

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10211**

**DESCRIPTION:** Distribution Transportation                      **STATUS: A**

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE: 07/22/2004**

**INITIAL SERVICE DATE: 05/01/1995                      TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE: 06/01/2000**

**CONTRACT COMMENT: None**

**REASONS FOR FILING**

**NEW FILING: Y                      RRC DOCKET NO:**

**CITY ORDINANCE NO: T-3 approved by Cities 11/02**

**AMENDMENT(EXPLAIN): None**

**OTHER(EXPLAIN): (TGS was purchased from Southern Union Co. 1/01/03) (T-3 approved by Cities at council mtgs. in Nov. 02.)**

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9659	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10211

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T3-EPOther-IS-Interr	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region      RATE SCHEDULE T-3</p> <p>INTERRUPTIBLE TRANSPORTATION SERVICE RATEAPPLICABILITYService under this rate schedule is available to any customer with dual fuel capability for the transportation of customer owned natural gas through the Company's distribution system. The customer must arrange with the Company's gas supplier to have its gas delivered to one of the Company's existing delivery points for transportation by the Company to the customer's facilities at the customer's service point.TERRITORYEl Paso Service Area consisting of the incorporated areas of El Paso, Anthony, Clint, Vinton, Socorro, and Horizon City, Texas.RATEThis rate shall be the sum of Part A, and Part B, as described below:Part A: A customer charge of \$99.79 per meter per month (\$109.50 for City of El Paso).Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at a rate calculated as follows:1. Determine the bill for the quantity of customer-secured gas metered and delivered to the customer at the Company's gas sales basic cost of service rate which would otherwise be applicable;2. Add applicable portion of any fixed annual demand charge billed by the Company's gas supplier;3. Add a charge to recover the cost of lost and unaccounted for gas associated with the natural gas transported for the customer. This charge will be calculated by multiplying the transported units delivered to the customer by the purchase/sales ratio minus one for the Company's El Paso Service Area as calculated for the 12 months ended in the previous June based on actual purchases and actual sales as reported to the appropriate regulatory body. The resultant calculated lost and unaccounted for units will be multiplied by the Company's cost of purchased gas, then currently billed to customers using the system supply for the applicable service area;4. Add an amount to cover any applicable taxes and franchise or other fees, charges, street rentals and/or assessments to the Company.SPECIAL PROVISIONS1. Transportation volumes delivered under this schedule shall be considered first through customer's meter for billing purposes.2. Gas transported under this schedule shall be for use only by the customer.CONDITIONS1. Transportation of customer owned natural gas herunder shall be subject in all respects to applicable laws, rules and regulations from time to time in effect.2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto.4. The customer shall submit a notarized affidavit to the Company certifying that (a) the customer has the capability to burn an alternate fuel (b) without the availability of this Interruptible Transportation Service Rate the customer would switch to an economically practical alternate fuel (c) the customer understands that the Company is not reserving capacity nor maintaining gas supply for the interruptible transportation customer. Such affidavit shall be reaffirmed annually or upon the request of the Company.5. Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of the Company's inability to deliver gas for any cause whatsoever. With respect to the Company's capacity to deliver gas at a particular time, the curtailment priority of any customer served under this schedule shall be junior to the curtailment priority of sales customers and firm transportation customers. Supersedes Rate Schedule Dated Meters Read On and After February 25, 2000 November 21, 2002 (Other Cities)</p>
EP-T-14-IS-XEL	<p>EP-T-14-IS-XEL RATE COMPONENTS 4.1 Subject to the other provisions of this Agreement, beginning on June 1, 2000, the customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to customer at the above-described point(s) of Redelivery during the preceding month, the sum to the following.: (a) During each monthly billing period, a customer charge as specified in Transporter's applicable Interruptible Rate Schedule (T-3) governing transportation service at each Point of Redelivery, as amended from time to time: plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by the Transporter for all volumes redelivered to Customer of \$0.10 per MMBtu; (c) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter.; plus 4.1(d) All amounts for any taxes (including, but not limited to Franchise Fee and Taxes and Article 6060 Tax), fees, and Customer's lost and unaccounted-for gas obligation; plus (e) Customer agrees to pay Transporter the full amount of any taxes, fees, street rentals, throughput fees, license fees, franchise taxes or fees or charges of every kind and character contracted levied or assessed by any federal, state municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Customer, unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Customer agrees to pay this additional tax, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis. 4.2 Transporter retains the right to adjust the rates described in Paragraph 4.1 above at any time Transporter's filed tariff rate is changed or amended. 4.3 The costs described in 4.1(b), (c) and (d) above may automatically be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.4 Notwithstanding Section 4.1 above, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter, at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. 4.5 When Transporter allows payment in kind, Customer shall tender to Transporter at the Points of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the most recent purchase/sales ratio for Transporter's Gulf Coast Service Area. The purchase/sales ratio shall be calculated for the twelve (12) months ended May 31st each year based on actual purchases and actual sales, adjusted to reflect all volumes transported.</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10211**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37682	D	MMBtu	\$.1249	06/01/2000	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9659	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.  
 NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10212

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 07/01/1996      **RECEIVED DATE:** 07/22/2004

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 12/11/2003

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** (TGS was purchased from Southern Union Co. 1/01/03)

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9642	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
EP-T-17-IS-XEJ	<p>EP-T-17-IS-XEJ RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer, the sum of the following: (a) A customer charge of \$100.20 per customer meter per month; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to the Customer in the amount of \$0.528 per Mcf (c) To the extent the customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter; plus (d) All amounts for any taxes or fees (including, but not limited to City franchise fee, gas throughput fees or Taxes and gas utility Taxes) and Shipper's lost and unaccounted-for-gas volumes. (e) In addition to the other sums payable to Transporter under this Agreement, Customer agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Customer, unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Customer agrees to pay this additional taxes, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis. 4.2 Notwithstanding 4.1 above, Customer shall be allowed to satisfy its lost and unaccounted -for gas volume under said section by payment in kind, unless Transporter, at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. 4.3 When Transporter allows payment in kind, in addition to the volumes to be transporter hereunder, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the most recent purchase/sales ratio for Transporter's West Texas Service Area.</p>

**RATE ADJUSTMENT PROVISIONS:**

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 10212**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37683	D	Mcf	\$ .7331	12/11/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9642	**CONFIDENTIAL**			
37684	D	Mcf	\$ .7331	12/11/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9642	**CONFIDENTIAL**			
37685	D	Mcf	\$ .7331	12/11/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9642	**CONFIDENTIAL**			
37686	D	Mcf	\$ .7331	12/11/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9642	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.  
 NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10213

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 07/22/2004

**INITIAL SERVICE DATE:** 04/01/2000      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** (TGS was purchased from Southern Union Co. 1/01/03)

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9644	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
EP-T-18-IS-XEB	EP-T-18-IS-XEB RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each MMBtu of gas redelivered by Transporter to Customer, the sum of the following: (a) A customer charge of \$100.00 per meter per month; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to Customer's Refinery in the amount of \$0.025 per MMBtu.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37688	D	MMBtu	\$.0250	04/01/2000	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9644	**CONFIDENTIAL**			
37689	D	MMBtu	\$.0250	04/01/2000	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9644	**CONFIDENTIAL**			
37690	D	MMBtu	\$.0250	04/01/2000	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9644	**CONFIDENTIAL**			
37687	D	MMBtu	\$.0250	04/01/2000	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9644	**CONFIDENTIAL**			

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10213**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10214**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 07/22/2004

**INITIAL SERVICE DATE:** 02/01/2001                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 02/01/2001

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** T-3 per CityResolution 9/24/02

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** (TGS was purchased from Southern Union Co. 1/01/03) (T-3 is per City of El Paso Resolution dated 9/24/02.)

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9627	**CONFIDENTIAL**	Y	



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10214

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T3-ELP-IS-Interrupt	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region      RATE SCHEDULE T-3                      INTERRUPTIBLE TRANSPORTATION SERVICE RATEAPPLICABILITYService under this rate schedule is available to any customer with dual fuel capability for the transportation of customer owned natural gas through the Company's distribution system. The customer must arrange with the Company's gas supplier to have its gas delivered to one of the Company's existing delivery points for transportation by the Company to the customer's facilities at the customer's service point.TERRITORYEl Paso Service Area consisting of the incorporated areas of El Paso, Anthony, Clint, Vinton, Socorro, and Horizon City, Texas.RATEThis rate shall be the sum of Part A, and Part B, as described below:Part A: A customer charge of \$99.79 per meter per month (\$109.50 for City of El Paso).Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at a rate calculated as follows:1. Determine the bill for the quantity of customer-secured gas metered and delivered to the customer at the Company's gas sales basic cost of service rate which would otherwise be applicable;2. Add applicable portion of any fixed annual demand charge billed by the Company's gas supplier;3. Add a charge to recover the cost of lost and unaccounted for gas associated with the natural gas transported for the customer. This charge will be calculated by multiplying the transported units delivered to the customer by the purchase/sales ratio minus one for the Company's El Paso Service Area as calculated for the 12 months ended in the previous June based on actual purchases and actual sales as reported to the appropriate regulatory body. The resultant calculated lost and unaccounted for units will be multiplied by the Company's cost of purchased gas, then currently billed to customers using the system supply for the applicable service area;4. Add an amount to cover any applicable taxes and franchise or other fees, charges, street rentals and/or assessments to the Company.SPECIAL PROVISIONS1. Transportation volumes delivered under this schedule shall be considered first through customer's meter for billing purposes.2. Gas transported under this schedule shall be for use only by the customer.CONDITIONS1. Transportation of customer owned natural gas herunder shall be subject in all respects to applicable laws, rules and regulations from time to time in effect.2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto.4. The customer shall submit a notarized affidavit to the Company certifying that (a) the customer has the capability to burn an alternate fuel (b) without the availability of this Interruptible Transportation Service Rate the customer would switch to an economically practical alternate fuel (c) the customer understands that the Company is not reserving capacity nor maintaining gas supply for the interruptible transportation customer. Such affidavit shall be reaffirmed annually or upon the request of the Company.5. Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of the Company's inability to deliver gas for any cause whatsoever. With respect to the Company's capacity to deliver gas at a particular time, the curtailment priority of any customer served under this schedule shall be junior to the curtailment priority of sales customers and firm transportation customers. Supersedes Rate Schedule Dated Meters Read On and After February 25, 2000 September 24, 2002 (City of El Paso)</p>
EP-T-19-IS-XEC	<p>EP-T-19-IS-XEC RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each MMBtu of gas redelivered by Transporter to Customer, the sum of the following: (a) A customer charge of as specified in Transporter's applicable Interruptible Rate Schedule (T-3) Governing Transportation service at each Point of Redelivery; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to the Customer in the amount of \$0.10 per MMBtu. (c) To the extent the customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter; plus (d) All amounts for any taxes or fees (including, but not limited to City franchise fee, gas throughput fees or Taxes and gas utility Taxes) and Shipper's lost and unaccounted-for-gas volumes. (e) In addition to the other sums payable to Transporter under this Agreement, Customer agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Customer, unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Customer agrees to pay this additional taxes, fee or charge whether asserted on a retroactive basis or whether applied on a going forward. (f) The cost of service charge set forth at Paragraph 4.1 (b) shall be fixed until the earlier of (i) the end of the fifth contract year of (ii) a minimum of 500,000 MMBtu has been transported. Following such time, Transporter shall have the right to adjust the rates described in Paragraph 4.1(b) above at any time Transporter's filed tariff rate is changed or amended 4.2 Customer agrees to deliver sufficient volumes of gas to Transporter so that the minimum amount owed by customer for transportation excluding the taxes and fees under 4.1(b) above, shall be \$7,525.00 each Contract Year (Minimum Amount). If at the end of a Contract Year the amount owed by Shipper to Transporter is less than the Minimum Amount, Transporter shall bill Customer for the difference, with payment to be made pursuant to the regular payment terms of this Agreement. Customer shall be entitled to any credit in following Contract Years for any amounts owed to Transporter in excess of the Minimum Amount. 4.3 The costs and taxes described in 4.1(e) and 4.1(d) above may automatically be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs and taxes. 4.4 Notwithstanding 4.1 above, Customer shall be allowed to satisfy its lost and unaccounted-for gas volumes under said section by payment in kind.</p>

**RATE ADJUSTMENT PROVISIONS:**  
None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 10214**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37691	D	MMBtu	\$.1257	09/24/2002	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9627	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10215**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 07/22/2004

**INITIAL SERVICE DATE:** 04/01/2001                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** T-3 approved by Cities 11/02

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** (TGS was purchased from Southern Union Co. 1/01/03) (T-3 approved by Cities at council mtgs. in Nov. 02.)

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9626	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 10215**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T3-EPOther-IS-Interr	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region                      RATE SCHEDULE T-3</p> <p>INTERRUPTIBLE TRANSPORTATION SERVICE RATEAPPLICABILITYService under this rate schedule is available to any customer with dual fuel capability for the transportation of customer owned natural gas through the Company's distribution system. The customer must arrange with the Company's gas supplier to have its gas delivered to one of the Company's existing delivery points for transportation by the Company to the customer's facilities at the customer's service point.TERRITORYEl Paso Service Area consisting of the incorporated areas of El Paso, Anthony, Clint, Vinton, Socorro, and Horizon City, Texas.RATEThis rate shall be the sum of Part A, and Part B, as described below:Part A: A customer charge of \$99.79 per meter per month (\$109.50 for City of El Paso).Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at a rate calculated as follows:1. Determine the bill for the quantity of customer-secured gas metered and delivered to the customer at the Company's gas sales basic cost of service rate which would otherwise be applicable;2. Add applicable portion of any fixed annual demand charge billed by the Company's gas supplier;3. Add a charge to recover the cost of lost and unaccounted for gas associated with the natural gas transported for the customer. This charge will be calculated by multiplying the transported units delivered to the customer by the purchase/sales ratio minus one for the Company's El Paso Service Area as calculated for the 12 months ended in the previous June based on actual purchases and actual sales as reported to the appropriate regulatory body. The resultant calculated lost and unaccounted for units will be multiplied by the Company's cost of purchased gas, then currently billed to customers using the system supply for the applicable service area;4. Add an amount to cover any applicable taxes and franchise or other fees, charges, street rentals and/or assessments to the Company.SPECIAL PROVISIONS1. Transportation volumes delivered under this schedule shall be considered first through customer's meter for billing purposes.2. Gas transported under this schedule shall be for use only by the customer.CONDITIONS1. Transportation of customer owned natural gas herunder shall be subject in all respects to applicable laws, rules and regulations from time to time in effect.2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto.4. The customer shall submit a notarized affidavit to the Company certifying that (a) the customer has the capability to burn an alternate fuel (b) without the availability of this Interruptible Transportation Service Rate the customer would switch to an economically practical alternate fuel (c) the customer understands that the Company is not reserving capacity nor maintaining gas supply for the interruptible transportation customer. Such affidavit shall be reaffirmed annually or upon the request of the Company.5. Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of the Company's inability to deliver gas for any cause whatsoever. With respect to the Company's capacity to deliver gas at a particular time, the curtailment priority of any customer served under this schedule shall be junior to the curtailment priority of sales customers and firm transportation customers.      Supersedes Rate Schedule Dated Meters Read On and After February 25, 2000 November 21, 2002 (Other Cities)</p>
EP-T-20-IS-XEM	<p>EP-T-20-IS-XEM RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each MMBtu of gas redelivered by Transporter to Customer, the sum of the following: (a) A customer charge of as specified in Transporter's applicable Rate Schedule (T-3) Governing Transportation service at each Point of Redelivery; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to the Customer in the amount of \$0.05 per MMBtu. (c) All amounts of current city franchise fees or taxes, Texas Utilities Code 121.001 taxes and fees, and any other Applicable Taxes (as defined in subsection (c) below (e) Transporter represents that Exhibit C (below) to this Agreement sets forth the current taxes, fees, street rentals, license fees, franchise fees or charges of every kind and character excluding taxes based on Transporter's income) contracted, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Customer ( the Applicable Taxes). In addition to the amounts owed pursuant to 4.1 (b) above, Customer agrees to pay Transporter the full amount of any additional, new or increased Applicable Taxes, unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from any Applicable Taxes. Subject to any necessary regulatory approvals, Customer agrees to pay the additional Applicable Taxes whether asserted on a retroactive basis ( but not for any period prior to the effective date of this Agreement) or whether applied on a going forward basis. 4.2 Customer agrees to deliver sufficient volumes of gas to Transporter so that the minimum amount owed by customer for transportation excluding the taxes and fees under 4.1(b) and (c) above, shall be \$30,000.00 each Contract Year (Minimum Amount). If at the end of a Contract Year the amount owed by Customer to Transporter is less than the Minimum Amount, Transporter shall bill Customer for the difference, with payment to be made pursuant to the regular payment terms of this Agreement. Customer shall be entitled to any credit in following Contract Years for any amounts owed to Transporter in excess of the Minimum Amount. Exhibit C 0.5% of the gross amount due to Transporter hereunder pursuant to Article 6060 of the Texas Revised Statutes Annotated, for so long as such tax is payable by Transporter to the State of Texas. No sales tax will be due provided that Customer provides to Transporter appropriate documentation to evidend exemption of this transaction from such tax.</p>

**RATE ADJUSTMENT PROVISIONS:**

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310 COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT RRC TARIFF NO: 10215**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37692	D	MMBtu	\$.0730	11/21/2002	Y
<b>DESCRIPTION: **CONFIDENTIAL**</b>					
<b>Customer</b>	9626	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10216

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 07/22/2004

**INITIAL SERVICE DATE:** 08/01/2003      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** (TGS was purchased from Southern Union Co. 1/01/03)

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
17154	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
EP-T-21-IS-MB	Customer shall pay a net monthly charge of \$49,727 per month.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
42954	R	MONTH	\$49727.0000	08/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	17154	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.  
 NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10238**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A  
**OPERATOR NO:**  
**ORIGINAL CONTRACT DATE:** 05/20/1987                      **RECEIVED DATE:** 01/04/2005  
**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**  
**INACTIVE DATE:**                      **AMENDMENT DATE:** 05/01/1997  
**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**  
**CITY ORDINANCE NO:**  
**AMENDMENT(EXPLAIN):** None  
**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9669	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10238

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>								
GL-T-2-Galv-IS-XGC	<p>GL-T-2-Galv-IS-XGC RATE COMPONENTS 4.1 Transporter's applicable Transportation Rate Schedule (T-1), as amended from time to time, shall govern the conditions under which transportation service is available. Subject to the other provisions of this Agreement, beginning on May 1, 1997, Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following transportation fees: (a) During each monthly billing period, a customer charge per meter per month as specified in Transporter's applicable Transportation Rate Schedule (T-1), as amended from time to time, for each Point of Redelivery; plus (b) A cost of service rate for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered each contract year to Customer shall be as follows: (Per 7/1/2003 COS adjustment)</p> <table border="0"> <tr> <td>The first 2,000 Mcf</td> <td>redelivered @ \$1.0835 per Mcf</td> </tr> <tr> <td>The next 10,000 Mcf</td> <td>redelivered @ \$0.5703 per Mcf</td> </tr> <tr> <td>The next 30,000 Mcf</td> <td>redelivered @ \$0.2281 per Mcf</td> </tr> <tr> <td>All volumes over 52,000 Mcf</td> <td>redelivered @ \$0.17111 per Mcf</td> </tr> </table> <p>(c) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter; plus (d) Any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; plus (e) All amounts for any taxes (including, but not limited to City franchise fee or Taxes), fees, and Customer's lost and unaccounted for gas volumes; plus (f) Customer agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Customer, unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Customer agrees to pay this additional tax, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis. 4.5 Customer shall be allowed to satisfy its lost and unaccounted for gas obligation set forth in such Rate Schedule by payment in kind, unless Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. 4.6 When Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the most recent purchase/sales ratio for Transporter's Gulf Coast Service Area. The purchase/sales ratio shall be calculated for the twelve (12) months ended October 31 each year based on actual purchases and actual sales, adjusted to reflect all volumes transported. RATE ADJUSTMENT PROVISION 4.2 The cost described in 4.1 above may be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.3 Effective with May 1, 1998 deliveries and annually thereafter, such cost of service rates, as specified in paragraph 4.1(b) shall increase in direct proportion to the increase in the Galveston, Texas and environs expenses of Transporter as reported to the Railroad Commission of Texas in Transporter's Annual Report to the Gas Utilities Division. The base period of the calculation shall be the year ended 12/31/97. The rate for each contract shall be calculated as follows: most recent calendar year Galveston expenses X prior year cost of service rate previous calendar year Galveston expenses for each volume category The cost of service portion of the rate shall be limited to not less than the prior year rate nor more than 1.05 times the prior year rate. 4.4 If Customer does not deliver for transport a minimum quantity of 200,000 Mcf during each twelve (12) month period, Transporter shall have the right to specify a different cost of service rate by providing thirty (30) days notice of such change to Customer. Customer will then have thirty (30) days to accept such rate or to terminate this Agreement.</p>	The first 2,000 Mcf	redelivered @ \$1.0835 per Mcf	The next 10,000 Mcf	redelivered @ \$0.5703 per Mcf	The next 30,000 Mcf	redelivered @ \$0.2281 per Mcf	All volumes over 52,000 Mcf	redelivered @ \$0.17111 per Mcf
The first 2,000 Mcf	redelivered @ \$1.0835 per Mcf								
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The next 30,000 Mcf	redelivered @ \$0.2281 per Mcf								
All volumes over 52,000 Mcf	redelivered @ \$0.17111 per Mcf								
T1-GalvSvcA-IS-Tran	<p>TEXAS GAS SERVICE COMPANY Galveston Service Area RATE SCHEDULE T-1 TRANSPORTATION SERVICE RATEAPPLICABILITYService under this rate schedule is available to any customer for the transportation of customer owned natural gas through the Company's Galveston distribution system for use by customers within all incorporated areas in the Company's Galveston Service Area.TERRITORYAll incorporated areas served by the Company in its Galveston Service Area.RATE This rate shall be the sum of Part A, Part B, Part C, Part D and Part E as described below.Part A: A customer charge of \$100.00 per meter per month.Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the Ccf charge specified in the Company's Rate Schedule currently in effect for such month under which natural gas service would otherwise be available to such customer.Part C: A charge will be made each month to recover the cost of lost and unaccounted for gas associated with the volumes of natural gas transported for the customer. This charge will be calculated by multiplying the volume delivered to the customer by the purchase/sales ratio minus one for the Company's Galveston Service Area as calculated for the twelve-month period ended in the previous June based on actual purchase and actual sales as reported to the regulatory bodies. The resultant calculated lost and unaccounted for volume will then be multiplied by the Company's cost of purchased gas for the Galveston Service Area applicable to the billing period for which service is rendered, plus related fees and taxes, to calculate an amount to be billed to the customer each month. The lost and unaccounted for factor as determined above shall in no event exceed .0526 i.e. [1/1 - .05]-1 and must fall within the range of zero (0) to 5.26%.Part D: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT. as such may be amended from time-to-time which are attributable to the transportation service performed hereunder. Part E: A charge will be made each month to recover the cost of any applicable franchise fees.CONDITIONS1. Subject in all respects to applicable laws, rules and regulations from time-to-time in effect. 2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto. 4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Supersedes Same Sheet Dated Meters Read On and After June 19, 1986 August 24, 2001</p>								

**RATE ADJUSTMENT PROVISIONS:**

See GL-T-2-Galv-IS-XGC Rate Adjustment Provision



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10238**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37525	D	Mcf	\$,4273	04/01/2004	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9669	<b>**CONFIDENTIAL**</b>			
37526	D	Mcf	\$,4273	04/01/2004	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9669	<b>**CONFIDENTIAL**</b>			
37527	D	Mcf	\$,4273	04/01/2004	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9669	<b>**CONFIDENTIAL**</b>			
37528	D	Mcf	\$,4273	04/01/2004	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9669	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.  
 NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10239**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 01/04/2005

