util.Code.no later than forty-five (45) days after the Company makes its annual filing pursuant to this rate schedule with the regulatory authority.

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
--------------------	--------------------

REGULATORY REVIEW OF ANNUAL ADJUSTMENT

The regulatory authority with original jurisdiction will have a period of not less than ninety days (90) within which to review the proposed annual adjustment. During the review period, Company will provide additional information and supporting documents as requested by the regulatory authority and such information will be provided within ten (10) working days of the original request. The rate adjustment will take effect with the bills rendered on or after September 1st of each year.

This Cost of Service Adjustment Schedule does not limit the legal rights and duties of the regulatory authority. The Company's annual adjustment will be made in accordance with all applicable laws. If at the end of the ninety day (90) review period, the Company and the regulatory authority with original jurisdiction have not reached agreement on the proposed Cost of Service Adjustment, the regulatory authority may take action to deny such adjustment, and the Company will have the right to appeal the regulatory authority's action. Upon the filing of any appeal, the Company will have the right to implement the proposed Cost of Services Adjustment, subject to refund.

COST OF SERVICE ADJUSTMENT EXPENSES

To defray the cost, if any, of regulatory authorities conducting a review of the Company's annual adjustment, the Company will reimburse the regulatory authorities for their reasonable expenses for such review in an aggregate amount not to exceed \$15,000. Any reimbursement contemplated hereunder will be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made. A regulatory authority seeking reimbursement under this provision, will submit its request for reimbursement to the Company no later than October 1st of the year in which the adjustment is made and the Company will reimburse the regulatory authorities in accordance with this provision on or before October 15th of the year the adjustment is made.

The cost of service adjustment expenses for the Company, including the cost to provide public notice and reimburse City expenses as required herein, will not to exceed \$35,000.

17_CPC

RIDER CPC - COSA PROCESSING COST

APPLICATION OF SCHEDULE:
Applicable to all customer classes.

Monthly calculation:
The bill of each customer shall include a surcharge designed to recover the Company's costs incurred to prepare the COSA, file public notice, and reimburse regulatory authorities conducting a reveiw of the Company's annual adjustment, as described by and subject to the limitations identified in Rate Schedule 16, Rider

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

COSA, under the heading Cost of Service Adjustment Expense. The surcharge will be calculated on Ccf basis using total company volumes for all customer classes, over a period of twelve (12) months commencing no earlier than the effective date for the related COSA adjustment and no later than one month after the receipt of a request for reimbursement of expenses from a regulatory authority seeking reimbursement under the provision of COSA Rate Schedule 16. All Collections with this surcharge will be applied monthly to the outstanding uncollected balance of such COSA processing expenses, and interest at the rate of six (6) percent per year shall be calculated on, and added to, the declining balance each month. To the extent that some expenses may be estimates, the Company is authorized to add such expenses as incurred to the amount to be surcharged up to the total estimated expenses of Company and municipalities being reimbursed pursuant to the order in question, subject to the limitations identified in Rate Schedule 16, Rider COSA - Cost of Service Adjustment Expense. Costs incurred to prepare the 2016 filing and publish notice shall not exceed \$5000. Actual costs for the 2017 filing totalled \$1,579. Rate to recover 2017 CPC costs equals \$.0011 per Ccf.

1_Index

TABLE OF CONTENTS

Applicable to Entire System Rate Schedule Description

- 1. TABLE OF CONTENTS
- 2. UTILITY OPERATIONS
- 3. CITY AND COUNTY SERVICE AREAS
- 4. DEFINITIONS
- 5. RATE R RESIDENTIAL SALES
- 6. RATE SV SMALL VOLUME COMMERCIAL/INDUSTRIAL SALES
- 7. RATE LV LARGE VOLUME COMMERCIAL/INDUSTRIAL SALES
- 8. RATE PA PUBLIC AUTHORITY SALES
- 9. RATE PGF PURCHASED GAS FACTOR SCHEDULE NO. 1
- 10. RIDER PSF PIPELINE SAFETY FEE
- 11. RIDER RCE RATE CASE EXPENSES
- 12. RATE M MISCELLANEOUS SERVICE CHARGES
- 13. RATE LEP LINE EXTENSION POLICY
- 14. WNA Weather Normalization Adjustment

2_Oper

UTILITY OPERATIONS Applicable to Entire System Texas State Natural Gas, Inc. owns and operates a natural gas distribution system that provides natural gas service in Texas. The following will respond to inquiries regarding provisions of this Tariff for Gas Service: Texas State Natural Gas, Inc. Carlos S. Libson General Manager P.O. Drawer 887 Eagle Pass, Texas 78853 (830) 773-9511 Email Address: clibson@sbcglobal.net

3_Area

CITY AND COUNTY SERVICE AREAS Applicable to Entire System CITIES AND TOWNS Eagle Pass COUNTIES Maverick

RATE ADJUSTMENT PROVISIONS

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

None

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
18323	N	ccf	\$.4099	02/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass			
18323	N	ccf	\$.3757	03/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass			
18323	N	ccf	\$.3158	01/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass			

REASONS FOR FILING

NEW?: N

RRC DOCKET NO:

CITY ORDINANCE NO: City Ord. 2017-09, 2011-02

AMENDMENT (EXPLAIN):

OTHER (EXPLAIN): Update Rates for 2017 COSA

SERVICES

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

PREPARER - PERSON FILING

RRC NO: 710 ACTIVE FLAG: Y INACTIVE DATE:

FIRST NAME: Marynell MIDDLE: LAST NAME: Myers

TITLE: Authorized Agent

ADDRESS LINE 1: 3 Lakeway Centre Ct., Ste 110

ADDRESS LINE 2:

CITY: Austin STATE: TX ZIP: 78734 ZIP4:

AREA CODE: 512 PHONE NO: 261-4152 EXTENSION:

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

CURTAILMENT PLAN

<u>PLAN ID</u>	<u>DESCRIPTION</u>
C489	<p style="text-align: right;">RAILROAD COMMISSION OF TEXAS</p> <p style="text-align: right;">OIL AND GAS DIVISION GAS UTILITIES</p> <p>DIVISION</p> <p style="text-align: right;">OIL AND GAS DOCKET GAS UTILITIES DIVISION NO. 20-62,505 DOCKET NO. 489</p> <p style="text-align: right;">ORDER</p> <p>RELATING TO THE APPROVAL BY THE COMMISSION OF CURTAILMENT PROGRAMS FOR NATURAL GAS TRANSPORTED AND SOLD WITHIN THE STATE OF TEXAS</p> <p>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.</p> <p>WHEREAS, pursuant to the authority granted to the Railroad Commission of Texas in Article 6050 to 6066, inclusive, R.C.S., as amended; and</p> <p>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</p> <p>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 the end that the public will be best served; and</p> <p>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.</p> <p>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.</p> <p style="text-align: right;">RULE 1.</p> <p>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 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.</p>

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

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.

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

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

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 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 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>

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

QUALITY OF SERVICE

<u>QUAL SERVICE ID</u>	<u>DESCRIPTION</u>
RS1	<p style="text-align: right;">RULES OF SERVICE MUNICIPALITY OF EAGLE PASS TEXAS STATE NATURAL GAS, INC.</p> <p>Communications Regarding these Service Regulations should be addressed to: P.O. Box 887 Eagle Pass, Texas 78853 Phone 830-773-9511</p> <p>These Rules of Service became effective on December 15, 1997 and were adopted by Texas State Natural Gas, Inc. on December 1, 2004.</p> <p>TABLE OF CONTENTS SECTION DESCRIPTION 1. General Statement 2. Condition of Service 3. Initiation of Service 4. Discontinuance of Service 5. Security Deposits 6. Billing and Payment of Bills 7. Meters 8. Installation of Equipment 9. Extension of Facilities</p> <p>GENERAL STATEMENT 1.1 Service Regulation Applicability Texas State Natural Gas, Inc. (Company) is a gas utility operating within the State of Texas. These Utility Service Regulations (Service Regulations) are applicable in the service area specified for residential and small commercial customers.</p> <p>1.2 Provision of Service The Company will provide gas service to any person or organization located within its service area and from its facilities or in certain cases, the facilities of its supplier, in accordance with the provisions of its Tariff and these Utility Service Regulations. Service provided directly from the facilities of others may be provided only with the approval of the owning company and shall thereafter be continued only as long as gas of satisfactory quality is available at the locations.</p> <p>1.3 Rate Schedules All customers shall be serviced under rate schedules filed with the Regulatory Authority. 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, that Customer's volume requirements, and/or other criteria specified in the rate schedule.</p> <p>1.4 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 purchasing gas for redistribution to the customer's tenants may separately meter each tenant distribution point for the purpose of prorating the customer's actual purchase of gas delivered among the various tenants on a per unit basis. Any other allocation will constitute resale and is prohibited.</p> <p>1.5 Transportation Across State Line No gas supplied by the company shall be transported across state lines for any purpose without the express written permission of the Company.</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

Violation of this paragraph shall be considered cause for immediate disconnection of service without notice.

1.6 Exceptions Interpretations of these Service Regulations and the resolution of any items not provided for in these regulations shall be at the Company's sole discretion. These Service Regulations shall be in effect, but only to the extent that they do not conflict with franchise agreements for the areas covered by these Service Regulations.

Section 2 Page 1

CONDITIONS OF SERVICE

2.1 Continuity of Service

A. Service Interruptions

1. The Company shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the Company shall re-establish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.

2. The Company shall make reasonable provisions to meet emergencies resulting from failure of service, and shall 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.

3. In the event of national 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.

C. Report to either the local Regulatory Authority, if directed by city ordinance or franchise, if not so directed, report to the Railroad Commission of Texas (Commission.) The Regulatory Authority or 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 hours. The notice shall also state 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 Company's Curtailment Plan will comply with Regulatory Authority requirements.

E. The Company does not guarantee uninterrupted service to any customer and shall not be liable for damages resulting for loss of service.

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

2.2 Customer Relations

A. The Company shall:

1. Maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information which will accurately describe the Company Facilities. These maps, or such other maps as may be required by the Regulatory Authority, shall be kept in a central location and will be available to inspection by the Regulatory Authority, during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the Company to advise applicants and others entitled to the information as to the facilities available for serving that locality;
2. At the customer's or applicant's request, Company will assist in selecting the most economical rate schedule;
3. Notify customers affected by a change in rates or schedule, in compliance with applicable law or regulations;
4. Post a notice in a conspicuous place in each business office where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the Company are available for inspection. Upon request, the Company shall make copies of the tariffs at the Company's reproduction cost, for the customer;
5. Upon request, inform its customers how to read their meter;
6. Provide to new customers, at the time service is initiated or as an insert in the first billing, an information packet containing a concise description of the customer's rights and the Company's obligations under these Service Regulations. The following information shall be provided in English and Spanish as necessary to adequately inform the customers. i. the customer's right to information concerning rates and services and the customer's right to inspect and obtain, at reproduction cost, a copy of the applicable tariffs and service regulations. ii. the customer's right to have his or her meter checked without charge, if applicable; iii. the time allowed to pay outstanding bills; iv. grounds for termination of service; v. the steps the company must take before terminating service; vi. how the customer can resolve billing disputes with the Company and how disputes and health emergencies may affect termination of service; vii. information on alternative payment plans offered by the Company; viii. the steps necessary to have service reconnected after involuntary termination; ix. the appropriate Regulatory Authority with whom to register a complaint and how to contact such authority; x. the hours, addresses, and telephone numbers of the Company offices and of its authorized pay stations, where bills may be paid and information may be obtained; and xi. the customer's right to be instructed by the Company how to read his or her meter.
7. At least once each calendar year, the Company shall notify its customers that the information packet is available upon request, at no charge to the customer. This notice may be accompanied by use of a billing insert or a printed statement upon the bill itself.

B) Customer complaints.

Upon receipt of a complaint from the Regulatory Authority on behalf of a customer either at the Company office, by letter, or by telephone, the Company shall promptly make a suitable

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13307
-----------------	----------------------

investigation and advise the complainant and the Regulatory Authority of the results thereof. The Company shall keep a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint. An initial response must be made by the Company by the next working day. The Company must make a final and complete response to the Regulatory Authority within 15 days from the date of the complaint, unless additional time is granted within the 15 day period.

RS2

Section 3

INITIATION OF SERVICE

3.1 Reasonable Time

The Company shall have reasonable amount of time to institute service following application 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 on the Company's work load at the time.

3.2 Establishment of Credit

The Company may require a security deposit for service, in accordance with Section 5 of these Service Regulations, to establish a satisfactory credit standing. However, such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills.

3.3. Grounds for Refusal to Serve

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

A. Failure of applicant to comply with the state and municipal regulations and Service Regulations of the Company.

B. The applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given (but in all events the applicant shall retain sole responsibility for ensuring the safety of its installation or equipment and the Company's right to refuse service on such grounds shall in no way impose upon the Company any obligation to inspect or test the applicant's installations or equipment.)

C. Failure to pay fees, advances or contributions or to make a deposit if required for service;

D. The applicant is indebted to any utility for the same kind of service as that applied for, unless applicant has made an additional deposit as specified by the Company; or,

E. Delinquency in payment for gas service by another occupant if that person still resides at the premises to be served. In the event that the Company shall refuse to serve an applicant under the provisions of these Service Regulations, the Company must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the appropriate Regulatory Authority. The right to refuse service shall terminate when the applicant has

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

complied with the Company's requirements or corrected the cause for the refusal of service.

3.4 Insufficient grounds for Refusal to Serve The following shall not constitute sufficient cause for refusal of service to a present customer or applicant:

- A. Delinquency in payment for service by a previous occupant of the premises to be served;
- B. Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
- C. Operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to remedy the situation;
- D. Failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the Company as a condition precedent to service; or,
- E. Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

Section 4 DISCONTINUANCE OF SERVICE

4.1 By Customer

A customer shall be responsible for providing the Company with five days advance notice of intention to discontinue service, and will be responsible for all charges for gas service from the intended discontinuance of service date until the Company has read the meter or for three working days, whichever is the shorter period of time.

4.2 For Non-Payment of Bill

A customer's utility service may be disconnected for non-payment within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivered to the customer at least five working days prior to the stated date of disconnection, with the words Termination Notice or similar language prominently displayed on the notice. The notice shall be provided in English and Spanish as necessary to adequately inform the customer and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the Company may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

4.3 Right to Disconnect for Reasons Other Than Non-Payment

Utility service may be disconnected for any of the following reasons:

- A. Failure to pay a delinquent account or failure to comply with the terms of a written agreement for installment payment of a delinquent account;
- B. Within five working days after written notice is given for violation of the Company rules prohibiting the use of service in a manner which interferes with the service of others or the

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

operation of nonstandard equipment; if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;

C. Failure to comply with deposit or guarantee arrangements;

D. Without notice where a known dangerous condition exists for as long as the condition exists;

E. Without notice for willful destruction or damage to or tampering with the Company's property by the customer or by others with his knowledge;

F. Refusal to grant the Company's personnel access to the Company's facilities for any lawful purpose; or,

G. Five working days after written notice for use, sale or delivery of gas in violation of the provisions of these Service Regulations or violation of any applicable laws, orders or ordinances, provided that disconnection may be made without notice if the violation creates an unsafe condition.

4.4 Special Conditions

A. Utility Service may not be disconnected for any of the following reasons:

1. Delinquency in payment for service by a previous occupant of the premises;

2. Failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;

3. Failure to pay the account of another customer as guarantor thereof, unless the Company has in writing the guarantee as a condition precedent to service;

4. Failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;

5. Failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due; or,

6) Failure to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the Company is unable to read the meter due to circumstances beyond its control.

B Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected unless Company personnel are available the following day for the purpose of making collections and reconnecting service.

C. The Company may not discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service was disconnected. Any customer seeking to avoid termination of service under this paragraph must make a written request supported by a

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13307
-----------------	----------------------

written statement from a licensed physician. Both the request and the statement must be received by the Company not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this paragraph shall last 20 days from the date of receipt by the Company of the request and statement or such lesser period as may be agreed upon by the Company and customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

4.5 Request for Consent to Abandon Service

The Company may abandon a customer with agreement by the customer or with written approval from the Regulatory Authority. Failure of the Customer to re-institute service after disconnection within a reasonable period of time may be considered a request for permanent discontinuance of service.

4.6 Right of Entry

The Company shall have the right to enter upon the consumer's premises at any reasonable time to shut off service in accordance with these Service Regulations and to remove its meter and other Company property.

Section 5 SECURITY DEPOSITS

5.1 Deposit Exemptions

Subject to these Service Regulations, a residential applicant shall not be required to pay a deposit if:

- A. The residential applicant has been a customer of any similar utility service within the last two years and is not delinquent in payment on any similar utility account. In addition, during the last 12 consecutive months of service, the applicant has not had more than one past due bill and had never been disconnected for nonpayment;
- B. The residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required;
- C. The residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the Company, or ownership of substantial equity;
- D. The residential applicant is 65 years of age or older and does not have an outstanding account balance with the Company or another utility for the same utility service which accrued within the last two years.

5.2 Deposit Amount and Interest

- A. The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. 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

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

days. If such additional deposit is not made, the company may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

B. If a customer has been disconnected once within the last consecutive 12 months of service, or twice within the last 24 months, the Company may require an additional security deposit.

C. The Company shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the Company retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit. Payment of interest credited to the customer's account shall be paid annually or paid at the time the deposit is returned. The deposit shall cease to draw interest on the date it is renamed or credited to the customer's account.

D. For Temporary/Seasonal Service and Weekend or Seasonal Residences, defined as any service not utilized continuously at the same location for two or more years, the Company may require a deposit sufficient to reasonably protect it against the assumed risk for such customers, provided such a policy is applied in a uniform and nondiscriminatory manner.

E. The Company reserves the right to request different deposit amounts for non-residential customers.

5.3 Records of Deposit

A. The Company shall keep records to show the name and address of each depositor the amount and date of the deposit and each transaction concerning the deposit.

B. The Company shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

C. A record of each unclaimed deposit must be maintained for at least four years, during which time the Company shall make a reasonable effort to return the deposit.

5.4 Refund of Deposits for Residential Service

A. If service is not connected or after disconnection of service, the Company shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the Company shall not be deemed a disconnection within the meaning of this paragraph, and no additional deposit may be demanded unless permitted by these Service Regulations.

B. When the residential customer has paid bills for service for 12 consecutive bills without having service disconnected for nonpayment of a bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bill, the Company shall promptly and automatically refund the deposit plus accrued interest to the customer as a credit to the customer's account.

5.5 Upon Sale or Transfer of Utility or Company

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

The seller shall file with the Commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

5.6 Complaint by Applicant or Customer

The Company shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or re-establish credit under the provisions of these Service Regulations to inform the customer, if dissatisfaction is expressed with the Company's decision, of the customer's right to file a complaint with the Regulatory Authority.

5.7 Re-establishment of Service

Every applicant who has previously been a customer of the Company and whose service was discontinued for nonpayment of bills shall be required, before service is rendered, to pay all amounts due, including fees and deposits to restore service, or execute a written agreement for installment payments, and re-establish credit as provided in Section 5.2 of these Service Regulations.

RS3

Section 6 6.1 Rendering of Bills

A. Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

B. The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the Regulatory Authority. A bill for utility service is delinquent if unpaid by the due date.

C. The Company may offer an inducement for prompt payment of bills by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. The Company may offer an inducement for payment of bills via electronic transfer of funds. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate Regulatory Authority.

D. If a customer requests a special due date for bill payment, the Company may, at its discretion, grant the request if the customer agrees to the date for at least one year, adheres to the terms of a budget billing plan, and pays through electronic funds transfer.

6.2 Bill Information

The information on customer bills must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. The Company may exhaust its present stock of nonconforming bill forms before compliance is required by this section. The customer's bill must show all the following information:

A. If the meter is read by the Company, the date and reading of the meter at the beginning and end of the period for which rendered;

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13307
-----------------	----------------------

- B. The number and kind of units billed and correction factors, if applicable;
- C. The applicable rate schedule title or code;
- D. The total base bill;
- E. The total of any adjustments to the base bill and the amount of adjustments per billing unit;
- F. The date by which the customer must pay the bill to get prompt payment discount, if applicable;
- G. The total amount due before and after any discount for prompt payment within a designated period; and,
- H. A distinct marking to identify an estimated bill.

6.3 Estimated Bills

Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. The Company must provide the customer with a postcard and request that the customer read the meter and return the card to the Company, if (i) it is the second consecutive month in which the meter reader is unable to gain access and read the customer's meter on a regularly scheduled meter reading trip, or (ii) it is a month where meters are not read otherwise. The Company must request that customers read their meters as long as the meters are of the types that can be read by the customer without significant inconvenience or special tools or equipment. If the postcard is not received from the customer by the Company in time for billing, the Company may estimate the meter reading and render the bill accordingly.

6.4 Disputed Bills

A. In the event of a dispute between the customer and the Company regarding the bill, the Company must 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 paragraph 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 procedures of the appropriate Regulatory Authority.

B. 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 a resolution of the dispute or the expiration of a 60-day period beginning on the day the disputed bill was issued. For purposes of this paragraph 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.

6.5 Returned Checks

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13307
-----------------	----------------------

Whenever the payment for gas service or any other charge permitted under these Service Regulations is rendered by check and such check is refused by the bank on which it is drawn, the Company may make an additional charge to cover the costs of handling and rebilling. The Company may also require future payments to be made by cash or cash equivalent.

Section 7 Page 1

METERS 7.1 Meter Requirements

A. All gas sold by the Company must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the Regulatory Authority, or tariff.

B. Unless otherwise authorized by the Regulatory Authority, the Company must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its customers.

C. The Company shall use a meter of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

D. The customer shall permit the Company access to the meter at all times for reading thereof and at all reasonable times for maintenance, testing or replacement of the meter. The Company has the right to access a customer's meter at all times in the event of any emergency. Any type of device or other hindrance to meter access must be kept away with notice by the Company of the Company's intent to visit the premises. A fee may be charged if the Company tries to access the meter and is unable to do so.

7.2 Meter Records

The Company must keep the following records:

A. A record of all its meters, showing the customer's address and date of the last test.

B. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

C. In general, each meter must indicate clearly the units of service for which charge is made to the customer.

7.3 Meter Testing Customer Requests

A. The Company shall have the right to remove and/or test the meter used to determine the quantity of gas delivered. The Company must, upon request of a customer, make a test of the accuracy of the meter serving that customer. Requests for such tests shall be made in writing and the Company shall have ten days after receipt of the request to remove the meter for test or to test the meter in place. The Company must inform the customer of the time and place of the test and permit the customer or the customer's authorized representative to be present, if

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13307
-----------------	----------------------

the customer so desires. If no test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge; otherwise, the customer shall pay a service charge for such test. The customer must be properly informed of the result of any test on a meter that serves the customer.

B. Notwithstanding paragraph A, if the meter is found to be more than nominally defective, to either the customer's or the Company's disadvantage, any fee charged for a meter test must be refunded to the customer and, if not already done, the Company shall promptly replace or adjust the meter. More than nominally defective means a deviation of more than 2.0% from accurate registration.

7.4 Bill Adjustments

Meter Error

A. If any meter test reveals a meter to be more than nominally defective, the Company must correct previous readings consistent with the inaccuracy found in the meter for the period of either: 1. The last six months; or 2. The last test of a meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills. Undercharges billed to the customer may be repaid in a series of equal installments over a reasonable period of time. Meter errors found after a final bill has been rendered to any customer shall not be refunded or collected.

B. If a meter is found not to register for a period of time, the Company may make a charge for units used but not metered for a period not to exceed three months 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.

Section 8 MAINTENANCE OF EQUIPMENT

8.1 Standards of Equipment Installation and Maintenance

The Company is to construct, install, operate and maintain its plant, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, and as modified by rules or regulations of the Regulatory Authority or other law. These laws and modifications will be instituted in such a manner as to best accommodate the public and prevent interference with service furnished by other public utilities insofar as practical. The Company shall have the right to disconnect service for a reasonable period of time if a leakage is found or if, in the Company's opinion, equipment is operating in an unsafe condition (but in all events the customer shall retain the sole responsibility for ensuring the safety of its equipment and the Company's right to disconnect service on such grounds shall in no way impose upon the Company any obligation to inspect or test the customer's equipment.)

