RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 3524 COMPANY NAME: UNIVERSAL NATURAL GAS, INC.

<table>
<thead>
<tr>
<th>TARIFF CODE: DS</th>
<th>RRC TARIFF NO: 19164</th>
</tr>
</thead>
</table>

**DESCRIPTION:** Distribution Sales

**STATUS:** A

**OPERATOR NO:** 878395

**ORIGINAL CONTRACT DATE:** 12/30/2005

**RECEIVED DATE:** 03/22/2011

**INITIAL SERVICE DATE:**

**TERM OF CONTRACT DATE:** 12/31/2006

**AMENDMENT DATE:** 01/01/2011

**CONTRACT COMMENT:** Year to year

**NEW FILING:** N

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** To update rates to be charged during calendar year 2011 pursuant to contact agreement.

**OTHER(EXPLAIN):** None

**REASONS FOR FILING**

**PREPARER - PERSON FILING**

RRC NO: 469  |  ACTIVE FLAG: Y  |  INACTIVE DATE:

FIRST NAME: Amy  |  MIDDLE: L  |  LAST NAME: Doyal

TITLE: Director of Business Dev

ADDRESS LINE 1: 9750 FM 1488

ADDRESS LINE 2:

CITY: Magnolia  |  STATE: TX  |  ZIP: 77354  |  ZIP4: 1619

AREA CODE: 281  |  PHONE NO: 252-6700  |  EXTENSION:

**CUSTOMERS**

<table>
<thead>
<tr>
<th>CUSTOMER NO</th>
<th>CUSTOMER NAME</th>
<th>CONFIDENTIAL?</th>
<th>DELIVERY POINT</th>
</tr>
</thead>
<tbody>
<tr>
<td>28190</td>
<td><strong>CONFIDENTIAL</strong></td>
<td></td>
<td>Y</td>
</tr>
</tbody>
</table>
The price for all gas delivered each calendar month shall be the sum of the delivering party's total gas cost per thousand cubic feet (MCF) for the delivery month, plus the following sums: First 1,000 MCF $1.75 per MCF; Next 2,000 MCF $1.15 per MCF; All Additional Quantities $0.60 per MCF. Each of the prices set forth above shall escalate at the rate of 3% per year beginning January 1, 2007, and continuing each year thereafter for the term of this agreement. On or before the 10th day of each month, the delivering party shall invoice the receiving party for all gas delivered at each delivery point during the previous calendar month. The receiving party shall pay each invoice in full not later than fifteen days after the receipt of such invoice.

DEFINITIONS AND ADJUSTMENTS: Gas Cost Adjustment. The Base Rate per MCF shall be adjusted upward (downward) when the Company's weighted average cost of gas purchased for resale is more (less) than $2.25 per MCF. The Company's monthly weighted average cost of gas per MCF shall be computed to the nearest cent ($0.01), and the Gas Cost Adjustment per MCF shall be applied to each MCF billed. Lost and unaccounted for gas (LUG) expense shall be allowed at the rate of five percent (5%) or the Company's actual LUG, whichever is smaller. The monthly adjustment shall be computed as follows when the weighted average cost of gas is known: A = (C - $2.25) (1 + (LUG)) Where: A = The amount of the monthly adjustment. C = The Company's current weighted average cost of gas purchased for resale. P = The volume of gas purchased during the most recent 12-month period ended June 30. S = The volume of gas sold during the most recent 12-month period ended June 30. LUG = Lost and unaccounted for gas is 0.05 or (P-S)/P, whichever is smaller. The Commodity Rate shall be adjusted each month as provided in the Gas Cost Adjustment. If the Company's current weighted average cost of gas purchased for resale is not known at the date the customer's bills are prepared, then Company shall calculate its current weighted average cost of gas purchased for resale as follows:

Step 1: Current Month Estimated Cost of Gas Calculation

- A = Prior Month's Actual GCA per MCF
- B = Prior Month's Actual Sales Volume (MCF)
- C = Prior Month's Actual Cost of Gas per MCF
- D = prior month's weighted average cost of gas
- E = (C - $2.25) 
- F = (1 + (LUG))
- G = A x B 
- H = Prior Month's Actual GCA per MCF
- I = Prior Month's Actual Sales Volume (MCF)
- J = Prior Month's Actual Cost of Gas per MCF
- K = Prior Month's Actual GCA per MCF
- L = (C - $2.25) 
- M = (1 + (LUG))
- N = (H-I) 
- O = Prior Month's Actual GCA per MCF
- P = Prior Month's Actual GCA per MCF
- Q = Prior Month's Actual GCA per MCF
- R = Prior Month's Actual GCA per MCF
- S = Prior Month's Actual GCA per MCF
- T = Prior Month's Actual GCA per MCF
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- V = Prior Month's Actual GCA per MCF
- W = Prior Month's Actual GCA per MCF
- X = Prior Month's Actual GCA per MCF
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- Z = Prior Month's Actual GCA per MCF
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- AB = Prior Month's Actual GCA per MCF
- AC = Prior Month's Actual GCA per MCF
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- AX = Prior Month's Actual GCA per MCF
- AY = Prior Month's Actual GCA per MCF
- AZ = Prior Month's Actual GCA per MCF

A monthly surcharge in the amount of 0.4101 per Mcf for relocation costs has been approved by the Railroad Commission, effective for volumes on meters read on or after July 20, 2007, for unincorporated gas sales customers in the Montgomery County Service Area.
**CONFIDENTIAL**31060

### CUSTOMERS

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<thead>
<tr>
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<th>CUSTOMER NAME</th>
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### CURRENT RATE COMPONENT

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<td>The price for all gas delivered each calendar month shall be the sum of the delivering party's total gas cost per thousand cubic feet (MCF) for the delivery month, plus the following sums for 2020:</td>
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<tr>
<td></td>
<td>First 1,000 MCF $2.09 per MCF; Next 2,000 MCF $1.38 per MCF; Additional Quantities $0.72 per MCF.</td>
</tr>
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<td>Each of the prices set forth above escalated at the rate of 3% per year beginning January 1, 2010, and continue each year thereafter for the term of this agreement. On or before the 10th day of each month, the delivering party shall invoice the receiving party for all gas delivered at each delivery point during the previous calendar month. The receiving party shall pay each invoice in full not later than fifteen days after the receipt of such invoice.</td>
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### RATE ADJUSTMENT PROVISIONS:

Y

### DELIVERY POINTS

<table>
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<tr>
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<tr>
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<td>-----------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>G</td>
<td>City Gate Sales</td>
</tr>
</tbody>
</table>

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The parties are affiliated.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.