**INITIAL SERVICE DATE:** 10/01/1987                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 06/15/2002

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
11183	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10239

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
GL-T-3-Galv-IS-XGA	GL-T-3-Galv-IS-XGA RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each Mcf of gas, the sum of the following transportation fees and compression and treating costs: (a) The specified rate in Transporter's applicable transportation tariff (T-1) as amended from time to time which governs Customer's customer classification at each Point of Redelivery; and (b) any costs (including with limitation third-party fees, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter and including any third party transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder. 4.2 Transporter retains the right to adjust the transportation fee specified in Paragraph 4.1 at any time Transporters filed tariff rate is changed or amended. 4.3 The cost described in 4.1(b) may automatically be adjusted from time to time to reflect any changes, as determined by Tranporter, in such costs. 4.4 (cont'd) Notwithstanding 4.1 through 4.3, a cost of service charge as described below will be substituted for the cost of service rate pursuant to Part B:(1) of the Rate Section of the Firm Transportation Rate Schedule T-1 which would otherwise apply. The rate for transportation shall include a cost of service charge for the use of the transporter's facilities and all other services provided directly by the transporter which shall be according to the following schedule: (per COS escalation effective 7/1/2003) First 10,000 Mcf / month \$.6058 per Mcf plus - Next 10,000 Mcf / month \$.4119 per Mcf plus - Over 20,000 Mcf / month \$.2423 per Mcf with all volumes delivered at a pressure base of 14.95 psi. 4.5 Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter at Transporter's sole option notifies Customer that Transporter will not accept such payment in kind. More specifically, when Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the tranported volumes delivered to Customer multiplied by the purchase/sales minus 1 for Transporter's Galveston Service Area.
T1-GalvSvcA-IS-Tran	TEXAS GAS SERVICE COMPANY Galveston Service Area RATE SCHEDULE T-1 TRANSPORTATION SERVICE RATEAPPLICABILITYService under this rate schedule is available to any customer for the transportation of customer owned natural gas through the Company's Galveston distribution system for use by customers within all incorporated areas in the Company's Galveston Service Area.TERRITORYAll incorporated areas served by the Company in its Galveston Service Area.RATE This rate shall be the sum of Part A, Part B, Part C, Part D and Part E as described below.Part A: A customer charge of \$100.00 per meter per month.Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the Ccf charge specified in the Company's Rate Schedule currently in effect for such month under which natural gas service would otherwise be available to such customer.Part C: A charge will be made each month to recover the cost of lost and unaccounted for gas associated with the volumes of natural gas transported for the customer. This charge will be calculated by multiplying the volume delivered to the customer by the purchase/sales ratio minus one for the Company's Galveston Service Area as calculated for the twelve-month period ended in the previous June based on actual purchase and actual sales as reported to the regulatory bodies. The resultant calculated lost and unaccounted for volume will then be multiplied by the Company's cost of purchased gas for the Galveston Service Area applicable to the billing period for which service is rendered, plus related fees and taxes, to calculate an amount to be billed to the customer each month. The lost and unaccounted for factor as determined above shall in no event exceed .0526 i.e. [1/1 - .05]-1 and must fall within the range of zero (0) to 5.26%.Part D: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT. as such may be amended from time-to-time which are attributable to the transportation service performed hereunder. Part E: A charge will be made each month to recover the cost of any applicable franchise fees.CONDITIONS1. Subject in all respects to applicable laws, rules and regulations from time-to-time in effect. 2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto. 4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Supersedes Same Sheet Dated Meters Read On and After June 19, 1986 August 24, 2001

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37532	D	Mcf	\$.5068	04/01/2004	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	11183	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 10239**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10240**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 09/14/1988                      **RECEIVED DATE:** 01/04/2005

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 04/29/2002

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9668	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10240

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
GL-T-5-Galv-IS-XGE	<p>GL-T-5-Galv-IS-XGE RATE COMPONENTS 4.1 Customer shall pay to Transporter each month the sum of the following transportation fees and compression and treating costs: (a) The specified rate, including all amounts for taxes, fees, lost and unaccounted for gas, or other amounts included or referred to in Transporter's applicable transportation tariff (T-1) as amended from time to time which governs Customer's customer classification at each Point of Redelivery; and (b) any costs (including without limitation third-party fees, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter and including any third party transport or service fees paid by Transporter of behalf of Shipper associated with the transportation of gas hereunder; and 4.5 Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter at Transporter's sole option notifies Customer that Transporter will not accept such payment in kind. More specifically, when Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the transported volumes delivered to Customer multiplied by the purchase/sales ratio minus 1 for Transporter's Galveston Service Area, adjusted to reflect all volumes transported. RATE ADJUSTMENT PROVISION 4.2 Transporter retains the right to adjust the transportation fee specified in Paragraph 4.1 at any time Transporter's filed tariff rate is changed or amended, with the exception of the cost of service provision as noted in Section 4.4. 4.3 The costs described in 4.1(b) may automatically be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.4 A cost of service charge as described below will be substituted for the cost of service rate pursuant to the applicable Transportation Rate Schedule (T-1) which would otherwise apply. The rate for transportation shall include a cost of service charge for the use of the transporter's facilities and all other services provided directly by the transporter which shall be according to the following schedule: (per 7/1/2003 COS Adjustment Filing) First 10,000 Mcf @ / mo \$ .6500 per Mcf plus - Next 10,000 Mcf @ / mo .5199 per Mcf plus - Next 30,000 Mcf @ / mo .2600 per Mcf plus - Over 50,000 Mcf @ / mo .1951 per Mcf with all volumes delivered at a pressure base of 14.95 psia, with rates set for the first 24 months of the contract term. Subsequently, the charge shall increase in direct proportion to the increase in the Galveston, Texas and environs expenses of Transporter as reported to the Railroad Commission of Texas in the Transporter's Annual Report to the Gas Utilities Division. The base period for the calculation shall be the year ended December 31, 1988. The rate for each contract year shall be calculated as follows: most recent calendar year Galveston expenses prior yr cost of previous calendar year Galveston expenses x service chg for each volume category The cost of service portion of the rate shall be limited to not less than the prior year rate nor more than 1.05 times the prior year rate. All other provisions of the Firm Transportation Rate Schedule (T-1) as amended from time to time shall continue to apply. If Customer does not deliver for transport a minimum quantity of 200,000 Mcf during each twelve (12) month period, Transporter shall have the right to specify a different cost of service rate by providing thirty (30) days notice of such change to Customer. Customer will then have thirty days to accept such rate or to terminate this Agreement.</p>
T1-GalvSvcA-IS-Tran	<p>TEXAS GAS SERVICE COMPANY Galveston Service Area RATE SCHEDULE T-1 TRANSPORTATION SERVICE RATE APPLICABILITY Service under this rate schedule is available to any customer for the transportation of customer owned natural gas through the Company's Galveston distribution system for use by customers within all incorporated areas in the Company's Galveston Service Area. TERRITORY All incorporated areas served by the Company in its Galveston Service Area. RATE This rate shall be the sum of Part A, Part B, Part C, Part D and Part E as described below. Part A: A customer charge of \$100.00 per meter per month. Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the Ccf charge specified in the Company's Rate Schedule currently in effect for such month under which natural gas service would otherwise be available to such customer. Part C: A charge will be made each month to recover the cost of lost and unaccounted for gas associated with the volumes of natural gas transported for the customer. This charge will be calculated by multiplying the volume delivered to the customer by the purchase/sales ratio minus one for the Company's Galveston Service Area as calculated for the twelve-month period ended in the previous June based on actual purchase and actual sales as reported to the regulatory bodies. The resultant calculated lost and unaccounted for volume will then be multiplied by the Company's cost of purchased gas for the Galveston Service Area applicable to the billing period for which service is rendered, plus related fees and taxes, to calculate an amount to be billed to the customer each month. The lost and unaccounted for factor as determined above shall in no event exceed .0526 i.e. [1/1 - .05]-1 and must fall within the range of zero (0) to 5.26%. Part D: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT. as such may be amended from time-to-time which are attributable to the transportation service performed hereunder. Part E: A charge will be made each month to recover the cost of any applicable franchise fees. CONDITIONS 1. Subject in all respects to applicable laws, rules and regulations from time-to-time in effect. 2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto. 4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Supersedes Same Sheet Dated Meters Read On and After June 19, 1986 August 24, 2001</p>

**RATE ADJUSTMENT PROVISIONS:**

See GL-T-5-Galv-IS-XGE Rate Adjustment Provision

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10240**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37529	D	Mcf	\$.6533	04/01/2004	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9668	**CONFIDENTIAL**			
37530	D	Mcf	\$.6533	04/01/2004	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9668	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.  
 NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10241

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 07/23/2004

**INITIAL SERVICE DATE:** 06/01/1994      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** (TGS was purchased from Southern Union Co. 1/1/03)

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9667	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
GL-T-8-Galv-IS-XGB	GL-T-8-Galv-IS-XGB RATE COMPONENTS 4.1 Subject to the other provisions hereof and beginning on the date deliveries of gas commence hereunder, Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs: (a) A customer charge of \$100.00 per month for each Point of Redelivery; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by the Transporter for all volumes redelivered to Customer shall be \$1.7672 per Mcf (effective 7/1/03, due to cost of service escalation); plus (c) All amounts for any taxes (including, but not limited to Franchise Fee and Taxes and Article 6060 Tax), fees, and Customer's lost and unaccounted-for gas obligation; plus 4.1(d) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. 4.2 Transporter retains the right to adjust the rates described in Paragraph 4.1 above at any time Transporter's filed tariff rate is changed or amended. 4.3 The costs described in 4.1(b), (c) and (d) above may automatically be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.4 Notwithstanding Section 4.1 above, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter, at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. 4.5 When Transporter allows payment in kind, Customer shall tender to Transporter at the Points of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the most recent purchase/sales ratio for Transporter's Gulf Coast Service Area . <b>RATE ADJUSTMENT PROVISION</b> 4.6 The cost of service charge specified in 4.1(b) shall remain in effect through May 31,1997. Effective June 1, 1997, and each June 1st thereafter during the term of this Agreement or any amendment or extension of this Agreement, Transporter shall have the right to adjust the cost of service charge by providing thirty (30) days' advance notice to Customer. The cost of service charge shall increase in direct proportion to the increase in the Transporter's Annual Report to the Gas Utilities Division. The cost of service charge for each contract year shall be calculated by the formula prescribed below: most recent calendar year Gulf Coast expenses X prior cost of service previous calendar year Gulf Coast expenses charge The minimum cost of service charge for a contract year shall be the prior years cost of service charge. The maximum cost of service charge for a contract year shall be the result of 1.05 multiplied by prior years cost of service charge.

**RATE ADJUSTMENT PROVISIONS:**

See GL-T-8-Galv-IS-XGB Rate Adjustment Provision

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37531	D	Mcf	\$1.7761	07/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9667	**CONFIDENTIAL**			



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10241**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10242

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 11/12/2007

**INITIAL SERVICE DATE:** 01/01/2004      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 08/01/2003

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
11184	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
KY-T-1-IS-XST	<p>KY-T-1-IS-XST RATE COMPONENTS 4.1 Beginning on the date deliveries of gas commence hereunder, Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs: (a) During each monthly billing period, a customer charge per meter per month of \$10.50; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to Customer: All volumes redelivered each contract year @ \$.90 per Mcf; plus (c) All amounts for any taxes (including, but not limited to Franchise fee and Taxes and Article 6060 Tax), fees, and Customer's lost and unaccounted for gas volume. (d) Any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; plus (e) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. (f) In addition to the other sums payable to Transporter under this Agreement, Customer agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Customer, unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals Customer agrees to pay this additional tax, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis. 4.2 The costs described in 4.1 above may be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.4 Notwithstanding Section 4.1 above, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter, at Transporter's sole option notifies Customer that Transporter will not accept such payment in kind. RATE ADJUSTMENT PROVISION 4.3 Effective with May 1, 2008, deliveries and annually thereafter, such cost of service rates, as specified in paragraph 4.1(b) above shall increase by an amount equivalent to the increase in the Consumer Price Index. Unadjusted indexes, all items (Table 1) as published by the U.S. Department of Labor. Such increase shall be calculated by multiplying the rates then in effect by a fraction which shall have a numerator equal to the Consumer Price Index, Unadjusted indexes, all items (Table 1), effective four (4) months prior to the date of redetermination, and a denominator equal to the Consumer Price Index, unadjusted indexes, all items (Table 1), effective sixteen (16) months prior to the date redetermination. The cost of service rate shall be limited to not less than the prior year rate nor more than 1.05 times the prior year rate.</p>

**RATE ADJUSTMENT PROVISIONS:**

See KY-T-1-IS-XST Rate Adjustment Provision

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
42955	D	Mcf	\$ .9000	01/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	11184	**CONFIDENTIAL**			

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10242**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10243

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 05/01/2003      **RECEIVED DATE:** 02/19/2010

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 04/01/2004

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New transportation delivery point eff. 10/01/2009.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
11184	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
KY-T-1-OS-XSR	<p>KY-T-1-OS-XSR      RATE COMPONENTS 4.1 Beginning on the date deliveries of gas commence hereunder, Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs: (a) During each monthly billing period, a customer charge per meter per month of \$10.50; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to Customer: All volumes redelivered each contract year @ \$.90 per Mcf; plus (c) All amounts for any taxes (including, but not limited to Franchise fee and Taxes and Article 6060 Tax), fees, and Customer's lost and unaccounted for gas volume. (d) Any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; plus (e) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. (f) In addition to the other sums payable to Transporter under this Agreement, Customer agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Customer, unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals Customer agrees to pay this additional tax, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis. 4.2 The costs described in 4.1 above may be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.4 Notwithstanding Section 4.1 above, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter, at Transporter's sole option notifies Customer that Transporter will not accept such payment in kind. RATE ADJUSTMENT PROVISION 4.3 Effective with May 1, 2008, deliveries and annually thereafter, such cost of service rates, as specified in paragraph 4.1(b) above shall increase by an amount equivalent to the increase in the Consumer Price Index. Unadjusted indexes, all items (Table 1) as published by the U.S. Department of Labor. Such increase shall be calculated by multiplying the rates then in effect by a fraction which shall have a numerator equal to the Consumer Price Index, Unadjusted indexes, all items (Table 1), effective four (4) months prior to the date of redetermination, and a denominator equal to the Consumer Price Index, unadjusted indexes, all items (Table 1), effective sixteen (16) months prior to the date redetermination. The cost of service rate shall be limited to not less than the prior year rate nor more than 1.05 times the prior year rate.</p>

**RATE ADJUSTMENT PROVISIONS:**

See KY-T-1-OS-XSR Rate Adjustment Provision

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10243**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
73218	D	Mcf	\$.0000	10/01/2009	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	11184	**CONFIDENTIAL**			
38537	D	Mcf	\$.9000	01/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	11184	**CONFIDENTIAL**			
45361	D	Mcf	\$.9000	01/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	11184	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10244

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 07/23/2004

**INITIAL SERVICE DATE:** 03/01/1995      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** (TGS was purchased from Southern Union Co. 1/1/03)

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9671	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
MW-T-1-MinW-IS-X	MW-T-1-MinW-IS-XN1 RATE COMPONENTS 4.1 During each monthly billing period, Customer will pay the following costs: (a) A cost of service charge at the following rate: \$.26 per MCF (b) An amount sufficient to reimburse Transporter for its lost and unaccounted for gas volumes (not to exceed 5%) and any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; plus (c) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. 4.2 Notwithstanding 4.1, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. 4.3 When Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the most recent purchase/sales ratio for Transporter's North Texas Service Area.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37571	D	Mcf	\$.2610	03/01/1995	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9671	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 10244**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10245

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 01/04/2005

**INITIAL SERVICE DATE:** 02/01/1999      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 12/01/2000

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9673	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
MW-T-2-MinW-IS-X	MW-T-2-MinW-IS-XN2 RATE COMPONENTS 4.1 Beginning on the date deliveries of gas commence hereunder, Customer shall pay to Transporter each month, for each Mcf pf gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following: (a) A cost of service charge for the use of the Transporter's facilities and all other services provided directly by the Transporter for all volumes redelivered to Shipper: (i) The first 1,000 Mcf redelivered each month @ \$3.289 per Mcf, (ii) The next 19,000 Mcf redelivered each month @ \$0.112 per Mcf, (iii) All Over 20,000 Mcf redelivered each month @ \$0.091 per Mcf (b) All amounts for any taxes (including, but not limited to city franchise fees or taxes and Article 6060 Taxes), fees, and Customer's lost and unaccounted-for gas volumes; plus (c) Any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of as hereunder; plus (d) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. (e) In addition to the other sums payable to Transporter, Customer agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Customer, unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Customer agrees to pay this additional tax, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis. 4.2 Notwithstanding Section 4.1 above, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation, not exceeding five percent (5%), set forth in by payment in kind, unless Transporter, as Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. 4.3 When Transporter allows payment in kind, in addition to the volumes to be transported hereunder, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the volumes delivered to Customer at the Point of Delivery multiplied by the most recent purchase/sales ratio for Transporter's North Texas Service Area. The purchase/sales ratio shall be calculated for the twelve (12) months ended October 31st each year based on actual purchases and actual sales, adjusted to reflect all volumes transported.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37572	D	Mcf	\$.2042	04/01/2004	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9673	**CONFIDENTIAL**			



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10245**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10253**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 09/09/2008

**INITIAL SERVICE DATE:** 10/01/1998                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 08/27/2004

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:** 9465

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9674	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 10253

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PA-T-2-SoJef-IS-XPL	<p>PA-T-2-SoJef-IS-XPL RATE COMPONENTS 4.1 Transporter's Rate Schedule T-5, as amended from time to time, shall govern the conditions under which transportation service is available. Subject to the other provisions of this Agreement, Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs: (a) A customer charge of \$75.00 per month for each Point of Redelivery; plus (b) All other charges specified in Transporter's applicable Rate Schedule (T-5) governing transportation service as each Point of Redelivery, as amended from time to time; plus (c) All amounts for any taxes (including, but not limited to Franchise fee and Taxes and Article 6060 Tax), fees, and Customer's lost and unaccounted for gas obligation; plus (d) Any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; plus (e) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. (f) In addition to the other sums payable to Transporter under this Agreement, Customer agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Customer unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees, or charges. Subject to any necessary regulatory approvals, Customer agrees to pay this additional tax, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis. 4.3 Transporter retains the right to adjust the rates described in Paragraph 4.1 above at any time Transporter's filed tariff rate is changed or amended. 4.4 The cost described in 4.1(c) above may be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.5 Notwithstanding the Rate Schedule referred to Section 4.1(c), Customer shall be allowed to satisfy its lost and unaccounted for gas obligation set forth in such Rate Schedule by payment in kind, unless Transporter at Transporter's sole option notifies Customer that Transporter will not accept such payment in kind. 4.6 When Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the purchase/sales ratio for Transporter's Gulf Coast Service Area. The purchase/sales ratio shall be calculated for the twelve (12) months ended April 30th each year based on actual purchases and actual sales, adjusted to reflect all volumes transported.</p>
T-5-SJ0th-IS-Transp	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T-5 South Jefferson County Service Area - Gulf Coast Region  <b>INDUSTRIAL TRANSPORTATION SERVICE RATE APPLICABILITY</b> Service under this rate schedule is available to any industrial customer for the transportation of customer owned natural gas through the Company's South Jefferson County distribution system for use by customers within the Company's South Jefferson County Service Area. <b>TERRITORY</b> Incorporated areas served in Jefferson County, Texas including Nederland, Groves and Port Neches, Texas. <b>RATE</b> This rate shall be the sum of Part A, Part B, Part C, Part D and Part E as described below. <b>Part A:</b> A customer charge of \$287.23 per meter per month. <b>Part B:</b> All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the following Ccf charge: The First 400 Ccf @ \$0.1146 per Ccf All Over 400 Ccf @ \$0.0856 per Ccf <b>Part C:</b> Buyer shall be allowed to satisfy its lost and unaccounted for gas obligation by payment in kind. However, if lost and unaccounted for gas is not paid for in kind, a charge will be made each month to recover the cost of lost and unaccounted for gas associated with the volumes of natural gas transported for the customer. This charge will be calculated by multiplying the volume delivered to the customer by the purchase/sales ratio minus one for the Company's South Jefferson County Service Area as calculated for the twelve-month period ended in the previous June based on actual purchase and actual sales as reported to the regulatory bodies. The resultant calculated lost and unaccounted for volume will then be multiplied by the Company's cost of purchased gas for the South Jefferson County Service Area applicable to the billing period for which service is rendered, plus related fees and taxes, to calculate an amount to be billed to the customer each month. The lost and unaccounted for factor as determined above shall in no event exceed .0526 i.e. [1/1 - .05]-1 and must fall within the range of zero (0) to 5.26%. <b>Part D:</b> A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT. as such may be amended from time-to-time which are attributable to the transportation service performed hereunder. <b>Part E:</b> A charge will be made each month to recover the cost of any applicable franchise fees. <b>CONDITIONS</b> 1. Subject in all respects to applicable laws, rules and regulations from time-to-time in effect. 2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto. 4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Supersedes Rate Schedule T-3 Dated Meters Read On and After April 24, 2003 (Cities of Nederland, Groves &amp; Port Neches) August 27, 2004</p>

**RATE ADJUSTMENT PROVISIONS:**

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10253**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37552	D	Mcf	\$1.4000	02/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9674	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10254

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 04/22/1988      **RECEIVED DATE:** 09/11/2008

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 04/22/1988

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9675	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PA-T-5-SoJef-IS-XPJ	PA-T-5-SoJef-IS-XPJ RATE COMPONENTS 4.1(a) During each monthly billing period, Customer will pay the following costs: A customer charge of \$300.00 plus First 400 CCF/Month @ \$2.453 per Mcf Plus Next 14,600 CCF/Month @ \$1.712 per Mcf Plus Over 15,000 CCF/Month @ \$.8000 per Mcf with all volumes delivered at a pressure base of 14.95 psia, with rates set for the first twelve (12) months of the contract term. (b) A charge will be made each month to recover the cost of taxes, including gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX.REV.CIV.STAT., fees, lost and unaccounted-for gas, or other amounts as may be amended from time to time which are attributable to the transportation service performed hereunder; and (c) any costs (including without limitation third party fees, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter and including any third party transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; and (d) Subject to all applicable laws and orders, and the Company's Rules and Regulations .on file with the regulatory authority. 4.2 The cost described in 4.1 above may automatically be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.3 Notwithstanding the above Section 4.1(a), Customer shall be allowed to satisfy its lost and unaccounted-for gas obligation under said section by payment in kind, unless Transporter at Transporter's sole option notifies Customer that Transporter will not accept such payment in kind. More specifically, when Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the transported volumes delivered to Customer multiplied by the purchase/sales ratio minus 1 for Transporter's Port Arthur Service Area as calculated for the twelve (12) months ended the previous June based on actual purchases and actual sales, adjusted to reflect all volumes transported.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37553	D	Mcf	\$1.7640	04/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9675	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 10254**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 10255

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 03/14/1988                      **RECEIVED DATE:** 09/08/2008