8.2 Responsibility of the Customer

The Customer shall maintain all facilities owned by the customer and shall be responsible for the safe conduct and handling of the gas after it passes the outlet side of the meter. In

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

08/21/2018

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
-----------------------	--

TARIFF CODE: DS	RRC TARIFF NO: 13307
------------------------	-----------------------------

cases of loss or damage to the Company's property from negligence or willful acts by the customer, the customer is responsible for reimbursing the Company for all costs of repairing or replacing the damaged property.

8.3 Responsibility

Nothing in these rules shall make the Company responsible for the safe upkeep of any customer owned facilities.

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
280275	12_M		<p>RATE M MISCELLANEOUS SERVICE CHARGES Applicable to Entire System Application</p> <p>The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges.</p>
280276	12_M.1		<p>1. CONNECTIONS: Institution and reconnection of service for Residential and Small Commercial customers including labor for meter set under standard circumstances. Industrial connections and Commercial or Public Authority connections of meters greater than 275 cfh, may require additional connection charges at actual cost, but not less than \$45.00. In addition, other charges as specified under Rate LEP - Line Extension Policy may apply. \$45.00</p>
280277	12_M.2		<p>2. DISCONNECTIONS: Disconnection of service for all customer classes. \$ 25.00</p>
280278	12_M.3		<p>3. CHARGE FOR TEMPORARY DISCONTINUANCE OF SERVICE - RESIDENTIAL: Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$ 45.00</p>
280279	12_M.4		<p>4. FIELD READ OF METER: A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party. \$ 25.00</p>
280280	12_M.5		<p>5. CHARGE FOR METER TESTING : The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee. The customer must be properly informed of the result of any test on a meter that services him. \$45.00</p>
280281	12_M.6		<p>6. RESTORING SERVICE DURING BUSINESS HOURS: Restore</p>

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

280282	12_M.7	service after termination for non-payment during standard business hours. \$45.00.
280282	12_M.7	7. RESTORING SERVICE AFTER BUSINESS HOURS: Restore service after termination for non-payment after standard business hours. \$ 65.00.
280283	12_M.8	8. TAMPERING : Tampering or interfering with gas meters, equipment or other related facilities will result in a tampering charge plus any related costs associated with the consumption of gas, repairing or replacing the damaged facilities. Further attempts to tamper or interfere with these facilities will result in permanent termination of gas service. \$125.00 + costs.
280284	12_M.9	9. RETURNED CHECKS - FIRST OCCURRENCE: Returned check fee for first occurrence on a customer bill \$ 25.00.
280285	12_M.10	10. RETURNED CHECKS - SECOND AND SUBSEQUENT OCCURRENCES: Returned check fee for second and subsequent occurrences on same customer bill. \$75.00.
280286	12_M.11	11. LATE PAYMENT PENALTY: Charge for late payments not physically received by the due date printed on the bill at one of the Company's authorized pay stations or lock boxes, or post-marked by the due date printed on the bill. \$10.00.
280287	12_M.12	12. METER RE-READS: The Company shall, upon request of a customer, make a re-read of the meter serving that customer. If the Company validates the accuracy of the original read, the Meter Re-read fee will be charged. If the Company determines that the original read was inaccurate, no charge will be assessed for the Meter Re-read. \$25.00.
280288	12_M.13	13. TRIP CHARGE DURING BUSINESS HOURS: A Trip Charge is made for responding to a service call during standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to, furnace light-ups, gas appliance light-ups, etc. \$45.00
280289	12_M.14	14. TRIP CHARGE AFTER BUSINESS HOURS: A Trip Charge is made for responding to a service call after standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to, furnace light-ups, gas appliance light-ups, etc. \$65.00.
280290	12_M.15	15. ADDITIONAL TRIP DURING BUSINESS HOURS : Additional trip required, including but not limited

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

280291	12_M.16	to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment during standard business hours. \$45.00.
280292	12_M.T	<p>16. ADDITIONAL TRIP AFTER BUSINESS HOURS: Additional trip required, including but not limited to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment after standard business hours. \$65.00</p> <p>T. TAXES: The monthly charges above will include a charge for an amount equivalent to the customer's proportional part of the city franchise fees, state gross receipts taxes, or other governmental levies payable by the Company, exclusive of federal income taxes. Municipal franchise fees are determined by each municipality's franchise ordinance. Each municipality's franchise ordinance will specify the percentage and applicability of franchise fees. From time to time, the tax factor may be adjusted, if required, to account for any over or under recovery of municipal franchise fees by the Company and to include an amount equivalent to the proportionate part of any new tax or increased franchise fee or tax, or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable.</p>
280293	13_LEP	<p>RATE LEP - LINE EXTENSION POLICY Applicable to Entire System The company has the right to contract with individual customers for the installation of gas facilities as provided for by the city franchise. Upon the request of a prospective new customer for service in an area served by Texas State Natural Gas, Inc., Texas State Natural Gas, Inc. will extend its main lines up to 50 feet from an existing Texas State Natural Gas, Inc. main in the Public Rights of Way, without charge. The 50-foot allowance applies to a single customer or to a group of customers requesting service from the same extension. Customers requesting mainline extensions in excess of 50 feet shall bear the cost of any additional mainline, the cost of all yard and service lines, and the cost of any appurtenant equipment and other costs necessary to install the extension. In addition, a minimum charge of \$150 will be assessed to each residential customer and \$400 will be assessed to each non-residential customer for installations of meters of 275 cfh or less. For meters greater than 275 cfh, actual cost</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13307

280294	14_DEP	will be assessed, but not less than \$400. Texas State Natural Gas, Inc. is not required to extend its mains or facilities if the customer will not use gas for space heating and water heating, or the equivalent load, at a minimum.	CUSTOMER DEPOSITS Charged to customers pursuant to Rules of Service, Section 5 Residential \$50.00 Commercial minimum \$150.00
--------	--------	--	--

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 09/01/2017 ORIGINAL CONTRACT DATE: RECEIVED DATE: 01/12/2018
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO:
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID DESCRIPTION
 4_Defin

DEFINITIONS Applicable to Entire System

COMMISSION: The Railroad Commission of Texas COMPANY Texas State Natural Gas, Inc., its successors, and its assigns

CUSTOMER: An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving gas service or who is receiving the benefit of gas service at a specified point of delivery

LARGE VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER: A customer, other than a residential customer or public authority customer, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code, and either:

1. whose annual volumetric usage is greater than 48,000 Ccf per year or
2. whose average monthly usage is greater than 4,000 Ccf over a twelve month period.

PUBLIC AUTHORITY CUSTOMER: All governmental agencies and educational institutions other than those involving manufacturing, electrical generation, or that use boiler fuel for industrial purposes.

RATE SCHEDULE: A statement of the method of determining charges for gas service, including the conditions under which such method applies.

RESIDENTIAL CUSTOMER: Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.

RESIDENTIAL END USES: Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.

SMALL VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER: A customer, other than a residential customer, public authority customer, or Large Volume Commercial/Industrial Customer as defined herein, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.

5_RES

RATE R RESIDENTIAL SALES

APPLICATION OF SCHEUDLE:

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Schedule applies to all Residential Customers in the incorporated area of Eagle Pass, TX.

MONTHLY BASE RATE:

Customer's base monthly bill will be calculated using the following Customer and Ccf charges:

Customer Charge \$16.00 per month, plus all Ccf at \$0.6889 per Ccf.

PURCHASED GAS FACTOR: In addition to the base monthly bill above, each customer's bill will include a Purchased Gas Factor to account for purchased gas costs and computed in accordance with Texas State Natural Gas, Inc. Purchased Gas Factor Schedule No. 1.

TAXES:

In addition to the monthly charges above, each customer's bill will include a charge for an amount equivalent to the customer's proportional part of the city franchise fees, state gross receipts taxes, or other governmental levies payable by the Company, exclusive of federal income taxes. Municipal franchise fees are determined by each municipality's franchise ordinance. Each municipality's franchise ordinance will specify the percentage and applicability of franchise fees. From time to time, the tax factor may be adjusted, if required, to account for any over or under recovery of municipal franchise fees by the Company and to include an amount equivalent to the proportionate part of any new tax or increased franchise fee or tax, or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable.

SURCHARGES:

In addition to the monthly charges above, each customer's bill will include an amount for surcharges calculated in accordance with the applicable rider(s).

CONDITIONS:

Subject in all respects to applicable laws, rules and regulations from time to time in effect.

9_PGF

RATE PGF PURCHASED GAS FACTOR SCHEDULE NO. 1
 Applicable to Entire System

Purpose and Intent

This provision is intended to allow collection of the Company's gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that actual costs billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised and a revised tariff filed to reflect such

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

revisions.

Applicability

This clause shall apply to all Texas State Natural Gas, Inc. tariffs that incorporate this Purchased Gas Factor tariff provision and which have been properly filed and implemented with the appropriate jurisdictional authority. Definitions Standard Cubic Foot of Gas the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit. Ccf one hundred standard cubic feet of gas. Mcf one thousand standard cubic feet of gas.

Purchased Gas Volumes

The volumes of gas, expressed in Mcf's, purchased by the Company and received into the Company's distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s)

The total cost of Purchased Gas Volumes, as received into the Company's distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas

The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf. Billed Gas Volumes The volumes of gas billed to customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcf's.

Billed Gas Revenues

The total amount of revenues attributable to billings by Texas State Natural Gas, Inc. for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Factor during the same period. Lost and Unaccounted for Gas (LUG) Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Purchased Gas Factor (PGF)

A factor on each customer's monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

Annual Review Period

The 12 month period ending June 30 of each year.

Annual Review - An annual review of the Company's records covering the 12 month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Annual Imbalance Total

The total amount determined through the Annual Review to be credited or surcharged to customers' bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor

A credit or surcharge included in the Purchased Gas Factor to reflect the pro rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Company's distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by Texas State Natural Gas, Inc., pipeline transportation charges (both volumetric and demand), and gas storage charges (both volumetric and demand). The Company shall account for gas injected into and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro rata amount to adjust for previous over or under estimates of the Weighted Average Cost of Gas, plus a Reconciliation Factor to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers' bills over a twelve month period commencing each September 1 following the Annual Review Period. Annual Imbalance Total Where LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative; If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period. Annual Imbalance Total Where LUG Volume is

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

positive and is greater than five percent of Purchased Gas Volumes; If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows: The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined; minus, The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's weighted Average Cost of Purchased Gas for the Review Period. Reconciliation Factor Calculation The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows: The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period. The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total. The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month. Each month of the twelve month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over or under estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month. At the end of each 12 month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12 month period.

The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's Weighted Average Cost of Purchased Gas for the Review Period.

Special Transition Provision

It is recognized that a cumulative imbalance between gas costs and sales gas revenues collected under Texas State Natural Gas, Inc.'s Purchased Gas Adjustment Clause previously in effect, may exist at the time this new Purchased Gas Adjustment becomes effective. Subject to the limitation for Lost and Unaccounted for Gas, the Company shall amortize any such imbalance as a credit or surcharge on customers' bills over the twelve months commencing September 1, 2005. The cumulative imbalance to be amortized under this provision shall be the imbalance, if any, attributable to the period from inception of Texas State Natural Gas, Inc. through June 30, 2005.

10_PSF17

Rider PSF Pipeline Safety Fee. Applicable to all customer classes. Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

section 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commission's rules. The Company will charge a one-time customer charge per bill of \$1.44, based on \$1.44 per service line, effective 3/1/17 through 3/31/17. The Pipeline Safety Fee shall not be billed to a state agency as that term is defined in Texas Utilities Code, 101.003.

11_RCE_F

Rider RCE Rate Case Expenses.

Application: Applicable to all customer classes.

Monthly Calculation: The bill of each residential and commercial customer shall include a surcharge designed to recover the Company's rate case expenses. The surcharge will be calculated on a Ccf basis using total company volumes for Residential and Commercial customers, over a period of twelve (12) months commencing with the effective date stated above. All collections of the surcharge will be applied monthly to the outstanding uncollected balance of such rate case expenses, and interest at the rate of six (6) percent per year shall be calculated on, and added to, the declining balance each month. To the extent that some expenses may be estimates, Company is authorized to add such expenses as incurred to the amount to be surcharged up to the total estimated expenses being reimbursed.

The surcharge will also reflect any taxes applicable to the rate case expense recovery charge. Company shall file an annual report with each regulatory authority with jurisdiction setting forth recoveries and the remaining balance in the rate expense account.

RCE Rate: .026470 per Ccf.

14_WNA

RIDER WNA - WEATHER NORMALIZATION ADJUSTMENT

APPLICATION

Applicable to all customer classes.

MONTHLY CALCULATION: In order to reflect weather variances in a timely and accurate manner, the Weather Normalization Adjustment rate (WNA) shall be separately calculated and adjusted monthly by rate class for each meter reading or billing cycle (Cycle). Monthly WNA adjustments will be based upon weather information for the periods beginning with the first Cycle read in October and ending with the last Cycle read in the following April. The Weather Normalization Adjustment rate for each Cycle shall be based on the following formula:

$$WNA \text{ Rate} = WND / CMV + RC$$

WND is calculated based on the following formula:

$$WND = [(HDDn / HDDa * HL) - HL] * VR$$

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

DEFINITIONS:

WND - Weather Normalized Dollars to be collected from the Cycle.

CMV - Current Month Volumes billed for the Cycle.

HDDn - Normal heating degree days during the Cycle.

HDDa - Actual heating degree days during the Cycle.

HL - Heat Load volumes calculated using the following formula: Total volumes for the Cycle less Base Load volumes where Base Load volumes are calculated by multiplying the Base Load per customer as established in the most recent rate case by the number of customers in the Cycle.

VR - Volumetric cost of service rate for the applicable customer class.

RC - The Reconciliation Component amount to be return to or recovered from customers each month from October through April as a result of any prior year's over or under collections.

RECONCILIATION AUDIT : An annual review shall be performed of the Company's books and records for each seven month period beginning with October and ending with the subsequent April to determine the amount of over or under collection by customer class occuring during such seven month period. The audit shall determine:(a) the total amount of volumetric revenues collected from customers, including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer established in the most recent rate case multiplied by the number of customers during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather-sensitive revenues billed, (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause, and (e) the amount of any over or under collection of WNA revenues from operation of the provisions of this clause.

DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of the revenues in any rate class, such amount, if any, shall be divided by the gas sales volumes by rate class, adjusted for the effects of weather, growth, and conservation for the subsequent period beginning with the first Cycle read in October and ending with the last Cycle read in the following April. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a seven (7) period beginning with the first Cycle in October and continuing throught the last Cycle in April at which time it will terminate until a new Reconciliation Component is determined.

MONTHLY REPORT: By the 25th day of the following month, the Company will file with the Regulatory Authority a monthly report showing the current rate adjustments for each applicable rate schedule. Supporting documentation will be made available for review upon request.

ANNUAL REPORT: By each September 1, the Company will file with the Regulatory

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

RATE SCHEDULE

SCHEDULE ID DESCRIPTION

Authority an annual report verifying the past year's WNA collections or refunds, which shall include but not necessarily be limited to:

1. A schedule of the actual gas sales volumes and respective revenues by rate class by month for the seven months ending April 30, with revenues collected via this clause identified separately.
2. A schedule of the weather normalized volumes and repective revenues by rate class for the seven months ending April 30 using the methodology adopted in the most recent rate case.
3. A calculation of the difference between the actual gas sales volumes and revenues by rate class and the weather mormalized gas sales volumes and revenues.
4. A schedule showing the difference between the total amount to be collected or refunded through the annual reconciliation component and the actual amount collected or refunded during the same period.

16_COSA

RIDER COSA - COST OF SERVICE ADJUSTMENT

APPLICATION OF SCHEDULE

This Cost of Service Adjustment Clause applies to Rate R-Residential Sales, Rate SV-Small Volume Commercial/Industrial, Rate LV-Large Volume Commercial/Industrial and Rate PA-Public Authority.

If, through the implementation of the provisions of this mechanism, it is determined that charges under this rider should be increased, then the monthly volumetric charge (i.e. charger per Ccf) will be adjusted accordingly in the manner set forth herein. The adjustment implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. If, through the implementation of the provisions of this mechanism, it is determined that charges under this rider should be decreased, then no adjustment will be made to any of the Company's rates.

This Rider COSA-Cost of Service Adjustment is authorized for an initial implementation period of three (3) years commencing with the Company's filing under this rate schedule to be effective September 1, 2012, and ending with the implementation of the adjustment, if any, with the Company's filing under this rate schedule to be effective September 1, 2015; and will automatically renew for successive three year periods unless either the Company or the City provides written notice to the contrary to the other by February 1, 2015, or February 1 of the third filing year of any succeeding three year renewal period.

EFFECTIVE DATE OF ADJUSTMENT

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

RATE SCHEDULESCHEDULE IDDESCRIPTION

Adjustments will be made in accordance with the procedures described below on an annual basis. The Company will make its annual filing no later than June 1, with the adjustments to charges effective with the bills rendered on or after September 1st of each year. The first filing pursuant to this Rider will be no later than June 1, 2012, and will be based on the calendar year ending December 31, 2011.

COMPONENTS OF THE ADJUSTMENT

Calculations of the adjustment will be based on calendar year operating expenses, return on investment, Texas gross margin tax and federal income tax. The calendar year operating expenses will be those reported to the Railroad Commission of Texas in the annual report of the Company. The adjustment will be included in the per Ccf charge of the Residential, Small Volume Commercial/Industrial, Large Volume Commercial/Industrial, and Public Authority rate schedules. The Company will file with the regulatory authority having original jurisdiction over the Company's rates, the schedules specified below by FERC Account for the applicable calendar year period. The schedules will be based upon the Company's financial data as reported to the Railroad Commission of Texas in the annual report of the Company. The will include the following information:

OPERATING EXPENSES - Operating expenses will be determined using the year-end amounts for the applicable calendar year. The applicable expenses are:

Operation and Maintenance Expense;

Customer Related Expenses;

Administrative & General Expenses;

Depreciation and Amortization Expense, based upon the methods and lives used in the company's most recent rate case;

Taxes Other Than Income Tax;

Texas Gross Margin Tax;

Interest on Customer Deposits.

The following expenses will be excluded:

Cost of gas;

City Franchise Fees;

State Gross Receipts taxes;

Any other revenue-related taxes;

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Any non-gas utility revenues or expenses.

Rate adjustments due to changes in revenue-related taxes and municipal franchise fees will be governed in accordance with the provisions of the Company's tariffs: Rate R-Residential Sales, Rate SV-Small Volume Commercial/Industrial, Rate LV-Large Volume Commercial/Industrial, and Rate P-Public Authority.

The Company will provide additional information for all operating expenses upon request by the regulatory authority during the ninety-day (90) review period.

RETURN ON INVESTMENT - The return on investment is nine point zero-six percent (9.06%) multiplied by the rate base balance for the applicable calendar year. The rate of return specified herein does not establish precedent for the authorized rate of return in the Company's future rate filings. The rate base balance will include:

Annual average Net Utility Plant Service;

13-Month average of Inventories;

13-Month Average of Materials and Supplies Inventories;

13-Month Average of Prepayments;

Cash Working Capital computed as 12.5% of Operating Expenses;

Annual average Deferred Federal Income Taxes (if an asset).

The rate base balance will be reduced by:

Annual average Customer Deposits;

Annual average Deferred Federal Income Taxes (if a liability).

Supporting information for all rate base items will be provided to the regulatory authority during the ninety-day (90) review period upon request to the Company.

TEXAS GROSS MARGIN TAX - The Texas Franchise Tax will be the calendar year-end amount as recorded in the Company's books and records.

FEDERAL INCOME TAX - Federal Income Tax will be calculated by multiplying seventy-one percent (71.38%) of the Return on Investment by the Federal Income Tax Factor

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

of 1.53845.

COST OF SERVICE ADJUSTMENT - The amount to be collected through the Cost of Service Adjustment is equal to the sum of the following: 1) Operating Expense, 2) Return on Investment, 3) Texas Gross Margin Tax, and 4) Federal Income Tax; and, by subtracting the year-end balances for the following: base revenues and other revenues (i.e. service charges).

The sum of the items listed above will be multiplied by the Federal Income Tax Factor and then by the Texas Gross Margin Tax Factor, sequentially. The Texas Gross Margin Tax factor is equal to 1.0101.

COST OF SERVICE ADJUSTMENT CHARGE - The Cost of Service Adjustment will be allocated among the customer classes in the same manner as the volumetric revenues were allocated among classes of customers in the Company's latest effective rates.

1. The per-class adjustment will be the Cost of Service Adjustment as allocated to each class, divided by the weather normalized volumes by class for the test year.

2. The resulting per Ccf charge by class will be compared to the current per Ccf rate by class increased by five (5)%. If the resulting per Ccf charge is greater than five (5)% of the current charge, the adjustment will be an increase of five (5)% of the current charge.

3. If the resulting per Ccf charge is less than the current charge increased by five (5)%, the adjustment will be equal to the adjusted Ccf charge.

ATTESTATION - A sworn statement will be filed by the Company affirming that the filed schedules are in compliance with the provisions of this tariff and are true and correct to the best of its knowledge, information, and belief. No testimony will be filed.

PROOF OF REVENUES - The Company will also provide a schedule demonstrating the proof of revenues relied upon to calculate the proposed cost of service adjustment. The proposed adjustment will conform as closely as practicable to the revenue allocation principles in effect prior to the adjustment.

NOTICE - Notice of the annual Cost of Service Adjustment will be published in a manner consistent with that required under Section 104.103, Tex.Util.Code.no later than forty-five (45) days after the Company makes its annual filing pursuant to this rate schedule with the regulatory authority.

REGULATORY REVIEW OF ANNUAL ADJUSTMENT

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

The regulatory authority with original jurisdiction will have a period of not less than ninety days (90) within which to review the proposed annual adjustment. During the review period, Company will provide additional information and supporting documents as requested by the regulatory authority and such information will be provided within ten (10) working days of the original request. The rate adjustment will take effect with the bills rendered on or after September 1st of each year.

This Cost of Service Adjustment Schedule does not limit the legal rights and duties of the regulatory authority. The Company's annual adjustment will be made in accordance with all applicable laws. If at the end of the ninety day (90) review period, the Company and the regulatory authority with original jurisdiction have not reached agreement on the proposed Cost of Service Adjustment, the regulatory authority may take action to deny such adjustment, and the Company will have the right to appeal the regulatory authority's action. Upon the filing of any appeal, the Company will have the right to implement the proposed Cost of Services Adjustment, subject to refund.

COST OF SERVICE ADJUSTMENT EXPENSES

To defray the cost, if any, of regulatory authorities conducting a review of the Company's annual adjustment, the Company will reimburse the regulatory authorities for their reasonable expenses for such review in an aggregate amount not to exceed \$15,000. Any reimbursement contemplated hereunder will be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made. A regulatory authority seeking reimbursement under this provision, will submit its request for reimbursement to the Company no later than October 1st of the year in which the adjustment is made and the Company will reimburse the regulatory authorities in accordance with this provision on or before October 15th of the year the adjustment is made.

The cost of service adjustment expenses for the Company, including the cost to provide public notice and reimburse City expenses as required herein, will not to exceed \$35,000.

17_CPC

RIDER CPC - COSA PROCESSING COST

APPLICATION OF SCHEDULE:

Applicable to all customer classes.

Monthly calculation:

The bill of each customer shall include a surcharge designed to recover the Company's costs incurred to prepare the COSA, file public notice, and reimburse regulatory authorities conducting a review of the Company's annual adjustment, as described by and subject to the limitations identified in Rate Schedule 16, Rider COSA, under the heading Cost of Service Adjustment Expense. The surcharge will be

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

RATE SCHEDULE

SCHEDULE ID DESCRIPTION

calculated on Ccf basis using total company volumes for all customer classes, over a period of twelve (12) months commencing no earlier than the effective date for the related COSA adjustment and no later than one month after the receipt of a request for reimbursement of expenses from a regulatory authority seeking reimbursement under the provision of COSA Rate Schedule 16. All Collections with this surcharge will be applied monthly to the outstanding uncollected balance of such COSA processing expenses, and interest at the rate of six (6) percent per year shall be calculated on, and added to, the declining balance each month. To the extent that some expenses may be estimates, the Company is authorized to add such expenses as incurred to the amount to be surcharged up to the total estimated expenses of Company and municipalities being reimbursed pursuant to the order in question, subject to the limitations identified in Rate Schedule 16, Rider COSA - Cost of Service Adjustment Expense. Costs incurred to prepare the 2016 filing and publish notice shall not exceed \$5000. Actual costs for the 2017 filing totalled \$1,579. Rate to recover 2017 CPC costs equals \$.0011 per Ccf.