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 01/01/1994

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9682	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PA-T-6-SoJef-IS-XPB	PA-T-6-SoJef-IS-XPB RATE COMPONENTS 4.1 Subject to the other provisions of this Agreement, beginning January 1, 1994, Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer the sum of the following transportation fees and compression and treating costs: Cost of Service Charge: (a) During each monthly billing period, a customer charge of \$300.00 per customer meter per month; plus A cost of service charge for the use of Transporter's facilities and all other services provided directly by the Transporter for all volumes redelivered to Customer shall be \$1.50 per Mcf. 4.2 Transporter retains the right to adjust the transportation fee specified in 4.1 at any time Transporters filed tariff rate is changed or amended. 4.3 The cost described in 4.1(b) may automatically be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.4 Notwithstanding Section 4.1(a), Customer shall be allowed to satisfy its lost and unaccounted-for gas obligation under said section by payment in kind, unless Transporter at Transporter's sole option notifies Customer that Transporter will not accept such payment in kind. More specifically, when Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the transported volumes delivered to Customer multiplied by the purchase/sales ratio minus 1 for Transporter's Port Arthur Service Area as calculated for the twelve (12) months ended the previous June based on actual purchases and actual sales, adjusted to reflect all volumes transported.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37554	D	Mcf	\$1.5000	01/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	9682	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 10255**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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



**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10256**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 11/01/1990                      **RECEIVED DATE:** 09/11/2008

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 08/27/2004

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:** 9465

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9680	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 10256

**CURRENT RATE COMPONENT**

RATE COMP. ID	DESCRIPTION
PA-T-7-SoJef-IS-XPB	<p>PA-T-7-SoJef-IS-XPB RATE COMPONENTS 4.1 Transporter's Rate Schedule T-5, as amended from time to time, shall govern the conditions under which transportation service is available. Subject to the other provisions of this Agreement, beginning on the date deliveries of gas commence hereunder, Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs: (a) A customer charge of \$100.00 per month for each Point of Redelivery; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter which shall be at the following rates: (Per 8/1/2005 COS Adjustment Filing) First 400 Mcf @ \$2.3918 per Mcf Next 1400 Mcf @ \$0.8928 per Mcf All Over 1800 Mcf @ \$0.4131 per Mcf for all volumes redelivered to Customer each Month; plus (c) All amounts for any taxes (including, but not limited to Franchise fee and Taxes and Article 6060 Tax), fees, and Customer's lost and unaccounted for gas obligation; plus (d) Any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; plus (e) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. These costs may be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.5 Notwithstanding Section 4.1(c), Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter at Transporter's sole option notifies Customer that Transporter will not accept such payment in kind. 4.6 When Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the purchase/sales ratio for Transporter's Gulf Coast Service Area. The purchase/sales ratio shall be calculated for the twelve (12) months ended June 30th each year based on actual purchases and actual sales, adjusted to reflect all volumes transported. RATE ADJUSTMENT PROVISION 4.2 Transporter retains the right to adjust the rates described in Paragraph 4.1 above at any time Transporter's filed tariff rate is changed or amended, with the exception of the cost of service provision as noted below. 4.3 The cost of service rate as specified in 4.1(b) shall remain in effect until June 30, 1991. Effective July 1, 1991, and each July 1st thereafter during the term of this Agreement, Transporter shall have the right to adjust the cost of service rate with 30 days notice. The cost of service rate shall increase in direct proportion to the increase in the Transporter's Port Arthur, Texas Service Area expenses as reported to the Railroad Commission of Texas in Transporter's Annual Report to the Gas Utilities Division. The cost of service rate for each Contract year shall be calculated by the formula prescribed below: most recent calendar year Port Arthur Tx Area expenses X prior year cost of service rate previous calendar year Port Arthur Tx Area expenses Minimum: Prior year cost of service rate Maximum: 1.05 times prior year cost of service rate All other provisions of the Transportation Rate Schedule T-5 as amended from time to time shall continue to apply. If any increased taxes or fees on Transporter's services are levied by any regulatory or legislative body, Transporter shall have the right to specify a different cost of service rate by providing thirty (30) days notice of such change to Customer. Customer will then have thirty (30) days to accept such rate or to terminate this Agreement.</p>
T-5-SJ0th-IS-Transp	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T-5 South Jefferson County Service Area - Gulf Coast Region INDUSTRIAL TRANSPORTATION SERVICE RATE APPLICABILITY Service under this rate schedule is available to any industrial customer for the transportation of customer owned natural gas through the Company's South Jefferson County distribution system for use by customers within the Company's South Jefferson County Service Area. TERRITORY Incorporated areas served in Jefferson County, Texas including Nederland, Groves and Port Neches, Texas. RATE This rate shall be the sum of Part A, Part B, Part C, Part D and Part E as described below. Part A: A customer charge of \$287.23 per meter per month. Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the following Ccf charge: The First 400 Ccf @ \$0.1146 per Ccf All Over 400 Ccf @ \$0.0856 per Ccf Part C: Buyer shall be allowed to satisfy its lost and unaccounted for gas obligation by payment in kind. However, if lost and unaccounted for gas is not paid for in kind, a charge will be made each month to recover the cost of lost and unaccounted for gas associated with the volumes of natural gas transported for the customer. This charge will be calculated by multiplying the volume delivered to the customer by the purchase/sales ratio minus one for the Company's South Jefferson County Service Area as calculated for the twelve-month period ended in the previous June based on actual purchase and actual sales as reported to the regulatory bodies. The resultant calculated lost and unaccounted for volume will then be multiplied by the Company's cost of purchased gas for the South Jefferson County Service Area applicable to the billing period for which service is rendered, plus related fees and taxes, to calculate an amount to be billed to the customer each month. The lost and unaccounted for factor as determined above shall in no event exceed .0526 i.e. [1/1 - .05]-1 and must fall within the range of zero (0) to 5.26%. Part D: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT. as such may be amended from time-to-time which are attributable to the transportation service performed hereunder. Part E: A charge will be made each month to recover the cost of any applicable franchise fees. CONDITIONS 1. Subject in all respects to applicable laws, rules and regulations from time-to-time in effect. 2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto. 4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Supersedes Rate Schedule T-3 Dated Meters Read On and After April 24, 2003 (Cities of Nederland, Groves &amp; Port Neches) August 27, 2004</p>

**RATE ADJUSTMENT PROVISIONS:**

See PA-T-7-SoJef-IS-XPB Rate Adjustment Provision

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10256**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37555	D	Mcf	\$1.2377	04/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9680	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10257

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 09/01/1988      **RECEIVED DATE:** 09/11/2008

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9681	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PA-T-8-SoJef-IS-XPD	PA-T-8-SoJef-IS-XPD RATE COMPONENTS 4.1(a) During each monthly billing period, Customer will pay the following costs: A customer charge of \$300.00 plus First 40 MCF/Month @ \$2.453 per MCF Plus Next 3,960 MCF/Month @ \$1.712 per MCF Plus Over 4,000 MCF/Month @ \$0.800 per MCF with all volumes delivered at a pressure base of 14.95 psia, with rates set for the first twelve (12) months of the contract term. (b) A charge will be made each month to recover the cost of taxes, including gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX.REV.CIV.STAT., fees, lost and unaccounted-for gas, or other amounts as may be amended from time to time which are attributable to the transportation service performed hereunder; and (c) any costs (including without limitation third party fees, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter and including any third party transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; and (d) Subject to all applicable laws and orders, and the Company's Rules and Regulations on file with the regulatory authority. 4.2 The cost described in 4.1 above may automatically be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.3 Notwithstanding the above Section 4.1(a), Customer shall be allowed to satisfy its lost and unaccounted-for gas obligation under said section by payment in kind, unless Transporter at Transporter's sole option notifies Customer that Transporter will not accept such payment in kind. More specifically, when Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the transported volumes delivered to Customer multiplied by the purchase/sales ratio minus 1 for Transporter's Port Arthur Service Area as calculated for the twelve (12) months ended the previous June based on actual purchases and actual sales, adjusted to reflect all volumes transported.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37556	D	Mcf	\$1.7211	04/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	9681	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10257**

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10258

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 06/28/1989      **RECEIVED DATE:** 09/08/2008

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 08/01/2005

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9524	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PA-T-9-SoJef-IS-XPC	PA-T-9-SoJef-IS-XPC RATE COMPONENTS 4.1 (a) Cost of Service Charge      During each monthly billing period, a customer charge of \$300.00 per customer charge per month plus: (Per 8/1/2005 COS Adjustment Filing) First 40 Mcf per month @ \$3.3706 The next 960 Mcf per month @ \$2.3523 All over 1,000 Mcf per month @ \$10994 per Mcf (b) A charge will be made each month to recover the cost of taxes, including gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX.REV.CIV.STAT., fees, lost and unaccounted-for gas, or other amounts as may be amended from time to time which are attributable to the transportation service performed hereunder; and (c) Any costs (including without limitation third party fees, a rate of return and compensation, treating or similar services provided by Transporter and including any third party transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder. (d) All charges shall be subject to all applicable laws and orders, and the Company's Rules and Regulations on file with the regulatory authority. 4.2 The cost described in 4.1(c) above may be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs, with the exception of the cost of service provision as noted below. 4.4 Customer may be allowed to satisfy its lost and unaccounted-for gas obligation under said section by payment in kind, unless Transporter at Transporter's sole option notifies Customer that Transporter will not accept such payment in kind. When Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the purchase/sales ratio minus 1 for Transporter's Port Arthur Service Area. The purchase/sales ratio shall be calculated for the twelve (12) months ended June each year based on actual purchases and actual sales, adjusted to reflect all volumes transported. RATE ADJUSTMENT PROVISION 4.3 The cost of service rate as specified in 4.1(a) shall, at the end of each 12 month contract term increase in direct proportion to the increase in the Port Arthur, Texas and environs expenses of Transporter as reported to the Railroad Commission of Texas in the Transporter's Annual Report to the Gas Utilities Division. The rate for each contract year shall be calculated as follows: most recent calendar year Port Arthur expenses prior yr cost previous calendar year Port Arthur expense X of svc chg Minimum: Prior year rate Maximum: 1.05 times prior year rate If Customer does not deliver for transport a minimum quantity of 5,000 Mcf during each 12 month period, Transporter shall have the right to specify a different cost of service rate by providing 30 days notice of such change to Customer.

**RATE ADJUSTMENT PROVISIONS:**

See PA-T-9-SoJef-IS-XPC Rate Adjustment Provision

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37557	D	Mcf	\$,0000	01/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9524	**CONFIDENTIAL**			

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10258**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10259

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 01/28/1993      **RECEIVED DATE:** 08/25/2008

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 08/27/2004

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:** 9465

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Revisions to Rate component PA-T-11-SoJef-IS-MB (Rate Schedule T-3 was superseded by Rate Schedule T-5) effective 08/27/2004.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9683	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PA-T-11-SoJef-IS-M	PA-T-11-SoJef-IS-MB RATE COMPONENTS 4.1 Transporter's Rate Schedule T-5, as amended from time to time, shall govern the conditions under which transportation service is available. Subject to the other provisions of this Agreement, Customer shall pay to Transporter each month, for each MMBtu of gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs: (a) A customer charge of \$100.00 per month per meter for each Point of Redelivery; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to Customer shall be \$0.08 per MMBtu; plus (c) All amounts for any taxes (including, but not limited to Franchise fee and Taxes and Article 6060 Tax), fees.
T-5-SJ0th-IS-Transp	TEXAS GAS SERVICE COMPANY RATE SCHEDULE T-5 South Jefferson County Service Area - Gulf Coast Region <b>INDUSTRIAL TRANSPORTATION SERVICE RATE APPLICABILITY</b> Service under this rate schedule is available to any industrial customer for the transportation of customer owned natural gas through the Company's South Jefferson County distribution system for use by customers within the Company's South Jefferson County Service Area. <b>TERRITORY</b> Incorporated areas served in Jefferson County, Texas including Nederland, Groves and Port Neches, Texas. <b>RATE</b> This rate shall be the sum of Part A, Part B, Part C, Part D and Part E as described below. <b>Part A:</b> A customer charge of \$287.23 per meter per month. <b>Part B:</b> All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the following Ccf charge: The First 400 Ccf @ \$0.1146 per Ccf All Over 400 Ccf @ \$0.0856 per Ccf <b>Part C:</b> Buyer shall be allowed to satisfy its lost and unaccounted for gas obligation by payment in kind. However, if lost and unaccounted for gas is not paid for in kind, a charge will be made each month to recover the cost of lost and unaccounted for gas associated with the volumes of natural gas transported for the customer. This charge will be calculated by multiplying the volume delivered to the customer by the purchase/sales ratio minus one for the Company's South Jefferson County Service Area as calculated for the twelve-month period ended in the previous June based on actual purchase and actual sales as reported to the regulatory bodies. The resultant calculated lost and unaccounted for volume will then be multiplied by the Company's cost of purchased gas for the South Jefferson County Service Area applicable to the billing period for which service is rendered, plus related fees and taxes, to calculate an amount to be billed to the customer each month. The lost and unaccounted for factor as determined above shall in no event exceed .0526 i.e. [1/1 - .05]-1 and must fall within the range of zero (0) to 5.26%. <b>Part D:</b> A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT. as such may be amended from time-to-time which are attributable to the transportation service performed hereunder. <b>Part E:</b> A charge will be made each month to recover the cost of any applicable franchise fees. <b>CONDITIONS</b> 1. Subject in all respects to applicable laws, rules and regulations from time-to-time in effect. 2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto. 4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Supersedes Rate Schedule T-3 Dated Meters Read On and After April 24, 2003 (Cities of Nederland, Groves & Port Neches) August 27, 2004



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 10259

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
65577	D	MMbtu	\$.0800	01/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9683	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.  
 NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10260

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 04/08/1991      **RECEIVED DATE:** 09/11/2008

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9676	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PA-T-12-SoJef-OS-X	PA-T-12-SoJef-OS-XPE RATE COMPONENTS 4.1 Customer shall pay to Transporter each month the sum of the following transportation fees and compression and treating costs: (a) For the first 1,000 Mcf per month, a transportation charge of \$.50 per Mcf. For all volumes delivered in excess of 1,000 Mcf per month, a fee of \$.25 per Mcf. (b) A monthly Customer charge of \$100.00 per meter. (c) All amounts for any taxes (including, but not limited to Franchise Fee and Taxes), fees, and Customer's lost and unaccounted for gas obligation; plus (d) Any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; plus (e) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. These costs may be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.2 Transporter retains the right to adjust the rates described in Paragraph 4.1 at any time Transporter's filed tariff rate is changed or amended, with the exception of the cost of service provision. 4.3 Notwithstanding Section 4.1(c), Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter at Transporter's sole option notifies Customer that Transporter will not accept such payment in kind. 4.5 When Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the most recent purchase/sales ratio for Transporter's Austin Service Area. The purchase/sales ratio shall be calculated for the 12 months ended June 30th each year based on actual purchases and actual sales, adjusted to reflect all volumes transported.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37559	D	Mcf	\$.5000	04/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9676	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10260**

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10261

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 09/08/2008

**INITIAL SERVICE DATE:** 01/15/1995      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9684	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PA-T-13-SoJef-IS-XP	PA-T-13-SoJef-IS-XP RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs: (a) A customer charge of \$100.00 per month for each Point of Redelivery; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by the Transporter for all volumes redelivered to Shipper shall be ten cents (\$0.10) per Mcf; plus (c) All amounts for any taxes (including, but not limited to Franchise Fee and Taxes and Article 6060 Tax), fees, and Customer's lost and unaccounted for gas obligation; plus (d) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. 4.2 Transporter retains the right to adjust the transportation fee specified in Paragraph 4.1 at any time Transporters filed tariff rate is changed or amended. 4.3 The costs described in 4.1(b), (c) and (d) above may automatically by adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.4 Notwithstanding Section 4.1, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter, at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. 4.5 When Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the most recent purchase/sales ratio for Transporter's Port Arthur Service Area. The purchase/sales ratio shall be calculated for the twelve (12) months ended June 30th each year based on actual purchases and actual sales, adjusted to reflect all volumes transported. 4.6 Customer shall notify Transporter of any change in Customer's facilities, equipment, or volume of consumption which would result in the application of a different rate schedule. Upon receipt of such notice, Transporter shall apply the appropriate rate schedule commencing with the next billing cycle following Transporter's receipt of notice.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37560	D	MMBtu	\$1.0000	01/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9684	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10261**

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10262

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 09/08/2008

**INITIAL SERVICE DATE:** 02/01/1995      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 01/01/2006

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9677	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PA-T-15-SoJef-OS-X	<p>PA-T-15-SoJef-OS-XPF RATE COMPONENTS 4.1(a) A customer charge of \$100.00 per month for each Point of Redelivery; plus (b) A cost of service charge for the use of Transporter's facilities and all other service provided directly by the Transporter for all volumes redelivered to Customer shall be: (Per 1/1/2006 COS Adjustment Filing) \$.9020 per Mcf; plus (c) All amounts for any taxes (including, but not limited to Franchise Fee and Taxes and Article 6060 Tax), fees, and Customer's lost and unaccounted-for gas obligation; plus 4.3 Notwithstanding Section 4.1, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter, at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. 4.4 When Transporter allows payment in kind, Shipper shall tender to Transporter at the Points of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the most recent purchase/sales ratio for Transporter's Port Arthur Service Area. The purchase/sales ratio shall be calculated for the twelve (12) months ended December 31st each year based on actual purchases and actual sales, adjusted to reflect all volumes transported. 4.6 Customer shall notify Transporter of any change in Customer's facilities, equipment, or volume of consumption, which would result in the application of a different rate schedule. Upon receipt of such notice, Transporter shall apply the appropriate rate schedule commencing with the next billing cycle following Transporter's receipt of notice. The new rate shall be no higher than the stated rate of 4.1(b). <b>RATE ADJUSTMENT PROVISION</b> 4.2 The costs described in 4.1 may automatically be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.5 Effective January 1, 1999, and each January 1st thereafter during the term of this Agreement, Transporter shall have the right to adjust the cost of service charge with thirty (30) days' advance notice to Customer. The cost of service charge shall increase in direct proportion to the increase in the Transporter's Gulf Coast Texas Service rate expenses as reported to the Railroad Commission of Texas in Transporter's Annual Report to the Gas Utilities Division. The cost of service charge for each contract year shall be calculated by the formula prescribed below: most recent calendar yr Gulf Coast Texas expenses previous calendar yr Gulf Coast Texas expenses x prior yr cost of service chg The minimum cost of service charge for a Contract Year shall be the prior years cost of service charge. The maximum cost of service charge for a Contract Year shall be the result of 1.05 multiplied by the prior years cost of service charge.</p>

**RATE ADJUSTMENT PROVISIONS:**

See PA-T-15-SoJef-OS-XPF Rate Adjustment Provision

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10262**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>						
37563	D	Mcf	\$.9020	01/01/2006	Y						
<b>DESCRIPTION:    **CONFIDENTIAL**</b>											
<table border="1"> <tr> <td><b>Customer</b></td> <td>9677</td> <td colspan="4">**CONFIDENTIAL**</td> </tr> </table>						<b>Customer</b>	9677	**CONFIDENTIAL**			
<b>Customer</b>	9677	**CONFIDENTIAL**									
37561	D	Mcf	\$.9020	01/01/2006	Y						
<b>DESCRIPTION:    **CONFIDENTIAL**</b>											
<table border="1"> <tr> <td><b>Customer</b></td> <td>9677</td> <td colspan="4">**CONFIDENTIAL**</td> </tr> </table>						<b>Customer</b>	9677	**CONFIDENTIAL**			
<b>Customer</b>	9677	**CONFIDENTIAL**									
37562	D	Mcf	\$.9020	01/01/2006	Y						
<b>DESCRIPTION:    **CONFIDENTIAL**</b>											
<table border="1"> <tr> <td><b>Customer</b></td> <td>9677</td> <td colspan="4">**CONFIDENTIAL**</td> </tr> </table>						<b>Customer</b>	9677	**CONFIDENTIAL**			
<b>Customer</b>	9677	**CONFIDENTIAL**									
65641	D	Mcf	\$.9020	01/01/2006	Y						
<b>DESCRIPTION:    **CONFIDENTIAL**</b>											
<table border="1"> <tr> <td><b>Customer</b></td> <td>9677</td> <td colspan="4">**CONFIDENTIAL**</td> </tr> </table>						<b>Customer</b>	9677	**CONFIDENTIAL**			
<b>Customer</b>	9677	**CONFIDENTIAL**									

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10263

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 09/09/2008

**INITIAL SERVICE DATE:** 06/01/1995      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 01/01/2006

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9679	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PA-T-16-SoJef-OS-X	<p>PA-T-16-SoJef-OS-XPG RATE COMPONENTS 4.1 Customer shall pay to Transporter each month: (a) A cost of service charge of \$.9020 per Mcf (Per 01/01/2006 COS Adjustment Filing); plus (b) All amounts for any taxes (including, but not limited to Franchise Fee and Taxes and Article 6060 Tax), fees, and Customer's lost and unaccounted-for gas volume. 4.3 Notwithstanding Section 4.1, Customer shall be allowed to satisfy its lost and unaccounted for gas volume under said section by payment in kind, unless Transporter, at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. 4.4 When Transporter allows payment in kind, Customer shall tender to Transporter at the Points of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the most recent purchase/sales ratio for Transporter's Port Arthur Service Area. The purchase/sales ratio shall be calculated for the twelve (12) months ended December 31st each year based on actual purchases and actual sales, adjusted to reflect all volumes transported. 4.6 Customer shall notify Transporter of any change in Customer's facilities, equipment, or volume of consumption in excess of the annual volume as described in Article 1 - Quantity, Paragraph 1.1, which would result in the application of a different rate schedule. Upon receipt of such notice, Transporter shall apply the appropriate rate schedule commencing with the next billing cycle following Transporter's receipt of notice. The new rate shall be no higher than the stated rate of 4.1(a).</p> <p>RATE ADJUSTMENT PROVISION 4.2 The costs described in 4.1(b) may automatically be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.5 Effective January 1, 1999, and each January 1st thereafter during the term of this Agreement, Transporter shall have the right to adjust the cost of service charge with thirty (30) days' advance notice to Customer. The cost of service charge shall increase in direct proportion to the increase in the Transporter's Gulf Coast Texas Service rate expenses as reported to the Railroad Commission of Texas in Transporter's Annual Report to the Gas Utilities Division. The cost of service charge for each contract year shall be calculated by the formula prescribed below: most recent calendar year Gulf Coast Texas expenses / previous calendar year Gulf Coast Texas expenses x prior yr cost of service charge The minimum cost of service charge for a Contract Year shall be the prior years cost of service charge. The maximum cost of service charge for a Contract Year shall be the result of 1.05 multiplied by the prior years cost of service charge.</p>

**RATE ADJUSTMENT PROVISIONS:**

See PA-T-16-SoJef-OS-XPG Rate Adjustment Provision

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37564	D	Mcf	\$.9020	02/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	9679	**CONFIDENTIAL**			



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10263**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10286

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 11/06/2007

**INITIAL SERVICE DATE:** 08/01/1991      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 11/22/1996

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9763	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
ST-T-2-SoTx-OS-XS	ST-T-2-SoTx-OS-XSF RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the above-described Point(s) of Redelivery during the preceding month, a transportation fee of fifteen cents (\$.15) per Mcf.