1_Index

TABLE OF CONTENTS
Applicable to Entire System Rate Schedule Description

1. TABLE OF CONTENTS
2. UTILITY OPERATIONS
3. CITY AND COUNTY SERVICE AREAS
4. DEFINITIONS
5. RATE R RESIDENTIAL SALES
6. RATE SV SMALL VOLUME COMMERCIAL/INDUSTRIAL SALES
7. RATE LV LARGE VOLUME COMMERCIAL/INDUSTRIAL SALES
8. RATE PA PUBLIC AUTHORITY SALES
9. RATE PGF PURCHASED GAS FACTOR SCHEDULE NO. 1
10. RIDER PSF PIPELINE SAFETY FEE
11. RIDER RCE RATE CASE EXPENSES
12. RATE M MISCELLANEOUS SERVICE CHARGES
13. RATE LEP LINE EXTENSION POLICY
14. WNA Weather Normalization Adjustment

2_Oper

UTILITY OPERATIONS Applicable to Entire System Texas State Natural Gas, Inc. owns and operates a natural gas distribution system that provides natural gas service in Texas. The following will respond to inquiries regarding provisions of this Tariff for Gas Service: Texas State Natural Gas, Inc. Carlos S. Libson General Manager P.O. Drawer 887 Eagle Pass, Texas 78853 (830) 773-9511 Email Address: clibson@sbcglobal.net

3_Area

CITY AND COUNTY SERVICE AREAS Applicable to Entire System CITIES AND TOWNS Eagle Pass COUNTIES Maverick

RATE ADJUSTMENT PROVISIONS

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

None

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
18323	N	ccf	\$.4099	02/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass			
18323	N	ccf	\$.3757	03/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass			
18323	N	ccf	\$.3158	01/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass			

REASONS FOR FILING

NEW?: N

RRC DOCKET NO:

CITY ORDINANCE NO: City Ord. 2017-09, 2011-02

AMENDMENT (EXPLAIN):

OTHER (EXPLAIN): Update Rates for 2017 COSA

SERVICES

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>
A	Residential Sales
<u>OTHER TYPE DESCRIPTION</u>	

PREPARER - PERSON FILING

RRC NO: 710 ACTIVE FLAG: Y INACTIVE DATE:

FIRST NAME: Marynell MIDDLE: LAST NAME: Myers

TITLE: Authorized Agent

ADDRESS LINE 1: 3 Lakeway Centre Ct., Ste 110

ADDRESS LINE 2:

CITY: Austin STATE: TX ZIP: 78734 ZIP4:

AREA CODE: 512 PHONE NO: 261-4152 EXTENSION:

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

CURTAILMENT PLAN

<u>PLAN ID</u>	<u>DESCRIPTION</u>
C489	<p style="text-align: right;">RAILROAD COMMISSION OF TEXAS</p> <p style="text-align: right;">OIL AND GAS DIVISION</p> <p style="text-align: right;">GAS UTILITIES</p> <p>DIVISION</p> <p style="text-align: right;">OIL AND GAS DOCKET GAS UTILITIES DIVISION</p> <p style="text-align: right;">NO. 20-62,505 DOCKET NO. 489</p>

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 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 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.

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

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.

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

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

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 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 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>

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

QUALITY OF SERVICE

<u>QUAL_SERVICE_ID</u>	<u>DESCRIPTION</u>
RS1	<p style="text-align: right;">RULES OF SERVICE MUNICIPALITY OF EAGLE PASS TEXAS STATE NATURAL GAS, INC.</p> <p>Communications Regarding these Service Regulations should be addressed to: P.O. Box 887 Eagle Pass, Texas 78853 Phone 830-773-9511</p> <p>These Rules of Service became effective on December 15, 1997 and were adopted by Texas State Natural Gas, Inc. on December 1, 2004.</p> <p>TABLE OF CONTENTS SECTION DESCRIPTION 1. General Statement 2. Condition of Service 3. Initiation of Service 4. Discontinuance of Service 5. Security Deposits 6. Billing and Payment of Bills 7. Meters 8. Installation of Equipment 9. Extension of Facilities</p> <p>GENERAL STATEMENT</p> <p>1.1 Service Regulation Applicability Texas State Natural Gas, Inc. (Company) is a gas utility operating within the State of Texas. These Utility Service Regulations (Service Regulations) are applicable in the service area specified for residential and small commercial customers.</p> <p>1.2 Provision of Service The Company will provide gas service to any person or organization located within its service area and from its facilities or in certain cases, the facilities of its supplier, in accordance with the provisions of its Tariff and these Utility Service Regulations. Service provided directly from the facilities of others may be provided only with the approval of the owning company and shall thereafter be continued only as long as gas of satisfactory quality is available at the locations.</p> <p>1.3 Rate Schedules All customers shall be serviced under rate schedules filed with the Regulatory Authority. 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, that Customer's volume requirements, and/or other criteria specified in the rate schedule.</p> <p>1.4 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 purchasing gas for redistribution to the customer's tenants may separately meter each tenant distribution point for the purpose of prorating the customer's actual purchase of gas delivered among the various tenants on a per unit basis. Any other allocation will constitute resale and is prohibited.</p> <p>1.5 Transportation Across State Line No gas supplied by the company shall be transported across state lines for any purpose without the express written permission of the Company.</p>

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13308
-----------------	----------------------

Violation of this paragraph shall be considered cause for immediate disconnection of service without notice.

1.6 Exceptions Interpretations of these Service Regulations and the resolution of any items not provided for in these regulations shall be at the Company's sole discretion. These Service Regulations shall be in effect, but only to the extent that they do not conflict with franchise agreements for the areas covered by these Service Regulations.

Section 2 Page 1

CONDITIONS OF SERVICE

2.1 Continuity of Service

A. Service Interruptions

1. The Company shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the Company shall re-establish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.

2. The Company shall make reasonable provisions to meet emergencies resulting from failure of service, and shall 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.

3. In the event of national 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.

C. Report to either the local Regulatory Authority, if directed by city ordinance or franchise, if not so directed, report to the Railroad Commission of Texas (Commission.) The Regulatory Authority or 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 hours. The notice shall also state 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 Company's Curtailment Plan will comply with Regulatory Authority requirements.

E. The Company does not guarantee uninterrupted service to any customer and shall not be liable for damages resulting for loss of service.

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13308
-----------------	----------------------

2.2 Customer Relations

A. The Company shall:

1. Maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information which will accurately describe the Company Facilities. These maps, or such other maps as may be required by the Regulatory Authority, shall be kept in a central location and will be available to inspection by the Regulatory Authority, during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the Company to advise applicants and others entitled to the information as to the facilities available for serving that locality;
2. At the customer's or applicant's request, Company will assist in selecting the most economical rate schedule;
3. Notify customers affected by a change in rates or schedule, in compliance with applicable law or regulations;
4. Post a notice in a conspicuous place in each business office where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the Company are available for inspection. Upon request, the Company shall make copies of the tariffs at the Company's reproduction cost, for the customer;
5. Upon request, inform its customers how to read their meter;
6. Provide to new customers, at the time service is initiated or as an insert in the first billing, an information packet containing a concise description of the customer's rights and the Company's obligations under these Service Regulations. The following information shall be provided in English and Spanish as necessary to adequately inform the customers.
 - i. the customer's right to information concerning rates and services and the customer's right to inspect and obtain, at reproduction cost, a copy of the applicable tariffs and service regulations.
 - ii. the customer's right to have his or her meter checked without charge, if applicable;
 - iii. the time allowed to pay outstanding bills;
 - iv. grounds for termination of service;
 - v. the steps the company must take before terminating service;
 - vi. how the customer can resolve billing disputes with the Company and how disputes and health emergencies may affect termination of service;
 - vii. information on alternative payment plans offered by the Company;
 - viii. the steps necessary to have service reconnected after involuntary termination;
 - ix. the appropriate Regulatory Authority with whom to register a complaint and how to contact such authority;
 - x. the hours, addresses, and telephone numbers of the Company offices and of its authorized pay stations, where bills may be paid and information may be obtained; and
 - xi. the customer's right to be instructed by the Company how to read his or her meter.
7. At least once each calendar year, the Company shall notify its customers that the information packet is available upon request, at no charge to the customer. This notice may be accompanied by use of a billing insert or a printed statement upon the bill itself.

B) Customer complaints.

Upon receipt of a complaint from the Regulatory Authority on behalf of a customer either at the Company office, by letter, or by telephone, the Company shall promptly make a suitable

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13308
-----------------	----------------------

investigation and advise the complainant and the Regulatory Authority of the results thereof. The Company shall keep a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint. An initial response must be made by the Company by the next working day. The Company must make a final and complete response to the Regulatory Authority within 15 days from the date of the complaint, unless additional time is granted within the 15 day period.

RS2

Section 3

INITIATION OF SERVICE

3.1 Reasonable Time

The Company shall have reasonable amount of time to institute service following application 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 on the Company's work load at the time.

3.2 Establishment of Credit

The Company may require a security deposit for service, in accordance with Section 5 of these Service Regulations, to establish a satisfactory credit standing. However, such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills.

3.3. Grounds for Refusal to Serve

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

- A. Failure of applicant to comply with the state and municipal regulations and Service Regulations of the Company.
- B. The applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given (but in all events the applicant shall retain sole responsibility for ensuring the safety of its installation or equipment and the Company's right to refuse service on such grounds shall in no way impose upon the Company any obligation to inspect or test the applicant's installations or equipment.)
- C. Failure to pay fees, advances or contributions or to make a deposit if required for service;
- D. The applicant is indebted to any utility for the same kind of service as that applied for, unless applicant has made an additional deposit as specified by the Company; or,
- E. Delinquency in payment for gas service by another occupant if that person still resides at the premises to be served. In the event that the Company shall refuse to serve an applicant under the provisions of these Service Regulations, the Company must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the appropriate Regulatory Authority. The right to refuse service shall terminate when the applicant has

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

complied with the Company's requirements or corrected the cause for the refusal of service.

3.4 Insufficient grounds for Refusal to Serve The following shall not constitute sufficient cause for refusal of service to a present customer or applicant:

- A. Delinquency in payment for service by a previous occupant of the premises to be served;
- B. Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
- C. Operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to remedy the situation;
- D. Failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the Company as a condition precedent to service; or,
- E. Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

Section 4 DISCONTINUANCE OF SERVICE

4.1 By Customer

A customer shall be responsible for providing the Company with five days advance notice of intention to discontinue service, and will be responsible for all charges for gas service from the intended discontinuance of service date until the Company has read the meter or for three working days, whichever is the shorter period of time.

4.2 For Non-Payment of Bill

A customer's utility service may be disconnected for non-payment within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivered to the customer at least five working days prior to the stated date of disconnection, with the words Termination Notice or similar language prominently displayed on the notice. The notice shall be provided in English and Spanish as necessary to adequately inform the customer and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the Company may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

4.3 Right to Disconnect for Reasons Other Than Non-Payment

Utility service may be disconnected for any of the following reasons:

- A. Failure to pay a delinquent account or failure to comply with the terms of a written agreement for installment payment of a delinquent account;
- B. Within five working days after written notice is given for violation of the Company rules prohibiting the use of service in a manner which interferes with the service of others or the

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

operation of nonstandard equipment; if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;

C. Failure to comply with deposit or guarantee arrangements;

D. Without notice where a known dangerous condition exists for as long as the condition exists;

E. Without notice for willful destruction or damage to or tampering with the Company's property by the customer or by others with his knowledge;

F. Refusal to grant the Company's personnel access to the Company's facilities for any lawful purpose; or,

G. Five working days after written notice for use, sale or delivery of gas in violation of the provisions of these Service Regulations or violation of any applicable laws, orders or ordinances, provided that disconnection may be made without notice if the violation creates an unsafe condition.

4.4 Special Conditions

A. Utility Service may not be disconnected for any of the following reasons:

1. Delinquency in payment for service by a previous occupant of the premises;
2. Failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;
3. Failure to pay the account of another customer as guarantor thereof, unless the Company has in writing the guarantee as a condition precedent to service;
4. Failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;
5. Failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due; or,
- 6) Failure to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the Company is unable to read the meter due to circumstances beyond its control.

B Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected unless Company personnel are available the following day for the purpose of making collections and reconnecting service.

C. The Company may not discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service was disconnected. Any customer seeking to avoid termination of service under this paragraph must make a written request supported by a

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13308
-----------------	----------------------

written statement from a licensed physician. Both the request and the statement must be received by the Company not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this paragraph shall last 20 days from the date of receipt by the Company of the request and statement or such lesser period as may be agreed upon by the Company and customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

4.5 Request for Consent to Abandon Service

The Company may abandon a customer with agreement by the customer or with written approval from the Regulatory Authority. Failure of the Customer to re-institute service after disconnection within a reasonable period of time may be considered a request for permanent discontinuance of service.

4.6 Right of Entry

The Company shall have the right to enter upon the consumer's premises at any reasonable time to shut off service in accordance with these Service Regulations and to remove its meter and other Company property.

Section 5 SECURITY DEPOSITS

5.1 Deposit Exemptions

Subject to these Service Regulations, a residential applicant shall not be required to pay a deposit if:

- A. The residential applicant has been a customer of any similar utility service within the last two years and is not delinquent in payment on any similar utility account. In addition, during the last 12 consecutive months of service, the applicant has not had more than one past due bill and had never been disconnected for nonpayment;
- B. The residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required;
- C. The residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the Company, or ownership of substantial equity;
- D. The residential applicant is 65 years of age or older and does not have an outstanding account balance with the Company or another utility for the same utility service which accrued within the last two years.

5.2 Deposit Amount and Interest

- A. The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. 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

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

days. If such additional deposit is not made, the company may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

B. If a customer has been disconnected once within the last consecutive 12 months of service, or twice within the last 24 months, the Company may require an additional security deposit.

C. The Company shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the Company retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit. Payment of interest credited to the customer's account shall be paid annually or paid at the time the deposit is returned. The deposit shall cease to draw interest on the date it is renamed or credited to the customer's account.

D. For Temporary/Seasonal Service and Weekend or Seasonal Residences, defined as any service not utilized continuously at the same location for two or more years, the Company may require a deposit sufficient to reasonably protect it against the assumed risk for such customers, provided such a policy is applied in a uniform and nondiscriminatory manner.

E. The Company reserves the right to request different deposit amounts for non-residential customers.

5.3 Records of Deposit

A. The Company shall keep records to show the name and address of each depositor the amount and date of the deposit and each transaction concerning the deposit.

B. The Company shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

C. A record of each unclaimed deposit must be maintained for at least four years, during which time the Company shall make a reasonable effort to return the deposit.

5.4 Refund of Deposits for Residential Service

A. If service is not connected or after disconnection of service, the Company shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the Company shall not be deemed a disconnection within the meaning of this paragraph, and no additional deposit may be demanded unless permitted by these Service Regulations.

B. When the residential customer has paid bills for service for 12 consecutive bills without having service disconnected for nonpayment of a bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bill, the Company shall promptly and automatically refund the deposit plus accrued interest to the customer as a credit to the customer's account.

5.5 Upon Sale or Transfer of Utility or Company

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13308
-----------------	----------------------

The seller shall file with the Commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

5.6 Complaint by Applicant or Customer

The Company shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or re-establish credit under the provisions of these Service Regulations to inform the customer, if dissatisfaction is expressed with the Company's decision, of the customer's right to file a complaint with the Regulatory Authority.

5.7 Re-establishment of Service

Every applicant who has previously been a customer of the Company and whose service was discontinued for nonpayment of bills shall be required, before service is rendered, to pay all amounts due, including fees and deposits to restore service, or execute a written agreement for installment payments, and re-establish credit as provided in Section 5.2 of these Service Regulations.

RS3

Section 6 6.1 Rendering of Bills

A. Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

B. The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the Regulatory Authority. A bill for utility service is delinquent if unpaid by the due date.

C. The Company may offer an inducement for prompt payment of bills by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. The Company may offer an inducement for payment of bills via electronic transfer of funds. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate Regulatory Authority.

D. If a customer requests a special due date for bill payment, the Company may, at its discretion, grant the request if the customer agrees to the date for at least one year, adheres to the terms of a budget billing plan, and pays through electronic funds transfer.

6.2 Bill Information

The information on customer bills must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. The Company may exhaust its present stock of nonconforming bill forms before compliance is required by this section. The customer's bill must show all the following information:

A. If the meter is read by the Company, the date and reading of the meter at the beginning and end of the period for which rendered;

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13308
-----------------	----------------------

- B. The number and kind of units billed and correction factors, if applicable;
- C. The applicable rate schedule title or code;
- D. The total base bill;
- E. The total of any adjustments to the base bill and the amount of adjustments per billing unit;
- F. The date by which the customer must pay the bill to get prompt payment discount, if applicable;
- G. The total amount due before and after any discount for prompt payment within a designated period; and,
- H. A distinct marking to identify an estimated bill.

6.3 Estimated Bills

Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. The Company must provide the customer with a postcard and request that the customer read the meter and return the card to the Company, if (i) it is the second consecutive month in which the meter reader is unable to gain access and read the customer's meter on a regularly scheduled meter reading trip, or (ii) it is a month where meters are not read otherwise. The Company must request that customers read their meters as long as the meters are of the types that can be read by the customer without significant inconvenience or special tools or equipment. If the postcard is not received from the customer by the Company in time for billing, the Company may estimate the meter reading and render the bill accordingly.

6.4 Disputed Bills

A. In the event of a dispute between the customer and the Company regarding the bill, the Company must 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 paragraph 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 procedures of the appropriate Regulatory Authority.

B. 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 a resolution of the dispute or the expiration of a 60-day period beginning on the day the disputed bill was issued. For purposes of this paragraph 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.

6.5 Returned Checks

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13308
-----------------	----------------------

Whenever the payment for gas service or any other charge permitted under these Service Regulations is rendered by check and such check is refused by the bank on which it is drawn, the Company may make an additional charge to cover the costs of handling and rebilling. The Company may also require future payments to be made by cash or cash equivalent.

Section 7 Page 1

METERS 7.1 Meter Requirements

A. All gas sold by the Company must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the Regulatory Authority, or tariff.

B. Unless otherwise authorized by the Regulatory Authority, the Company must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its customers.

C. The Company shall use a meter of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

D. The customer shall permit the Company access to the meter at all times for reading thereof and at all reasonable times for maintenance, testing or replacement of the meter. The Company has the right to access a customer's meter at all times in the event of any emergency. Any type of device or other hindrance to meter access must be kept away with notice by the Company of the Company's intent to visit the premises. A fee may be charged if the Company tries to access the meter and is unable to do so.

7.2 Meter Records

The Company must keep the following records:

A. A record of all its meters, showing the customer's address and date of the last test.

B. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

C. In general, each meter must indicate clearly the units of service for which charge is made to the customer.

7.3 Meter Testing Customer Requests

A. The Company shall have the right to remove and/or test the meter used to determine the quantity of gas delivered. The Company must, upon request of a customer, make a test of the accuracy of the meter serving that customer. Requests for such tests shall be made in writing and the Company shall have ten days after receipt of the request to remove the meter for test or to test the meter in place. The Company must inform the customer of the time and place of the test and permit the customer or the customer's authorized representative to be present, if

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13308
-----------------	----------------------

the customer so desires. If no test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge; otherwise, the customer shall pay a service charge for such test. The customer must be properly informed of the result of any test on a meter that serves the customer.

B. Notwithstanding paragraph A, if the meter is found to be more than nominally defective, to either the customer's or the Company's disadvantage, any fee charged for a meter test must be refunded to the customer and, if not already done, the Company shall promptly replace or adjust the meter. More than nominally defective means a deviation of more than 2.0% from accurate registration.

7.4 Bill Adjustments

Meter Error

A. If any meter test reveals a meter to be more than nominally defective, the Company must correct previous readings consistent with the inaccuracy found in the meter for the period of either: 1. The last six months; or 2. The last test of a meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills. Undercharges billed to the customer may be repaid in a series of equal installments over a reasonable period of time. Meter errors found after a final bill has been rendered to any customer shall not be refunded or collected.

B. If a meter is found not to register for a period of time, the Company may make a charge for units used but not metered for a period not to exceed three months 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.

Section 8 MAINTENANCE OF EQUIPMENT

8.1 Standards of Equipment Installation and Maintenance

The Company is to construct, install, operate and maintain its plant, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, and as modified by rules or regulations of the Regulatory Authority or other law. These laws and modifications will be instituted in such a manner as to best accommodate the public and prevent interference with service furnished by other public utilities insofar as practical. The Company shall have the right to disconnect service for a reasonable period of time if a leakage is found or if, in the Company's opinion, equipment is operating in an unsafe condition (but in all events the customer shall retain the sole responsibility for ensuring the safety of its equipment and the Company's right to disconnect service on such grounds shall in no way impose upon the Company any obligation to inspect or test the customer's equipment.)

8.2 Responsibility of the Customer

The Customer shall maintain all facilities owned by the customer and shall be responsible for the safe conduct and handling of the gas after it passes the outlet side of the meter. In

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
-----------------------	--

TARIFF CODE: DS	RRC TARIFF NO: 13308
------------------------	-----------------------------

cases of loss or damage to the Company's property from negligence or willful acts by the customer, the customer is responsible for reimbursing the Company for all costs of repairing or replacing the damaged property.

8.3 Responsibility

Nothing in these rules shall make the Company responsible for the safe upkeep of any customer owned facilities.