**RATE ADJUSTMENT PROVISIONS:**

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10286**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
38526	D	Mcf	\$.1538	12/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer    9763                      **CONFIDENTIAL**					
38527	D	Mcf	\$.1500	11/22/1996	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer    9763                      **CONFIDENTIAL**					
38528	D	Mcf	\$.1500	11/22/1996	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer    9763                      **CONFIDENTIAL**					
38529	D	Mcf	\$.1500	12/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer    9763                      **CONFIDENTIAL**					
38530	D	Mcf	\$.1500	11/22/1996	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer    9763                      **CONFIDENTIAL**					
38531	D	Mcf	\$.1502	12/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer    9763                      **CONFIDENTIAL**					
38532	D	Mcf	\$.0000	08/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer    9763                      **CONFIDENTIAL**					
38533	D	Mcf	\$.1509	12/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer    9763                      **CONFIDENTIAL**					
38534	D	Mcf	\$.1500	12/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer    9763                      **CONFIDENTIAL**					
38524	D	Mcf	\$.1506	12/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer    9763                      **CONFIDENTIAL**					

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10286**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
38525	D	Mcf	\$.1503	12/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9763	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10287

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 10/16/2007

**INITIAL SERVICE DATE:** 10/01/1992      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 07/01/1997

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9769	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
ST-T-3-SoTx-IS-XSJ	<p>ST-T-3-SoTx-IS-XSJ RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer the sum of the following: (a) A customer charge of \$20.00 per customer meter per month; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter which shall be at the following rates: (Per 7/1/2003 COS Adjustment Filing First 3,000 Mcf redelivered ea. month @ \$0.8986 / Mcf, Next 2,000 Mcf redelivered ea. month @ \$0.6149 / Mcf. Over 5,000 Mcf redelivered ea. month @ \$0.2364 / Mcf; plus for all volumes redelivered to Customer each Month; plus (c) A charge to recover the cost of any taxes, (including but not limited to gross receipts taxes), paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIT. STAT. as such may be amended from time to time, which are attributable to the transportation service performed hereunder; plus RATE ADJUSTMENT PROVISION 4.2 Transporter retains the right to adjust the rates from time to time described in Paragraph 4.1 above at any time should a change in rates be approved as a result of Transporter's filing of a General System rate case for the Central Texas South Service Area; provided, however, that if Transporter should adjust its rates, Customer shall have the right to terminate this Agreement by providing notice to Transporter within sixty (60) days of being notified of such rate re-adjustment. 4.3 The cost of service rate as specified in 4.1(b) shall remain in effect until June 30, 1993. Effective July 1, 1993, and each July 1st thereafter during the term of this Agreement, Transporter shall have the right to adjust the cost of service rate with 30 days notice. The cost of service rate shall be increased or decreased by an amount equivalent to the increase or decrease in the Consumer Price Index, all items (Index A), as published by the Department of Commerce. Such increase or decrease shall be a calculated by multiplying the rate then in effect by a fraction which shall have a numerator equal to the Consumer Price Index, all items (Index A), effective four (4) months prior to the date of redetermination, and a denominator equal to the Consumer Price Index, all items (Index A), effective sixteen (16) months prior to the date fo redetermination. All other provisions of the Transportation Rate Schedule as amended from time to time shall continue to apply. If any increased taxes or fees on Transporter's services are levied by any regulatory or legislative body, Transporter shall have the right to specify a different cost of service rate by providing thirty (30) days notice of such change to Customer. Customer will then have sixty (60) days to accept such rate or to terminate this Agreement.</p>

**RATE ADJUSTMENT PROVISIONS:**

See ST-T-3-SoTx-IS-XSJ Rate Adjustment Provision

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
42956	D	Mcf	\$ .1900	09/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	9769	**CONFIDENTIAL**			

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10287**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10370**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 07/26/2004

**INITIAL SERVICE DATE:** 04/01/1997                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** TGS was purchased from Southern Union Co. 1/1/03.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9689	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 10370**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-2-RGV-ISOS-GTC	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area Rate Schedule T-2 GENERAL TERMS AND CONDITIONS FOR FIRM TRANSPORTATION</p> <p><b>ARTICLE I. DEFINITIONS</b> Except as otherwise specified, the following terms as used herein shall be construed to have the following scope and meaning:</p> <p>a. Agreement shall mean the Gas Transportation Service Agreement into which these terms and conditions are incorporated by reference.</p> <p>b. Billing Period shall mean the period beginning at 7:00 a.m. Local Time on or about the twenty sixth (26th) day of a calendar month and ending at 7:00 a.m. Local Time on or about the twenty sixth (26th) day of the next succeeding calendar month.</p> <p>c. Contract Year shall mean the twelve (12) month period commencing on the effective date hereof and each consecutive twelve (12) month period thereafter.</p> <p>d. British thermal unit, herein called Btu shall mean the amount of heat required to raise the temperature of one (1) pound of water, one (1) degree F from fifty eight and five tenths (58.5) degrees F to fifty nine and five tenths (59.5) degrees F.</p> <p>e. Cubic foot of gas shall mean the volume of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty five hundredths (14.65) psia and a standard temperature of sixty (60) degrees Fahrenheit, herein called F.</p> <p>f. Day shall mean the twenty four (24) hour period commencing at 7:00 a.m. Central Time on any calendar day and ending at 7:00 a.m. Central Time on the following calendar day.</p> <p>g. Gas shall mean natural gas, including gas well gas, casinghead gas or the residue gas resulting from processing either casinghead gas or gas well gas.</p> <p>h. Gross Heating Value shall mean the number of Btu's liberated by the complete combustion at constant pressure of one (1) cubic foot of gas, at a base temperature of sixty (60) degrees F and a reference pressure base equal to fourteen and sixty five hundredths (14.65) psia, with air of the temperature and pressure of the gas, after the products of combustion are cooled to the initial temperature of the gas, and after the water of combustion is condensed to the liquid state. The Gross Heating Value of the gas shall be corrected for the water vapor content of the gas being delivered except so long as the water vapor content is seven (7) pounds or less per one million (1,000,000) cubic feet, the gas shall be assumed to be dry.</p> <p>i. MAOP means the Maximum Allowable Operating Pressure.</p> <p>j. Mcf shall mean one thousand (1,000) cubic feet.</p> <p>k. MMBtu shall mean a quantity of gas having a Gross Heating Value of one million (1,000,000) Btu's.</p> <p>l. Psia shall mean pounds per square inch, absolute.</p> <p>m. Psig shall mean pounds per square inch, gauge.</p> <p>n. Transport Gas shall mean that gas owned or controlled by Shipper and delivered by Shipper or its designee to TGS at the Point(s) of Delivery on the pipeline system of TGS, as it exists from time to time, for transportation by TGS and delivery by TGS at the Point(s) of Redelivery under this Agreement; provided, however, it is understood and agreed that the gas delivered at the Point(s) of Redelivery may not be transport gas in kind, but that the transport gas will be part of the commingled delivery of gas and, for the purpose hereunder, the commingled gas can be substituted for transport gas on a heat equivalent basis.</p> <p><b>ARTICLE II. QUALITY</b></p> <p>1. The gas delivered hereunder shall:</p> <p>a. Contain not more than one (1) grain of hydrogen sulphide or more than twenty (20) grains of sulphur per one hundred (100) cubic feet;</p> <p>b. Have a Gross Heating Value of not less than nine hundred fifty (950) Btu's per cubic foot of gas when saturated with water vapor;</p> <p>c. Have a temperature of not greater than one hundred twenty (120) degrees F or less than forty (40) degrees F;</p> <p>d. Contain not more than three (3) percent by volume of carbon dioxide, one (1) percent by volume of oxygen, or two (2) percent by volume of nitrogen;</p> <p>e. Be commercially free of all liquids, suspended matters, dust, all gums and gum forming constituents, and other objectionable substances; and</p> <p>f. Contain not more than seven (7) pounds of water vapor per one million (1,000,000) cubic feet.</p> <p>2. In the event the gas received or delivered hereunder should fail to meet the quality specifications stated above, then either party shall notify the other party which shall make a diligent effort to correct the situation. Either party shall have the right to refuse or accept such gas for so long as the other is unable to deliver gas conforming to such specifications, or may accept delivery of such gas or any part thereof during such period. A party's acceptance of gas that does not conform to the quality specifications stated above shall not constitute a waiver of such specifications by that party in regard to gas received or delivered under this Agreement after such acceptance. If, in TGS's sole opinion, the gas tendered hereunder becomes hazardous or is detrimental to TGS's operations, then TGS may promptly discontinue taking delivery.</p> <p><b>ARTICLE III. MEASUREMENT</b></p> <p>1. The unit of volume for measurement of gas received and delivered hereunder shall be one (1) cubic foot of gas at a base temperature of sixty (60) degrees F and at a pressure of fourteen and sixty five hundredths (14.65) psia, as provided by the Natural Resources Code of the State of Texas (Section 91.051 through 91.062 of Vernon's Texas Civil Statutes).</p> <p>2. All measurement facilities hereunder shall be installed and operated in accordance with the standards approved by the American National Standards Institute on June 28, 1977, and prescribed in the Gas Measurement Committee of the American Gas Association (AGA) Report Number 3 (ANSI/API 2530, First Edition), as it is now and from time to time may be revised, amended or supplemented.</p> <p>3. TGS shall arrange for the operation of the measuring stations located at the Point(s) of Receipt and Delivery and Redelivery. The calibrating and adjusting of meters shall be done or arranged for by TGS in compliance with Paragraphs 4 and 5 of this Article.</p> <p>4. Shipper shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the equipment used in measuring gas hereunder. The records from such measuring equipment shall remain the property of TGS or its representative, but upon request, TGS will submit to Shipper the records and charts, together with calculations therefrom, subject to their return within fifteen (15) days after receipt thereof, after which the charts shall be retained for a period of two (2) years. At least annually, TGS shall calibrate the meters and instruments or cause same to be calibrated. TGS shall give Shipper sufficient notice in advance of such tests so that Shipper may, at its election, be present in person or by its representative to observe adjustments, if any, which are made.</p> <p>5. For the purpose of measurement and meter calibration, the atmospheric (barometric) pressure shall be assumed, unless otherwise determined by the Standard Gas Measurement Law, to be fourteen and four tenths (14.4) psia at the Point(s) of Receipt and Delivery, irrespective of variations in actual atmospheric pressure from time to time.</p> <p>6. Temperature of the gas hereunder shall be assumed to be 60 degrees F.</p> <p>7. The specific gravity of the gas hereunder shall be assumed to be 0.60. The nitrogen content of the gas shall be assumed to be 0.2%. The carbon dioxide content of the gas shall be assumed to be 0.5%.</p> <p>8. The Gross Heating Value shall be determined at one (1) month intervals by the use of a spot or continuous sample. The Gross Heating Value of such sample to be obtained either by calorimeter or chromatographic analysis using the value of the physical constants for the gas compounds and the procedure for determining the Gross Heating Value of the gas shall be on a real gas basis in accordance with ANSI/ASTM D3588 79, as it is now and from time to time may be revised, amended or supplemented. The Gross Heating Value of the gas hereunder shall be effective for the billing period in which the sample is taken and all succeeding billing periods until that billing period in which a new sample is taken.</p> <p>9. TGS shall, upon the request of a customer, make a test of the accuracy of the meter serving that customer. TGS 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 is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four (4) years, TGS is entitled to charge a fee for the test, not to exceed \$15.00, or such other fee for the</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 10370

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>testing of meters as may be set forth in TGS's tariff properly on file with the regulatory authority. The customer shall be properly informed of the result of any test on a meter that serves him. Notwithstanding the above paragraph, if the meter is found to be more than nominally defective, to either the customer's or TGS's disadvantage, any fee charged for a meter test shall be refunded to the customer. More than nominally defective means a deviation of more than two percent (2%) from accurate registration. 10. If a meter test reveals a meter to be more than nominally defective, TGS shall correct previous readings consistent with the inaccuracy found in the meter for the periods of either: a. the last six months; or b. the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by TGS if the error is to TGS's disadvantage. If a meter is found not to register for any period of time, TGS 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.</p> <p><b>ARTICLE IV. BALANCING OF DELIVERIES</b> 1. Shipper's dispatcher or Shipper's designee must notify immediately TGS's dispatcher(s) of any changes in operating conditions on Shipper's system that will cause hourly rate variations in deliveries for Shipper's account. The extent to which such hourly rate variations are permissible will be at the sole discretion of TGS's dispatcher(s). 2. Based upon the daily quantity scheduled and such information as TGS has available concerning the quantity actually received, TGS will make daily delivery of Shipper's quantity of gas scheduled for transportation, after making adjustments for any prior imbalance in deliveries. 3. It is the intention of TGS and Shipper that daily deliveries to Shipper at the Point(s) of Redelivery hereunder, less applicable shrinkage, will be approximately equal, on a Gross Heating Value basis, to daily receipts by TGS at the Point(s) of Delivery from Shipper to transportation hereunder. However, due to variations in operating conditions, daily and monthly deliveries hereunder by TGS may be greater or less than the corresponding receipts of gas by TGS for transportation. Any such excess or deficiency will be adjusted or corrected in gas as soon as operating conditions reasonably permit. 4. Any dispatching notice or other communications by either party under this Article IV will be given to the other party at the addresses and telephone numbers set out in the Agreement, as applicable. 5. If, at the end of the term of this Agreement, either party owes gas to the other party hereunder, the party owing such gas must tender to the other party at the Point(s) herein designated, the quantity of gas so owed within thirty (30) days from such date.</p> <p><b>ARTICLE V. PRESSURE</b> The gas delivered by Shipper or its designee at the Point(s) of Delivery hereunder shall be delivered at a pressure sufficient to overcome the operating pressure existing in TGS's facilities from time to time; provided, however, in no event shall such delivery pressure exceed the MAOP of the system receiving the gas. The gas delivered at the Point(s) of Redelivery shall be delivered by TGS at the pressure existing from time to time in TGS's facilities.</p> <p><b>ARTICLE VI. BILLING AND PAYMENT</b> On or before the twentieth (20th) day of each calendar month, TGS will render to Shipper a statement setting forth the total quantity of gas, in terms of Mcf (adjusted for applicable shrinkage) received at the Point(s) of Redelivery hereunder, during the immediately preceding billing period and the amount payable for the transportation thereof. Shipper agrees to pay TGS the full amount payable according to such statement on or before the fifteenth (15th) day of each month. If Shipper, in good faith, disagrees with the amount of any invoice, Shipper shall immediately notify TGS of such disagreement, so that the difference may be resolved before the date for payment of this invoice. If Shipper fails to give such notification, or if Shipper and TGS do not resolve such disagreement before the due date, the amount of the invoice not in dispute shall be paid by Shipper on the due date, such payment to be subject to adjustment, without penalty, upon final resolution of the disagreement. The remittance address shall be such address as reflected on TGS's statement from time to time. Each party shall have the right to examine at all reasonable times the books, records, and charts of the other to the extent necessary to verify or audit the accuracy of any statement, bill, chart, or computation made under or pursuant to this Agreement. Any statement shall be final as to all parties, unless questioned within two (2) years after payment thereof has been made.</p> <p><b>ARTICLE VII. FORCE MAJEURE</b> 1. Definition of Force Majeure: The term force majeure as employed herein shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts or other industrial disturbances, inability to obtain pipe or other material or equipment or labor, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or pipelines, and any other cause whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to overcome. 2. Effect of Force Majeure: In the event of either Shipper or TGS being rendered unable by force majeure to itself or a necessary third party to wholly or in part carry out its obligations under the provisions of this Agreement, it is agreed that the obligations of the party affected by such force majeure, other than the obligation to make payments thereunder, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch. Nothing contained herein, however, shall be construed to require either party to settle a strike against its will. 3. If a party claims force majeure that affects one or more Delivery Point(s), nothing herein contained shall require the party claiming force majeure to make deliveries or to take gas at an alternative Delivery Point. Subject to then existing applicable regulatory requirements, should the gas available to Shipper for sale be reduced due to force majeure, TGS may, at its sole discretion, reduce or completely stop deliveries to Shipper, for whatever reason.</p> <p><b>ARTICLE VIII. WARRANTY OF TITLE</b> Each party hereby warrants title to all gas received or delivered by it hereunder to, or for the account of, the other party, that it has the right to deliver same and that such gas is free from all liens and adverse claims of every kind. Each party will defend, and save the other party harmless against all loss, damage and expense of any character with respect to the gas received or delivered by it or on account of royalties, taxes, payments of other charges applicable before or upon receipt or delivery of gas hereunder.</p> <p><b>ARTICLE IX. POSSESSION OF GAS</b> TGS will be deemed to be in possession of the gas delivered hereunder by Shipper only from the time it is received by TGS at the Point(s) of Delivery for transportation hereunder until it is delivered to Shipper at the Point(s) of Redelivery, as provided for herein. Shipper will be deemed to be in possession of such gas prior to such receipt and after such delivery. TGS will have no responsibility for damage or injury hereunder with respect to such gas before receipt by it or after delivery to Shipper. Shipper will have no responsibility for damage or injury hereunder with respect to such gas while it is deemed hereunder to be in TGS's possession.</p> <p><b>ARTICLE X. MISCELLANEOUS</b> 1. Notwithstanding any provisions herein to the contrary, in the event that initial deliveries fail to occur within ninety (90) days of the date hereof, TGS shall have the right, at its sole discretion, to cancel this agreement without prior notice. 2. Further, if receipts and/or deliveries at any Point(s) of Delivery or Redelivery hereunder shall cease for a period exceeding ninety (90) days, TGS shall have the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 10370

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RGV-T-13-IS-X90	<p>right without prior notice to delete such Point(s) of Delivery or Redelivery and remove equipment not utilized for the prescribed period, or to cancel this Agreement in its entirety if all the Point(s) of Delivery and Redelivery hereunder are so affected.3. This Agreement shall extend to and be binding upon the successors and assigns of the respective parties hereto, but no assignment or change of interest shall have the effect of releasing the assigning party from any of its obligations hereunder, unless such release of said assigning party is assented to in writing by the other party to whom the obligations are owing hereunder, such agreement not to be unreasonably withheld.4. This Agreement and any Gas Transportation Service Agreement (including its exhibits and addenda, if any), contains the entire agreement between the parties and supersedes all oral discussions, negotiations, representations, or agreements relating to the subject matter of this Agreement. No changes in this Agreement shall be made or be binding on any party unless made in writing. The paragraph headings are not part of this Agreement and shall not be deemed to affect the meaning or construction of any of its provisions. 5. This Agreement and all operations hereunder are subject to the applicable orders, rules and regulations of the Railroad Commission of Texas, and of any other federal or state authority having or asserting jurisdiction and shall not be construed as a waiver of any right to question or contest any such law, order or regulation in any forum having jurisdiction in the premises.6. The parties hereto agree that this Agreement shall be construed and interpreted under the laws of the State of Texas and acknowledge that this Agreement and any Gas Transportation Agreement were entered into and negotiated jointly by all parties hereto and not by any one or more parties to the exclusion of the other or others. Supersedes Sheet Dated Bills Rendered On and After May 22, 1991 (Rio Grande Valley Gas Company) October 1, 1993                      AUTHORITY                      DATE EFFECTIVE</p> <p>RGV-T-13-IS-X90 RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer during the preceding month, the sum of the following: a) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to Customer shall be \$0.05 per MMBtu; plus b) Customer agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other government authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of the Customer, unless the Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Customer agrees to pay this additional tax, fee or charge, whether asserted on a retroactive basis or whether applied on a going forward basis.</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37580	D	Mcf	\$ .0529	04/01/1997	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9689	**CONFIDENTIAL**			
37579	D	Mcf	\$ .0529	04/01/1997	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9689	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.  
 NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10375**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 02/12/2008

**INITIAL SERVICE DATE:** 01/01/1998                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 12/10/2007

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** Add new redelivery point

**OTHER(EXPLAIN):** New redelivery point #66029 added effective 12/10/07

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9750	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 10375

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RGV-T-18-OS-X99	<p>RGV-T-18-OS-X99 RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the Point(s) of Redelivery during the preceding month, the sum of the following: a) During each monthly billing period, a customer charge of \$25.00 per meter per month for each Point of Redelivery; plus b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to Customer shall be \$0.43 per Mcf; plus c) Any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder. d) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. e) All amounts for any taxes (including but not limited to City franchise fee or taxes and Article 6060 Tax), fees, and Customer's lost and unaccounted-for gas volumes. f) Customer agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other government authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of the Customer, unless the Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Customer agrees to pay this additional tax, fee or charge, whether asserted on a retroactive basis or whether applied on a going forward basis. 4.2 Transporter retains the right to adjust the rates described in 4.1 (a) at any time Transporter's filed tariff rate is changed or amended. 4.3 The costs described in 4.1 may be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.4 Customer shall be allowed to satisfy its lost and unaccounted for gas obligation by payment in kind unless Transporter, at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind.</p>
T-2-RGV-ISOS-GTC	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area Rate Schedule T-2 GENERAL TERMS AND CONDITIONS FOR FIRM TRANSPORTATION ARTICLE I. DEFINITIONS Except as otherwise specified, the following terms as used herein shall be construed to have the following scope and meaning: a. Agreement shall mean the Gas Transportation Service Agreement into which these terms and conditions are incorporated by reference. b. Billing Period shall mean the period beginning at 7:00 a.m. Local Time on or about the twenty sixth (26th) day of a calendar month and ending at 7:00 a.m. Local Time on or about the twenty sixth (26th) day of the next succeeding calendar month. c. Contract Year shall mean the twelve (12) month period commencing on the effective date hereof and each consecutive twelve (12) month period thereafter. d. British thermal unit, herein called Btu shall mean the amount of heat required to raise the temperature of one (1) pound of water, one (1) degree F from fifty eight and five tenths (58.5) degrees F to fifty nine and five tenths (59.5) degrees F. e. Cubic foot of gas shall mean the volume of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty five hundredths (14.65) psia and a standard temperature of sixty (60) degrees Fahrenheit, herein called F. f. Day shall mean the twenty four (24) hour period commencing at 7:00 a.m. Central Time on any calendar day and ending at 7:00 a.m. Central Time on the following calendar day. g. Gas shall mean natural gas, including gas well gas, casinghead gas or the residue gas resulting from processing either casinghead gas or gas well gas. h. Gross Heating Value shall mean the number of Btu's liberated by the complete combustion at constant pressure of one (1) cubic foot of gas, at a base temperature of sixty (60) degrees F and a reference pressure base equal to fourteen and sixty five hundredths (14.65) psia, with air of the temperature and pressure of the gas, after the products of combustion are cooled to the initial temperature of the gas, and after the water of combustion is condensed to the liquid state. The Gross Heating Value of the gas shall be corrected for the water vapor content of the gas being delivered except so long as the water vapor content is seven (7) pounds or less per one million (1,000,000) cubic feet, the gas shall be assumed to be dry. i. MAOP means the Maximum Allowable Operating Pressure. j. Mcf shall mean one thousand (1,000) cubic feet. k. MMBtu shall mean a quantity of gas having a Gross Heating Value of one million (1,000,000) Btu's. l. Psia shall mean pounds per square inch, absolute. m. Psig shall mean pounds per square inch, gauge. n. Transport Gas shall mean that gas owned or controlled by Shipper and delivered by Shipper or its designee to TGS at the Point(s) of Delivery on the pipeline system of TGS, as it exists from time to time, for transportation by TGS and delivery by TGS at the Point(s) of Redelivery under this Agreement; provided, however, it is understood and agreed that the gas delivered at the Point(s) of Redelivery may not be transport gas in kind, but that the transport gas will be part of the commingled delivery of gas and, for the purpose hereunder, the commingled gas can be substituted for transport gas on a heat equivalent basis. ARTICLE II. QUALITY 1. The gas delivered hereunder shall: a. Contain not more than one (1) grain of hydrogen sulphide or more than twenty (20) grains of sulphur per one hundred (100) cubic feet; b. Have a Gross Heating Value of not less than nine hundred fifty (950) Btu's per cubic foot of gas when saturated with water vapor; c. Have a temperature of not greater than one hundred twenty (120) degrees F or less than forty (40) degrees F; d. Contain not more than three (3) percent by volume of carbon dioxide, one (1) percent by volume of oxygen, or two (2) percent by volume of nitrogen; e. Be commercially free of all liquids, suspended matters, dust, all gums and gum forming constituents, and other objectionable substances; and f. Contain not more than seven (7) pounds of water vapor per one million (1,000,000) cubic feet. 2. In the event the gas received or delivered hereunder should fail to meet the quality specifications stated above, then either party shall notify the other party which shall make a diligent effort to correct the situation. Either party shall have the right to refuse or accept such gas for so long as the other is unable to deliver gas conforming to such specifications, or may accept delivery of such gas or any part thereof during such period. A party's acceptance of gas that does not conform to the quality specifications stated above shall not constitute a waiver of such specifications by that party in regard to gas received or delivered under this Agreement after such acceptance. If, in TGS's sole opinion, the gas tendered hereunder becomes hazardous or is detrimental to TGS's operations, then TGS may promptly discontinue taking delivery. ARTICLE III. MEASUREMENT 1. The unit of volume for measurement of gas received and delivered hereunder shall be one (1) cubic foot of gas at a base temperature of sixty (60) degrees F and at a pressure of fourteen and sixty five hundredths (14.65) psia, as provided by the Natural Resources Code of the State of Texas (Section 91.051 through 91.062 of Vernon's Texas Civil Statutes). 2. All measurement facilities hereunder shall be installed and operated in accordance with the standards approved by the American National Standards Institute on June 28, 1977, and prescribed in the Gas Measurement Committee of the American Gas Association (AGA) Report Number 3 (ANSI/API 2530, First Edition), as it is now and from time to time may be revised, amended or supplemented. 3. TGS shall arrange for the operation of the measuring stations located at the Point(s) of Receipt and Delivery and Redelivery. The calibrating and adjusting of meters shall be done or arranged for by TGS in compliance with Paragraphs 4 and 5 of this Article 4. Shipper shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the equipment used in measuring gas hereunder. The records from such measuring equipment shall remain</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 10375

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>the property of TGS or its representative, but upon request, TGS will submit to Shipper the records and charts, together with calculations therefrom, subject to their return within fifteen (15) days after receipt thereof, after which the charts shall be retained for a period of two (2) years. At least annually, TGS shall calibrate the meters and instruments or cause same to be calibrated. TGS shall give Shipper sufficient notice in advance of such tests so that Shipper may, at its election, be present in person or by its representative to observe adjustments, if any, which are made.5. For the purpose of measurement and meter calibration, the atmospheric (barometric) pressure shall be assumed, unless otherwise determined by the Standard Gas Measurement Law, to be fourteen and four tenths (14.4) psia at the Point(s) of Receipt and Delivery, irrespective of variations in actual atmospheric pressure from time to time.6. Temperature of the gas hereunder shall be assumed to be 60 degrees F.7. The specific gravity of the gas hereunder shall be assumed to be 0.60. The nitrogen content of the gas shall be assumed to be 0.2%. The carbon dioxide content of the gas shall be assumed to be 0.5%.8. The Gross Heating Value shall be determined at one (1) month intervals by the use of a spot or continuous sample. The Gross Heating Value of such sample to be obtained either by calorimeter or chromatographic analysis using the value of the physical constants for the gas compounds and the procedure for determining the Gross Heating Value of the gas shall be on a real gas basis in accordance with ANSI/ASTM D3588 79, as it is now and from time to time may be revised, amended or supplemented. The Gross Heating Value of the gas hereunder shall be effective for the billing period in which the sample is taken and all succeeding billing periods until that billing period in which a new sample is taken. 9. TGS shall, upon the request of a customer, make a test of the accuracy of the meter serving that customer. TGS 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 is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four (4) years, TGS is entitled to charge a fee for the test, not to exceed \$15.00, or such other fee for the testing of meters as may be set forth in TGS's tariff properly on file with the regulatory authority. The customer shall be properly informed of the result of any test on a meter that serves him. Notwithstanding the above paragraph, if the meter is found to be more than nominally defective, to either the customer's or TGS's disadvantage, any fee charged for a meter test shall be refunded to the customer. More than nominally defective means a deviation of more than two percent (2%) from accurate registration. 10. If a meter test reveals a meter to be more than nominally defective, TGS shall correct previous readings consistent with the inaccuracy found in the meter for the periods of either:a. the last six months; orb. the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by TGS if the error is to TGS's disadvantage. If a meter is found not to register for any period of time, TGS 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.ARTICLE IV. BALANCING OF DELIVERIES1. Shipper's dispatcher or Shipper's designee must notify immediately TGS's dispatcher(s) of any changes in operating conditions on Shipper's system that will cause hourly rate variations in deliveries for Shipper's account. The extent to which such hourly rate variations are permissible will be at the sole discretion of TGS's dispatcher(s).2. Based upon the daily quantity scheduled and such information as TGS has available concerning the quantity actually received, TGS will make daily delivery of Shipper's quantity of gas scheduled for transportation, after making adjustments for any prior imbalance in deliveries.3. It is the intention of TGS and Shipper that daily deliveries to Shipper at the Point(s) of Redelivery hereunder, less applicable shrinkage, will be approximately equal, on a Gross Heating Value basis, to daily receipts by TGS at the Point(s) of Delivery from Shipper to transportation hereunder. However, due to variations in operating conditions, daily and monthly deliveries hereunder by TGS may be greater or less than the corresponding receipts of gas by TGS for transportation. Any such excess or deficiency will be adjusted or corrected in gas as soon as operating conditions reasonably permit. 4. Any dispatching notice or other communications by either party under this Article IV will be given to the other party at the addresses and telephone numbers set out in the Agreement, as applicable.5. If, at the end of the term of this Agreement, either party owes gas to the other party hereunder, the party owing such gas must tender to the other party at the Point(s) herein designated, the quantity of gas so owed within thirty (30) days from such date. ARTICLE V. PRESSURE The gas delivered by Shipper or its designee at the Point(s) of Delivery hereunder shall be delivered at a pressure sufficient to overcome the operating pressure existing in TGS's facilities from time to time; provided, however, in no event shall such delivery pressure exceed the MAOP of the system receiving the gas. The gas delivered at the Point(s) of Redelivery shall be delivered by TGS at the pressure existing from time to time in TGS's facilities.ARTICLE VI. BILLING AND PAYMENT On or before the twentieth (20th) day of each calendar month, TGS will render to Shipper a statement setting forth the total quantity of gas, in terms of Mcf (adjusted for applicable shrinkage) received at the Point(s) of Redelivery hereunder, during the immediately preceding billing period and the amount payable for the transportation thereof. Shipper agrees to pay TGS the full amount payable according to such statement on or before the fifteenth (15th) day of each month. If Shipper, in good faith, disagrees with the amount of any invoice, Shipper shall immediately notify TGS of such disagreement, so that the difference may be resolved before the date for payment of this invoice. If Shipper fails to give such notification, or if Shipper and TGS do not resolve such disagreement before the due date, the amount of the invoice not in dispute shall be paid by Shipper on the due date, such payment to be subject to adjustment, without penalty, upon final resolution of the disagreement. The remittance address shall be such address as reflected on TGS's statement from time to time. Each party shall have the right to examine at all reasonable times the books, records, and charts of the other to the extent necessary to verify or audit the accuracy of any statement, bill, chart, or computation made under or pursuant to this Agreement. Any statement shall be final as to all parties, unless questioned within two (2) years after payment thereof has been made. ARTICLE VII. FORCE MAJEURE1. Definition of Force Majeure: The term force majeure as employed herein shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts or other industrial disturbances, inability to obtain pipe or other material or equipment or labor, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or pipelines, and any other cause whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to overcome.2. Effect of Force Majeure: In the event of either Shipper or TGS being rendered unable by force majeure to itself or a necessary third party to wholly or in part carry out its obligations under the provisions of this Agreement, it is agreed that the obligations of the party</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10375

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>affected by such force majeure, other than the obligation to make payments thereunder, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch. Nothing contained herein, however, shall be construed to require either party to settle a strike against its will. 3. If a party claims force majeure that affects one or more Delivery Point(s), nothing herein contained shall require the party claiming force majeure to make deliveries or to take gas at an alternative Delivery Point. Subject to then existing applicable regulatory requirements, should the gas available to Shipper for sale be reduced due to force majeure, TGS may, at its sole discretion, reduce or completely stop deliveries to Shipper, for whatever reason. <b>ARTICLE VIII. WARRANTY OF TITLE</b> Each party hereby warrants title to all gas received or delivered by it hereunder to, or for the account of, the other party, that it has the right to deliver same and that such gas is free from all liens and adverse claims of every kind. Each party will defend, and save the other party harmless against all loss, damage and expense of any character with respect to the gas received or delivered by it or on account of royalties, taxes, payments of other charges applicable before or upon receipt or delivery of gas hereunder. <b>ARTICLE IX. POSSESSION OF GAS</b> TGS will be deemed to be in possession of the gas delivered hereunder by Shipper only from the time it is received by TGS at the Point(s) of Delivery for transportation hereunder until it is delivered to Shipper at the Point(s) of Redelivery, as provided for herein. Shipper will be deemed to be in possession of such gas prior to such receipt and after such delivery. TGS will have no responsibility for damage or injury hereunder with respect to such gas before receipt by it or after delivery to Shipper. Shipper will have no responsibility for damage or injury hereunder with respect to such gas while it is deemed hereunder to be in TGS's possession. <b>ARTICLE X. MISCELLANEOUS</b>1. Notwithstanding any provisions herein to the contrary, in the event that initial deliveries fail to occur within ninety (90) days of the date hereof, TGS shall have the right, at its sole discretion, to cancel this agreement without prior notice.2. Further, if receipts and/or deliveries at any Point(s) of Delivery or Redelivery hereunder shall cease for a period exceeding ninety (90) days, TGS shall have the right without prior notice to delete such Point(s) of Delivery or Redelivery and remove equipment not utilized for the prescribed period, or to cancel this Agreement in its entirety if all the Point(s) of Delivery and Redelivery hereunder are so affected.3. This Agreement shall extend to and be binding upon the successors and assigns of the respective parties hereto, but no assignment or change of interest shall have the effect of releasing the assigning party from any of its obligations hereunder, unless such release of said assigning party is assented to in writing by the other party to whom the obligations are owing hereunder, such agreement not to be unreasonably withheld.4. This Agreement and any Gas Transportation Service Agreement (including its exhibits and addenda, if any), contains the entire agreement between the parties and supersedes all oral discussions, negotiations, representations, or agreements relating to the subject matter of this Agreement. No changes in this Agreement shall be made or be binding on any party unless made in writing. The paragraph headings are not part of this Agreement and shall not be deemed to affect the meaning or construction of any of its provisions. 5. This Agreement and all operations hereunder are subject to the applicable orders, rules and regulations of the Railroad Commission of Texas, and of any other federal or state authority having or asserting jurisdiction and shall not be construed as a waiver of any right to question or contest any such law, order or regulation in any forum having jurisdiction in the premises.6. The parties hereto agree that this Agreement shall be construed and interpreted under the laws of the State of Texas and acknowledge that this Agreement and any Gas Transportation Agreement were entered into and negotiated jointly by all parties hereto and not by any one or more parties to the exclusion of the other or others. Supersedes Sheet Dated Bills Rendered On and After May 22, 1991 (Rio Grande Valley Gas Company) October 1, 1993      <b>AUTHORITY</b>      <b>DATE EFFECTIVE</b></p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37587	D	Mcf	\$,4300	12/01/2007	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9750	**CONFIDENTIAL**			
66029	D	Mcf	\$,4300	12/10/2007	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9750	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10375**

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10380**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 07/26/2004

**INITIAL SERVICE DATE:** 05/01/1999                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 01/25/2002

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** TGS was purchased from Southern Union Co. 1/1/03.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9747	**CONFIDENTIAL**	Y	



GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 10380**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-2-RGV-ISOS-GTC	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area Rate Schedule T-2 GENERAL TERMS AND CONDITIONS FOR FIRM TRANSPORTATION</p> <p><b>ARTICLE I. DEFINITIONS</b> Except as otherwise specified, the following terms as used herein shall be construed to have the following scope and meaning:</p> <p>a. Agreement shall mean the Gas Transportation Service Agreement into which these terms and conditions are incorporated by reference.</p> <p>b. Billing Period shall mean the period beginning at 7:00 a.m. Local Time on or about the twenty sixth (26th) day of a calendar month and ending at 7:00 a.m. Local Time on or about the twenty sixth (26th) day of the next succeeding calendar month.</p> <p>c. Contract Year shall mean the twelve (12) month period commencing on the effective date hereof and each consecutive twelve (12) month period thereafter.</p> <p>d. British thermal unit, herein called Btu shall mean the amount of heat required to raise the temperature of one (1) pound of water, one (1) degree F from fifty eight and five tenths (58.5) degrees F to fifty nine and five tenths (59.5) degrees F.</p> <p>e. Cubic foot of gas shall mean the volume of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty five hundredths (14.65) psia and a standard temperature of sixty (60) degrees Fahrenheit, herein called F.</p> <p>f. Day shall mean the twenty four (24) hour period commencing at 7:00 a.m. Central Time on any calendar day and ending at 7:00 a.m. Central Time on the following calendar day.</p> <p>g. Gas shall mean natural gas, including gas well gas, casinghead gas or the residue gas resulting from processing either casinghead gas or gas well gas.</p> <p>h. Gross Heating Value shall mean the number of Btu's liberated by the complete combustion at constant pressure of one (1) cubic foot of gas, at a base temperature of sixty (60) degrees F and a reference pressure base equal to fourteen and sixty five hundredths (14.65) psia, with air of the temperature and pressure of the gas, after the products of combustion are cooled to the initial temperature of the gas, and after the water of combustion is condensed to the liquid state. The Gross Heating Value of the gas shall be corrected for the water vapor content of the gas being delivered except so long as the water vapor content is seven (7) pounds or less per one million (1,000,000) cubic feet, the gas shall be assumed to be dry.</p> <p>i. MAOP means the Maximum Allowable Operating Pressure.</p> <p>j. Mcf shall mean one thousand (1,000) cubic feet.</p> <p>k. MMBtu shall mean a quantity of gas having a Gross Heating Value of one million (1,000,000) Btu's.</p> <p>l. Psia shall mean pounds per square inch, absolute.</p> <p>m. Psig shall mean pounds per square inch, gauge.</p> <p>n. Transport Gas shall mean that gas owned or controlled by Shipper and delivered by Shipper or its designee to TGS at the Point(s) of Delivery on the pipeline system of TGS, as it exists from time to time, for transportation by TGS and delivery by TGS at the Point(s) of Redelivery under this Agreement; provided, however, it is understood and agreed that the gas delivered at the Point(s) of Redelivery may not be transport gas in kind, but that the transport gas will be part of the commingled delivery of gas and, for the purpose hereunder, the commingled gas can be substituted for transport gas on a heat equivalent basis.</p> <p><b>ARTICLE II. QUALITY</b></p> <p>1. The gas delivered hereunder shall:</p> <p>a. Contain not more than one (1) grain of hydrogen sulphide or more than twenty (20) grains of sulphur per one hundred (100) cubic feet;</p> <p>b. Have a Gross Heating Value of not less than nine hundred fifty (950) Btu's per cubic foot of gas when saturated with water vapor;</p> <p>c. Have a temperature of not greater than one hundred twenty (120) degrees F or less than forty (40) degrees F;</p> <p>d. Contain not more than three (3) percent by volume of carbon dioxide, one (1) percent by volume of oxygen, or two (2) percent by volume of nitrogen;</p> <p>e. Be commercially free of all liquids, suspended matters, dust, all gums and gum forming constituents, and other objectionable substances; and</p> <p>f. Contain not more than seven (7) pounds of water vapor per one million (1,000,000) cubic feet.</p> <p>2. In the event the gas received or delivered hereunder should fail to meet the quality specifications stated above, then either party shall notify the other party which shall make a diligent effort to correct the situation. Either party shall have the right to refuse or accept such gas for so long as the other is unable to deliver gas conforming to such specifications, or may accept delivery of such gas or any part thereof during such period. A party's acceptance of gas that does not conform to the quality specifications stated above shall not constitute a waiver of such specifications by that party in regard to gas received or delivered under this Agreement after such acceptance. If, in TGS's sole opinion, the gas tendered hereunder becomes hazardous or is detrimental to TGS's operations, then TGS may promptly discontinue taking delivery.</p> <p><b>ARTICLE III. MEASUREMENT</b></p> <p>1. The unit of volume for measurement of gas received and delivered hereunder shall be one (1) cubic foot of gas at a base temperature of sixty (60) degrees F and at a pressure of fourteen and sixty five hundredths (14.65) psia, as provided by the Natural Resources Code of the State of Texas (Section 91.051 through 91.062 of Vernon's Texas Civil Statutes).</p> <p>2. All measurement facilities hereunder shall be installed and operated in accordance with the standards approved by the American National Standards Institute on June 28, 1977, and prescribed in the Gas Measurement Committee of the American Gas Association (AGA) Report Number 3 (ANSI/API 2530, First Edition), as it is now and from time to time may be revised, amended or supplemented.</p> <p>3. TGS shall arrange for the operation of the measuring stations located at the Point(s) of Receipt and Delivery and Redelivery. The calibrating and adjusting of meters shall be done or arranged for by TGS in compliance with Paragraphs 4 and 5 of this Article.</p> <p>4. Shipper shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the equipment used in measuring gas hereunder. The records from such measuring equipment shall remain the property of TGS or its representative, but upon request, TGS will submit to Shipper the records and charts, together with calculations therefrom, subject to their return within fifteen (15) days after receipt thereof, after which the charts shall be retained for a period of two (2) years. At least annually, TGS shall calibrate the meters and instruments or cause same to be calibrated. TGS shall give Shipper sufficient notice in advance of such tests so that Shipper may, at its election, be present in person or by its representative to observe adjustments, if any, which are made.</p> <p>5. For the purpose of measurement and meter calibration, the atmospheric (barometric) pressure shall be assumed, unless otherwise determined by the Standard Gas Measurement Law, to be fourteen and four tenths (14.4) psia at the Point(s) of Receipt and Delivery, irrespective of variations in actual atmospheric pressure from time to time.</p> <p>6. Temperature of the gas hereunder shall be assumed to be 60 degrees F.</p> <p>7. The specific gravity of the gas hereunder shall be assumed to be 0.60. The nitrogen content of the gas shall be assumed to be 0.2%. The carbon dioxide content of the gas shall be assumed to be 0.5%.</p> <p>8. The Gross Heating Value shall be determined at one (1) month intervals by the use of a spot or continuous sample. The Gross Heating Value of such sample to be obtained either by calorimeter or chromatographic analysis using the value of the physical constants for the gas compounds and the procedure for determining the Gross Heating Value of the gas shall be on a real gas basis in accordance with ANSI/ASTM D3588 79, as it is now and from time to time may be revised, amended or supplemented. The Gross Heating Value of the gas hereunder shall be effective for the billing period in which the sample is taken and all succeeding billing periods until that billing period in which a new sample is taken.</p> <p>9. TGS shall, upon the request of a customer, make a test of the accuracy of the meter serving that customer. TGS 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 is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four (4) years, TGS is entitled to charge a fee for the test, not to exceed \$15.00, or such other fee for the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 10380

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>testing of meters as may be set forth in TGS's tariff properly on file with the regulatory authority. The customer shall be properly informed of the result of any test on a meter that serves him. Notwithstanding the above paragraph, if the meter is found to be more than nominally defective, to either the customer's or TGS's disadvantage, any fee charged for a meter test shall be refunded to the customer. More than nominally defective means a deviation of more than two percent (2%) from accurate registration. 10. If a meter test reveals a meter to be more than nominally defective, TGS shall correct previous readings consistent with the inaccuracy found in the meter for the periods of either: a. the last six months; or b. the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by TGS if the error is to TGS's disadvantage. If a meter is found not to register for any period of time, TGS 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. ARTICLE IV. BALANCING OF DELIVERIES 1. Shipper's dispatcher or Shipper's designee must notify immediately TGS's dispatcher(s) of any changes in operating conditions on Shipper's system that will cause hourly rate variations in deliveries for Shipper's account. The extent to which such hourly rate variations are permissible will be at the sole discretion of TGS's dispatcher(s). 2. Based upon the daily quantity scheduled and such information as TGS has available concerning the quantity actually received, TGS will make daily delivery of Shipper's quantity of gas scheduled for transportation, after making adjustments for any prior imbalance in deliveries. 3. It is the intention of TGS and Shipper that daily deliveries to Shipper at the Point(s) of Redelivery hereunder, less applicable shrinkage, will be approximately equal, on a Gross Heating Value basis, to daily receipts by TGS at the Point(s) of Delivery from Shipper to transportation hereunder. However, due to variations in operating conditions, daily and monthly deliveries hereunder by TGS may be greater or less than the corresponding receipts of gas by TGS for transportation. Any such excess or deficiency will be adjusted or corrected in gas as soon as operating conditions reasonably permit. 4. Any dispatching notice or other communications by either party under this Article IV will be given to the other party at the addresses and telephone numbers set out in the Agreement, as applicable. 5. If, at the end of the term of this Agreement, either party owes gas to the other party hereunder, the party owing such gas must tender to the other party at the Point(s) herein designated, the quantity of gas so owed within thirty (30) days from such date. ARTICLE V. PRESSURE The gas delivered by Shipper or its designee at the Point(s) of Delivery hereunder shall be delivered at a pressure sufficient to overcome the operating pressure existing in TGS's facilities from time to time; provided, however, in no event shall such delivery pressure exceed the MAOP of the system receiving the gas. The gas delivered at the Point(s) of Redelivery shall be delivered by TGS at the pressure existing from time to time in TGS's facilities. ARTICLE VI. BILLING AND PAYMENT On or before the twentieth (20th) day of each calendar month, TGS will render to Shipper a statement setting forth the total quantity of gas, in terms of Mcf (adjusted for applicable shrinkage) received at the Point(s) of Redelivery hereunder, during the immediately preceding billing period and the amount payable for the transportation thereof. Shipper agrees to pay TGS the full amount payable according to such statement on or before the fifteenth (15th) day of each month. If Shipper, in good faith, disagrees with the amount of any invoice, Shipper shall immediately notify TGS of such disagreement, so that the difference may be resolved before the date for payment of this invoice. If Shipper fails to give such notification, or if Shipper and TGS do not resolve such disagreement before the due date, the amount of the invoice not in dispute shall be paid by Shipper on the due date, such payment to be subject to adjustment, without penalty, upon final resolution of the disagreement. The remittance address shall be such address as reflected on TGS's statement from time to time. Each party shall have the right to examine at all reasonable times the books, records, and charts of the other to the extent necessary to verify or audit the accuracy of any statement, bill, chart, or computation made under or pursuant to this Agreement. Any statement shall be final as to all parties, unless questioned within two (2) years after payment thereof has been made. ARTICLE VII. FORCE MAJEURE 1. Definition of Force Majeure: The term force majeure as employed herein shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts or other industrial disturbances, inability to obtain pipe or other material or equipment or labor, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or pipelines, and any other cause whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to overcome. 2. Effect of Force Majeure: In the event of either Shipper or TGS being rendered unable by force majeure to itself or a necessary third party to wholly or in part carry out its obligations under the provisions of this Agreement, it is agreed that the obligations of the party affected by such force majeure, other than the obligation to make payments thereunder, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch. Nothing contained herein, however, shall be construed to require either party to settle a strike against its will. 3. If a party claims force majeure that affects one or more Delivery Point(s), nothing herein contained shall require the party claiming force majeure to make deliveries or to take gas at an alternative Delivery Point. Subject to then existing applicable regulatory requirements, should the gas available to Shipper for sale be reduced due to force majeure, TGS may, at its sole discretion, reduce or completely stop deliveries to Shipper, for whatever reason. ARTICLE VIII. WARRANTY OF TITLE Each party hereby warrants title to all gas received or delivered by it hereunder to, or for the account of, the other party, that it has the right to deliver same and that such gas is free from all liens and adverse claims of every kind. Each party will defend, and save the other party harmless against all loss, damage and expense of any character with respect to the gas received or delivered by it or on account of royalties, taxes, payments of other charges applicable before or upon receipt or delivery of gas hereunder. ARTICLE IX. POSSESSION OF GAS TGS will be deemed to be in possession of the gas delivered hereunder by Shipper only from the time it is received by TGS at the Point(s) of Delivery for transportation hereunder until it is delivered to Shipper at the Point(s) of Redelivery, as provided for herein. Shipper will be deemed to be in possession of such gas prior to such receipt and after such delivery. TGS will have no responsibility for damage or injury hereunder with respect to such gas before receipt by it or after delivery to Shipper. Shipper will have no responsibility for damage or injury hereunder with respect to such gas while it is deemed hereunder to be in TGS's possession. ARTICLE X. MISCELLANEOUS 1. Notwithstanding any provisions herein to the contrary, in the event that initial deliveries fail to occur within ninety (90) days of the date hereof, TGS shall have the right, at its sole discretion, to cancel this agreement without prior notice. 2. Further, if receipts and/or deliveries at any Point(s) of Delivery or Redelivery hereunder shall cease for a period exceeding ninety (90) days, TGS shall have the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10380