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
280296	12_M		<p>RATE M MISCELLANEOUS SERVICE CHARGES Applicable to Entire System Application</p> <p>The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges.</p>
280297	12_M.1		<p>1. CONNECTIONS: Institution and reconnection of service for Residential and Small Commercial customers including labor for meter set under standard circumstances. Industrial connections and Commercial or Public Authority connections of meters greater than 275 cfh, may require additional connection charges at actual cost, but not less than \$45.00. In addition, other charges as specified under Rate LEP - Line Extension Policy may apply. \$45.00</p>
280298	12_M.2		<p>2. DISCONNECTIONS: Disconnection of service for all customer classes. \$ 25.00</p>
280299	12_M.3		<p>3. CHARGE FOR TEMPORARY DISCONTINUANCE OF SERVICE - RESIDENTIAL: Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$ 45.00</p>
280300	12_M.4		<p>4. FIELD READ OF METER: A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party. \$ 25.00</p>
280301	12_M.5		<p>5. CHARGE FOR METER TESTING : The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee. The customer must be properly informed of the result of any test on a meter that services him. \$45.00</p>
280302	12_M.6		<p>6. RESTORING SERVICE DURING BUSINESS HOURS: Restore</p>

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

280303	12_M.7	service after termination for non-payment during standard business hours. \$45.00.
280303	12_M.7	7. RESTORING SERVICE AFTER BUSINESS HOURS: Restore service after termination for non-payment after standard business hours. \$ 65.00.
280304	12_M.8	8. TAMPERING : Tampering or interfering with gas meters, equipment or other related facilities will result in a tampering charge plus any related costs associated with the consumption of gas, repairing or replacing the damaged facilities. Further attempts to tamper or interfere with these facilities will result in permanent termination of gas service. \$125.00 + costs.
280305	12_M.9	9. RETURNED CHECKS - FIRST OCCURRENCE: Returned check fee for first occurrence on a customer bill \$ 25.00.
280306	12_M.10	10. RETURNED CHECKS - SECOND AND SUBSEQUENT OCCURRENCES: Returned check fee for second and subsequent occurrences on same customer bill. \$75.00.
280307	12_M.11	11. LATE PAYMENT PENALTY: Charge for late payments not physically received by the due date printed on the bill at one of the Company's authorized pay stations or lock boxes, or post-marked by the due date printed on the bill. \$10.00.
280308	12_M.12	12. METER RE-READS: The Company shall, upon request of a customer, make a re-read of the meter serving that customer. If the Company validates the accuracy of the original read, the Meter Re-read fee will be charged. If the Company determines that the original read was inaccurate, no charge will be assessed for the Meter Re-read. \$25.00.
280309	12_M.13	13. TRIP CHARGE DURING BUSINESS HOURS: A Trip Charge is made for responding to a service call during standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to, furnace light-ups, gas appliance light-ups, etc. \$45.00
280310	12_M.14	14. TRIP CHARGE AFTER BUSINESS HOURS: A Trip Charge is made for responding to a service call after standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to, furnace light-ups, gas appliance light-ups, etc. \$65.00.
280311	12_M.15	15. ADDITIONAL TRIP DURING BUSINESS HOURS : Additional trip required, including but not limited

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

280312	12_M.16	to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment during standard business hours. \$45.00.
280313	12_M.T	<p>16. ADDITIONAL TRIP AFTER BUSINESS HOURS: Additional trip required, including but not limited to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment after standard business hours. \$65.00</p> <p>T. TAXES: The monthly charges above will include a charge for an amount equivalent to the customer's proportional part of the city franchise fees, state gross receipts taxes, or other governmental levies payable by the Company, exclusive of federal income taxes. Municipal franchise fees are determined by each municipality's franchise ordinance. Each municipality's franchise ordinance will specify the percentage and applicability of franchise fees. From time to time, the tax factor may be adjusted, if required, to account for any over or under recovery of municipal franchise fees by the Company and to include an amount equivalent to the proportionate part of any new tax or increased franchise fee or tax, or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable.</p>
280314	13_LEP	<p>RATE LEP - LINE EXTENSION POLICY Applicable to Entire System The company has the right to contract with individual customers for the installation of gas facilities as provided for by the city franchise. Upon the request of a prospective new customer for service in an area served by Texas State Natural Gas, Inc., Texas State Natural Gas, Inc. will extend its main lines up to 50 feet from an existing Texas State Natural Gas, Inc. main in the Public Rights of Way, without charge. The 50-foot allowance applies to a single customer or to a group of customers requesting service from the same extension. Customers requesting mainline extensions in excess of 50 feet shall bear the cost of any additional mainline, the cost of all yard and service lines, and the cost of any appurtenant equipment and other costs necessary to install the extension. In addition, a minimum charge of \$150 will be assessed to each residential customer and \$400 will be assessed to each non-residential customer for installations of meters of 275 cfh or less. For meters greater than 275 cfh, actual cost</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13308

280315	14_DEP	will be assessed, but not less than \$400. Texas State Natural Gas, Inc. is not required to extend its mains or facilities if the customer will not use gas for space heating and water heating, or the equivalent load, at a minimum.	CUSTOMER DEPOSITS Charged to customers pursuant to Rules of Service, Section 5 Residential \$50.00 Commercial minimum \$150.00
--------	--------	--	--

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

DESCRIPTION: Distribution Sales STATUS: A
EFFECTIVE DATE: 09/01/2017 ORIGINAL CONTRACT DATE: RECEIVED DATE: 01/12/2018
GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO:
BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID DESCRIPTION
4_Defin

DEFINITIONS Applicable to Entire System

COMMISSION: The Railroad Commission of Texas COMPANY Texas State Natural Gas, Inc., its successors, and its assigns

CUSTOMER: An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving gas service or who is receiving the benefit of gas service at a specified point of delivery

LARGE VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER: A customer, other than a residential customer or public authority customer, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code, and either:

1. whose annual volumetric usage is greater than 48,000 Ccf per year or
2. whose average monthly usage is greater than 4,000 Ccf over a twelve month period.

PUBLIC AUTHORITY CUSTOMER: All governmental agencies and educational institutions other than those involving manufacturing, electrical generation, or that use boiler fuel for industrial purposes.

RATE SCHEDULE: A statement of the method of determining charges for gas service, including the conditions under which such method applies.

RESIDENTIAL CUSTOMER: Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.

RESIDENTIAL END USES: Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.

SMALL VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER: A customer, other than a residential customer, public authority customer, or Large Volume Commercial/Industrial Customer as defined herein, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.

6_SV

RATE SV
SMALL VOLUME COMMERCIAL/INDUSTRIAL SALES

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

RATE SCHEDULE

SCHEDULE ID DESCRIPTION

APPLICATION OF SCHEDULE:

Schedule applies to all Small Volume Commercial and Small Volume Industrial Customers in the incorporated area of Eagle Pass, TX.

MONTHLY BASE RATE:

Customer's base monthly bill will be calculated using the following Customer and Ccf charges: Customer Charge \$40.00 per month, plus all Ccf at \$0.7598 per Ccf.

PURCHASED GAS FACTOR:

In addition to the base monthly bill above, each customer's bill will include a Purchased Gas Factor to account for purchased gas costs and computed in accordance with Texas State Natural Gas, Inc. Purchased Gas Factor Schedule No. 1.

TAXES:

In addition to the monthly charges above, each customer's bill will include a charge for an amount equivalent to the customer's proportional part of the city franchise fees, state gross receipts taxes, or other governmental levies payable by the Company, exclusive of federal income taxes. Municipal franchise fees are determined by each municipality's franchise ordinance. Each municipality's franchise ordinance will specify the percentage and applicability of franchise fees. From time to time, the tax factor may be adjusted, if required, to account for any over or under recovery of municipal franchise fees by the Company and to include an amount equivalent to the proportionate part of any new tax or increased franchise fee or tax, or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable.

SURCHARGES:

In addition to the monthly charges above, each customer's bill will include an amount for surcharges calculated in accordance with the applicable rider(s).

CONDITIONS:

1. Subject in all respects to applicable laws, rules and regulations from time to time in effect. 2. Delivery of 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 consumers served. Also refer to Rate CP.

9_PGF

RATE PGF PURCHASED GAS FACTOR SCHEDULE NO. 1

Applicable to Entire System

Purpose and Intent

This provision is intended to allow collection of the Company's gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that actual costs billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

RATE SCHEDULESCHEDULE IDDESCRIPTION

billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised and a revised tariff filed to reflect such revisions.

Applicability

This clause shall apply to all Texas State Natural Gas, Inc. tariffs that incorporate this Purchased Gas Factor tariff provision and which have been properly filed and implemented with the appropriate jurisdictional authority. Definitions Standard Cubic Foot of Gas the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit. Ccf one hundred standard cubic feet of gas. Mcf one thousand standard cubic feet of gas.

Purchased Gas Volumes

The volumes of gas, expressed in Mcf's, purchased by the Company and received into the Company's distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s)

The total cost of Purchased Gas Volumes, as received into the Company's distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas

The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf. Billed Gas Volumes The volumes of gas billed to customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcf's.

Billed Gas Revenues

The total amount of revenues attributable to billings by Texas State Natural Gas, Inc. for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Factor during the same period. Lost and Unaccounted for Gas (LUG) Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Purchased Gas Factor (PGF)

A factor on each customer's monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

Annual Review Period

The 12 month period ending June 30 of each year.

Annual Review - An annual review of the Company's records covering the 12 month period ending June 30 to determine LUG volumes and any imbalances between the

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total

The total amount determined through the Annual Review to be credited or surcharged to customers' bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor

A credit or surcharge included in the Purchased Gas Factor to reflect the pro rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Company's distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by Texas State Natural Gas, Inc., pipeline transportation charges (both volumetric and demand), and gas storage charges (both volumetric and demand). The Company shall account for gas injected into and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro rata amount to adjust for previous over or under estimates of the Weighted Average Cost of Gas, plus a Reconciliation Factor to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers' bills over a twelve month period commencing each September 1 following the Annual Review Period. Annual Imbalance Total Where LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative; If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period. Annual Imbalance Total Where LUG Volume is positive and is greater than five percent of Purchased Gas Volumes; If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows: The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined; minus, The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's weighted Average Cost of Purchased Gas for the Review Period. Reconciliation Factor Calculation The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows: The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period. The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total. The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month. Each month of the twelve month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over or under estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month. At the end of each 12 month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12 month period. The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's Weighted Average Cost of Purchased Gas for the Review Period.

Special Transition Provision

It is recognized that a cumulative imbalance between gas costs and sales gas revenues collected under Texas State Natural Gas, Inc.'s Purchased Gas Adjustment Clause previously in effect, may exist at the time this new Purchased Gas Adjustment becomes effective. Subject to the limitation for Lost and Unaccounted for Gas, the Company shall amortize any such imbalance as a credit or surcharge on customers' bills over the twelve months commencing September 1, 2005. The cumulative imbalance to be amortized under this provision shall be the imbalance, if any, attributable to the period from inception of Texas State Natural Gas, Inc. through June 30, 2005.

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Rider PSF Pipeline Safety Fee. Applicable to all customer classes. Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC section 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commission's rules. The Company will charge a one-time customer charge per bill of \$1.44, based on \$1.44 per service line, effective 3/1/17 through 3/31/17. The Pipeline Safety Fee shall not be billed to a state agency as that term is defined in Texas Utilities Code, 101.003.

11_RCE_F

Rider RCE Rate Case Expenses.

Application: Applicable to all customer classes.

Monthly Calculation: The bill of each residential and commercial customer shall include a surcharge designed to recover the Company's rate case expenses. The surcharge will be calculated on a Ccf basis using total company volumes for Residential and Commercial customers, over a period of twelve (12) months commencing with the effective date stated above. All collections of the surcharge will be applied monthly to the outstanding uncollected balance of such rate case expenses, and interest at the rate of six (6) percent per year shall be calculated on, and added to, the declining balance each month. To the extent that some expenses may be estimates, Company is authorized to add such expenses as incurred to the amount to be surcharged up to the total estimated expenses being reimbursed. The surcharge will also reflect any taxes applicable to the rate case expense recovery charge. Company shall file an annual report with each regulatory authority with jurisdiction setting forth recoveries and the remaining balance in the rate expense account.

RCE Rate: .026470 per Ccf.

14_WNA

RIDER WNA - WEATHER NORMALIZATION ADJUSTMENT

APPLICATION

Applicable to all customer classes.

MONTHLY CALCULATION: In order to reflect weather variances in a timely and accurate manner, the Weather Normalization Adjustment rate (WNA) shall be separately calculated and adjusted monthly by rate class for each meter reading or billing cycle (Cycle). Monthly WNA adjustments will be based upon weather information for the periods beginning with the first Cycle read in October and ending with the last Cycle read in the following April. The Weather Normalization Adjustment rate for each Cycle shall be based on the following formula:

$$\text{WNA Rate} = \text{WND} / \text{CMV} + \text{RC}$$

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

RATE SCHEDULESCHEDULE IDDESCRIPTION

WND is calculated based on the following formula:

$$\text{WND} = [(\text{HDDn} / \text{HDDa} * \text{HL}) - \text{HL}] * \text{VR}$$

DEFINITIONS:

WND - Weather Normalized Dollars to be collected from the Cycle.

CMV - Current Month Volumes billed for the Cycle.

HDDn - Normal heating degree days during the Cycle.

HDDa - Actual heating degree days during the Cycle.

HL - Heat Load volumes calculated using the following formula: Total volumes for the Cycle less Base Load volumes where Base Load volumes are calculated by multiplying the Base Load per customer as established in the most recent rate case by the number of customers in the Cycle.

VR - Volumetric cost of service rate for the applicable customer class.

RC - The Reconciliation Component amount to be return to or recovered from customers each month from October through April as a result of any prior year's over or under collections.

RECONCILIATION AUDIT : An annual review shall be performed of the Company's books and records for each seven month period beginning with October and ending with the subsequent April to determine the amount of over or under collection by customer class occurring during such seven month period. The audit shall determine:(a) the total amount of volumetric revenues collected from customers, including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer established in the most recent rate case multiplied by the number of customers during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather-sensitive revenues billed, (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause, and (e) the amount of any over or under collection of WNA revenues from operation of the provisions of this clause.

DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of the revenues in any rate class, such amount, if any, shall be divided by the gas sales volumes by rate class, adjusted for the effects of weather, growth, and conservation for the subsequent period beginning with the first Cycle read in October and ending with the last Cycle read in the following April. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a seven (7) period beginning with the first Cycle in October and continuing through the last Cycle in April at which time it will terminate until a new Reconciliation Component is determined.

MONTHLY REPORT: By the 25th day of the following month, the Company will file with the Regulatory Authority a monthly report showing the current rate adjustments for each applicable rate schedule. Supporting documentation will be made available for

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

review upon request.

ANNUAL REPORT: By each September 1, the Company will file with the Regulatory Authority an annual report verifying the past year's WNA collections or refunds, which shall include but not necessarily be limited to:

1. A schedule of the actual gas sales volumes and respective revenues by rate class by month for the seven months ending April 30, with revenues collected via this clause identified separately.
2. A schedule of the weather normalized volumes and repective revenues by rate class for the seven months ending April 30 using the methodology adopted in the most recent rate case.
3. A calculation of the difference between the actual gas sales volumes and revenues by rate class and the weather mormalized gas sales volumes and revenues.
4. A schedule showing the difference between the total amount to be collected or refunded through the annual reconciliation component and the actual amount collected or refunded during the same period.

16_COSA

RIDER COSA - COST OF SERVICE ADJUSTMENT

APPLICATION OF SCHEDULE

This Cost of Service Adjustment Clause applies to Rate R-Residential Sales, Rate SV-Small Volume Commercial/Industrial, Rate LV-Large Volume Commercial/Industrial and Rate PA-Public Authority.

If, through the implementation of the provisions of this mechanism, it is determined that charges under this rider should be increased, then the monthly volumetric charge (i.e. charger per Ccf) will be adjusted accordingly in the manner set forth herein. The adjustment implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. If, through the implementation of the provisions of this mechanism, it is determined that charges under this rider should be decreased, then no adjustment will be made to any of the Company's rates.

This Rider COSA-Cost of Service Adjustment is authorized for an initial implementation period of three (3) years commencing with the Company's filing under this rate schedule to be effective September 1, 2012, and ending with the implementation of the adjustment, if any, with the Company's filing under this rate schedule to be effective September 1, 2015; and will automatically renew for successive three year periods unless either the Company or the City provides written notice to the contrary to the other by February 1, 2015, or February 1 of the third filing year of any succeeding three year renewal period.

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

RATE SCHEDULESCHEDULE IDDESCRIPTION

EFFECTIVE DATE OF ADJUSTMENT

Adjustments will be made in accordance with the procedures described below on an annual basis. The Company will make its annual filing no later than June 1, with the adjustments to charges effective with the bills rendered on or after September 1st of each year. The first filing pursuant to this Rider will be no later than June 1, 2012, and will be based on the calendar year ending December 31, 2011.

COMPONENTS OF THE ADJUSTMENT

Calculations of the adjustment will be based on calendar year operating expenses, return on investment, Texas gross margin tax and federal income tax. The calendar year operating expenses will be those reported to the Railroad Commission of Texas in the annual report of the Company. The adjustment will be included in the per Ccf charge of the Residential, Small Volume Commercial/Industrial, Large Volume Commercial/Industrial, and Public Authority rate schedules. The Company will file with the regulatory authority having original jurisdiction over the Company's rates, the schedules specified below by FERC Account for the applicable calendar year period. The schedules will be based upon the Company's financial data as reported to the Railroad Commission of Texas in the annual report of the Company. The will include the following information:

OPERATING EXPENSES - Operating expenses will be determined using the year-end amounts for the applicable calendar year. The applicable expenses are:

Operation and Maintenance Expense;

Customer Related Expenses;

Administrative & General Expenses;

Depreciation and Amortization Expense, based upon the methods and lives used in the company's most recent rate case;

Taxes Other Than Income Tax;

Texas Gross Margin Tax;

Interest on Customer Deposits.

The following expenses will be excluded:

Cost of gas;

City Franchise Fees;

State Gross Receipts taxes;

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Any other revenue-related taxes;

Any non-gas utility revenues or expenses.

Rate adjustments due to changes in revenue-related taxes and municipal franchise fees will be governed in accordance with the provisions of the Company's tariffs: Rate R-Residential Sales, Rate SV-Small Volume Commercial/Industrial, Rate LV-Large Volume Commercial/Industrial, and Rate P-Public Authority.

The Company will provide additional information for all operating expenses upon request by the regulatory authority during the ninety-day (90) review period.

RETURN ON INVESTMENT - The return on investment is nine point zero-six percent (9.06%) multiplied by the rate base balance for the applicable calendar year. The rate of return specified herein does not establish precedent for the authorized rate of return in the Company's future rate filings. The rate base balance will include:

Annual average Net Utility Plant Service;

13-Month average of Inventories;

13-Month Average of Materials and Supplies Inventories;

13-Month Average of Prepayments;

Cash Working Capital computed as 12.5% of Operating Expenses;

Annual average Deferred Federal Income Taxes (if an asset).

The rate base balance will be reduced by:

Annual average Customer Deposits;

Annual average Deferred Federal Income Taxes (if a liability).

Supporting information for all rate base items will be provided to the regulatory authority during the ninety-day (90) review period upon request to the Company.

TEXAS GROSS MARGIN TAX - The Texas Franchise Tax will be the calendar year-end amount as recorded in the Company's books and records.

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

FEDERAL INCOME TAX - Federal Income Tax will be calculated by multiplying seventy-one percent (71.38%) of the Return on Investment by the Federal Income Tax Factor of 1.53845.

COST OF SERVICE ADJUSTMENT - The amount to be collected through the Cost of Service Adjustment is equal to the sum of the following: 1) Operating Expense, 2) Return on Investment, 3) Texas Gross Margin Tax, and 4) Federal Income Tax; and, by subtracting the year-end balances for the following: base revenues and other revenues (i.e. service charges).

The sum of the items listed above will be multiplied by the Federal Income Tax Factor and then by the Texas Gross Margin Tax Factor, sequentially. The Texas Gross Margin Tax factor is equal to 1.0101.

COST OF SERVICE ADJUSTMENT CHARGE - The Cost of Service Adjustment will be allocated among the customer classes in the same manner as the volumetric revenues were allocated among classes of customers in the Company's latest effective rates.

1. The per-class adjustment will be the Cost of Service Adjustment as allocated to each class, divided by the weather normalized volumes by class for the test year.

2. The resulting per Ccf charge by class will be compared to the current per Ccf rate by class increased by five (5)%. If the resulting per Ccf charge is greater than five (5)% of the current charge, the adjustment will be an increase of five (5)% of the current charge.

3. If the resulting per Ccf charge is less than the current charge increased by five (5)%, the adjustment will be equal to the adjusted Ccf charge.

ATTESTATION - A sworn statement will be filed by the Company affirming that the filed schedules are in compliance with the provisions of this tariff and are true and correct to the best of its knowledge, information, and belief. No testimony will be filed.

PROOF OF REVENUES - The Company will also provide a schedule demonstrating the proof of revenues relied upon to calculate the proposed cost of service adjustment.

The proposed adjustment will conform as closely as practicable to the revenue allocation principles in effect prior to the adjustment.

NOTICE - Notice of the annual Cost of Service Adjustment will be published in a manner consistent with that required under Section 104.103, Tex.Util.Code.no later than forty-five (45) days after the Company makes its annual filing pursuant to this rate schedule with the regulatory authority.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
--------------------	--------------------

REGULATORY REVIEW OF ANNUAL ADJUSTMENT

The regulatory authority with original jurisdiction will have a period of not less than ninety days (90) within which to review the proposed annual adjustment. During the review period, Company will provide additional information and supporting documents as requested by the regulatory authority and such information will be provided within ten (10) working days of the original request. The rate adjustment will take effect with the bills rendered on or after September 1st of each year.

This Cost of Service Adjustment Schedule does not limit the legal rights and duties of the regulatory authority. The Company's annual adjustment will be made in accordance with all applicable laws. If at the end of the ninety day (90) review period, the Company and the regulatory authority with original jurisdiction have not reached agreement on the proposed Cost of Service Adjustment, the regulatory authority may take action to deny such adjustment, and the Company will have the right to appeal the regulatory authority's action. Upon the filing of any appeal, the Company will have the right to implement the proposed Cost of Services Adjustment, subject to refund.

COST OF SERVICE ADJUSTMENT EXPENSES

To defray the cost, if any, of regulatory authorities conducting a review of the Company's annual adjustment, the Company will reimburse the regulatory authorities for their reasonable expenses for such review in an aggregate amount not to exceed \$15,000. Any reimbursement contemplated hereunder will be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made. A regulatory authority seeking reimbursement under this provision, will submit its request for reimbursement to the Company no later than October 1st of the year in which the adjustment is made and the Company will reimburse the regulatory authorities in accordance with this provision on or before October 15th of the year the adjustment is made.

The cost of service adjustment expenses for the Company, including the cost to provide public notice and reimburse City expenses as required herein, will not to exceed \$35,000.

17_CPC

RIDER CPC - COSA PROCESSING COST

APPLICATION OF SCHEDULE:
 Applicable to all customer classes.

Monthly calculation:
 The bill of each customer shall include a surcharge designed to recover the Company's costs incurred to prepare the COSA, file public notice, and reimburse regulatory authorities conducting a reveiw of the Company's annual adjustment, as described by and subject to the limitations identified in Rate Schedule 16, Rider

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

RATE SCHEDULE

SCHEDULE ID DESCRIPTION

COSA, under the heading Cost of Service Adjustment Expense. The surcharge will be calculated on Ccf basis using total company volumes for all customer classes, over a period of twelve (12) months commencing no earlier than the effective date for the related COSA adjustment and no later than one month after the receipt of a request for reimbursement of expenses from a regulatory authority seeking reimbursement under the provision of COSA Rate Schedule 16. All Collections with this surcharge will be applied monthly to the outstanding uncollected balance of such COSA processing expenses, and interest at the rate of six (6) percent per year shall be calculated on, and added to, the declining balance each month. To the extent that some expenses may be estimates, the Company is authorized to add such expenses as incurred to the amount to be surcharged up to the total estimated expenses of Company and municipalities being reimbursed pursuant to the order in question, subject to the limitations identified in Rate Schedule 16, Rider COSA - Cost of Service Adjustment Expense. Costs incurred to prepare the 2016 filing and publish notice shall not exceed \$5000. Actual costs for the 2017 filing totalled \$1,579. Rate to recover 2017 CPC costs equals \$.0011 per Ccf.

1_Index

TABLE OF CONTENTS
Applicable to Entire System Rate Schedule Description

- 1. TABLE OF CONTENTS
- 2. UTILITY OPERATIONS
- 3. CITY AND COUNTY SERVICE AREAS
- 4. DEFINITIONS
- 5. RATE R RESIDENTIAL SALES
- 6. RATE SV SMALL VOLUME COMMERCIAL/INDUSTRIAL SALES
- 7. RATE LV LARGE VOLUME COMMERCIAL/INDUSTRIAL SALES
- 8. RATE PA PUBLIC AUTHORITY SALES
- 9. RATE PGF PURCHASED GAS FACTOR SCHEDULE NO. 1
- 10. RIDER PSF PIPELINE SAFETY FEE
- 11. RIDER RCE RATE CASE EXPENSES
- 12. RATE M MISCELLANEOUS SERVICE CHARGES
- 13. RATE LEP LINE EXTENSION POLICY
- 14. WNA Weather Normalization Adjustment

2_Oper

UTILITY OPERATIONS Applicable to Entire System Texas State Natural Gas, Inc. owns and operates a natural gas distribution system that provides natural gas service in Texas. The following will respond to inquiries regarding provisions of this Tariff for Gas Service: Texas State Natural Gas, Inc. Carlos S. Libson General Manager P.O. Drawer 887 Eagle Pass, Texas 78853 (830) 773-9511 Email Address: clibson@sbcglobal.net

3_Area

CITY AND COUNTY SERVICE AREAS Applicable to Entire System CITIES AND TOWNS Eagle Pass COUNTIES Maverick

RATE ADJUSTMENT PROVISIONS

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

None

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
18323	N	ccf	\$.4099	02/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass			
18323	N	ccf	\$.3757	03/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass			
18323	N	ccf	\$.3158	01/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass			

REASONS FOR FILING

NEW?: N

RRC DOCKET NO:

CITY ORDINANCE NO: City Ord. 2017-09, 2011-02

AMENDMENT (EXPLAIN):

OTHER (EXPLAIN): Update Rates for 2017 COSA

SERVICES

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>
B	Commercial Sales
<u>OTHER TYPE DESCRIPTION</u>	
C	Industrial Sales
<u>OTHER TYPE DESCRIPTION</u>	

PREPARER - PERSON FILING

RRC NO: 710 ACTIVE FLAG: Y INACTIVE DATE:
 FIRST NAME: Marynell MIDDLE: LAST NAME: Myers
 TITLE: Authorized Agent
 ADDRESS LINE 1: 3 Lakeway Centre Ct., Ste 110
 ADDRESS LINE 2:
 CITY: Austin STATE: TX ZIP: 78734 ZIP4:
 AREA CODE: 512 PHONE NO: 261-4152 EXTENSION:

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

CURTAILMENT PLAN

<u>PLAN ID</u>	<u>DESCRIPTION</u>
C489	<p style="text-align: right;">RAILROAD COMMISSION OF TEXAS</p> <p style="text-align: right;">OIL AND GAS DIVISION GAS UTILITIES</p> <p>DIVISION</p> <p style="text-align: right;">OIL AND GAS DOCKET GAS UTILITIES DIVISION NO. 20-62,505 DOCKET NO. 489</p>

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 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 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.