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RGV-T-23-OS-X66	<p>right without prior notice to delete such Point(s) of Delivery or Redelivery and remove equipment not utilized for the prescribed period, or to cancel this Agreement in its entirety if all the Point(s) of Delivery and Redelivery hereunder are so affected.3. This Agreement shall extend to and be binding upon the successors and assigns of the respective parties hereto, but no assignment or change of interest shall have the effect of releasing the assigning party from any of its obligations hereunder, unless such release of said assigning party is assented to in writing by the other party to whom the obligations are owing hereunder, such agreement not to be unreasonably withheld.4. This Agreement and any Gas Transportation Service Agreement (including its exhibits and addenda, if any), contains the entire agreement between the parties and supersedes all oral discussions, negotiations, representations, or agreements relating to the subject matter of this Agreement. No changes in this Agreement shall be made or be binding on any party unless made in writing. The paragraph headings are not part of this Agreement and shall not be deemed to affect the meaning or construction of any of its provisions. 5. This Agreement and all operations hereunder are subject to the applicable orders, rules and regulations of the Railroad Commission of Texas, and of any other federal or state authority having or asserting jurisdiction and shall not be construed as a waiver of any right to question or contest any such law, order or regulation in any forum having jurisdiction in the premises.6. The parties hereto agree that this Agreement shall be construed and interpreted under the laws of the State of Texas and acknowledge that this Agreement and any Gas Transportation Agreement were entered into and negotiated jointly by all parties hereto and not by any one or more parties to the exclusion of the other or others. Supersedes Sheet Dated Bills Rendered On and After May 22, 1991 (Rio Grande Valley Gas Company) October 1, 1993 AUTHORITY DATE EFFECTIVE</p> <p>RGV-T-23-OS-X66 RATE COMPONENTS Shipper shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Shipper at the described points of redelivery during the preceding month, the sum of the following: (a) During each monthly billing period, a minimum charge of \$25 per meter per month. (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to Shipper shall be \$0.68 per Mcf. (c) Any third party demand charges, transport or service fees paid by Transporter on behalf of Shipper associated with the Transportation of gas hereunder. (d) To the extent Shipper requires special handling of the gas transported hereunder, all costs (including but not limited to, a rate of return and compensation of overhead, administration and depreciation) for the compression, treating or similar services provided by Transporter. (e) All amounts for any taxes (including but not limited to, City franchise fees or taxes, street rental fees or charges and Article 6060 tax), fees and Shipper's lost and unaccounted for gas volumes. (f) Shipper agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Shipper, unless Shipper has furnished Transporter satisfactory certificates showing that Shipper is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Shipper agrees to pay this additional tax, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis. 4.2 Transporter retains the right to adjust the rates described in Paragraph 4.1(a) above at any time Transporter's tariff rate is changed or amended.</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37593	D	Mcf	\$.6800	01/25/2002	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9747	**CONFIDENTIAL**			
37594	D	Mcf	\$.6800	01/25/2002	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9747	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 10380**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10385**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A  
**OPERATOR NO:**  
**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 07/26/2004  
**INITIAL SERVICE DATE:** 11/01/1999                      **TERM OF CONTRACT DATE:**  
**INACTIVE DATE:**                      **AMENDMENT DATE:**  
**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**  
**CITY ORDINANCE NO:**  
**AMENDMENT(EXPLAIN):** None  
**OTHER(EXPLAIN):** TGS was purchased from Southern Union Co. 1/1/03.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9720	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 10385

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-2-RGV-ISOS-GTC	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area Rate Schedule T-2 GENERAL TERMS AND CONDITIONS FOR FIRM TRANSPORTATION</p> <p><b>ARTICLE I. DEFINITIONS</b> Except as otherwise specified, the following terms as used herein shall be construed to have the following scope and meaning:</p> <p>a. Agreement shall mean the Gas Transportation Service Agreement into which these terms and conditions are incorporated by reference.</p> <p>b. Billing Period shall mean the period beginning at 7:00 a.m. Local Time on or about the twenty sixth (26th) day of a calendar month and ending at 7:00 a.m. Local Time on or about the twenty sixth (26th) day of the next succeeding calendar month.</p> <p>c. Contract Year shall mean the twelve (12) month period commencing on the effective date hereof and each consecutive twelve (12) month period thereafter.</p> <p>d. British thermal unit, herein called Btu shall mean the amount of heat required to raise the temperature of one (1) pound of water, one (1) degree F from fifty eight and five tenths (58.5) degrees F to fifty nine and five tenths (59.5) degrees F.</p> <p>e. Cubic foot of gas shall mean the volume of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty five hundredths (14.65) psia and a standard temperature of sixty (60) degrees Fahrenheit, herein called F.</p> <p>f. Day shall mean the twenty four (24) hour period commencing at 7:00 a.m. Central Time on any calendar day and ending at 7:00 a.m. Central Time on the following calendar day.</p> <p>g. Gas shall mean natural gas, including gas well gas, casinghead gas or the residue gas resulting from processing either casinghead gas or gas well gas.</p> <p>h. Gross Heating Value shall mean the number of Btu's liberated by the complete combustion at constant pressure of one (1) cubic foot of gas, at a base temperature of sixty (60) degrees F and a reference pressure base equal to fourteen and sixty five hundredths (14.65) psia, with air of the temperature and pressure of the gas, after the products of combustion are cooled to the initial temperature of the gas, and after the water of combustion is condensed to the liquid state. The Gross Heating Value of the gas shall be corrected for the water vapor content of the gas being delivered except so long as the water vapor content is seven (7) pounds or less per one million (1,000,000) cubic feet, the gas shall be assumed to be dry.</p> <p>i. MAOP means the Maximum Allowable Operating Pressure.</p> <p>j. Mcf shall mean one thousand (1,000) cubic feet.</p> <p>k. MMBtu shall mean a quantity of gas having a Gross Heating Value of one million (1,000,000) Btu's.</p> <p>l. Psia shall mean pounds per square inch, absolute.</p> <p>m. Psig shall mean pounds per square inch, gauge.</p> <p>n. Transport Gas shall mean that gas owned or controlled by Shipper and delivered by Shipper or its designee to TGS at the Point(s) of Delivery on the pipeline system of TGS, as it exists from time to time, for transportation by TGS and delivery by TGS at the Point(s) of Redelivery under this Agreement; provided, however, it is understood and agreed that the gas delivered at the Point(s) of Redelivery may not be transport gas in kind, but that the transport gas will be part of the commingled delivery of gas and, for the purpose hereunder, the commingled gas can be substituted for transport gas on a heat equivalent basis.</p> <p><b>ARTICLE II. QUALITY</b></p> <p>1. The gas delivered hereunder shall:</p> <p>a. Contain not more than one (1) grain of hydrogen sulphide or more than twenty (20) grains of sulphur per one hundred (100) cubic feet;</p> <p>b. Have a Gross Heating Value of not less than nine hundred fifty (950) Btu's per cubic foot of gas when saturated with water vapor;</p> <p>c. Have a temperature of not greater than one hundred twenty (120) degrees F or less than forty (40) degrees F;</p> <p>d. Contain not more than three (3) percent by volume of carbon dioxide, one (1) percent by volume of oxygen, or two (2) percent by volume of nitrogen;</p> <p>e. Be commercially free of all liquids, suspended matters, dust, all gums and gum forming constituents, and other objectionable substances; and</p> <p>f. Contain not more than seven (7) pounds of water vapor per one million (1,000,000) cubic feet.</p> <p>2. In the event the gas received or delivered hereunder should fail to meet the quality specifications stated above, then either party shall notify the other party which shall make a diligent effort to correct the situation. Either party shall have the right to refuse or accept such gas for so long as the other is unable to deliver gas conforming to such specifications, or may accept delivery of such gas or any part thereof during such period. A party's acceptance of gas that does not conform to the quality specifications stated above shall not constitute a waiver of such specifications by that party in regard to gas received or delivered under this Agreement after such acceptance. If, in TGS's sole opinion, the gas tendered hereunder becomes hazardous or is detrimental to TGS's operations, then TGS may promptly discontinue taking delivery.</p> <p><b>ARTICLE III. MEASUREMENT</b></p> <p>1. The unit of volume for measurement of gas received and delivered hereunder shall be one (1) cubic foot of gas at a base temperature of sixty (60) degrees F and at a pressure of fourteen and sixty five hundredths (14.65) psia, as provided by the Natural Resources Code of the State of Texas (Section 91.051 through 91.062 of Vernon's Texas Civil Statutes).</p> <p>2. All measurement facilities hereunder shall be installed and operated in accordance with the standards approved by the American National Standards Institute on June 28, 1977, and prescribed in the Gas Measurement Committee of the American Gas Association (AGA) Report Number 3 (ANSI/API 2530, First Edition), as it is now and from time to time may be revised, amended or supplemented.</p> <p>3. TGS shall arrange for the operation of the measuring stations located at the Point(s) of Receipt and Delivery and Redelivery. The calibrating and adjusting of meters shall be done or arranged for by TGS in compliance with Paragraphs 4 and 5 of this Article.</p> <p>4. Shipper shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the equipment used in measuring gas hereunder. The records from such measuring equipment shall remain the property of TGS or its representative, but upon request, TGS will submit to Shipper the records and charts, together with calculations therefrom, subject to their return within fifteen (15) days after receipt thereof, after which the charts shall be retained for a period of two (2) years. At least annually, TGS shall calibrate the meters and instruments or cause same to be calibrated. TGS shall give Shipper sufficient notice in advance of such tests so that Shipper may, at its election, be present in person or by its representative to observe adjustments, if any, which are made.</p> <p>5. For the purpose of measurement and meter calibration, the atmospheric (barometric) pressure shall be assumed, unless otherwise determined by the Standard Gas Measurement Law, to be fourteen and four tenths (14.4) psia at the Point(s) of Receipt and Delivery, irrespective of variations in actual atmospheric pressure from time to time.</p> <p>6. Temperature of the gas hereunder shall be assumed to be 60 degrees F.</p> <p>7. The specific gravity of the gas hereunder shall be assumed to be 0.60. The nitrogen content of the gas shall be assumed to be 0.2%. The carbon dioxide content of the gas shall be assumed to be 0.5%.</p> <p>8. The Gross Heating Value shall be determined at one (1) month intervals by the use of a spot or continuous sample. The Gross Heating Value of such sample to be obtained either by calorimeter or chromatographic analysis using the value of the physical constants for the gas compounds and the procedure for determining the Gross Heating Value of the gas shall be on a real gas basis in accordance with ANSI/ASTM D3588 79, as it is now and from time to time may be revised, amended or supplemented. The Gross Heating Value of the gas hereunder shall be effective for the billing period in which the sample is taken and all succeeding billing periods until that billing period in which a new sample is taken.</p> <p>9. TGS shall, upon the request of a customer, make a test of the accuracy of the meter serving that customer. TGS 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 is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four (4) years, TGS is entitled to charge a fee for the test, not to exceed \$15.00, or such other fee for the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 10385

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>testing of meters as may be set forth in TGS's tariff properly on file with the regulatory authority. The customer shall be properly informed of the result of any test on a meter that serves him. Notwithstanding the above paragraph, if the meter is found to be more than nominally defective, to either the customer's or TGS's disadvantage, any fee charged for a meter test shall be refunded to the customer. More than nominally defective means a deviation of more than two percent (2%) from accurate registration. 10. If a meter test reveals a meter to be more than nominally defective, TGS shall correct previous readings consistent with the inaccuracy found in the meter for the periods of either: a. the last six months; or b. the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by TGS if the error is to TGS's disadvantage. If a meter is found not to register for any period of time, TGS 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.</p> <p><b>ARTICLE IV. BALANCING OF DELIVERIES</b> 1. Shipper's dispatcher or Shipper's designee must notify immediately TGS's dispatcher(s) of any changes in operating conditions on Shipper's system that will cause hourly rate variations in deliveries for Shipper's account. The extent to which such hourly rate variations are permissible will be at the sole discretion of TGS's dispatcher(s). 2. Based upon the daily quantity scheduled and such information as TGS has available concerning the quantity actually received, TGS will make daily delivery of Shipper's quantity of gas scheduled for transportation, after making adjustments for any prior imbalance in deliveries. 3. It is the intention of TGS and Shipper that daily deliveries to Shipper at the Point(s) of Redelivery hereunder, less applicable shrinkage, will be approximately equal, on a Gross Heating Value basis, to daily receipts by TGS at the Point(s) of Delivery from Shipper to transportation hereunder. However, due to variations in operating conditions, daily and monthly deliveries hereunder by TGS may be greater or less than the corresponding receipts of gas by TGS for transportation. Any such excess or deficiency will be adjusted or corrected in gas as soon as operating conditions reasonably permit. 4. Any dispatching notice or other communications by either party under this Article IV will be given to the other party at the addresses and telephone numbers set out in the Agreement, as applicable. 5. If, at the end of the term of this Agreement, either party owes gas to the other party hereunder, the party owing such gas must tender to the other party at the Point(s) herein designated, the quantity of gas so owed within thirty (30) days from such date.</p> <p><b>ARTICLE V. PRESSURE</b> The gas delivered by Shipper or its designee at the Point(s) of Delivery hereunder shall be delivered at a pressure sufficient to overcome the operating pressure existing in TGS's facilities from time to time; provided, however, in no event shall such delivery pressure exceed the MAOP of the system receiving the gas. The gas delivered at the Point(s) of Redelivery shall be delivered by TGS at the pressure existing from time to time in TGS's facilities.</p> <p><b>ARTICLE VI. BILLING AND PAYMENT</b> On or before the twentieth (20th) day of each calendar month, TGS will render to Shipper a statement setting forth the total quantity of gas, in terms of Mcf (adjusted for applicable shrinkage) received at the Point(s) of Redelivery hereunder, during the immediately preceding billing period and the amount payable for the transportation thereof. Shipper agrees to pay TGS the full amount payable according to such statement on or before the fifteenth (15th) day of each month. If Shipper, in good faith, disagrees with the amount of any invoice, Shipper shall immediately notify TGS of such disagreement, so that the difference may be resolved before the date for payment of this invoice. If Shipper fails to give such notification, or if Shipper and TGS do not resolve such disagreement before the due date, the amount of the invoice not in dispute shall be paid by Shipper on the due date, such payment to be subject to adjustment, without penalty, upon final resolution of the disagreement. The remittance address shall be such address as reflected on TGS's statement from time to time. Each party shall have the right to examine at all reasonable times the books, records, and charts of the other to the extent necessary to verify or audit the accuracy of any statement, bill, chart, or computation made under or pursuant to this Agreement. Any statement shall be final as to all parties, unless questioned within two (2) years after payment thereof has been made.</p> <p><b>ARTICLE VII. FORCE MAJEURE</b> 1. Definition of Force Majeure: The term force majeure as employed herein shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts or other industrial disturbances, inability to obtain pipe or other material or equipment or labor, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or pipelines, and any other cause whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to overcome. 2. Effect of Force Majeure: In the event of either Shipper or TGS being rendered unable by force majeure to itself or a necessary third party to wholly or in part carry out its obligations under the provisions of this Agreement, it is agreed that the obligations of the party affected by such force majeure, other than the obligation to make payments thereunder, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch. Nothing contained herein, however, shall be construed to require either party to settle a strike against its will. 3. If a party claims force majeure that affects one or more Delivery Point(s), nothing herein contained shall require the party claiming force majeure to make deliveries or to take gas at an alternative Delivery Point. Subject to then existing applicable regulatory requirements, should the gas available to Shipper for sale be reduced due to force majeure, TGS may, at its sole discretion, reduce or completely stop deliveries to Shipper, for whatever reason.</p> <p><b>ARTICLE VIII. WARRANTY OF TITLE</b> Each party hereby warrants title to all gas received or delivered by it hereunder to, or for the account of, the other party, that it has the right to deliver same and that such gas is free from all liens and adverse claims of every kind. Each party will defend, and save the other party harmless against all loss, damage and expense of any character with respect to the gas received or delivered by it or on account of royalties, taxes, payments of other charges applicable before or upon receipt or delivery of gas hereunder.</p> <p><b>ARTICLE IX. POSSESSION OF GAS</b> TGS will be deemed to be in possession of the gas delivered hereunder by Shipper only from the time it is received by TGS at the Point(s) of Delivery for transportation hereunder until it is delivered to Shipper at the Point(s) of Redelivery, as provided for herein. Shipper will be deemed to be in possession of such gas prior to such receipt and after such delivery. TGS will have no responsibility for damage or injury hereunder with respect to such gas before receipt by it or after delivery to Shipper. Shipper will have no responsibility for damage or injury hereunder with respect to such gas while it is deemed hereunder to be in TGS's possession.</p> <p><b>ARTICLE X. MISCELLANEOUS</b> 1. Notwithstanding any provisions herein to the contrary, in the event that initial deliveries fail to occur within ninety (90) days of the date hereof, TGS shall have the right, at its sole discretion, to cancel this agreement without prior notice. 2. Further, if receipts and/or deliveries at any Point(s) of Delivery or Redelivery hereunder shall cease for a period exceeding ninety (90) days, TGS shall have the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10385

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RGV-T-29-OS-X88	<p>right without prior notice to delete such Point(s) of Delivery or Redelivery and remove equipment not utilized for the prescribed period, or to cancel this Agreement in its entirety if all the Point(s) of Delivery and Redelivery hereunder are so affected.3. This Agreement shall extend to and be binding upon the successors and assigns of the respective parties hereto, but no assignment or change of interest shall have the effect of releasing the assigning party from any of its obligations hereunder, unless such release of said assigning party is assented to in writing by the other party to whom the obligations are owing hereunder, such agreement not to be unreasonably withheld.4. This Agreement and any Gas Transportation Service Agreement (including its exhibits and addenda, if any), contains the entire agreement between the parties and supersedes all oral discussions, negotiations, representations, or agreements relating to the subject matter of this Agreement. No changes in this Agreement shall be made or be binding on any party unless made in writing. The paragraph headings are not part of this Agreement and shall not be deemed to affect the meaning or construction of any of its provisions. 5. This Agreement and all operations hereunder are subject to the applicable orders, rules and regulations of the Railroad Commission of Texas, and of any other federal or state authority having or asserting jurisdiction and shall not be construed as a waiver of any right to question or contest any such law, order or regulation in any forum having jurisdiction in the premises.6. The parties hereto agree that this Agreement shall be construed and interpreted under the laws of the State of Texas and acknowledge that this Agreement and any Gas Transportation Agreement were entered into and negotiated jointly by all parties hereto and not by any one or more parties to the exclusion of the other or others. Supersedes Sheet Dated Bills Rendered On and After May 22, 1991 (Rio Grande Valley Gas Company) October 1, 1993 AUTHORITY DATE EFFECTIVE</p> <p>RGV-T-29-OS-X88 RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Shipper at the described points of redelivery during the preceding month, the sum of the following: (a) During each monthly billing period, a customer charge of \$25 per meter per month for each point of redelivery. (b) A cost of service rate for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to Customer shall be \$0.65 per Mcf; plus (c) Customer agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Customer, unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Customer agrees to pay this additional tax, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis.</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37603	D	Mcf	\$.6500	11/01/1999	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	9720	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.  
 NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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



**RRC COID: 6310      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT      RRC TARIFF NO: 10561**

**DESCRIPTION:** Distribution Transportation      **STATUS:** A  
**OPERATOR NO:**  
**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 07/26/2004  
**INITIAL SERVICE DATE:** 11/01/2002      **TERM OF CONTRACT DATE:**  
**INACTIVE DATE:**      **AMENDMENT DATE:**  
**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**  
**CITY ORDINANCE NO:**  
**AMENDMENT(EXPLAIN):** None  
**OTHER(EXPLAIN):** TGS was purch 1/1/03. Trans Chg eff Austin Ord #020829-67 - 8/29/02, Rollingwood, Cedar Park, Sunset Valley & W. Lake Hills via oper of law -12/06/02.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9624	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10561

**CURRENT RATE COMPONENT**

RATE COMP. ID	DESCRIPTION
RCR-CTX-IS-Reloc	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY</p> <p><b>A. APPLICABILITY</b> This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT B. <b>PURPOSE</b> Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. <b>C. COMPUTATION OF RCR RATE</b> The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPRC + PPRC NV CPRC = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates. <b>D. BILLING</b> 1. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a component of the Company's Cost of Gas (per Ccf rate) for rate schedules: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1. 2. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be added to the applicable cost of service usage charge (per Ccf rate) for rate schedules: T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. <b>E. FILING WITH THE REGULATORY AUTHORITY</b> No less than thirty days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Supersedes Same Sheet Dated Meters Read On and After September 25, 2001 May 24, 2002</p>
RCR-Rider-CTX-IS	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER Page 1 of 1 RELOCATION COST RECOVERY RATE <b>A. APPLICABILITY</b> The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR, shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. <b>B. CURRENT RCR RATE</b> Effective Date RCR Rate Meters Read On and After November 19, 2003 (4th RCR Filing) \$ 0.0203 per Ccf Total RCR Rate \$ 0.0203 per Ccf All applicable fees and taxes will be added to the above rate. Supersedes Same Sheet Dated Meters Read On and After May 23, 2003 November 19, 2003</p>
T-GEN-CTXsvca-IS-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Central Texas Service Area. <b>ADDITIONAL CHARGES TO COST OF SERVICE RATE</b> During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: <b>Plus:</b> A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. <b>Plus:</b> A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. <b>Plus:</b> Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. <b>Plus:</b> Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. <b>SPECIAL PROVISIONS</b> 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: <b>Aggregation Pool</b> - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. <b>Cumulative Operational Imbalance (COI)</b> - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. <b>Cumulative Tolerance Limit</b> - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. <b>Deliveries</b> - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. <b>Imbalance Volumes</b> - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 10561

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in the form set forth at Exhibit 1 attached hereto, setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer, in the form set forth at Exhibit 2 attached hereto, detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 10561
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.CONDITIONS1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer.5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After January 2, 2003</p>
T020-CTX-IS-Com	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T020 COMMERCIAL TRANSPORTATION SERVICE RATEAPPLICABILITYApplicable to commercial customers and to consumers not otherwise specifically provided for under any other rate schedule, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.TERRITORYAll incorporated areas served by the Company in its Central Texas Service Area.COST OF SERVICE RATE During each monthly billing period:A customer charge per meter per month of \$75.00 plus -All Ccf per monthly billing period @ \$ 0.1564 per CcfPlus:See the Additional Charges to Cost of Service Rate</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10561**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).SPECIAL PROVISIONS AND CONDITIONSSee the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37979	D	Mcf	\$1.7860	11/19/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	9624	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 10723**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 09/21/2011