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

08/21/2018

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

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.

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

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

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 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 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>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

QUALITY OF SERVICE

QUAL_SERVICE_ID DESCRIPTION

RS1

RULES OF SERVICE
MUNICIPALITY OF EAGLE PASS
TEXAS STATE NATURAL GAS, INC.

Communications Regarding these Service Regulations should be addressed to:
P.O. Box 887 Eagle Pass, Texas 78853 Phone 830-773-9511

These Rules of Service became effective on December 15, 1997 and were adopted by Texas State Natural Gas, Inc. on December 1, 2004.

TABLE OF CONTENTS

SECTION

DESCRIPTION

1. General Statement
2. Condition of Service
3. Initiation of Service
4. Discontinuance of Service
5. Security Deposits
6. Billing and Payment of Bills
7. Meters
8. Installation of Equipment
9. Extension of Facilities

GENERAL STATEMENT

1.1 Service Regulation Applicability Texas State Natural Gas, Inc. (Company) is a gas utility operating within the State of Texas. These Utility Service Regulations (Service Regulations) are applicable in the service area specified for residential and small commercial customers.

1.2 Provision of Service The Company will provide gas service to any person or organization located within its service area and from its facilities or in certain cases, the facilities of its supplier, in accordance with the provisions of its Tariff and these Utility Service Regulations. Service provided directly from the facilities of others may be provided only with the approval of the owning company and shall thereafter be continued only as long as gas of satisfactory quality is available at the locations.

1.3 Rate Schedules All customers shall be serviced under rate schedules filed with the Regulatory Authority. 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, that Customer's volume requirements, and/or other criteria specified in the rate schedule.

1.4 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 purchasing gas for redistribution to the customer's tenants may separately meter each tenant distribution point for the purpose of prorating the customer's actual purchase of gas delivered among the various tenants on a per unit basis. Any other allocation will constitute resale and is prohibited.

1.5 Transportation Across State Line No gas supplied by the company shall be transported across state lines for any purpose without the express written permission of the Company.

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

Violation of this paragraph shall be considered cause for immediate disconnection of service without notice.

1.6 Exceptions Interpretations of these Service Regulations and the resolution of any items not provided for in these regulations shall be at the Company's sole discretion. These Service Regulations shall be in effect, but only to the extent that they do not conflict with franchise agreements for the areas covered by these Service Regulations.

Section 2 Page 1

CONDITIONS OF SERVICE

2.1 Continuity of Service

A. Service Interruptions

1. The Company shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the Company shall re-establish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.

2. The Company shall make reasonable provisions to meet emergencies resulting from failure of service, and shall 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.

3. In the event of national 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.

C. Report to either the local Regulatory Authority, if directed by city ordinance or franchise, if not so directed, report to the Railroad Commission of Texas (Commission.) The Regulatory Authority or 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 hours. The notice shall also state 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 Company's Curtailment Plan will comply with Regulatory Authority requirements.

E. The Company does not guarantee uninterrupted service to any customer and shall not be liable for damages resulting for loss of service.

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13309
-----------------	----------------------

2.2 Customer Relations

A. The Company shall:

1. Maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information which will accurately describe the Company Facilities. These maps, or such other maps as may be required by the Regulatory Authority, shall be kept in a central location and will be available to inspection by the Regulatory Authority, during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the Company to advise applicants and others entitled to the information as to the facilities available for serving that locality;
2. At the customer's or applicant's request, Company will assist in selecting the most economical rate schedule;
3. Notify customers affected by a change in rates or schedule, in compliance with applicable law or regulations;
4. Post a notice in a conspicuous place in each business office where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the Company are available for inspection. Upon request, the Company shall make copies of the tariffs at the Company's reproduction cost, for the customer;
5. Upon request, inform its customers how to read their meter;
6. Provide to new customers, at the time service is initiated or as an insert in the first billing, an information packet containing a concise description of the customer's rights and the Company's obligations under these Service Regulations. The following information shall be provided in English and Spanish as necessary to adequately inform the customers.
 - i. the customer's right to information concerning rates and services and the customer's right to inspect and obtain, at reproduction cost, a copy of the applicable tariffs and service regulations.
 - ii. the customer's right to have his or her meter checked without charge, if applicable;
 - iii. the time allowed to pay outstanding bills;
 - iv. grounds for termination of service;
 - v. the steps the company must take before terminating service;
 - vi. how the customer can resolve billing disputes with the Company and how disputes and health emergencies may affect termination of service;
 - vii. information on alternative payment plans offered by the Company;
 - viii. the steps necessary to have service reconnected after involuntary termination;
 - ix. the appropriate Regulatory Authority with whom to register a complaint and how to contact such authority;
 - x. the hours, addresses, and telephone numbers of the Company offices and of its authorized pay stations, where bills may be paid and information may be obtained; and
 - xi. the customer's right to be instructed by the Company how to read his or her meter.
7. At least once each calendar year, the Company shall notify its customers that the information packet is available upon request, at no charge to the customer. This notice may be accompanied by use of a billing insert or a printed statement upon the bill itself.

B) Customer complaints.

Upon receipt of a complaint from the Regulatory Authority on behalf of a customer either at the Company office, by letter, or by telephone, the Company shall promptly make a suitable

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

investigation and advise the complainant and the Regulatory Authority of the results thereof. The Company shall keep a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint. An initial response must be made by the Company by the next working day. The Company must make a final and complete response to the Regulatory Authority within 15 days from the date of the complaint, unless additional time is granted within the 15 day period.

RS2

Section 3

INITIATION OF SERVICE

3.1 Reasonable Time

The Company shall have reasonable amount of time to institute service following application 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 on the Company's work load at the time.

3.2 Establishment of Credit

The Company may require a security deposit for service, in accordance with Section 5 of these Service Regulations, to establish a satisfactory credit standing. However, such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills.

3.3. Grounds for Refusal to Serve

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

A. Failure of applicant to comply with the state and municipal regulations and Service Regulations of the Company.

B. The applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given (but in all events the applicant shall retain sole responsibility for ensuring the safety of its installation or equipment and the Company's right to refuse service on such grounds shall in no way impose upon the Company any obligation to inspect or test the applicant's installations or equipment.)

C. Failure to pay fees, advances or contributions or to make a deposit if required for service;

D. The applicant is indebted to any utility for the same kind of service as that applied for, unless applicant has made an additional deposit as specified by the Company; or,

E. Delinquency in payment for gas service by another occupant if that person still resides at the premises to be served. In the event that the Company shall refuse to serve an applicant under the provisions of these Service Regulations, the Company must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the appropriate Regulatory Authority. The right to refuse service shall terminate when the applicant has

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

complied with the Company's requirements or corrected the cause for the refusal of service.

3.4 Insufficient grounds for Refusal to Serve The following shall not constitute sufficient cause for refusal of service to a present customer or applicant:

- A. Delinquency in payment for service by a previous occupant of the premises to be served;
- B. Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
- C. Operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to remedy the situation;
- D. Failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the Company as a condition precedent to service; or,
- E. Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

Section 4 DISCONTINUANCE OF SERVICE

4.1 By Customer

A customer shall be responsible for providing the Company with five days advance notice of intention to discontinue service, and will be responsible for all charges for gas service from the intended discontinuance of service date until the Company has read the meter or for three working days, whichever is the shorter period of time.

4.2 For Non-Payment of Bill

A customer's utility service may be disconnected for non-payment within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivered to the customer at least five working days prior to the stated date of disconnection, with the words Termination Notice or similar language prominently displayed on the notice. The notice shall be provided in English and Spanish as necessary to adequately inform the customer and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the Company may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

4.3 Right to Disconnect for Reasons Other Than Non-Payment

Utility service may be disconnected for any of the following reasons:

- A. Failure to pay a delinquent account or failure to comply with the terms of a written agreement for installment payment of a delinquent account;
- B. Within five working days after written notice is given for violation of the Company rules prohibiting the use of service in a manner which interferes with the service of others or the

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

operation of nonstandard equipment; if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;

C. Failure to comply with deposit or guarantee arrangements;

D. Without notice where a known dangerous condition exists for as long as the condition exists;

E. Without notice for willful destruction or damage to or tampering with the Company's property by the customer or by others with his knowledge;

F. Refusal to grant the Company's personnel access to the Company's facilities for any lawful purpose; or,

G. Five working days after written notice for use, sale or delivery of gas in violation of the provisions of these Service Regulations or violation of any applicable laws, orders or ordinances, provided that disconnection may be made without notice if the violation creates an unsafe condition.

4.4 Special Conditions

A. Utility Service may not be disconnected for any of the following reasons:

1. Delinquency in payment for service by a previous occupant of the premises;

2. Failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;

3. Failure to pay the account of another customer as guarantor thereof, unless the Company has in writing the guarantee as a condition precedent to service;

4. Failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;

5. Failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due; or,

6) Failure to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the Company is unable to read the meter due to circumstances beyond its control.

B Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected unless Company personnel are available the following day for the purpose of making collections and reconnecting service.

C. The Company may not discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service was disconnected. Any customer seeking to avoid termination of service under this paragraph must make a written request supported by a

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13309
-----------------	----------------------

written statement from a licensed physician. Both the request and the statement must be received by the Company not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this paragraph shall last 20 days from the date of receipt by the Company of the request and statement or such lesser period as may be agreed upon by the Company and customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

4.5 Request for Consent to Abandon Service

The Company may abandon a customer with agreement by the customer or with written approval from the Regulatory Authority. Failure of the Customer to re-institute service after disconnection within a reasonable period of time may be considered a request for permanent discontinuance of service.

4.6 Right of Entry

The Company shall have the right to enter upon the consumer's premises at any reasonable time to shut off service in accordance with these Service Regulations and to remove its meter and other Company property.

Section 5 SECURITY DEPOSITS

5.1 Deposit Exemptions

Subject to these Service Regulations, a residential applicant shall not be required to pay a deposit if:

A. The residential applicant has been a customer of any similar utility service within the last two years and is not delinquent in payment on any similar utility account. In addition, during the last 12 consecutive months of service, the applicant has not had more than one past due bill and had never been disconnected for nonpayment;

B. The residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required;

C. The residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the Company, or ownership of substantial equity;

D. The residential applicant is 65 years of age or older and does not have an outstanding account balance with the Company or another utility for the same utility service which accrued within the last two years.

5.2 Deposit Amount and Interest

A. The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. 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

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

days. If such additional deposit is not made, the company may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

B. If a customer has been disconnected once within the last consecutive 12 months of service, or twice within the last 24 months, the Company may require an additional security deposit.

C. The Company shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the Company retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit. Payment of interest credited to the customer's account shall be paid annually or paid at the time the deposit is returned. The deposit shall cease to draw interest on the date it is renamed or credited to the customer's account.

D. For Temporary/Seasonal Service and Weekend or Seasonal Residences, defined as any service not utilized continuously at the same location for two or more years, the Company may require a deposit sufficient to reasonably protect it against the assumed risk for such customers, provided such a policy is applied in a uniform and nondiscriminatory manner.

E. The Company reserves the right to request different deposit amounts for non-residential customers.

5.3 Records of Deposit

A. The Company shall keep records to show the name and address of each depositor the amount and date of the deposit and each transaction concerning the deposit.

B. The Company shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

C. A record of each unclaimed deposit must be maintained for at least four years, during which time the Company shall make a reasonable effort to return the deposit.

5.4 Refund of Deposits for Residential Service

A. If service is not connected or after disconnection of service, the Company shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the Company shall not be deemed a disconnection within the meaning of this paragraph, and no additional deposit may be demanded unless permitted by these Service Regulations.

B. When the residential customer has paid bills for service for 12 consecutive bills without having service disconnected for nonpayment of a bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bill, the Company shall promptly and automatically refund the deposit plus accrued interest to the customer as a credit to the customer's account.

5.5 Upon Sale or Transfer of Utility or Company

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13309
-----------------	----------------------

The seller shall file with the Commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

5.6 Complaint by Applicant or Customer

The Company shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or re-establish credit under the provisions of these Service Regulations to inform the customer, if dissatisfaction is expressed with the Company's decision, of the customer's right to file a complaint with the Regulatory Authority.

5.7 Re-establishment of Service

Every applicant who has previously been a customer of the Company and whose service was discontinued for nonpayment of bills shall be required, before service is rendered, to pay all amounts due, including fees and deposits to restore service, or execute a written agreement for installment payments, and re-establish credit as provided in Section 5.2 of these Service Regulations.

RS3

Section 6 6.1 Rendering of Bills

A. Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

B. The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the Regulatory Authority. A bill for utility service is delinquent if unpaid by the due date.

C. The Company may offer an inducement for prompt payment of bills by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. The Company may offer an inducement for payment of bills via electronic transfer of funds. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate Regulatory Authority.

D. If a customer requests a special due date for bill payment, the Company may, at its discretion, grant the request if the customer agrees to the date for at least one year, adheres to the terms of a budget billing plan, and pays through electronic funds transfer.

6.2 Bill Information

The information on customer bills must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. The Company may exhaust its present stock of nonconforming bill forms before compliance is required by this section. The customer's bill must show all the following information:

A. If the meter is read by the Company, the date and reading of the meter at the beginning and end of the period for which rendered;

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13309
-----------------	----------------------

- B. The number and kind of units billed and correction factors, if applicable;
- C. The applicable rate schedule title or code;
- D. The total base bill;
- E. The total of any adjustments to the base bill and the amount of adjustments per billing unit;
- F. The date by which the customer must pay the bill to get prompt payment discount, if applicable;
- G. The total amount due before and after any discount for prompt payment within a designated period; and,
- H. A distinct marking to identify an estimated bill.

6.3 Estimated Bills

Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. The Company must provide the customer with a postcard and request that the customer read the meter and return the card to the Company, if (i) it is the second consecutive month in which the meter reader is unable to gain access and read the customer's meter on a regularly scheduled meter reading trip, or (ii) it is a month where meters are not read otherwise. The Company must request that customers read their meters as long as the meters are of the types that can be read by the customer without significant inconvenience or special tools or equipment. If the postcard is not received from the customer by the Company in time for billing, the Company may estimate the meter reading and render the bill accordingly.

6.4 Disputed Bills

A. In the event of a dispute between the customer and the Company regarding the bill, the Company must 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 paragraph 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 procedures of the appropriate Regulatory Authority.

B. 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 a resolution of the dispute or the expiration of a 60-day period beginning on the day the disputed bill was issued. For purposes of this paragraph 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.

6.5 Returned Checks

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13309
-----------------	----------------------

Whenever the payment for gas service or any other charge permitted under these Service Regulations is rendered by check and such check is refused by the bank on which it is drawn, the Company may make an additional charge to cover the costs of handling and rebilling. The Company may also require future payments to be made by cash or cash equivalent.

Section 7 Page 1

METERS 7.1 Meter Requirements

A. All gas sold by the Company must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the Regulatory Authority, or tariff.

B. Unless otherwise authorized by the Regulatory Authority, the Company must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its customers.

C. The Company shall use a meter of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

D. The customer shall permit the Company access to the meter at all times for reading thereof and at all reasonable times for maintenance, testing or replacement of the meter. The Company has the right to access a customer's meter at all times in the event of any emergency. Any type of device or other hindrance to meter access must be kept away with notice by the Company of the Company's intent to visit the premises. A fee may be charged if the Company tries to access the meter and is unable to do so.

7.2 Meter Records

The Company must keep the following records:

A. A record of all its meters, showing the customer's address and date of the last test.

B. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

C. In general, each meter must indicate clearly the units of service for which charge is made to the customer.

7.3 Meter Testing Customer Requests

A. The Company shall have the right to remove and/or test the meter used to determine the quantity of gas delivered. The Company must, upon request of a customer, make a test of the accuracy of the meter serving that customer. Requests for such tests shall be made in writing and the Company shall have ten days after receipt of the request to remove the meter for test or to test the meter in place. The Company must inform the customer of the time and place of the test and permit the customer or the customer's authorized representative to be present, if

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13309
-----------------	----------------------

the customer so desires. If no test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge; otherwise, the customer shall pay a service charge for such test. The customer must be properly informed of the result of any test on a meter that serves the customer.

B. Notwithstanding paragraph A, if the meter is found to be more than nominally defective, to either the customer's or the Company's disadvantage, any fee charged for a meter test must be refunded to the customer and, if not already done, the Company shall promptly replace or adjust the meter. More than nominally defective means a deviation of more than 2.0% from accurate registration.

7.4 Bill Adjustments

Meter Error

A. If any meter test reveals a meter to be more than nominally defective, the Company must correct previous readings consistent with the inaccuracy found in the meter for the period of either: 1. The last six months; or 2. The last test of a meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills. Undercharges billed to the customer may be repaid in a series of equal installments over a reasonable period of time. Meter errors found after a final bill has been rendered to any customer shall not be refunded or collected.

B. If a meter is found not to register for a period of time, the Company may make a charge for units used but not metered for a period not to exceed three months 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.

Section 8 MAINTENANCE OF EQUIPMENT

8.1 Standards of Equipment Installation and Maintenance

The Company is to construct, install, operate and maintain its plant, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, and as modified by rules or regulations of the Regulatory Authority or other law. These laws and modifications will be instituted in such a manner as to best accommodate the public and prevent interference with service furnished by other public utilities insofar as practical. The Company shall have the right to disconnect service for a reasonable period of time if a leakage is found or if, in the Company's opinion, equipment is operating in an unsafe condition (but in all events the customer shall retain the sole responsibility for ensuring the safety of its equipment and the Company's right to disconnect service on such grounds shall in no way impose upon the Company any obligation to inspect or test the customer's equipment.)

8.2 Responsibility of the Customer

The Customer shall maintain all facilities owned by the customer and shall be responsible for the safe conduct and handling of the gas after it passes the outlet side of the meter. In

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

cases of loss or damage to the Company's property from negligence or willful acts by the customer, the customer is responsible for reimbursing the Company for all costs of repairing or replacing the damaged property.

8.3 Responsibility

Nothing in these rules shall make the Company responsible for the safe upkeep of any customer owned facilities.

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
280317	12_M		RATE M MISCELLANEOUS SERVICE CHARGES Applicable to Entire System Application The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges.
280318	12_M.1		1. CONNECTIONS: Institution and reconnection of service for Residential and Small Commercial customers including labor for meter set under standard circumstances. Industrial connections and Commercial or Public Authority connections of meters greater than 275 cfh, may require additional connection charges at actual cost, but not less than \$45.00. In addition, other charges as specified under Rate LEP - Line Extension Policy may apply. \$45.00
280319	12_M.2		2. DISCONNECTIONS: Disconnection of service for all customer classes. \$ 25.00
280320	12_M.3		3. CHARGE FOR TEMPORARY DISCONTINUANCE OF SERVICE - RESIDENTIAL: Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$ 45.00
280321	12_M.4		4. FIELD READ OF METER: A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party. \$ 25.00
280322	12_M.5		5. CHARGE FOR METER TESTING : The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee. The customer must be properly informed of the result of any test on a meter that services him. \$45.00
280323	12_M.6		6. RESTORING SERVICE DURING BUSINESS HOURS: Restore

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 13309
-----------------	----------------------

		service after termination for non-payment during standard business hours. \$45.00.
280324	12_M.7	7. RESTORING SERVICE AFTER BUSINESS HOURS: Restore service after termination for non-payment after standard business hours. \$ 65.00.
280325	12_M.8	8. TAMPERING : Tampering or interfering with gas meters, equipment or other related facilities will result in a tampering charge plus any related costs associated with the consumption of gas, repairing or replacing the damaged facilities. Further attempts to tamper or interfere with these facilities will result in permanent termination of gas service. \$125.00 + costs.
280326	12_M.9	9. RETURNED CHECKS - FIRST OCCURRENCE: Returned check fee for first occurrence on a customer bill \$ 25.00.
280327	12_M.10	10. RETURNED CHECKS - SECOND AND SUBSEQUENT OCCURRENCES: Returned check fee for second and subsequent occurrences on same customer bill. \$75.00.
280328	12_M.11	11. LATE PAYMENT PENALTY: Charge for late payments not physically received by the due date printed on the bill at one of the Company's authorized pay stations or lock boxes, or post-marked by the due date printed on the bill. \$10.00.
280329	12_M.12	12. METER RE-READS: The Company shall, upon request of a customer, make a re-read of the meter serving that customer. If the Company validates the accuracy of the original read, the Meter Re-read fee will be charged. If the Company determines that the original read was inaccurate, no charge will be assessed for the Meter Re-read. \$25.00.
280330	12_M.13	13. TRIP CHARGE DURING BUSINESS HOURS: A Trip Charge is made for responding to a service call during standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to, furnace light-ups, gas appliance light-ups, etc. \$45.00
280331	12_M.14	14. TRIP CHARGE AFTER BUSINESS HOURS: A Trip Charge is made for responding to a service call after standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to, furnace light-ups, gas appliance light-ups, etc. \$65.00.
280332	12_M.15	15. ADDITIONAL TRIP DURING BUSINESS HOURS : Additional trip required, including but not limited

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

280333	12_M.16	to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment during standard business hours. \$45.00.
280334	12_M.T	<p>16. ADDITIONAL TRIP AFTER BUSINESS HOURS: Additional trip required, including but not limited to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment after standard business hours. \$65.00</p> <p>T. TAXES: The monthly charges above will include a charge for an amount equivalent to the customer's proportional part of the city franchise fees, state gross receipts taxes, or other governmental levies payable by the Company, exclusive of federal income taxes. Municipal franchise fees are determined by each municipality's franchise ordinance. Each municipality's franchise ordinance will specify the percentage and applicability of franchise fees. From time to time, the tax factor may be adjusted, if required, to account for any over or under recovery of municipal franchise fees by the Company and to include an amount equivalent to the proportionate part of any new tax or increased franchise fee or tax, or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable.</p>
280335	13_LEP	<p>RATE LEP - LINE EXTENSION POLICY Applicable to Entire System The company has the right to contract with individual customers for the installation of gas facilities as provided for by the city franchise. Upon the request of a prospective new customer for service in an area served by Texas State Natural Gas, Inc., Texas State Natural Gas, Inc. will extend its main lines up to 50 feet from an existing Texas State Natural Gas, Inc. main in the Public Rights of Way, without charge. The 50-foot allowance applies to a single customer or to a group of customers requesting service from the same extension. Customers requesting mainline extensions in excess of 50 feet shall bear the cost of any additional mainline, the cost of all yard and service lines, and the cost of any appurtenant equipment and other costs necessary to install the extension. In addition, a minimum charge of \$150 will be assessed to each residential customer and \$400 will be assessed to each non-residential customer for installations of meters of 275 cfh or less. For meters greater than 275 cfh, actual cost</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 13309

280336	14_DEP	will be assessed, but not less than \$400. Texas State Natural Gas, Inc. is not required to extend its mains or facilities if the customer will not use gas for space heating and water heating, or the equivalent load, at a minimum.	CUSTOMER DEPOSITS Charged to customers pursuant to Rules of Service, Section 5 Residential \$50.00 Commercial minimum \$150.00
--------	--------	--	--

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 03/01/2017 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/22/2017
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO:
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
DEF_E	<p>DEFINITIONS</p> <p>Applicable to unincorporated Areas of Eagle Pass, TX</p> <p>COMMISSION - The Railroad Commission of Texas</p> <p>COMPANY - Texas State Natural Gas, Inc., its successors, and its assigns</p> <p>CUSTOMER - An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving gas service or who is receiving the benefit of gas service at a specified point of delivery.</p> <p>LARGE VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER - A customer, other than a residential customer or public authority customer, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code, and either: 1. whose annual volumetric usage is greater than 48,000 Ccf per year or 2. whose average monthly usage is greater than 4,000 Ccf over a twelve month period.</p> <p>PUBLIC AUTHORITY CUSTOMER - All governmental agencies and educational institutions other than those involving manufacturing, electrical generation, or that use boiler fuel for industrial purposes.</p> <p>RATE SCHEDULE - A statement of the method of determining charges for gas service, including the conditions under which such method applies.</p> <p>RESIDENTIAL CUSTOMER - Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.</p> <p>RESIDENTIAL END USES - Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.</p> <p>SMALL VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER - A customer, other than a residential customer, public authority customer, or Large Volume Commercial/Industrial Customer as defined herein, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.</p>
LV_E	<p>RATE LV-E LARGE VOLUME COMMERCIAL/INDUSTRIAL SALES ENVIRONS</p>

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

APPLICATION OF SCHEDULE:

Schedule applies to all Large Volume Commercial and Large Volume Industrial Customers in the unincorporated area Of Eagle Pass, TX.