**INITIAL SERVICE DATE:** 07/01/1995                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** TARIFF INACTIVE - replaced by tariff # 23478

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9512	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 10723
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCR-CTX-IS-Reloc	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY</p> <p><b>A. APPLICABILITY</b> This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT B. <b>PURPOSE</b> Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. <b>C. COMPUTATION OF RCR RATE</b> The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPRC + PPRC NV CPRC = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates. <b>D. BILLING</b> 1. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a component of the Company's Cost of Gas (per Ccf rate) for rate schedules: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1. 2. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be added to the applicable cost of service usage charge (per Ccf rate) for rate schedules: T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. <b>E. FILING WITH THE REGULATORY AUTHORITY</b> No less than thirty days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Supersedes Same Sheet Dated Meters Read On and After September 25, 2001 May 24, 2002</p>
T030-CTX-IS-Ind	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T030 INDUSTRIAL TRANSPORTATION SERVICE RATE APPLICABILITY Service under this rate schedule is available to any customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Division B - Mining - all Major Groups Division D - Manufacturing - all Major Groups Divisions E and J - Utility and Government - facilities generating power for resale only This rate schedule is for those industrial customers whose consumption averages less than 10,000 Ccf per month. Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system. <b>TERRITORY</b> All incorporated areas served by the Company in its Central Texas Service Area. <b>COST OF SERVICE RATE</b> During each monthly billing period: A customer charge per meter per month of \$80.00 plus -All Ccf per monthly billing period @ \$ 0.1170 per Ccf Plus: See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). <b>SPECIAL PROVISIONS AND CONDITIONS</b> See the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003</p>
RCR-Rider-CTX-IS	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER RELOCATION COST RECOVERY RATE <b>A. APPLICABILITY</b> The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to Rate Schedule RCR, shall apply to the rate schedules as listed in Section (A) of Rate Schedule RCR for all incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Cedar Park, Kyle, Rollingwood, Sunset Valley and West Lake Hills, Texas. <b>B. CURRENT RCR RATE</b> Effective Date RCR Rate Meters Read On and After November 30, 2010 (11th RCR Filing) \$ 0.0215 per Ccf All applicable fees and taxes will be added to the above rate. Meters Read On and After November 30, 2010 Supersedes Same Sheet Dated July 29, 2010</p>
T-GEN-CTXSvcA-IS-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. <b>TERRITORY</b> All areas served by the Company in its Central Texas Service Area. <b>ADDITIONAL CHARGES TO COST OF SERVICE RATE</b> During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 10723

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS1. Definitions: As used in this tariff, the following terms will have the meanings indicated:Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area.Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit.Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month.PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation.Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month.Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff.Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company.Supplier Service Agreement - a contract in the form set forth at Exhibit 1 attached hereto, setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff.Transportation Agreement - a contract between the Company and the customer, in the form set forth at Exhibit 2 attached hereto, detailing the terms and conditions upon which the customer will receive service under this tariff.Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system.2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below.5. Imbalances5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI.5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof.5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance.6. Cashout Procedure6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 10723
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date.6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas.6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.CONDITIONS1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer.5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 10723

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After January 2, 2003

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
39018			\$ .0000	07/01/1995	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11076

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 08/31/1987      **RECEIVED DATE:** 07/29/2004

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 01/01/2003

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** TGS was purchased from Southern Union Co. 1/1/03.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9604	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T020-CTX-IS-Com	TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T020 COMMERCIAL TRANSPORTATION SERVICE RATEAPPLICABILITYApplicable to commercial customers and to consumers not otherwise specifically provided for under any other rate schedule, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.TERRITORYAll incorporated areas served by the Company in its Central Texas Service Area.COST OF SERVICE RATE During each monthly billing period:A customer charge per meter per month of \$75.00 plus -All Ccf per monthly billing period @ \$ 0.1564 per CcfPlus:See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).SPECIAL PROVISIONS AND CONDITIONSSee the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003
CT-T-7-IS-XA1	CT-T-7-IS-XA1 RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs. (a) The specified rate in Transporter's applicable Rate Schedule (T020), as amended from time to time which governs Customer's classification at each point of redelivery; (b) any cost (including without limitation third-party fees, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter and including any third party transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder 4.2 Transporter retains the right to adjust the transportation fee specified in Paragraph 4.1 above at any time Transporter's filed tariff rate is changed or amended. 4.3 the cost described in 4.19b) above may automatically be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.4 The rate for Transportation shall include a cost of service charge for the use of the transporter's facilities and all other services provided directly by the transporter which shall be a rate of : (Per 8/1/2003 COS Adjustment Filing) All volumes redelivered @ \$.7238 per Mcf 4.5 Notwithstanding the Rate Schedule referred to in Section 4.1(a), Customer shall be allowed to satisfy its lost and unaccounted for gas obligation set forth in such Rate schedule by payment in kind, unless Transporter at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. RATE ADJUSTMENT PROVISION The cost of service shall increase in direct proportion to the increase in the Transporter's Central Texas Service Area expenses as reported to the Railroad Commission of Texas in the Transporter's Annual Report to the Gas Utilities Division. The cost of service charge for each contract year, shall be calculated by the formula prescribed below: most recent calendar year Central Texas expenses X prior year cost of service charge previous calendar year Central Texas expenses The minimum cost of service charge for a contract year shall be the prior years' cost of service charge. The maximum cost of service charge for a contract year shall be the result of 1.05 multiplied by the prior years' cost of service charge.

**RATE ADJUSTMENT PROVISIONS:**

See CT-T-7-IS-XA1 Rate Adjustment Provision.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11076**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37746	D	Mcf	\$.7274	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9604	**CONFIDENTIAL**			
37745	D	Mcf	\$.7274	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9604	**CONFIDENTIAL**			
37747	D	Mcf	\$.7274	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9604	**CONFIDENTIAL**			
37748	D	Mcf	\$.7274	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9604	**CONFIDENTIAL**			
37749	D	Mcf	\$.7274	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9604	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11077

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 08/31/1987      **RECEIVED DATE:** 07/29/2004

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 01/01/2003

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** TGS was purchased from Southern Union Co. 1/1/03.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9604	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T022-CTX-IS-LgCom	TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T022 LARGE VOLUME COMMERCIAL TRANSPORTATION SERVICE RATE APPLICABILITY Service under this rate schedule is available to any customer whose primary business activity at the location served is not provided for under any other rate schedule, and whose average usage exceeds 3,100 Ccf per monthly billing period, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system. TERRITORY All incorporated areas served by the Company in its Central Texas Service Area. COST OF SERVICE RATE During each monthly billing period: A customer charge per meter per month of \$ 150.00 plus - All Ccf per monthly billing period @ \$ 0.1151 per Ccf Plus: See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). SPECIAL PROVISIONS AND CONDITIONS See the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003
CT-T-7-IS-XA2	CT-T-7-IS-XA2 RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs. (a) The specified rate in Transporter's applicable Rate Schedule (T022), as amended from time to time which governs Customer's classification at each point of redelivery; (b) any cost (including without limitation third-party fees, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter and including any third party transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder 4.2 Transporter retains the right to adjust the transportation fee specified in Paragraph 4.1 above at any time Transporter's filed tariff rate is changed or amended. 4.3 the cost described in 4.19b) above may automatically be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.4 The rate for Transportation shall include a cost of service charge for the use of the transporter's facilities and all other services provided directly by the transporter which shall be a rate of : (Per 8/1/2003 COS Adjustment Filing) All volumes redelivered @ \$.7238 per Mcf 4.5 Notwithstanding the Rate Schedule referred to in Section 4.1(a), Customer shall be allowed to satisfy its lost and unaccounted for gas obligation set forth in such Rate schedule by payment in kind, unless Transporter at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. RATE ADJUSTMENT PROVISION The cost of service shall increase in direct proportion to the increase in the Transporter's Central Texas Service Area expenses as reported to the Railroad Commission of Texas in the Transporter's Annual Report to the Gas Utilities Division. The cost of service charge for each contract year, shall be calculated by the formula prescribed below: most recent calendar year Central Texas expenses X prior year cost of service charge previous calendar year Central Texas expenses The minimum cost of service charge for a contract year shall be the prior years' cost of service charge. The maximum cost of service charge for a contract year shall be the result of 1.05 multiplied by the prior years' cost of service charge.

**RATE ADJUSTMENT PROVISIONS:**

See CT-T-7-IS-XA2 Rate Adjustment Provision.

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11077**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37751	D	Mcf	\$.7274	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9604	**CONFIDENTIAL**			
37752	D	Mcf	\$.7274	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9604	**CONFIDENTIAL**			
37753	D	Mcf	\$.7274	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9604	**CONFIDENTIAL**			
37750	D	Mcf	\$.7274	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9604	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11078

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 08/01/1996      **RECEIVED DATE:** 07/29/2004

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 01/01/2003

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** TGS was purchased from Southern Union Co. 1/1/03.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9408	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
CT-T-8-IS-XAG	CT-T-8-IS-XAG RATE COMPONENTS 4.1 Transporter's applicable Transportation Rate Schedule, as amended from time to time, shall govern the conditions under which transportation service is available. Beginning on the date deliveries of gas commence hereunder, Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following: (a) During each monthly billing period, a customer charge of \$50.00 per customer meter per month; plus (b) A cost of service rate for use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to Customer: (Per 8/1/2003 COS Adjustment Filing) The First 150,000 redelivered each contract year @ \$0.2370 per Mcf All over 150,001 redelivered each contract year @ \$0.2031 per Mcf (c) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. (d) All amounts for any taxes (including, but not limited to Article 6060 Tax), fees, and Customer's lost and unaccounted for gas obligation; plus RATE ADJUSTMENT PROVISION 4.3 Effective with August 1, 1999, deliveries and annually thereafter, such cost of service rates, as specified in paragraph 4.1(b) shall increase by an amount equivalent to the increase in the Consumer Price Index. Unadjusted indexes, all items (Table 1) as published by the U.S. Department of Labor. Such increase shall be calculated by multiplying the rates then in effect by a fraction which shall have a numerator equal to the Consumer Price Index, Unadjusted indexes, all items (Table 1), effective four (4) months prior to the date of redetermination, and a denominator equal to the Consumer Price Index, Unadjusted indexes, all items (Table 1) effective sixteen (16) months prior to the date redetermination. The cost of service portion of the rate shall be limited to not less than the prior year rate nor more than 1.05 times the prior year rate.

**RATE ADJUSTMENT PROVISIONS:**

See CT-T-8-IS-XAG Rate Adjustment Provision.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11078**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37822	D	Mcf	\$.2382	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9408	**CONFIDENTIAL**			
37823	D	Mcf	\$.2382	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9408	**CONFIDENTIAL**			
37824	D	Mcf	\$.2382	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9408	**CONFIDENTIAL**			
37821	D	Mcf	\$.2382	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9408	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11079

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 01/04/2005

**INITIAL SERVICE DATE:** 07/01/1996      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 02/28/2003

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9529	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
CT-T-10-IS-XA3	CT-T-10-IS-XA3 RATE COMPONENTS 4.1 Beginning on the date deliveries of gas commence hereunder, Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs: (a) During each monthly billing period, a customer charge of \$75.00 per customer meter per month; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to Customer: (Per 7/1/2002 COS Adjustment Filing) (i) First 22,000 Mcf redelivered each month @ \$0.8105 per Mcf (ii) All Over 22,001 Mcf redelivered each month @ \$0.4178 per Mcf (c) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. (d) All amounts for any taxes (including, but not limited to Franchise fee and Taxes and Article 6060 Tax), fees, and Customer's lost and unaccounted for gas volume. 4.2 Notwithstanding Section 4.1, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. 4.3 When Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the most recent purchase/sales ratio for Transporter's Central Texas Service Area. The purchase/sales ratio shall be calculated for the twelve (12) months ended June 30th each year based on actual purchases and actual sales, adjusted to reflect all volumes transported. RATE ADJUSTMENT PROVISION 4.4 Effective with June 30, 2001, deliveries and annually thereafter, such cost of service rates, as specified in paragraph 4.1(b) above shall increase by an amount equivalent to the increase in the Consumer Price Index. Unadjusted indexes, all items (Table 1) as published by the U.S. Department of Labor. Such increase shall be calculated by multiplying the rates then in effect by a fraction which shall have a numerator equal to the Consumer Price Index, Unadjusted indexes, all items (Table 1), effective four (4) months prior to the date of redetermination, and a denominator equal to the Consumer Price Index, unadjusted indexes, all items (Table 1), effective sixteen (16) months prior to the date redetermination. The cost of service rate shall be limited to not less than the prior year rate nor more than 1.05 times the prior year rate.

**RATE ADJUSTMENT PROVISIONS:**

See CT-T-10-IS-XA3 Rate Adjustment Provision.

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37831	D	Mcf	\$ .7912	04/01/2004	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9529	**CONFIDENTIAL**			

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11079**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11080

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 01/04/2005

**INITIAL SERVICE DATE:** 07/01/1996      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 02/28/2003

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Change to Delivery Point's Current Rate Information

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9529	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
CT-T-10-IS-XA4	<p>CT-T-10-IS-XA4 RATE COMPONENTS 4.1 Beginning on the date deliveries of gas commence hereunder, Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs: (a) During each monthly billing period, a customer charge of \$75.00 per customer meter per month; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to Customer: (Per 7/01/2002 COS Adjustment Filing) (i) First 41,500 Mcf redelivered each month @ \$0.0835 per Mcf (ii) All Over 41,501 Mcf redelivered each month @ \$0.0627 per Mcf (c) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. (d) All amounts for any taxes (including, but not limited to Franchise fee and Taxes and Article 6060 Tax), fees, and Customer's lost and unaccounted for gas volume. 4.2 Notwithstanding Section 4.1, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. 4.3 When Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the most recent purchase/sales ratio for Transporter's Central Texas Service Area. The purchase/sales ratio shall be calculated for the twelve (12) months ended June 30th each year based on actual purchases and actual sales, adjusted to reflect all volumes transported. RATE ADJUSTMENT PROVISION 4.4 Effective with June 30, 2001, deliveries and annually thereafter, such cost of service rates, as specified in paragraph 4.1(b) above shall increase by an amount equivalent to the increase in the Consumer Price Index. Unadjusted indexes, all items (Table 1) as published by the U.S. Department of Labor. Such increase shall be calculated by multiplying the rates then in effect by a fraction which shall have a numerator equal to the Consumer Price Index, Unadjusted indexes, all items (Table 1), effective four (4) months prior to the date of redetermination, and a denominator equal to the Consumer Price Index, unadjusted indexes, all items (Table 1), effective sixteen (16) months prior to the date redetermination. The cost of service rate shall be limited to not less than the prior year rate nor more than 1.05 times the prior year rate.</p>

**RATE ADJUSTMENT PROVISIONS:**

See CT-T-10-IS-XA4 Rate Adjustment Provision.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11080**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37825	D	Mcf	\$.0839	04/01/2004	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9529	**CONFIDENTIAL**			
37826	D	Mcf	\$.0839	04/01/2004	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9529	**CONFIDENTIAL**			
37827	D	Mcf	\$.0839	04/01/2004	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9529	**CONFIDENTIAL**			
37828	D	Mcf	\$.0839	04/01/2004	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9529	**CONFIDENTIAL**			
37830	D	Mcf	\$.0839	04/01/2004	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9529	**CONFIDENTIAL**			
39021	D	Mcf	\$.0839	04/01/2004	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9529	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.  
 NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11081**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 08/01/1988                      **RECEIVED DATE:** 07/29/2004

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 01/01/2003

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** TGS was purchased from Southern Union Co. 1/1/03.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9406	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 11081
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
CT-T-11-IS-XB3	<p>CT-T-11-IS-XB3 RATE COMPONENTS 4.1 Transporter's applicable Transportation Rate Schedule (T030), as amended from time to time, shall govern the conditions under which transportation service is available. Beginning on the date deliveries of gas commence hereunder, Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following: (a) a customer charge per meter per month as specified in Transporter's applicable Transportation Rate Schedule (T030), as amended from time to time, which would otherwise govern transportation for each Point of Redelivery; plus (b) A cost of service rate for use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to Customer: (Per 8/1/2003 COS Adjustment Filing) All volumes redelivered each contract year @ \$0.4977 per Mcf (c) All amounts for any taxes (including, but not limited to Article 6060 Tax), fees, and Customer's lost and unaccounted for gas obligation; plus (d) Any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; plus (e) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. 4.2 Transporter retains the right to adjust the rates described in Paragraph 4.1 above at any time Transporter's filed tariff rate is changed or amended, the exception of the rate adjustment provision below. 4.3 All other provisions of the applicable rate schedule as amended from time to time shall continue to apply. If any increased taxes or fees on Transporter's services are levied by any regulatory or legislative body, Transporter shall have the right to specify a difference cost of service rate by providing 30 days notice of such charge to Customer. Customer will then have 30 days to accept such rate or to terminate. 4.4 Notwithstanding the Rate Schedule referred to in Section 4.1, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation set forth in such Rate schedule by payment in kind, unless Transporter at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. <b>RATE ADJUSTMENT PROVISION</b> The cost of service charge specified in 4.1(b) above shall remain in effect through June 30, 1991. Effective July 1, 1991, and each July 1st thereafter during the term of this Agreement or any amendment or extension of this Agreement, Transporter shall have the right to adjust the cost of service charge by providing thirty (30) days' advance notice to Customer. The cost of service shall increase in direct proportion to the increase in the Transporter's Central Texas Service Area expenses as reported to the Railroad Commission of Texas in the Transporter's Annual Report to the Gas Utilities Division. The cost of service charge for each contract year, after June 30, 1993, shall be calculated by the formula prescribed below: <math display="block">\frac{\text{most recent calendar year Central Texas expenses}}{\text{prior year cost of service charge}} \times \text{previous calendar year Central Texas expenses}</math> The minimum cost of service charge for a contract year shall be the prior years' cost of service charge. The maximum cost of service charge for a contract year shall be the result of 1.05 multiplied by the prior years' cost of service charge.</p>
T030-CTX-IS-Ind	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T030 INDUSTRIAL TRANSPORTATION SERVICE RATEAPPLICABILITYService under this rate schedule is available to any customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Division B - Mining - all Major Groups Division D - Manufacturing - all Major Groups Divisions E and J - Utility and Government - facilities generating power for resale onlyThis rate schedule is for those industrial customers whose consumption averages less than 10,000 Ccf per month.Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.TERRITORYAll incorporated areas served by the Company in its Central Texas Service Area.COST OF SERVICE RATE During each monthly billing period:A customer charge per meter per month of \$80.00 plus -All Ccf per monthly billing period @ \$ 0.1170 per Ccf Plus:See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). <b>SPECIAL PROVISIONS AND CONDITIONS</b>See the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003</p>

**RATE ADJUSTMENT PROVISIONS:**

See CT-T-11-IS-XB3 Rate Adjustment Provision.

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37755	D	Mcf	\$.5002	08/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	9406	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 11081**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11082**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 08/01/1988                      **RECEIVED DATE:** 07/29/2004

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 01/01/2003

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** TGS was purchased from Southern Union Co. 1/1/03.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9406	**CONFIDENTIAL**	Y	



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 11082
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T032-CTX-IS-LgInd	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T032 Central Texas Service Area LARGE VOLUME INDUSTRIAL TRANSPORTATION SERVICE RATE APPLICABILITY Service under this rate schedule is available to any customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Division B - Mining - all Major Groups Division D - Manufacturing - all Major Groups Divisions E and J - Utility and Government - facilities generating power for resale only. This rate schedule is for those industrial customers whose consumption averages more than 10,000 Ccf per month. Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system. TERRITORY All incorporated areas served by the Company in its Central Texas Service Area. COST OF SERVICE RATE During each monthly billing period: A customer charge per meter per month of \$150.00 plus -All Ccf per monthly billing period @ \$ 0.1065 per Ccf Plus: See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). SPECIAL PROVISIONS AND CONDITIONS See the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003</p>
CT-T-11-IS-XB4	<p>CT-T-11-IS-XB4 RATE COMPONENTS 4.1 Transporter's applicable Transportation Rate Schedule (T032), as amended from time to time, shall govern the conditions under which transportation service is available. Beginning on the date deliveries of gas commence hereunder, Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following: (a) a customer charge per meter per month as specified in Transporter's applicable Transportation Rate Schedule (T032), as amended from time to time, which would otherwise govern transportation for each Point of Redelivery; plus (b) A cost of service rate for use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to Customer: (Per 8/1/2003 COS Adjustment Filing) All volumes redelivered each contract year @ \$0.4977 per Mcf (c) All amounts for any taxes (including, but not limited to Article 6060 Tax), fees, and Customer's lost and unaccounted for gas obligation; plus (d) Any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; plus (e) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. 4.2 Transporter retains the right to adjust the rates described in Paragraph 4.1 above at any time Transporter's filed tariff rate is changed or amended, the exception of the rate adjustment provision below. 4.3 All other provisions of the applicable rate schedule as amended from time to time shall continue to apply. If any increased taxes or fees on Transporter's services are levied by any regulatory or legislative body, Transporter shall have the right to specify a difference cost of service rate by providing 30 days notice of such charge to Customer. Customer will then have 30 days to accept such rate or to terminate. 4.4 Notwithstanding the Rate Schedule referred to in Section 4.1, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation set forth in such Rate schedule by payment in kind, unless Transporter at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. RATE ADJUSTMENT PROVISION The cost of service charge specified in 4.1(b) above shall remain in effect through June 30, 1991. Effective July 1, 1991, and each July 1st thereafter during the term of this Agreement or any amendment or extension of this Agreement, Transporter shall have the right to adjust the cost of service charge by providing thirty (30) days' advance notice to Customer. The cost of service shall increase in direct proportion to the increase in the Transporter's Central Texas Service Area expenses as reported to the Railroad Commission of Texas in the Transporter's Annual Report to the Gas Utilities Division. The cost of service charge for each contract year, after June 30, 1993, shall be calculated by the formula prescribed below: most recent calendar year Central Texas expenses X prior year cost of service charge previous calendar year Central Texas expenses The minimum cost of service charge for a contract year shall be the prior years' cost of service charge. The maximum cost of service charge for a contract year shall be the result of 1.05 multiplied by the prior years' cost of service charge.</p>

**RATE ADJUSTMENT PROVISIONS:**

See CT-T-11-IS-XB4 Rate Adjustment Provision.

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37754	D	Mcf	\$,5002	08/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	9406	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11082**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 11090**

**DESCRIPTION:** Distribution Transportation                      **STATUS: A**

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 09/01/1997                      **RECEIVED DATE:** 08/26/2013

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 06/01/2013

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New rate information for custom transportation agreement eff. 06/01/2013

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9607	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
CT-T-19-IS-MB	CT-T-19-IS-MB RATE COMPONENTS (a) A customer charge of \$100 per meter per month as specified in Transporter's applicable Transportation Rate Schedule (TOC-1-INC), as amended from time to time, which would otherwise govern transportation service at each Point of Redelivery; plus (b) The transportation rate shall be twenty five cents (\$0.25) per MMBtu for all volumes.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37833	D	MMbtu	\$.2500	06/01/2013	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9607	**CONFIDENTIAL**			
37834	D	MMbtu	\$.2500	06/01/2013	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9607	**CONFIDENTIAL**			
37835	D	MMbtu	\$.2500	06/01/2013	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9607	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 11090**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11092

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 07/01/1994      **RECEIVED DATE:** 07/29/2004

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 01/01/2003

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** TGS was purchased from Southern Union Co. 1/1/03.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9533	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
CT-T-25-IS-XAB	CT-T-25-IS-XAB RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs. (a) A customer charge per meter per month of \$150.00; plus (b) A cost of service charge for the use of the Transporter's facilities and all other services provided directly by the Transporter which shall be at a rate of : (per 08/01/2003 COS Adjustment Filing) All volumes redelivered @ \$0.8195 per Mcf (c) Any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; plus (d) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. 4.2 The costs described in 4.1 above may be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs. 4.5 Notwithstanding Section 4.1 above, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. RATE ADJUSTMENT PROVISION The cost of service charge specified in 4.1(b) above shall remain in effect through June 30, 1995. Effective July 1, 1995, and each July 1st thereafter during the term of this Agreement or any amendment or extension of this Agreement, Transporter shall have the right to adjust the cost of service charge by providing thirty (30) days' advance notice to Customer. The cost of service shall increase in direct proportion to the increase in the Transporter's Central Texas Service Area expenses as reported to the Railroad Commission of Texas in the Transporter's Annual Report to the Gas Utilities Division. The cost of service charge for each contract year shall be calculated by the formula prescribed below: most recent calendar year Central Texas expenses X prior year cost of service charge previous calendar year Central Texas expenses The minimum cost of service charge for a contract year shall be the prior years' cost of service charge. The maximum cost of service charge for a contract year shall be the result of 1.05 multiplied by the prior years' cost of service charge.