MONTHLY BASE RATE:

Customer`s base monthly bill will be calculated using the following Customer and Ccf charges:

Customer Charge \$40.00 per month,
 plus all Ccf at \$0.6014 per Ccf.

SURCHARGES:

In addition to the base monthly charges above, each customer`s bill will include an amount for surcharges calculated in accordance with the applicable rider(s).

1. Rate PGF - Purchase Gas Factor
2. Rider WNA - Weather Normalization Adjustment
3. Rider PSF - Pipeline Safety Fee

CONDITIONS:

1. Subject in all respects to applicable laws, rules and regulations from time to time in effect.
2. Delivery of 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 consumers served. Also refer to C489-Curtailment Plan.

PGF_E

RATE PGF-E PURCHASED GAS FACTOR SCHEDULE NO. 1

Applicable to the unincorporated area of Eagle Pass, TX

Purpose and Intent

This provision is intended to allow collection of the Company`s gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that actual costs billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised and a revised tariff filed to reflect such revisions.

Applicability

This clause shall apply to all Texas State Natural Gas, Inc. tariffs that incorporate this Purchased Gas Factor tariff provision and which have been properly filed and implemented with the appropriate jurisdictional authority.

Definitions

Standard Cubic Foot of Gas-the amount of gas contained in one (1) cubic foot of

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit.

Ccf-one hundred standard cubic feet of gas.

Mcf-one thousand standard cubic feet of gas.

Purchased Gas Volumes-The volumes of gas, expressed in Mcf`s, purchased by the Company and received into the Company`s distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s)-The total cost of Purchased Gas Volumes, as received into the Company`s distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas-The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf.

Billed Gas Volumes-The volumes of gas billed to customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcf`s.

Billed Gas Revenues-The total amount of revenues attributable to billings by Texas State Natural Gas, Inc. for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Factor during the same period.

Lost and Unaccounted for Gas (LUG)-Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Purchased Gas Factor (PGF)-A factor on each customer`s monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

Annual Review Period-The 12 month period ending June 30 of each year.

Annual Review - An annual review of the Company`s records covering the 12 month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total-The total amount determined through the Annual Review to be credited or surcharged to customers` bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor-A credit or surcharge included in the Purchased Gas Factor to reflect the pro rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Company's distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by Texas State Natural Gas, Inc., pipeline transportation charges (both volumetric and demand), and gas storage charges (both volumetric and demand).

The Company shall account for gas injected into and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro rata amount to adjust for previous over or under estimates of the Weighted Average Cost of Gas, plus a Reconciliation Factor to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers' bills over a twelve month period commencing each September 1 following the Annual Review Period.

Annual Imbalance Total Where LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative;

If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period.

Annual Imbalance Total Where LUG Volume is positive and is greater than five percent of Purchased Gas Volumes;

If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows:

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined; minus,

The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's weighted Average Cost of Purchased Gas for the Review Period.

Reconciliation Factor Calculation

The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows:

The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period.

The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total.

The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month.

Each month of the twelve month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over or under estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month.

At the end of each 12 month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12 month period.

The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's Weighted Average Cost of Purchased Gas for the Review Period.

Special Transition Provision

It is recognized that a cumulative imbalance between gas costs and sales gas revenues collected under Texas State Natural Gas, Inc.'s Purchased Gas Adjustment Clause previously in effect, may exist at the time this new Purchased Gas Adjustment becomes effective. Subject to the limitation for Lost and Unaccounted

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

for Gas, the Company shall amortize any such imbalance as a credit or surcharge on customers` bills over the twelve months commencing September 1, 2011. The cumulative imbalance to be amortized under this provision shall be the imbalance, if any, attributable to the period from inception of Texas State Natural Gas, Inc. through June 30, 2011.

PSF2017-E

Rider PSF Pipeline Safety Fee. Applicable to all customer classes. Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC section 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commission's rules. The Company will charge a one-time customer charge per bill of \$1.44, based on \$1.44 per service line, effective 3/1/17 through 3/31/17. The Pipeline Safety Fee shall not be billed to a state agency as that term is defined in Texas Utilities Code, 101.003.

Index_E

TABLE OF CONTENTS

Applicable to unincorporated Areas of Eagle Pass, TX
 Description

1. TABLE OF CONTENTS
2. UTILITY OPERATIONS
3. CITY AND COUNTY SERVICE AREAS
4. DEFINITIONS
5. RATE R-E - RESIDENTIAL SALES
6. RATE SV-E - SMALL VOLUME COMMERCIAL/INDUSTRIAL SALES
7. RATE LV-E - LARGE VOLUME COMMERCIAL/INDUSTRIAL SALES
8. RATE PA-E - PUBLIC AUTHORITY SALES
9. RATE PGF - PURCHASED GAS FACTOR
10. RIDER PSF - PIPELINE SAFETY FEE
11. RATE M - MISCELLANEOUS SERVICE CHARGES
12. RATE LEP - LINE EXTENSION POLICY
13. RATE DEP - CUSTOMER DEPOSITS
14. WNA - WEATHER NORMALIZATION ADJUSTMENT
15. C489 - CURTAILMENT PLAN
16. QOS745 - QUALITY OF SERVICE RULES

OPER_E

UTILITY OPERATIONS

Applicable to unincorporated Areas of Eagle Pass, TX

Texas State Natural Gas, Inc. owns and operates a natural gas distribution system that provides natural gas service in Texas.

The following will respond to inquiries regarding provisions of this Tariff for Gas Service:

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

RATE SCHEDULE

SCHEDULE ID DESCRIPTION

Texas State Natural Gas, Inc.
 Carlos S. Libson,
 General Manager
 P.O. Drawer 887
 Eagle Pass, Texas 78853
 (830) 773-9511
 Email Address: clibson@sbcglobal.net

AREA_E

CITY AND COUNTY SERVICE AREAS

Applicable to unincorporated Areas of Eagle Pass, TX

CITIES & TOWNS

Eagle Pass Unincorporated Areas

COUNTIES:

Maverick

WNA_E

RIDER WNA-E - WEATHER NORMALIZATION ADJUSTMENT

APPLICATION

Applicable to all customer classes in the unincorporated area of Eagle Pass, Tx.

MONTHLY CALCULATION

In order to reflect weather variances in a timely and accurate manner, the Weather Normalization Adjustment rate (`WNA`) shall be separately calculated and adjusted monthly by rate class for each meter reading or billing cycle (`Cycle`). Monthly WNA adjustments will be based upon weather information, obtained for NOAA's Del Rio International Airport weather station, for the periods beginning with the first Cycle read in October and ending with the last Cycle read in the following April.

The Weather Normalization Adjustment rate for each Cycle shall be based on the following formula:

$$WNA \text{ Rate} = WND / CMV + RC$$

WND is calculated based on the following formula:

$$WND = [(HDDn / HDDa * HL) - HL] * VR$$

DEFINITIONS

WND - Weather Normalized Dollars to be collected from the Cycle.

CMV - Current Month Volumes billed for the Cycle.

HDDn - Normal heating degree days during the Cycle.

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

HDDa - Actual heating degree days during the Cycle.

HL - Heat Load volumes calculated using the following formula: Total volumes for the Cycle less Base Load volumes where Base Load volumes are calculated by multiplying the Base Load per customer as established in the most recent rate case by the number of customers in the Cycle.

VR - Volumetric cost of service rate for the applicable customer class.

RC - The Reconciliation Component amount to be return to or recovered from customers each month from October through April as a result of any prior year's over or under collections.

RECONCILIATION AUDIT

An annual review shall be performed of the Company's books and records for each seven month period beginning with October and ending with the subsequent April to determine the amount of over or under collection by customer class occurring during such seven month period. The audit shall determine:(a) the total amount of volumetric revenues collected from customers, including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer established in the most recent rate case multiplied by the number of customers during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather-sensitive revenues billed, (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause, and (e) the amount of any over or under collection of WNA revenues from operation of the provisions of this clause.

DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of the revenues in any rate class, such amount, if any, shall be divided by the gas sales volumes by rate class, adjusted for the effects of weather, growth, and conservation for the subsequent period beginning with the first Cycle read in October and ending with the last Cycle read in the following April. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a seven (7) period beginning with the first Cycle in October and continuing through the last Cycle in April at which time it will terminate until a new Reconciliation Component is determined.

MONTHLY REPORT

By the 25th day of the following month, the Company will file with the Regulatory

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Authority a monthly report showing the current rate adjustments for each applicable rate schedule. Supporting documentation will be made available for review upon request.

ANNUAL REPORT

By each September 1, the Company will file with the Regulatory Authority an annual report verifying the past year's WNA collections or refunds, which shall include but not necessarily be limited to:

1. A schedule of the actual gas sales volumes and respective revenues by rate class by month for the seven months ending April 30, with revenues collected via this clause identified separately.
2. A schedule of the weather normalized volumes and respective revenues by rate class for the seven months ending April 30 using the methodology adopted in the most recent rate case.
3. A calculation of the difference between the actual gas sales volumes and revenues by rate class and the weather mormalized gas sales volumes and revenues.
4. A schedule showing the difference between the total amount to be collected or refunded through the annual reconciliation component and the actual amount collected or refunded during the same period.

RATE ADJUSTMENT PROVISIONS

None

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
18324	N	ccf	\$.4099	02/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3757	03/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3158	01/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.4337	04/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.4594	11/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.7616	08/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.8778	07/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.5508	06/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.4796	05/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.6544	10/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.6831	09/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3342	12/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3036	03/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			

REASONS FOR FILING

NEW?: N
RRC DOCKET NO: Rates set by initial rates
CITY ORDINANCE NO:
AMENDMENT (EXPLAIN):
OTHER (EXPLAIN): File 2017 Pipeline Safety Fee Rates

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

SERVICES

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>
B	Commercial Sales
	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales
	<u>OTHER TYPE DESCRIPTION</u>

PREPARER - PERSON FILING

RRC NO: 710 ACTIVE FLAG: Y INACTIVE DATE:
 FIRST NAME: Marynell MIDDLE: LAST NAME: Myers
 TITLE: Authorized Agent
 ADDRESS LINE 1: 3 Lakeway Centre Ct., Ste 110
 ADDRESS LINE 2:
 CITY: Austin STATE: TX ZIP: 78734 ZIP4:
 AREA CODE: 512 PHONE NO: 261-4152 EXTENSION:

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

CURTAILMENT PLAN

<u>PLAN ID</u>	<u>DESCRIPTION</u>
C489	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 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 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.

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

08/21/2018

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

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.

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

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

08/21/2018

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

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 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 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.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

LINE EXTENSION POLICY

<u>POLICY ID</u>	<u>DESCRIPTION</u>
1226	<p>RATE LEP_E - LINE EXTENSION POLICY</p> <p>The company has the right to contract with individual customers for the installation of gas facilities in the unincorporated area of Eagle Pass. The following fees will be accessed:</p> <p>Residential Customers: Line extensions of 50 feet or less - \$250, Line extensions greater than 50 feet - Actual Cost.</p> <p>Non-residential customers: All extensions - Actual Cost.</p> <p>`Actual Cost` shall include the cost of the mainline, the cost of all yard and service lines, and the cost of any appurtenant equipment and other costs necessary to install the extension. Texas State Natural Gas, Inc. is not required to extend its mains or facilities if the customer(s) will not use gas for space heating and water heating, or the equivalent load, at a minimum.</p> <p>Note: this rate schedule is applicable to the construction of a mainline extension and/or installation of service lines and the cost metering and regulating equipment, and does not include the cost for the final initiation of service. An additional fee to initiate the turn on service, as described in Rate M - Miscellaneous Service Charge - Connections, will be accessed each customer to initiate service for that customer.</p>

QUALITY OF SERVICE

<u>QUAL_SERVICE ID</u>	<u>DESCRIPTION</u>
QOS745	<p>Rate Schedule 16</p> <p>QOS745 - QUALITY OF SERVICE RULES</p> <p>Texas State Natural Gas, Inc. hereby adopts Rule 7.45 of the Railroad Commission of Texas Rules and Regulations. This document can be found at: http://www.rrc.state.tx.us/rules/rule.php.</p>

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
277752	M_E		<p>RATE M-E MISCELLANEOUS SERVICE CHARGES</p> <p>Applicable to all customers in the unincorporated area of Eagle Pass, TX</p> <p>Application - The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges.</p>
277753	M.1_E		<p>1. CONNECTIONS (turn on of service) Institution and reconnection of service for Residential and Small Commercial customers: \$45. If connection of service also requires a meter to be installed or reinstalled at the facility, there is no additional charge simply for the installation of that meter; however, Industrial connections and Commercial or Public Authority connections of meters greater than 275 cubic feet per hour, may require additional connection charges at actual cost, but not less than \$45.00. In addition, if a main line and/or service line extension is also required to provide gas service to the facility, additional charges will be required as specified under Rate LEP - Line Extension Policy.</p>
277754	M.2_E		<p>2. DISCONNECTIONS (turn off of service) Disconnection of service for all customer classes, whether at the request of the customer or initiated by the Company - other than due to problems or potential problems with the Company's facilities: \$ 25.00</p>
277755	M.3_E		<p>3. CHARGE FOR TEMPORARY DISCONTINUANCE OF SERVICE - RESIDENTIAL Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address: \$ 45.00</p>
277756	M.4_E		<p>4. FIELD READ OF METER A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party: \$ 25.00</p>
277757	M.5_E		<p>5. CHARGE FOR METER TESTING The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within</p>

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

277758	M.6_E	<p>the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee. The customer must be properly informed of the result of any test on a meter that services him: \$45.00</p>
277759	M.7_E	<p>6. RESTORING SERVICE SCHEDULED DURING BUSINESS HOURS Restore service after termination for non-payment when restoration of service has been scheduled to occur during standard business hours (8:00 am - 5:00 pm, Monday through Friday, excluding holidays): \$45.00.</p>
277760	M.8_E	<p>7. RESTORING SERVICE SCHEDULED AFTER BUSINESS HOURS Restore service after termination for non-payment when restoration of service has been scheduled to occur after standard business hours (before 8:00 am or after 5:00 pm, Monday through Friday or on holidays) at the customer`s request: \$ 65.00.</p>
277761	M.9_E	<p>8. TAMPERING Tampering or interfering with gas meters, equipment or other related facilities will result in a tampering charge plus any related costs associated with the consumption of gas, repairing or replacing the damaged facilities. Further attempts to tamper or interfere with these facilities will result in permanent termination of gas service: \$125.00 + costs.</p>
277762	M.10_E	<p>9. RETURNED CHECKS Returned check fee on a customer bill: \$ 25.00.</p>
277763	M.11_E	<p>10. METER RE-READS The Company shall, upon request of a customer, make a re-read of the meter serving that customer. If the Company validates the accuracy of the original read, the Meter Re-read fee will be charged. If the Company determines that the original read was inaccurate, no charge will be assessed for the Meter Re-read: \$25.00.</p>
277764	M.12_E	<p>11. TRIP CHARGE DURING BUSINESS HOURS A Trip Charge is made for responding to a service call scheduled during standard business hours (8:00 am - 5:00 pm, Monday through Friday, excluding holidays) that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to furnace light-ups and gas appliance light-ups: \$45.00</p>
		<p>12. TRIP CHARGE AFTER BUSINESS HOURS A Trip Charge is made for responding to a service call after standard business hours (before 8:00 am or after 5:00</p>

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26444

pm, Monday through Friday or on holidays) that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to furnace light-ups and gas appliance light-ups: \$65.00.

277765 M.13_E

13. ADDITIONAL TRIP DURING BUSINESS HOURS Additional trip scheduled, including but not limited to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment during standard business hours (8:00 am - 5:00 pm, Monday through Friday, excluding holidays): \$45.00.

277766 M.14_E

14. ADDITIONAL TRIP AFTER BUSINESS HOURS Additional trip scheduled, including but not limited to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment after standard business hours (before 8:00 am or after 5:00 pm, Monday through Friday or on holidays): \$65.00

277767 DEP_E

RATE DEP - CUSTOMER SECURITY DEPOSITS
 Applicable to unincorporated Areas of Eagle Pass, TX.

The following amounts may be charged to customers pursuant to the Quality of Service Rules, Section 5:

Residential Customer Security Deposit \$ 50.00

All Commercial and Industrial Customers` Security Deposit \$150.00 (minimum)

Refer to QOS745 - Quality of Service Rules, Section 5 for additional information on customer security deposit requirements, interest, and record keeping.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 03/01/2017 ORIGINAL CONTRACT DATE: RECEIVED DATE: 06/29/2017
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO:
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
DEF_E	<p>DEFINITIONS</p> <p>Applicable to unincorporated Areas of Eagle Pass, TX</p> <p>COMMISSION - The Railroad Commission of Texas</p> <p>COMPANY - Texas State Natural Gas, Inc., its successors, and its assigns</p> <p>CUSTOMER - An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving gas service or who is receiving the benefit of gas service at a specified point of delivery.</p> <p>LARGE VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER - A customer, other than a residential customer or public authority customer, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code, and either: 1. whose annual volumetric usage is greater than 48,000 Ccf per year or 2. whose average monthly usage is greater than 4,000 Ccf over a twelve month period.</p> <p>PUBLIC AUTHORITY CUSTOMER - All governmental agencies and educational institutions other than those involving manufacturing, electrical generation, or that use boiler fuel for industrial purposes.</p> <p>RATE SCHEDULE - A statement of the method of determining charges for gas service, including the conditions under which such method applies.</p> <p>RESIDENTIAL CUSTOMER - Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.</p> <p>RESIDENTIAL END USES - Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.</p> <p>SMALL VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER - A customer, other than a residential customer, public authority customer, or Large Volume Commercial/Industrial Customer as defined herein, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.</p>
PA_E	<p>RATE PA-E PUBLIC AUTHORITY SALES ENVIRONS</p>

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

APPLICATION OF SCHEDULE: Schedule applies to all Public Authority Customers in the unincorporated area of Eagle Pass, TX.

MONTHLY BASE RATE: Customer`s base monthly bill will be calculated using the following Customer and Ccf charges:

Customer Charge \$40.00 per month,
 plus all Ccf at \$0.6563 per Ccf.

SURCHARGES: In addition to the base monthly charges above, each customer`s bill will include an amount for surcharges calculated in accordance with the applicable rider(s).

1. Rate PGF - Purchase Gas Factor
2. Rider WNA - Weather Normalization Adjustment
3. Rider PSF - Pipeline Safety Fee

CONDITIONS:

1. Subject in all respects to applicable laws, rules and regulations from time to time in effect.
2. Delivery of 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 consumers served. Also refer to C489-Curtailment Plan.

PGF_E

RATE PGF-E PURCHASED GAS FACTOR SCHEDULE NO. 1

Applicable to the unincorporated area of Eagle Pass, TX

Purpose and Intent

This provision is intended to allow collection of the Company`s gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that actual costs billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised and a revised tariff filed to reflect such revisions.

Applicability

This clause shall apply to all Texas State Natural Gas, Inc. tariffs that incorporate this Purchased Gas Factor tariff provision and which have been properly filed and implemented with the appropriate jurisdictional authority.

Definitions

Standard Cubic Foot of Gas-the amount of gas contained in one (1) cubic foot of

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit.

Ccf-one hundred standard cubic feet of gas.

Mcf-one thousand standard cubic feet of gas.

Purchased Gas Volumes-The volumes of gas, expressed in Mcf`s, purchased by the Company and received into the Company`s distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s)-The total cost of Purchased Gas Volumes, as received into the Company`s distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas-The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf.

Billed Gas Volumes-The volumes of gas billed to customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcf`s.

Billed Gas Revenues-The total amount of revenues attributable to billings by Texas State Natural Gas, Inc. for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Factor during the same period.

Lost and Unaccounted for Gas (LUG)-Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Purchased Gas Factor (PGF)-A factor on each customer`s monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

Annual Review Period-The 12 month period ending June 30 of each year.

Annual Review - An annual review of the Company`s records covering the 12 month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total-The total amount determined through the Annual Review to be credited or surcharged to customers` bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor-A credit or surcharge included in the Purchased Gas Factor to reflect the pro rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Company's distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by Texas State Natural Gas, Inc., pipeline transportation charges (both volumetric and demand), and gas storage charges (both volumetric and demand).

The Company shall account for gas injected into and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro rata amount to adjust for previous over or under estimates of the Weighted Average Cost of Gas, plus a Reconciliation Factor to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers' bills over a twelve month period commencing each September 1 following the Annual Review Period.

Annual Imbalance Total Where LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative;

If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period.

Annual Imbalance Total Where LUG Volume is positive and is greater than five percent of Purchased Gas Volumes;

If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows:

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined; minus,

The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's weighted Average Cost of Purchased Gas for the Review Period.

Reconciliation Factor Calculation

The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows:

The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period.

The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total.

The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month.

Each month of the twelve month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over or under estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month.

At the end of each 12 month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12 month period.

The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's Weighted Average Cost of Purchased Gas for the Review Period.

Special Transition Provision

It is recognized that a cumulative imbalance between gas costs and sales gas revenues collected under Texas State Natural Gas, Inc.'s Purchased Gas Adjustment Clause previously in effect, may exist at the time this new Purchased Gas Adjustment becomes effective. Subject to the limitation for Lost and Unaccounted

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

RATE SCHEDULE

SCHEDULE IDDESCRIPTION

for Gas, the Company shall amortize any such imbalance as a credit or surcharge on customers` bills over the twelve months commencing September 1, 2011. The cumulative imbalance to be amortized under this provision shall be the imbalance, if any, attributable to the period from inception of Texas State Natural Gas, Inc. through June 30, 2011.

PSF2017-E

Rider PSF Pipeline Safety Fee. Applicable to all customer classes. Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC section 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commission's rules. The Company will charge a one-time customer charge per bill of \$1.44, based on \$1.44 per service line, effective 3/1/17 through 3/31/17. The Pipeline Safety Fee shall not be billed to a state agency as that term is defined in Texas Utilities Code, 101.003.

WNA_E

RIDER WNA-E - WEATHER NORMALIZATION ADJUSTMENT

APPLICATION

Applicable to all customer classes in the unincorporated area of Eagle Pass, Tx.

MONTHLY CALCULATION

In order to reflect weather variances in a timely and accurate manner, the Weather Normalization Adjustment rate (`WNA`) shall be separately calculated and adjusted monthly by rate class for each meter reading or billing cycle (`Cycle`). Monthly WNA adjustments will be based upon weather information, obtained for NOAA`s Del Rio International Airport weather station, for the periods beginning with the first Cycle read in October and ending with the last Cycle read in the following April.

The Weather Normalization Adjustment rate for each Cycle shall be based on the following formula:

$$\text{WNA Rate} = \text{WND} / \text{CMV} + \text{RC}$$

WND is calculated based on the following formula:

$$\text{WND} = [(\text{HDDn} / \text{HDDa} * \text{HL}) - \text{HL}] * \text{VR}$$

DEFINITIONS

WND - Weather Normalized Dollars to be collected from the Cycle.

CMV - Current Month Volumes billed for the Cycle.

HDDn - Normal heating degree days during the Cycle.

HDDa - Actual heating degree days during the Cycle.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

HL - Heat Load volumes calculated using the following formula: Total volumes for the Cycle less Base Load volumes where Base Load volumes are calculated by multiplying the Base Load per customer as established in the most recent rate case by the number of customers in the Cycle.

VR - Volumetric cost of service rate for the applicable customer class.

RC - The Reconciliation Component amount to be return to or recovered from customers each month from October through April as a result of any prior year`s over or under collections.

RECONCILIATION AUDIT

An annual review shall be performed of the Company`s books and records for each seven month period beginning with October and ending with the subsequent April to determine the amount of over or under collection by customer class occuring during such seven month period. The audit shall determine:(a) the total amount of volumetric revenues collected from customers, including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer established in the most recent rate case multiplied by the number of customers during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather-sensitive revenues billed, (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause, and (e) the amount of any over or under collection of WNA revenues from operation of the provisions of this clause.

DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of the revenues in any rate class, such amount, if any, shall be divided by the gas sales volumes by rate class, adjusted for the effects of weather, growth, and conservation for the subsequent period beginning with the first Cycle read in October and ending with the last Cycle read in the following April. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a seven (7) period beginning with the first Cycle in October and continuing throught the last Cycle in April at which time it will terminate until a new Reconciliation Component is determined.

MONTHLY REPORT

By the 25th day of the following month, the Company will file with the Regulatory Authority a monthly report showing the current rate adjustments for each applicable rate schedule. Supporting documentation will be made available for review upon

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

request.

ANNUAL REPORT

By each September 1, the Company will file with the Regulatory Authority an annual report verifying the past year's WNA collections or refunds, which shall include but not necessarily be limited to:

1. A schedule of the actual gas sales volumes and respective revenues by rate class by month for the seven months ending April 30, with revenues collected via this clause identified separately.
2. A schedule of the weather normalized volumes and respective revenues by rate class for the seven months ending April 30 using the methodology adopted in the most recent rate case.
3. A calculation of the difference between the actual gas sales volumes and revenues by rate class and the weather normalized gas sales volumes and revenues.
4. A schedule showing the difference between the total amount to be collected or refunded through the annual reconciliation component and the actual amount collected or refunded during the same period.

Index_E

TABLE OF CONTENTS

Applicable to unincorporated Areas of Eagle Pass, TX
Description

1. TABLE OF CONTENTS
2. UTILITY OPERATIONS
3. CITY AND COUNTY SERVICE AREAS
4. DEFINITIONS
5. RATE R-E - RESIDENTIAL SALES
6. RATE SV-E - SMALL VOLUME COMMERCIAL/INDUSTRIAL SALES
7. RATE LV-E - LARGE VOLUME COMMERCIAL/INDUSTRIAL SALES
8. RATE PA-E - PUBLIC AUTHORITY SALES
9. RATE PGF - PURCHASED GAS FACTOR
10. RIDER PSF - PIPELINE SAFETY FEE
11. RATE M - MISCELLANEOUS SERVICE CHARGES
12. RATE LEP - LINE EXTENSION POLICY
13. RATE DEP - CUSTOMER DEPOSITS
14. WNA - WEATHER NORMALIZATION ADJUSTMENT
15. C489 - CURTAILMENT PLAN
16. QOS745 - QUALITY OF SERVICE RULES

OPER_E

UTILITY OPERATIONS

Applicable to unincorporated Areas of Eagle Pass, TX

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Texas State Natural Gas, Inc. owns and operates a natural gas distribution system that provides natural gas service in Texas.

The following will respond to inquiries regarding provisions of this Tariff for Gas Service:

Texas State Natural Gas, Inc.
 Carlos S. Libson,
 General Manager
 P.O. Drawer 887
 Eagle Pass, Texas 78853
 (830) 773-9511
 Email Address: clibson@sbcglobal.net

AREA_E

CITY AND COUNTY SERVICE AREAS

Applicable to unincorporated Areas of Eagle Pass, TX

CITIES & TOWNS

Eagle Pass Unincorporated Areas

COUNTIES:

Maverick

RATE ADJUSTMENT PROVISIONS

None

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
18324	N	ccf	\$.4099	02/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3757	03/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3158	01/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.4337	04/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.4594	11/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3036	03/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.7616	08/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.8778	07/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.5508	06/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.4796	05/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.6544	10/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.6831	09/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3342	12/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			

REASONS FOR FILING

NEW?: N
RRC DOCKET NO: Rates set by intial rates
CITY ORDINANCE NO:
AMENDMENT (EXPLAIN):
OTHER (EXPLAIN): File 2017 Pipeline Safety Fee Rates

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

08/21/2018

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

SERVICES

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

PREPARER - PERSON FILING

RRC NO: 710 ACTIVE FLAG: Y INACTIVE DATE:
 FIRST NAME: Marynell MIDDLE: LAST NAME: Myers
 TITLE: Authorized Agent
 ADDRESS LINE 1: 3 Lakeway Centre Ct., Ste 110
 ADDRESS LINE 2:
 CITY: Austin STATE: TX ZIP: 78734 ZIP4:
 AREA CODE: 512 PHONE NO: 261-4152 EXTENSION:

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

08/21/2018

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

CURTAILMENT PLAN

<u>PLAN ID</u>	<u>DESCRIPTION</u>
C489	<p style="text-align: right;">RAILROAD COMMISSION OF TEXAS</p> <p style="text-align: right;">OIL AND GAS DIVISION GAS UTILITIES</p> <p>DIVISION</p> <p style="text-align: right;">OIL AND GAS DOCKET GAS UTILITIES DIVISION NO. 20-62,505 DOCKET NO. 489</p>

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 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 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.

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

08/21/2018

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

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.

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

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 26445
-----------------	----------------------

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 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 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.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

LINE EXTENSION POLICY

<u>POLICY ID</u>	<u>DESCRIPTION</u>
1226	<p>RATE LEP_E - LINE EXTENSION POLICY</p> <p>The company has the right to contract with individual customers for the installation of gas facilities in the unincorporated area of Eagle Pass. The following fees will be accessed:</p> <p>Residential Customers: Line extensions of 50 feet or less - \$250, Line extensions greater than 50 feet - Actual Cost.</p> <p>Non-residential customers: All extensions - Actual Cost.</p> <p>`Actual Cost` shall include the cost of the mainline, the cost of all yard and service lines, and the cost of any appurtenant equipment and other costs necessary to install the extension. Texas State Natural Gas, Inc. is not required to extend its mains or facilities if the customer(s) will not use gas for space heating and water heating, or the equivalent load, at a minimum.</p> <p>Note: this rate schedule is applicable to the construction of a mainline extension and/or installation of service lines and the cost metering and regulating equipment, and does not include the cost for the final initiation of service. An additional fee to initiate the turn on service, as described in Rate M - Miscellaneous Service Charge - Connections, will be accessed each customer to initiate service for that customer.</p>

QUALITY OF SERVICE

<u>QUAL_SERVICE ID</u>	<u>DESCRIPTION</u>
QOS745	<p>Rate Schedule 16</p> <p>QOS745 - QUALITY OF SERVICE RULES</p> <p>Texas State Natural Gas, Inc. hereby adopts Rule 7.45 of the Railroad Commission of Texas Rules and Regulations. This document can be found at: http://www.rrc.state.tx.us/rules/rule.php.</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
278726	M_E		<p>RATE M-E MISCELLANEOUS SERVICE CHARGES</p> <p>Applicable to all customers in the unincorporated area of Eagle Pass, TX</p> <p>Application - The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges.</p>
278727	M.1_E		<p>1. CONNECTIONS (turn on of service) Institution and reconnection of service for Residential and Small Commercial customers: \$45. If connection of service also requires a meter to be installed or reinstalled at the facility, there is no additional charge simply for the installation of that meter; however, Industrial connections and Commercial or Public Authority connections of meters greater than 275 cubic feet per hour, may require additional connection charges at actual cost, but not less than \$45.00. In addition, if a main line and/or service line extension is also required to provide gas service to the facility, additional charges will be required as specified under Rate LEP - Line Extension Policy.</p>
278728	M.2_E		<p>2. DISCONNECTIONS (turn off of service) Disconnection of service for all customer classes, whether at the request of the customer or initiated by the Company - other than due to problems or potential problems with the Company's facilities: \$ 25.00</p>
278729	M.3_E		<p>3. CHARGE FOR TEMPORARY DISCONTINUANCE OF SERVICE - RESIDENTIAL Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address: \$ 45.00</p>
278730	M.4_E		<p>4. FIELD READ OF METER A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party: \$ 25.00</p>
278731	M.5_E		<p>5. CHARGE FOR METER TESTING The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729	COMPANY NAME: TEXAS STATE NATURAL GAS, INC.
----------------	---

TARIFF CODE: DS	RRC TARIFF NO: 26445
-----------------	----------------------

		the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee. The customer must be properly informed of the result of any test on a meter that services him: \$45.00
278732	M.6_E	6. RESTORING SERVICE SCHEDULED DURING BUSINESS HOURS Restore service after termination for non-payment when restoration of service has been scheduled to occur during standard business hours (8:00 am - 5:00 pm, Monday through Friday, excluding holidays): \$45.00.
278733	M.7_E	7. RESTORING SERVICE SCHEDULED AFTER BUSINESS HOURS Restore service after termination for non-payment when restoration of service has been scheduled to occur after standard business hours (before 8:00 am or after 5:00 pm, Monday through Friday or on holidays) at the customer`s request: \$ 65.00.
278734	M.8_E	8. TAMPERING Tampering or interfering with gas meters, equipment or other related facilities will result in a tampering charge plus any related costs associated with the consumption of gas, repairing or replacing the damaged facilities. Further attempts to tamper or interfere with these facilities will result in permanent termination of gas service: \$125.00 + costs.
278735	M.9_E	9. RETURNED CHECKS Returned check fee on a customer bill: \$ 25.00.
278736	M.10_E	10. METER RE-READS The Company shall, upon request of a customer, make a re-read of the meter serving that customer. If the Company validates the accuracy of the original read, the Meter Re-read fee will be charged. If the Company determines that the original read was inaccurate, no charge will be assessed for the Meter Re-read: \$25.00.
278737	M.11_E	11. TRIP CHARGE DURING BUSINESS HOURS A Trip Charge is made for responding to a service call scheduled during standard business hours (8:00 am - 5:00 pm, Monday through Friday, excluding holidays) that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to furnace light-ups and gas appliance light-ups: \$45.00
278738	M.12_E	12. TRIP CHARGE AFTER BUSINESS HOURS A Trip Charge is made for responding to a service call after standard business hours (before 8:00 am or after 5:00

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26445

278739 M.13_E pm, Monday through Friday or on holidays) that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to furnace light-ups and gas appliance light-ups: \$65.00.

278740 M.14_E 13. ADDITIONAL TRIP DURING BUSINESS HOURS Additional trip scheduled, including but not limited to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment during standard business hours (8:00 am - 5:00 pm, Monday through Friday, excluding holidays): \$45.00.

278741 DEP_E 14. ADDITIONAL TRIP AFTER BUSINESS HOURS Additional trip scheduled, including but not limited to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment after standard business hours (before 8:00 am or after 5:00 pm, Monday through Friday or on holidays): \$65.00

RATE DEP - CUSTOMER SECURITY DEPOSITS
 Applicable to unincorporated Areas of Eagle Pass, TX.

The following amounts may be charged to customers pursuant to the Quality of Service Rules, Section 5:

Residential Customer Security Deposit \$ 50.00

All Commercial and Industrial Customers` Security Deposit \$150.00 (minimum)

Refer to QOS745 - Quality of Service Rules, Section 5 for additional information on customer security deposit requirements, interest, and record keeping.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 03/01/2017 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/22/2017
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO:
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
DEF_E	<p>DEFINITIONS</p> <p>Applicable to unincorporated Areas of Eagle Pass, TX</p> <p>COMMISSION - The Railroad Commission of Texas</p> <p>COMPANY - Texas State Natural Gas, Inc., its successors, and its assigns</p> <p>CUSTOMER - An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving gas service or who is receiving the benefit of gas service at a specified point of delivery.</p> <p>LARGE VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER - A customer, other than a residential customer or public authority customer, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code, and either: 1. whose annual volumetric usage is greater than 48,000 Ccf per year or 2. whose average monthly usage is greater than 4,000 Ccf over a twelve month period.</p> <p>PUBLIC AUTHORITY CUSTOMER - All governmental agencies and educational institutions other than those involving manufacturing, electrical generation, or that use boiler fuel for industrial purposes.</p> <p>RATE SCHEDULE - A statement of the method of determining charges for gas service, including the conditions under which such method applies.</p> <p>RESIDENTIAL CUSTOMER - Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.</p> <p>RESIDENTIAL END USES - Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.</p> <p>SMALL VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER - A customer, other than a residential customer, public authority customer, or Large Volume Commercial/Industrial Customer as defined herein, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.</p>
RES_E	<p>RATE R-E RESIDENTIAL SALES ENVIRONS</p>

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

APPLICATION OF SCHEDULE:

Schedule applies to all Residential Customers in the unincorporated area of Eagle Pass, TX.

MONTHLY BASE RATE:

Customer`s base monthly bill will be calculated using the following Customer and Ccf charges:

Customer Charge \$16.00 per month,
 plus all Ccf at \$0.5398 per Ccf.

SURCHARGES:

In addition to the base monthly charges above, each customer`s bill will include an amount for surcharges calculated in accordance with the applicable rider(s).

1. Rate PGF - Purchase Gas Factor
2. Rider WNA - Weather Normalization Adjustment
3. Rider PSF - Pipeline Safety Fee

CONDITIONS: Subject in all respects to applicable laws, rules and regulations from time to time in effect.

PGF_E

RATE PGF-E PURCHASED GAS FACTOR SCHEDULE NO. 1

Applicable to the unincorporated area of Eagle Pass, TX

Purpose and Intent

This provision is intended to allow collection of the Company`s gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that actual costs billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised and a revised tariff filed to reflect such revisions.

Applicability

This clause shall apply to all Texas State Natural Gas, Inc. tariffs that incorporate this Purchased Gas Factor tariff provision and which have been properly filed and implemented with the appropriate jurisdictional authority.

Definitions

Standard Cubic Foot of Gas-the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Fahrenheit.

Ccf-one hundred standard cubic feet of gas.

Mcf-one thousand standard cubic feet of gas.

Purchased Gas Volumes-The volumes of gas, expressed in Mcf`s, purchased by the Company and received into the Company`s distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s)-The total cost of Purchased Gas Volumes, as received into the Company`s distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas-The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf.

Billed Gas Volumes-The volumes of gas billed to customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcf`s.

Billed Gas Revenues-The total amount of revenues attributable to billings by Texas State Natural Gas, Inc. for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Factor during the same period.

Lost and Unaccounted for Gas (LUG)-Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Purchased Gas Factor (PGF)-A factor on each customer`s monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

Annual Review Period-The 12 month period ending June 30 of each year.

Annual Review - An annual review of the Company`s records covering the 12 month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total-The total amount determined through the Annual Review to be credited or surcharged to customers` bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor-A credit or surcharge included in the Purchased Gas Factor to reflect the pro rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

system, gas purchases, and Company owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Company`s distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by Texas State Natural Gas, Inc., pipeline transportation charges (both volumetric and demand), and gas storage charges (both volumetric and demand).

The Company shall account for gas injected into and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro rata amount to adjust for previous over or under estimates of the Weighted Average Cost of Gas, plus a Reconciliation Factor to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers` bills over a twelve month period commencing each September 1 following the Annual Review Period.

Annual Imbalance Total Where LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative;

If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period.

Annual Imbalance Total Where LUG Volume is positive and is greater than five percent of Purchased Gas Volumes;

If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows:

The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined; minus,

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

RATE SCHEDULESCHEDULE IDDESCRIPTION

The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's weighted Average Cost of Purchased Gas for the Review Period.

Reconciliation Factor Calculation

The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows:

The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period.

The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total.

The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month.

Each month of the twelve month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over or under estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month.

At the end of each 12 month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12 month period.

The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's Weighted Average Cost of Purchased Gas for the Review Period.

Special Transition Provision

It is recognized that a cumulative imbalance between gas costs and sales gas revenues collected under Texas State Natural Gas, Inc.'s Purchased Gas Adjustment Clause previously in effect, may exist at the time this new Purchased Gas Adjustment becomes effective. Subject to the limitation for Lost and Unaccounted for Gas, the Company shall amortize any such imbalance as a credit or surcharge on customers' bills over the twelve months commencing September 1, 2011. The cumulative imbalance to be amortized under this provision shall be the imbalance,

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

RATE SCHEDULESCHEDULE IDDESCRIPTION

if any, attributable to the period from inception of Texas State Natural Gas, Inc. through June 30, 2011.

PSF2017-E

Rider PSF Pipeline Safety Fee. Applicable to all customer classes. Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC section 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commission's rules. The Company will charge a one-time customer charge per bill of \$1.44, based on \$1.44 per service line, effective 3/1/17 through 3/31/17. The Pipeline Safety Fee shall not be billed to a state agency as that term is defined in Texas Utilities Code, 101.003.

WNA_E

RIDER WNA-E - WEATHER NORMALIZATION ADJUSTMENT

APPLICATION

Applicable to all customer classes in the unincorporated area of Eagle Pass, Tx.

MONTHLY CALCULATION

In order to reflect weather variances in a timely and accurate manner, the Weather Normalization Adjustment rate (`WNA`) shall be separately calculated and adjusted monthly by rate class for each meter reading or billing cycle (`Cycle`). Monthly WNA adjustments will be based upon weather information, obtained for NOAA's Del Rio International Airport weather station, for the periods beginning with the first Cycle read in October and ending with the last Cycle read in the following April.

The Weather Normalization Adjustment rate for each Cycle shall be based on the following formula:

$$\text{WNA Rate} = \text{WND} / \text{CMV} + \text{RC}$$

WND is calculated based on the following formula:

$$\text{WND} = [(\text{HDDn} / \text{HDDa} * \text{HL}) - \text{HL}] * \text{VR}$$

DEFINITIONS

WND - Weather Normalized Dollars to be collected from the Cycle.

CMV - Current Month Volumes billed for the Cycle.

HDDn - Normal heating degree days during the Cycle.

HDDa - Actual heating degree days during the Cycle.

HL - Heat Load volumes calculated using the following formula: Total volumes for the Cycle less Base Load volumes where Base Load volumes are calculated by

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
--------------------	--------------------

multiplying the Base Load per customer as established in the most recent rate case by the number of customers in the Cycle.

VR - Volumetric cost of service rate for the applicable customer class.

RC - The Reconciliation Component amount to be return to or recovered from customers each month from October through April as a result of any prior year`s over or under collections.

RECONCILIATION AUDIT

An annual review shall be performed of the Company`s books and records for each seven month period beginning with October and ending with the subsequent April to determine the amount of over or under collection by customer class occuring during such seven month period. The audit shall determine:(a) the total amount of volumetric revenues collected from customers, including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer established in the most recent rate case multiplied by the number of customers during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather-sensitive revenues billed, (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause, and (e) the amount of any over or under collection of WNA revenues from operation of the provisions of this clause.

DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of the revenues in any rate class, such amount, if any, shall be divided by the gas sales volumes by rate class, adjusted for the effects of weather, growth, and conservation for the subsequent period beginning with the first Cycle read in October and ending with the last Cycle read in the following April. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a seven (7) period beginning with the first Cycle in October and continuing throught the last Cycle in April at which time it will terminate until a new Reconciliation Component is determined.

MONTHLY REPORT

By the 25th day of the following month, the Company will file with the Regulatory Authority a monthly report showing the current rate adjustments for each applicable rate schedule. Supporting documentation will be made available for review upon request.

ANNUAL REPORT

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

By each September 1, the Company will file with the Regulatory Authority an annual report verifying the past year`s WNA collections or refunds, which shall include but not necessarily be limited to:

1. A schedule of the actual gas sales volumes and respective revenues by rate class by month for the seven months ending April 30, with revenues collected via this clause identified separately.

2. A schedule of the weather normalized volumes and repective revenues by rate class for the seven months ending April 30 using the methodology adopted in the most recent rate case.

3. A calculation of the difference between the actual gas sales volumes and revenues by rate class and the weather normalzied gas sales volumes and revenues.

4. A schedule showing the difference between the total amount to be collected or refunded through the annual reconciliation component and the actual amount collected or refunded during the same period.

Index_E

TABLE OF CONTENTS

Applicable to unincorporated Areas of Eagle Pass, TX
 Description

1. TABLE OF CONTENTS
2. UTILITY OPERATIONS
3. CITY AND COUNTY SERVICE AREAS
4. DEFINITIONS
5. RATE R-E - RESIDENTIAL SALES
6. RATE SV-E - SMALL VOLUME COMMERCIAL/INDUSTRIAL SALES
7. RATE LV-E - LARGE VOLUME COMMERCIAL/INDUSTRIAL SALES
8. RATE PA-E - PUBLIC AUTHORITY SALES
9. RATE PGF - PURCHASED GAS FACTOR
10. RIDER PSF - PIPELINE SAFETY FEE
11. RATE M - MISCELLANEOUS SERVICE CHARGES
12. RATE LEP - LINE EXTENSION POLICY
13. RATE DEP - CUSTOMER DEPOSITS
14. WNA - WEATHERN NORMALIZATION ADJUSTMENT
15. C489 - CURTAILMENT PLAN
16. QOS745 - QUALITY OF SERVICE RULES

OPER_E

UTILITY OPERATIONS

Applicable to unincorporated Areas of Eagle Pass, TX

Texas State Natural Gas, Inc. owns and operates a natural gas distribution system that provides natural gas service in Texas.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
--------------------	--------------------

The following will respond to inquiries regarding provisions of this Tariff for Gas Service:

Texas State Natural Gas, Inc.
 Carlos S. Libson,
 General Manager
 P.O. Drawer 887
 Eagle Pass, Texas 78853
 (830) 773-9511
 Email Address: clibson@sbcglobal.net

AREA_E

CITY AND COUNTY SERVICE AREAS

Applicable to unincorporated Areas of Eagle Pass, TX

CITIES & TOWNS

Eagle Pass Unincorporated Areas

COUNTIES:

Maverick

RATE ADJUSTMENT PROVISIONS

None

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
18324	N	ccf	\$.4099	02/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3757	03/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3158	01/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.4337	04/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.4594	11/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3036	03/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.7616	08/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.8778	07/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.5508	06/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.4796	05/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.6544	10/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.6831	09/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3342	12/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			

REASONS FOR FILING

NEW?: N
RRC DOCKET NO: Rates set by initial rates
CITY ORDINANCE NO:
AMENDMENT (EXPLAIN):
OTHER (EXPLAIN): File 2017 Pipeline Safety Fee Rates

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

SERVICES

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>
A	Residential Sales
<u>OTHER TYPE DESCRIPTION</u>	

PREPARER - PERSON FILING

RRC NO: 710 ACTIVE FLAG: Y INACTIVE DATE:
 FIRST NAME: Marynell MIDDLE: LAST NAME: Myers
 TITLE: Authorized Agent
 ADDRESS LINE 1: 3 Lakeway Centre Ct., Ste 110
 ADDRESS LINE 2:
 CITY: Austin STATE: TX ZIP: 78734 ZIP4:
 AREA CODE: 512 PHONE NO: 261-4152 EXTENSION:

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

CURTAILMENT PLAN

<u>PLAN ID</u>	<u>DESCRIPTION</u>
C489	<p style="text-align: right;">RAILROAD COMMISSION OF TEXAS</p> <p style="text-align: right;">OIL AND GAS DIVISION GAS UTILITIES</p> <p>DIVISION</p> <p style="text-align: right;">OIL AND GAS DOCKET GAS UTILITIES DIVISION NO. 20-62,505 DOCKET NO. 489</p> <p style="text-align: right;">ORDER</p> <p>RELATING TO THE APPROVAL BY THE COMMISSION OF CURTAILMENT PROGRAMS FOR NATURAL GAS TRANSPORTED AND SOLD WITHIN THE STATE OF TEXAS</p> <p>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.</p> <p>WHEREAS, pursuant to the authority granted to the Railroad Commission of Texas in Article 6050 to 6066, inclusive, R.C.S., as amended; and</p> <p>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</p> <p>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 the end that the public will be best served; and</p> <p>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.</p> <p>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.</p> <p style="text-align: right;">RULE 1.</p> <p>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 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.</p>

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

08/21/2018

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

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.

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

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

08/21/2018

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

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 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 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.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

LINE EXTENSION POLICY

<u>POLICY ID</u>	<u>DESCRIPTION</u>
1226	<p>RATE LEP_E - LINE EXTENSION POLICY</p> <p>The company has the right to contract with individual customers for the installation of gas facilities in the unincorporated area of Eagle Pass. The following fees will be accessed:</p> <p>Residential Customers: Line extensions of 50 feet or less - \$250, Line extensions greater than 50 feet - Actual Cost.</p> <p>Non-residential customers: All extensions - Actual Cost.</p> <p>`Actual Cost` shall include the cost of the mainline, the cost of all yard and service lines, and the cost of any appurtenant equipment and other costs necessary to install the extension. Texas State Natural Gas, Inc. is not required to extend its mains or facilities if the customer(s) will not use gas for space heating and water heating, or the equivalent load, at a minimum.</p> <p>Note: this rate schedule is applicable to the construction of a mainline extension and/or installation of service lines and the cost metering and regulating equipment, and does not include the cost for the final initiation of service. An additional fee to initiate the turn on service, as described in Rate M - Miscellaneous Service Charge - Connections, will be accessed each customer to initiate service for that customer.</p>

QUALITY OF SERVICE

<u>QUAL_SERVICE ID</u>	<u>DESCRIPTION</u>
QOS745	<p>Rate Schedule 16</p> <p>QOS745 - QUALITY OF SERVICE RULES</p> <p>Texas State Natural Gas, Inc. hereby adopts Rule 7.45 of the Railroad Commission of Texas Rules and Regulations. This document can be found at: http://www.rrc.state.tx.us/rules/rule.php.</p>

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
277811	M_E		<p>RATE M-E MISCELLANEOUS SERVICE CHARGES</p> <p>Applicable to all customers in the unincorporated area of Eagle Pass, TX</p> <p>Application - The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges.</p>
277812	M.1_E		<p>1. CONNECTIONS (turn on of service) Institution and reconnection of service for Residential and Small Commercial customers: \$45. If connection of service also requires a meter to be installed or reinstalled at the facility, there is no additional charge simply for the installation of that meter; however, Industrial connections and Commercial or Public Authority connections of meters greater than 275 cubic feet per hour, may require additional connection charges at actual cost, but not less than \$45.00. In addition, if a main line and/or service line extension is also required to provide gas service to the facility, additional charges will be required as specified under Rate LEP - Line Extension Policy.</p>
277813	M.2_E		<p>2. DISCONNECTIONS (turn off of service) Disconnection of service for all customer classes, whether at the request of the customer or initiated by the Company - other than due to problems or potential problems with the Company's facilities: \$ 25.00</p>
277814	M.3_E		<p>3. CHARGE FOR TEMPORARY DISCONTINUANCE OF SERVICE - RESIDENTIAL Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address: \$ 45.00</p>
277815	M.4_E		<p>4. FIELD READ OF METER A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party: \$ 25.00</p>
277816	M.5_E		<p>5. CHARGE FOR METER TESTING The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

277817	M.6_E	<p>the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee. The customer must be properly informed of the result of any test on a meter that services him: \$45.00</p>
277818	M.7_E	<p>6. RESTORING SERVICE SCHEDULED DURING BUSINESS HOURS Restore service after termination for non-payment when restoration of service has been scheduled to occur during standard business hours (8:00 am - 5:00 pm, Monday through Friday, excluding holidays): \$45.00.</p>
277819	M.8_E	<p>7. RESTORING SERVICE SCHEDULED AFTER BUSINESS HOURS Restore service after termination for non-payment when restoration of service has been scheduled to occur after standard business hours (before 8:00 am or after 5:00 pm, Monday through Friday or on holidays) at the customer`s request: \$ 65.00.</p>
277820	M.9_E	<p>8. TAMPERING Tampering or interfering with gas meters, equipment or other related facilities will result in a tampering charge plus any related costs associated with the consumption of gas, repairing or replacing the damaged facilities. Further attempts to tamper or interfere with these facilities will result in permanent termination of gas service: \$125.00 + costs.</p>
277821	M.10_E	<p>9. RETURNED CHECKS Returned check fee on a customer bill: \$ 25.00.</p> <p>10. METER RE-READS The Company shall, upon request of a customer, make a re-read of the meter serving that customer. If the Company validates the accuracy of the original read, the Meter Re-read fee will be charged. If the Company determines that the original read was inaccurate, no charge will be assessed for the Meter Re-read: \$25.00.</p>
277822	M.11_E	<p>11. TRIP CHARGE DURING BUSINESS HOURS A Trip Charge is made for responding to a service call scheduled during standard business hours (8:00 am - 5:00 pm, Monday through Friday, excluding holidays) that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to furnace light-ups and gas appliance light-ups: \$45.00</p>
277823	M.12_E	<p>12. TRIP CHARGE AFTER BUSINESS HOURS A Trip Charge is made for responding to a service call after standard business hours (before 8:00 am or after 5:00</p>

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26446

pm, Monday through Friday or on holidays) that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to furnace light-ups and gas appliance light-ups: \$65.00.

277824 M.13_E

13. ADDITIONAL TRIP DURING BUSINESS HOURS Additional trip scheduled, including but not limited to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment during standard business hours (8:00 am - 5:00 pm, Monday through Friday, excluding holidays): \$45.00.

277825 M.14_E

14. ADDITIONAL TRIP AFTER BUSINESS HOURS Additional trip scheduled, including but not limited to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment after standard business hours (before 8:00 am or after 5:00 pm, Monday through Friday or on holidays): \$65.00

277826 DEP_E

RATE DEP - CUSTOMER SECURITY DEPOSITS
 Applicable to unincorporated Areas of Eagle Pass, TX.

The following amounts may be charged to customers pursuant to the Quality of Service Rules, Section 5:

Residential Customer Security Deposit \$ 50.00

All Commercial and Industrial Customers` Security Deposit \$150.00 (minimum)

Refer to QOS745 - Quality of Service Rules, Section 5 for additional information on customer security deposit requirements, interest, and record keeping.

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

DESCRIPTION: Distribution Sales STATUS: A
EFFECTIVE DATE: 03/01/2017 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/22/2017
GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO:
BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
DEF_E	<p>DEFINITIONS</p> <p>Applicable to unincorporated Areas of Eagle Pass, TX</p> <p>COMMISSION - The Railroad Commission of Texas</p> <p>COMPANY - Texas State Natural Gas, Inc., its successors, and its assigns</p> <p>CUSTOMER - An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving gas service or who is receiving the benefit of gas service at a specified point of delivery.</p> <p>LARGE VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER - A customer, other than a residential customer or public authority customer, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code, and either: 1. whose annual volumetric usage is greater than 48,000 Ccf per year or 2. whose average monthly usage is greater than 4,000 Ccf over a twelve month period.</p> <p>PUBLIC AUTHORITY CUSTOMER - All governmental agencies and educational institutions other than those involving manufacturing, electrical generation, or that use boiler fuel for industrial purposes.</p> <p>RATE SCHEDULE - A statement of the method of determining charges for gas service, including the conditions under which such method applies.</p> <p>RESIDENTIAL CUSTOMER - Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.</p> <p>RESIDENTIAL END USES - Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.</p> <p>SMALL VOLUME COMMERCIAL/INDUSTRIAL CUSTOMER - A customer, other than a residential customer, public authority customer, or Large Volume Commercial/Industrial Customer as defined herein, and who is not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.</p>
SV_E	<p>RATE SV-E SMALL VOLUME COMMERCIAL/INDUSTRIAL SALES ENVIRONS</p>

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

APPLICATION OF SCHEDULE:

Schedule applies to all Small Volume Commercial and Small Volume Industrial Customers in the unincorporated area of Eagle Pass, TX.

MONTHLY BASE RATE:

Customer`s base monthly bill will be calculated using the following Customer and Ccf charges:

Customer Charge \$40.00 per month,
 plus all Ccf at \$0.6250 per Ccf.

SURCHARGES:

In addition to the base monthly charges above, each customer`s bill will include an amount for surcharges calculated in accordance with the applicable rider(s).

1. Rate PGF - Purchase Gas Factor
2. Rider WNA - Weather Normalization Adjustment
3. Rider PSF - Pipeline Safety Fee

CONDITIONS:

1. Subject in all respects to applicable laws, rules and regulations from time to time in effect.
2. Delivery of 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 consumers served. Also refer to C489-Curtailment Plan.

PGF_E

RATE PGF-E PURCHASED GAS FACTOR SCHEDULE NO. 1

Applicable to the unincorporated area of Eagle Pass, TX

Purpose and Intent

This provision is intended to allow collection of the Company`s gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that actual costs billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised and a revised tariff filed to reflect such revisions.

Applicability

This clause shall apply to all Texas State Natural Gas, Inc. tariffs that incorporate this Purchased Gas Factor tariff provision and which have been properly filed and implemented with the appropriate jurisdictional authority.

Definitions

Standard Cubic Foot of Gas-the amount of gas contained in one (1) cubic foot of

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit.

Ccf-one hundred standard cubic feet of gas.

Mcf-one thousand standard cubic feet of gas.

Purchased Gas Volumes-The volumes of gas, expressed in Mcf`s, purchased by the Company and received into the Company`s distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s)-The total cost of Purchased Gas Volumes, as received into the Company`s distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas-The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf.

Billed Gas Volumes-The volumes of gas billed to customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcf`s.

Billed Gas Revenues-The total amount of revenues attributable to billings by Texas State Natural Gas, Inc. for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Factor during the same period.

Lost and Unaccounted for Gas (LUG)-Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Purchased Gas Factor (PGF)-A factor on each customer`s monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

Annual Review Period-The 12 month period ending June 30 of each year.

Annual Review - An annual review of the Company`s records covering the 12 month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total-The total amount determined through the Annual Review to be credited or surcharged to customers` bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor-A credit or surcharge included in the Purchased Gas Factor to reflect the pro rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Company's distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by Texas State Natural Gas, Inc., pipeline transportation charges (both volumetric and demand), and gas storage charges (both volumetric and demand).

The Company shall account for gas injected into and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro rata amount to adjust for previous over or under estimates of the Weighted Average Cost of Gas, plus a Reconciliation Factor to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers' bills over a twelve month period commencing each September 1 following the Annual Review Period.

Annual Imbalance Total Where LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative;

If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period.

Annual Imbalance Total Where LUG Volume is positive and is greater than five percent of Purchased Gas Volumes;

If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows:

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined; minus,

The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's weighted Average Cost of Purchased Gas for the Review Period.

Reconciliation Factor Calculation

The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows:

The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period.

The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total.

The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month.

Each month of the twelve month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over or under estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month.

At the end of each 12 month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12 month period.

The Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's Weighted Average Cost of Purchased Gas for the Review Period.

Special Transition Provision

It is recognized that a cumulative imbalance between gas costs and sales gas revenues collected under Texas State Natural Gas, Inc.'s Purchased Gas Adjustment Clause previously in effect, may exist at the time this new Purchased Gas Adjustment becomes effective. Subject to the limitation for Lost and Unaccounted

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

RATE SCHEDULESCHEDULE IDDESCRIPTION

for Gas, the Company shall amortize any such imbalance as a credit or surcharge on customers` bills over the twelve months commencing September 1, 2011. The cumulative imbalance to be amortized under this provision shall be the imbalance, if any, attributable to the period from inception of Texas State Natural Gas, Inc. through June 30, 2011.

PSF2017-E

Rider PSF Pipeline Safety Fee. Applicable to all customer classes. Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC section 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commission's rules. The Company will charge a one-time customer charge per bill of \$1.44, based on \$1.44 per service line, effective 3/1/17 through 3/31/17. The Pipeline Safety Fee shall not be billed to a state agency as that term is defined in Texas Utilities Code, 101.003.

WNA_E

RIDER WNA-E - WEATHER NORMALIZATION ADJUSTMENT

APPLICATION

Applicable to all customer classes in the unincorporated area of Eagle Pass, Tx.

MONTHLY CALCULATION

In order to reflect weather variances in a timely and accurate manner, the Weather Normalization Adjustment rate (`WNA`) shall be separately calculated and adjusted monthly by rate class for each meter reading or billing cycle (`Cycle`). Monthly WNA adjustments will be based upon weather information, obtained for NOAA`s Del Rio International Airport weather station, for the periods beginning with the first Cycle read in October and ending with the last Cycle read in the following April.

The Weather Normalization Adjustment rate for each Cycle shall be based on the following formula:

$$\text{WNA Rate} = \text{WND} / \text{CMV} + \text{RC}$$

WND is calculated based on the following formula:

$$\text{WND} = [(\text{HDDn} / \text{HDDa} * \text{HL}) - \text{HL}] * \text{VR}$$

DEFINITIONS

WND - Weather Normalized Dollars to be collected from the Cycle.

CMV - Current Month Volumes billed for the Cycle.

HDDn - Normal heating degree days during the Cycle.

HDDa - Actual heating degree days during the Cycle.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

HL - Heat Load volumes calculated using the following formula: Total volumes for the Cycle less Base Load volumes where Base Load volumes are calculated by multiplying the Base Load per customer as established in the most recent rate case by the number of customers in the Cycle.

VR - Volumetric cost of service rate for the applicable customer class.

RC - The Reconciliation Component amount to be return to or recovered from customers each month from October through April as a result of any prior year`s over or under collections.

RECONCILIATION AUDIT

An annual review shall be performed of the Company`s books and records for each seven month period beginning with October and ending with the subsequent April to determine the amount of over or under collection by customer class occuring during such seven month period. The audit shall determine:(a) the total amount of volumetric revenues collected from customers, including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer established in the most recent rate case multiplied by the number of customers during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather-sensitive revenues billed, (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause, and (e) the amount of any over or under collection of WNA revenues from operation of the provisions of this clause.

DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of the revenues in any rate class, such amount, if any, shall be divided by the gas sales volumes by rate class, adjusted for the effects of weather, growth, and conservation for the subsequent period beginning with the first Cycle read in October and ending with the last Cycle read in the following April. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a seven (7) period beginning with the first Cycle in October and continuing throught the last Cycle in April at which time it will terminate until a new Reconciliation Component is determined.

MONTHLY REPORT

By the 25th day of the following month, the Company will file with the Regulatory Authority a monthly report showing the current rate adjustments for each applicable rate schedule. Supporting documentation will be made available for review upon

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

request.

ANNUAL REPORT

By each September 1, the Company will file with the Regulatory Authority an annual report verifying the past year's WNA collections or refunds, which shall include but not necessarily be limited to:

1. A schedule of the actual gas sales volumes and respective revenues by rate class by month for the seven months ending April 30, with revenues collected via this clause identified separately.
2. A schedule of the weather normalized volumes and respective revenues by rate class for the seven months ending April 30 using the methodology adopted in the most recent rate case.
3. A calculation of the difference between the actual gas sales volumes and revenues by rate class and the weather normalized gas sales volumes and revenues.
4. A schedule showing the difference between the total amount to be collected or refunded through the annual reconciliation component and the actual amount collected or refunded during the same period.

Index_E

TABLE OF CONTENTS

Applicable to unincorporated Areas of Eagle Pass, TX
 Description

1. TABLE OF CONTENTS
2. UTILITY OPERATIONS
3. CITY AND COUNTY SERVICE AREAS
4. DEFINITIONS
5. RATE R-E - RESIDENTIAL SALES
6. RATE SV-E - SMALL VOLUME COMMERCIAL/INDUSTRIAL SALES
7. RATE LV-E - LARGE VOLUME COMMERCIAL/INDUSTRIAL SALES
8. RATE PA-E - PUBLIC AUTHORITY SALES
9. RATE PGF - PURCHASED GAS FACTOR
10. RIDER PSF - PIPELINE SAFETY FEE
11. RATE M - MISCELLANEOUS SERVICE CHARGES
12. RATE LEP - LINE EXTENSION POLICY
13. RATE DEP - CUSTOMER DEPOSITS
14. WNA - WEATHER NORMALIZATION ADJUSTMENT
15. C489 - CURTAILMENT PLAN
16. QOS745 - QUALITY OF SERVICE RULES

OPER_E

UTILITY OPERATIONS

Applicable to unincorporated Areas of Eagle Pass, TX

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Texas State Natural Gas, Inc. owns and operates a natural gas distribution system that provides natural gas service in Texas.

The following will respond to inquiries regarding provisions of this Tariff for Gas Service:

Texas State Natural Gas, Inc.
 Carlos S. Libson,
 General Manager
 P.O. Drawer 887
 Eagle Pass, Texas 78853
 (830) 773-9511
 Email Address: clibson@sbcglobal.net

AREA_E

CITY AND COUNTY SERVICE AREAS

Applicable to unincorporated Areas of Eagle Pass, TX

CITIES & TOWNS

Eagle Pass Unincorporated Areas

COUNTIES:

Maverick

RATE ADJUSTMENT PROVISIONS

None

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

CUSTOMERS				
<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
18324	N	ccf	\$.4099	02/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3757	03/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3158	01/01/2018
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.4337	04/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.4594	11/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3036	03/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.7616	08/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.8778	07/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.5508	06/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.4796	05/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.6544	10/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.6831	09/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			
18324	N	ccf	\$.3342	12/01/2017
<u>CUSTOMER NAME</u>	Eagle Pass Environs			

REASONS FOR FILING

NEW?: N

RRC DOCKET NO: Rates set by intial rates

CITY ORDINANCE NO:

AMENDMENT (EXPLAIN):

OTHER (EXPLAIN): File 2017 Pipeline Safety Fee Rates

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

SERVICES

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>
B	Commercial Sales
	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales
	<u>OTHER TYPE DESCRIPTION</u>

PREPARER - PERSON FILING

RRC NO: 710 ACTIVE FLAG: Y INACTIVE DATE:

FIRST NAME: Marynell MIDDLE: LAST NAME: Myers

TITLE: Authorized Agent

ADDRESS LINE 1: 3 Lakeway Centre Ct., Ste 110

ADDRESS LINE 2:

CITY: Austin STATE: TX ZIP: 78734 ZIP4:

AREA CODE: 512 PHONE NO: 261-4152 EXTENSION:

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

CURTAILMENT PLAN

<u>PLAN ID</u>	<u>DESCRIPTION</u>
C489	<p style="text-align: right;">RAILROAD COMMISSION OF TEXAS</p> <p style="text-align: right;">OIL AND GAS DIVISION GAS UTILITIES</p> <p>DIVISION</p> <p style="text-align: right;">OIL AND GAS DOCKET GAS UTILITIES DIVISION NO. 20-62,505 DOCKET NO. 489</p>

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 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 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.

RAILROAD COMMISSION OF TEXAS
 GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

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.

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

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

08/21/2018

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

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 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 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.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

LINE EXTENSION POLICY

<u>POLICY ID</u>	<u>DESCRIPTION</u>
1226	<p>RATE LEP_E - LINE EXTENSION POLICY</p> <p>The company has the right to contract with individual customers for the installation of gas facilities in the unincorporated area of Eagle Pass. The following fees will be accessed:</p> <p>Residential Customers: Line extensions of 50 feet or less - \$250, Line extensions greater than 50 feet - Actual Cost.</p> <p>Non-residential customers: All extensions - Actual Cost.</p> <p>`Actual Cost` shall include the cost of the mainline, the cost of all yard and service lines, and the cost of any appurtenant equipment and other costs necessary to install the extension. Texas State Natural Gas, Inc. is not required to extend its mains or facilities if the customer(s) will not use gas for space heating and water heating, or the equivalent load, at a minimum.</p> <p>Note: this rate schedule is applicable to the construction of a mainline extension and/or installation of service lines and the cost metering and regulating equipment, and does not include the cost for the final initiation of service. An additional fee to initiate the turn on service, as described in Rate M - Miscellaneous Service Charge - Connections, will be accessed each customer to initiate service for that customer.</p>

QUALITY OF SERVICE

<u>QUAL_SERVICE ID</u>	<u>DESCRIPTION</u>
QOS745	<p>Rate Schedule 16</p> <p>QOS745 - QUALITY OF SERVICE RULES</p> <p>Texas State Natural Gas, Inc. hereby adopts Rule 7.45 of the Railroad Commission of Texas Rules and Regulations. This document can be found at: http://www.rrc.state.tx.us/rules/rule.php.</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
277849	M_E		<p>RATE M-E MISCELLANEOUS SERVICE CHARGES</p> <p>Applicable to all customers in the unincorporated area of Eagle Pass, TX</p> <p>Application - The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges.</p>
277850	M.1_E		<p>1. CONNECTIONS (turn on of service) Institution and reconnection of service for Residential and Small Commercial customers: \$45. If connection of service also requires a meter to be installed or reinstalled at the facility, there is no additional charge simply for the installation of that meter; however, Industrial connections and Commercial or Public Authority connections of meters greater than 275 cubic feet per hour, may require additional connection charges at actual cost, but not less than \$45.00. In addition, if a main line and/or service line extension is also required to provide gas service to the facility, additional charges will be required as specified under Rate LEP - Line Extension Policy.</p>
277851	M.2_E		<p>2. DISCONNECTIONS (turn off of service) Disconnection of service for all customer classes, whether at the request of the customer or initiated by the Company - other than due to problems or potential problems with the Company's facilities: \$ 25.00</p>
277852	M.3_E		<p>3. CHARGE FOR TEMPORARY DISCONTINUANCE OF SERVICE - RESIDENTIAL Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address: \$ 45.00</p>
277853	M.4_E		<p>4. FIELD READ OF METER A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party: \$ 25.00</p>
277854	M.5_E		<p>5. CHARGE FOR METER TESTING The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

277855	M.6_E	<p>the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee. The customer must be properly informed of the result of any test on a meter that services him: \$45.00</p>
277856	M.7_E	<p>6. RESTORING SERVICE SCHEDULED DURING BUSINESS HOURS Restore service after termination for non-payment when restoration of service has been scheduled to occur during standard business hours (8:00 am - 5:00 pm, Monday through Friday, excluding holidays): \$45.00.</p>
277857	M.8_E	<p>7. RESTORING SERVICE SCHEDULED AFTER BUSINESS HOURS Restore service after termination for non-payment when restoration of service has been scheduled to occur after standard business hours (before 8:00 am or after 5:00 pm, Monday through Friday or on holidays) at the customer`s request: \$ 65.00.</p>
277858	M.9_E	<p>8. TAMPERING Tampering or interfering with gas meters, equipment or other related facilities will result in a tampering charge plus any related costs associated with the consumption of gas, repairing or replacing the damaged facilities. Further attempts to tamper or interfere with these facilities will result in permanent termination of gas service: \$125.00 + costs.</p>
277859	M.10_E	<p>9. RETURNED CHECKS Returned check fee on a customer bill: \$ 25.00.</p>
277860	M.11_E	<p>10. METER RE-READS The Company shall, upon request of a customer, make a re-read of the meter serving that customer. If the Company validates the accuracy of the original read, the Meter Re-read fee will be charged. If the Company determines that the original read was inaccurate, no charge will be assessed for the Meter Re-read: \$25.00.</p>
277861	M.12_E	<p>11. TRIP CHARGE DURING BUSINESS HOURS A Trip Charge is made for responding to a service call scheduled during standard business hours (8:00 am - 5:00 pm, Monday through Friday, excluding holidays) that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to furnace light-ups and gas appliance light-ups: \$45.00</p>
		<p>12. TRIP CHARGE AFTER BUSINESS HOURS A Trip Charge is made for responding to a service call after standard business hours (before 8:00 am or after 5:00</p>

RRC COID: 6729 COMPANY NAME: TEXAS STATE NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 26447

pm, Monday through Friday or on holidays) that is determined to be a customer related problem rather than a Company or Company facilities problem, including but not limited to furnace light-ups and gas appliance light-ups: \$65.00.

277862 M.13_E

13. ADDITIONAL TRIP DURING BUSINESS HOURS Additional trip scheduled, including but not limited to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment during standard business hours (8:00 am - 5:00 pm, Monday through Friday, excluding holidays): \$45.00.

277863 M.14_E

14. ADDITIONAL TRIP AFTER BUSINESS HOURS Additional trip scheduled, including but not limited to, turn on service after first trip with no one home, failed leak test or missed reconnect for non-payment appointment after standard business hours (before 8:00 am or after 5:00 pm, Monday through Friday or on holidays): \$65.00

277864 DEP_E

RATE DEP - CUSTOMER SECURITY DEPOSITS
 Applicable to unincorporated Areas of Eagle Pass, TX.

The following amounts may be charged to customers pursuant to the Quality of Service Rules, Section 5:

Residential Customer Security Deposit \$ 50.00

All Commercial and Industrial Customers` Security Deposit \$150.00 (minimum)

Refer to QOS745 - Quality of Service Rules, Section 5 for additional information on customer security deposit requirements, interest, and record keeping.