**RATE ADJUSTMENT PROVISIONS:**

See CT-T-25-IS-XAB Rate Adjustment Provision.

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37818	D	Mcf	\$,8236	08/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9533	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 11092**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11093

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 06/01/2003      **RECEIVED DATE:** 07/29/2004

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** TGS was purchased from Southern Union Co. 1/1/03.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9418	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
CT-T-26-IS-XAD	CT-T-26-IS-XAD RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs. (a) During each monthly billing a customer charge per meter per month of \$10.05; plus (b) A cost of service charge for the use of the Transporter's facilities and all other services provided directly by the Transporter for all volumes redelivered to Customer: All volumes redelivered each contract year @ \$0.30 per Mcf; plus (c) All amounts for any taxes attributable to the volumes redelivered to Customer (including, but not limited to Texas Utilities Code 122.051 Tax), fees, and Customer's lost and unaccounted for obligation unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from any such taxes or fees; plus (d) Any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; plus (e) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. (f) Customer agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributed to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Customer, unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Customer agrees to pay this additional tax, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis. 4.3 Notwithstanding Section 4.1 above, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37832	D	Mcf	\$ .3015	06/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9418	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 11093**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11222

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 08/16/2004

**INITIAL SERVICE DATE:** 06/01/2003      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** 03-010

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** (TGS was purchased from Southern Union Co. 1/1/03) Change eff. 3/25/03 per City ordinance 03-010 dated 3/4/03

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
11193	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>												
T-3-PtArt-IS-Transp	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T-3 South Jefferson County Service Area TRANSPORTATION SERVICE RATEAPPLICABILITYService under this rate schedule is available to any customer for the transportation of customer owned natural gas through the Company's South Jefferson County distribution system for use by customers within all areas in the Company's South Jefferson County Service Area.TERRITORYAll areas served by the Company in its South Jefferson County Service Area.RATE This rate shall be the sum of Part A, Part B, Part C, Part D and Part E as described below.Part A: A customer charge of \$300.00 per meter per month.Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the following Ccf charge:</p> <table border="0"> <tr> <td>Commercial</td> <td>Public Authority</td> <td>Industrial</td> <td>Large Volume</td> </tr> <tr> <td>.14288 per Ccf</td> <td>.13913 per Ccf</td> <td>.14609 per Ccf</td> <td>.20071 per Ccf</td> </tr> <tr> <td>.22828 per Ccf</td> <td>.21264 per Ccf</td> <td></td> <td></td> </tr> </table> <p>Large Volume Public Authority .21264 per CcfPart C: Buyer shall be allowed to satisfy its lost and unaccounted for gas obligation by payment in kind. However, if lost and unaccounted for gas is not paid for in kind, a charge will be made each month to recover the cost of lost and unaccounted for gas associated with the volumes of natural gas transported for the customer. This charge will be calculated by multiplying the volume delivered to the customer by the purchase/sales ratio minus one for the Company's South Jefferson County Service Area as calculated for the twelve-month period ended in the previous June based on actual purchase and actual sales as reported to the regulatory bodies. The resultant calculated lost and unaccounted for volume will then be multiplied by the Company's cost of purchased gas for the South Jefferson County Service Area applicable to the billing period for which service is rendered, plus related fees and taxes, to calculate an amount to be billed to the customer each month. The lost and unaccounted for factor as determined above shall in no event exceed .0526 i.e. [1/1 - .05]-1 and must fall within the range of zero (0) to 5.26%. Part D: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT. as such may be amended from time-to-time which are attributable to the transportation service performed hereunder.Part E: A charge will be made each month to recover the cost of any applicable franchise fees.CONDITIONS1. Subject in all respects to applicable laws, rules and regulations from time-to-time in effect. 2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto. 4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Supersedes Same Sheet Dated Meters Read On and After August 24, 2001 March 25, 2003 (City of Port Arthur)</p>	Commercial	Public Authority	Industrial	Large Volume	.14288 per Ccf	.13913 per Ccf	.14609 per Ccf	.20071 per Ccf	.22828 per Ccf	.21264 per Ccf		
Commercial	Public Authority	Industrial	Large Volume										
.14288 per Ccf	.13913 per Ccf	.14609 per Ccf	.20071 per Ccf										
.22828 per Ccf	.21264 per Ccf												

**RATE ADJUSTMENT PROVISIONS:**

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11222**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
43641	D	Mcf	\$1.5298	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	11193	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11223

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 08/16/2004

**INITIAL SERVICE DATE:** 03/15/1988      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** (TGS was purchased from Southern Union Co. 1/1/03) Change eff. 4/24/03 per Cities' Agreement in Principle 4/11/03.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9512	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>												
T-3-SJOth-IS-Transp	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T-3 South Jefferson County Service Area TRANSPORTATION SERVICE RATEAPPLICABILITYService under this rate schedule is available to any customer for the transportation of customer owned natural gas through the Company's South Jefferson County distribution system for use by customers within all areas in the Company's South Jefferson County Service Area.TERRITORYAll areas served by the Company in its South Jefferson County Service Area. RATE This rate shall be the sum of Part A, Part B, Part C, Part D and Part E as described below.Part A: A customer charge of \$300.00 per meter per month.Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the following Ccf charge:</p> <table border="0"> <tr> <td>Commercial</td> <td>Public Authority</td> <td>Industrial</td> <td>Large Volume</td> </tr> <tr> <td>.14288 per Ccf</td> <td>.13913 per Ccf</td> <td>.14609 per Ccf</td> <td>.20071 per Ccf</td> </tr> <tr> <td>.22828 per Ccf</td> <td>.21264 per Ccf</td> <td></td> <td></td> </tr> </table> <p>Part C: Buyer shall be allowed to satisfy its lost and unaccounted for gas obligation by payment in kind. However, if lost and unaccounted for gas is not paid for in kind, a charge will be made each month to recover the cost of lost and unaccounted for gas associated with the volumes of natural gas transported for the customer. This charge will be calculated by multiplying the volume delivered to the customer by the purchase/sales ratio minus one for the Company's South Jefferson County Service Area as calculated for the twelve-month period ended in the previous June based on actual purchase and actual sales as reported to the regulatory bodies. The resultant calculated lost and unaccounted for volume will then be multiplied by the Company's cost of purchased gas for the South Jefferson County Service Area applicable to the billing period for which service is rendered, plus related fees and taxes, to calculate an amount to be billed to the customer each month. The lost and unaccounted for factor as determined above shall in no event exceed .0526 i.e. [1/1 - .05]-1 and must fall within the range of zero (0) to 5.26%. Part D: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT. as such may be amended from time-to-time which are attributable to the transportation service performed hereunder.Part E: A charge will be made each month to recover the cost of any applicable franchise fees.CONDITIONS1. Subject in all respects to applicable laws, rules and regulations from time-to-time in effect. 2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto. 4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Supersedes Same Sheet Dated Meters Read On and After August 24, 2001 April 24, 2003 (Cities of Nederland, Groves &amp; Port Neches)</p>	Commercial	Public Authority	Industrial	Large Volume	.14288 per Ccf	.13913 per Ccf	.14609 per Ccf	.20071 per Ccf	.22828 per Ccf	.21264 per Ccf		
Commercial	Public Authority	Industrial	Large Volume										
.14288 per Ccf	.13913 per Ccf	.14609 per Ccf	.20071 per Ccf										
.22828 per Ccf	.21264 per Ccf												

**RATE ADJUSTMENT PROVISIONS:**

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11223**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
43642	D	Mcf	\$2.1017	12/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9512	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11454

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:** 07/01/1996      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 02/28/2003

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change in 1/04 to new meter number 1819, tariff #11080

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9529	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
CT-T-10-IS-XA3	CT-T-10-IS-XA3 RATE COMPONENTS 4.1 Beginning on the date deliveries of gas commence hereunder, Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the described Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs: (a) During each monthly billing period, a customer charge of \$75.00 per customer meter per month; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to Customer: (Per 7/1/2002 COS Adjustment Filing) (i) First 22,000 Mcf redelivered each month @ \$0.8105 per Mcf (ii) All Over 22,001 Mcf redelivered each month @ \$0.4178 per Mcf (c) To the extent Customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. (d) All amounts for any taxes (including, but not limited to Franchise fee and Taxes and Article 6060 Tax), fees, and Customer's lost and unaccounted for gas volume. 4.2 Notwithstanding Section 4.1, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation under said section by payment in kind, unless Transporter at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. 4.3 When Transporter allows payment in kind, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the most recent purchase/sales ratio for Transporter's Central Texas Service Area. The purchase/sales ratio shall be calculated for the twelve (12) months ended June 30th each year based on actual purchases and actual sales, adjusted to reflect all volumes transported. RATE ADJUSTMENT PROVISION 4.4 Effective with June 30, 2001, deliveries and annually thereafter, such cost of service rates, as specified in paragraph 4.1(b) above shall increase by an amount equivalent to the increase in the Consumer Price Index. Unadjusted indexes, all items (Table 1) as published by the U.S. Department of Labor. Such increase shall be calculated by multiplying the rates then in effect by a fraction which shall have a numerator equal to the Consumer Price Index, Unadjusted indexes, all items (Table 1), effective four (4) months prior to the date of redetermination, and a denominator equal to the Consumer Price Index, unadjusted indexes, all items (Table 1), effective sixteen (16) months prior to the date redetermination. The cost of service rate shall be limited to not less than the prior year rate nor more than 1.05 times the prior year rate.

**RATE ADJUSTMENT PROVISIONS:**

See CT-T-10-IS-XA3 Rate Adjustment Provision.

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37829	D	Mcf	\$.0875	12/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	9529	**CONFIDENTIAL**			

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11454**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11458**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:** 01/01/1997                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change in 9/03 to new meter number 3172024, tariff #10477

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9438	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6310 COMPANY NAME: TEXAS GAS SERVICE COMPANY

TARIFF CODE: DT RRC TARIFF NO: 11458

CURRENT RATE COMPONENT

RATE COMP. ID	DESCRIPTION
RCR-CTX-IS-Reloc	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY</p> <p>A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPCR + PPRC NV CPCR = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates. D. BILLING 1. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a component of the Company's Cost of Gas (per Ccf rate) for rate schedules: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1. 2. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be added to the applicable cost of service usage charge (per Ccf rate) for rate schedules: T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Supersedes Same Sheet Dated Meters Read On and After September 25, 2001 May 24, 2002</p>
RCR-Rider-CTX-IS05	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER Page 1 of 1</p> <p>RELOCATION COST RECOVERY RATE</p> <p>A. APPLICABILITY</p> <p>The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR, shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT.</p> <p>B. CURRENT RCR RATE</p> <p>Effective Date RCR Rate Meters Read On and After May 23, 2003 (3rd RCR Filing) \$ 0.0000 per Ccf (Note 1) Total RCR Rate \$ 0.0000 per Ccf All applicable fees and taxes will be added to the above rate. (Note 1: Original filing was for \$0.0045 per Ccf effective for meters read on and after May 24, 2002. The rate was adjusted to \$0.0042 effective April 24, 2003 to prevent over-collection. Effective May 23, 2003, it is no longer being charged.)</p> <p>Supersedes Same Sheet Dated April 24, 2003 Meters Read On and After May 23, 2003</p>
T-GEN-CTXSvcA-IS-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery</p>



GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11458

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>(Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. <b>SPECIAL PROVISIONS</b>1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in the form set forth at Exhibit 1 attached hereto, setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer, in the form set forth at Exhibit 2 attached hereto, detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 11458

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date.6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas.6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.CONDITIONS1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer.5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 11458

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T020-CTX-IS-Com	<p>time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After January 2, 2003</p> <p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T020 COMMERCIAL TRANSPORTATION SERVICE RATEAPPLICABILITYApplicable to commercial customers and to consumers not otherwise specifically provided for under any other rate schedule, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.TERRITORYAll incorporated areas served by the Company in its Central Texas Service Area.COST OF SERVICE RATE During each monthly billing period:A customer charge per meter per month of \$75.00 plus -All Ccf per monthly billing period @ \$ 0.1564 per CcfPlus:See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).SPECIAL PROVISIONS AND CONDITIONSSee the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
43610	D	Mcf	\$1.5720	08/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	9438	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11459**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:** 08/01/1995                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 05/20/2002

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change in 9/03 to new meter number 03229237, tariff #10559

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9555	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6310 COMPANY NAME: TEXAS GAS SERVICE COMPANY

TARIFF CODE: DT RRC TARIFF NO: 11459

CURRENT RATE COMPONENT

RATE COMP. ID	DESCRIPTION
RCR-CTX-IS-Reloc	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY</p> <p>A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPRC + PPRC NV CPRC = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates. D. BILLING 1. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a component of the Company's Cost of Gas (per Ccf rate) for rate schedules: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1. 2. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be added to the applicable cost of service usage charge (per Ccf rate) for rate schedules: T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Supersedes Same Sheet Dated Meters Read On and After September 25, 2001 May 24, 2002</p>
RCR-Rider-CTX-IS05	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER Page 1 of 1</p> <p>RELOCATION COST RECOVERY RATE</p> <p>A. APPLICABILITY</p> <p>The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR, shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT.</p> <p>B. CURRENT RCR RATE</p> <p>Effective Date RCR Rate Meters Read On and After May 23, 2003 (3rd RCR Filing) \$ 0.0000 per Ccf (Note 1) Total RCR Rate \$ 0.0000 per Ccf All applicable fees and taxes will be added to the above rate. (Note 1: Original filing was for \$0.0045 per Ccf effective for meters read on and after May 24, 2002. The rate was adjusted to \$0.0042 effective April 24, 2003 to prevent over-collection. Effective May 23, 2003, it is no longer being charged.)</p> <p>Supersedes Same Sheet Dated April 24, 2003 Meters Read On and After May 23, 2003</p>
T-GEN-CTXSvcA-IS-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/-05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11459

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>(Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. <b>SPECIAL PROVISIONS</b>1. Definitions: As used in this tariff, the following terms will have the meanings indicated: <b>Aggregation Pool</b> - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. <b>Cumulative Operational Imbalance (COI)</b> - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. <b>Cumulative Tolerance Limit</b> - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. <b>Deliveries</b> - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. <b>Imbalance Volumes</b> - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. <b>Monthly Operational Imbalance (MOI)</b> - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. <b>Monthly Tolerance Limit</b> - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. <b>PIK Volumes</b> - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. <b>Prior Period Adjustment (PPA)</b> - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. <b>Receipts</b> - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. <b>Qualified Supplier</b> - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. <b>Supplier Service Agreement</b> - a contract in the form set forth at Exhibit 1 attached hereto, setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. <b>Transportation Agreement</b> - a contract between the Company and the customer, in the form set forth at Exhibit 2 attached hereto, detailing the terms and conditions upon which the customer will receive service under this tariff. <b>Upstream Balancing Agreement</b> - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. <b>2. Qualified Supplier Required</b> - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. <b>2.1 Change of Qualified Supplier</b> - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. <b>3. Aggregation Pool</b> - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. <b>4. Customer Volume Information</b> - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. <b>5. Imbalances</b> <b>5.1 Monthly Imbalances</b> - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. <b>5.2 Cumulative Imbalances</b> - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. <b>5.3 Upstream Imbalances</b> - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. <b>6. Cashout Procedure</b> <b>6.1 Over Deliveries</b> - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. <b>6.2 Under Deliveries</b> - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. <b>6.3 Exemption from Fees and</b></p>

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

RRC COID: 6310

COMPANY NAME: TEXAS GAS SERVICE COMPANY

TARIFF CODE: DT

RRC TARIFF NO: 11459

## CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. CONDITIONS 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 11459

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T020-CTX-IS-Com	<p>time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After January 2, 2003</p> <p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T020 COMMERCIAL TRANSPORTATION SERVICE RATEAPPLICABILITYApplicable to commercial customers and to consumers not otherwise specifically provided for under any other rate schedule, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.TERRITORYAll incorporated areas served by the Company in its Central Texas Service Area.COST OF SERVICE RATE During each monthly billing period:A customer charge per meter per month of \$75.00 plus -All Ccf per monthly billing period @ \$ 0.1564 per CcfPlus:See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).SPECIAL PROVISIONS AND CONDITIONSSee the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37986	D	Mcf	\$1.5720	08/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	9555	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**



**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11462**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:** 04/01/1996                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change in 10/03 to new meter number 08599564, tariff #10558

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9539	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID: 6310</b>	<b>COMPANY NAME: TEXAS GAS SERVICE COMPANY</b>
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<b>TARIFF CODE: DT</b>	<b>RRC TARIFF NO: 11462</b>
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCR-CTX-IS-Reloc	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY</p> <p>A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: <math>RCR\ Rate = CPCR + PPRC</math> NV CPCR = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates. D. BILLING 1. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a component of the Company's Cost of Gas (per Ccf rate) for rate schedules: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1. 2. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be added to the applicable cost of service usage charge (per Ccf rate) for rate schedules: T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Supersedes Same Sheet Dated Meters Read On and After September 25, 2001 May 24, 2002</p>
RCR-Rider-CTX-IS05	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER Page 1 of 1</p> <p>RELOCATION COST RECOVERY RATE</p> <p>A. APPLICABILITY</p> <p>The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR, shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT.</p> <p>B. CURRENT RCR RATE</p> <p>Effective Date RCR Rate Meters Read On and After May 23, 2003 (3rd RCR Filing) \$ 0.0000 per Ccf (Note 1) Total RCR Rate \$ 0.0000 per Ccf All applicable fees and taxes will be added to the above rate. (Note 1: Original filing was for \$0.0045 per Ccf effective for meters read on and after May 24, 2002. The rate was adjusted to \$0.0042 effective April 24, 2003 to prevent over-collection. Effective May 23, 2003, it is no longer being charged.)</p> <p>Supersedes Same Sheet Dated Meters Read On and After April 24, 2003 May 23, 2003</p>
T-GEN-CTXSvcA-IS-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/-05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 11462
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>(Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. <b>SPECIAL PROVISIONS</b>1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in the form set forth at Exhibit 1 attached hereto, setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer, in the form set forth at Exhibit 2 attached hereto, detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 11462

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date.6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas.6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.CONDITIONS1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer.5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 11462

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T020-CTX-IS-Com	<p>time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After January 2, 2003</p> <p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T020 COMMERCIAL TRANSPORTATION SERVICE RATEAPPLICABILITYApplicable to commercial customers and to consumers not otherwise specifically provided for under any other rate schedule, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.TERRITORYAll incorporated areas served by the Company in its Central Texas Service Area.COST OF SERVICE RATE During each monthly billing period:A customer charge per meter per month of \$75.00 plus -All Ccf per monthly billing period @ \$ 0.1564 per CcfPlus:See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).SPECIAL PROVISIONS AND CONDITIONSSee the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
37904	D	Mcf	\$.0000	09/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	9539	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11469**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A  
**OPERATOR NO:**  
**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 08/31/2004  
**INITIAL SERVICE DATE:** 07/01/1995                      **TERM OF CONTRACT DATE:**  
**INACTIVE DATE:**                      **AMENDMENT DATE:**  
**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**  
**CITY ORDINANCE NO:**  
**AMENDMENT(EXPLAIN):** None  
**OTHER(EXPLAIN):** Meter change in 11/03 to new meter number 7464353, tariff #10723

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9512	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 11469**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCR-CTX-IS-Reloc	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY</p> <p>A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPCR + PPRC NV CPCR = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates. D. BILLING 1. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a component of the Company's Cost of Gas (per Ccf rate) for rate schedules: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1. 2. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be added to the applicable cost of service usage charge (per Ccf rate) for rate schedules: T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Supersedes Same Sheet Dated Meters Read On and After September 25, 2001 May 24, 2002</p>
RCR-Rider-CTX-IS05	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER Page 1 of 1</p> <p>RELOCATION COST RECOVERY RATE</p> <p>A. APPLICABILITY</p> <p>The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR, shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT.</p> <p>B. CURRENT RCR RATE</p> <p>Effective Date RCR Rate Meters Read On and After May 23, 2003 (3rd RCR Filing) \$ 0.0000 per Ccf (Note 1) Total RCR Rate \$ 0.0000 per Ccf All applicable fees and taxes will be added to the above rate. (Note 1: Original filing was for \$0.0045 per Ccf effective for meters read on and after May 24, 2002. The rate was adjusted to \$0.0042 effective April 24, 2003 to prevent over-collection. Effective May 23, 2003, it is no longer being charged.)</p> <p>Supersedes Same Sheet Dated Meters Read On and After April 24, 2003 May 23, 2003</p>
T-GEN-CTXSvcA-IS-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 11469
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>(Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in the form set forth at Exhibit 1 attached hereto, setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer, in the form set forth at Exhibit 2 attached hereto, detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11469

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date.6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas.6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.CONDITIONS1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer.5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11469

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T030-CTX-IS-Ind	<p>time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After January 2, 2003</p> <p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T030 INDUSTRIAL TRANSPORTATION SERVICE RATEAPPLICABILITYService under this rate schedule is available to any customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Division B - Mining - all Major Groups Division D - Manufacturing - all Major Groups Divisions E and J - Utility and Government - facilities generating power for resale onlyThis rate schedule is for those industrial customers whose consumption averages less than 10,000 Ccf per month.Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.TERRITORYAll incorporated areas served by the Company in its Central Texas Service Area.COST OF SERVICE RATE During each monthly billing period:A customer charge per meter per month of \$80.00 plus -All Ccf per monthly billing period @ \$ 0.1170 per Ccf Plus:See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). SPECIAL PROVISIONS AND CONDITIONSSee the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
38140	D	Mcf	\$1.1756	10/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	9512	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11471**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:** 07/25/1988                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 02/20/2000

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change 6/03 to new meter number 03202416, tariff #10715

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9494	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 11471**

**CURRENT RATE COMPONENT**

RATE COMP. ID	DESCRIPTION
RCR-CTX-IS-Reloc	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY</p> <p>A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPCR + PPRC NV CPCR = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates. D. BILLING 1. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a component of the Company's Cost of Gas (per Ccf rate) for rate schedules: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1. 2. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be added to the applicable cost of service usage charge (per Ccf rate) for rate schedules: T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Supersedes Same Sheet Dated Meters Read On and After September 25, 2001 May 24, 2002</p>
RCR-Rider-CTX-IS04	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER Page 1 of 1 RELOCATION COST RECOVERY RATE</p> <p>A. APPLICABILITY</p> <p>The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR, shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT.</p> <p>B. CURRENT RCR RATE</p> <p>Effective Date RCR Rate Meters Read On and After Apr 24, 2003 (3rd RCR Filing) \$ 0.0042 per Ccf (Note 1) Total RCR Rate \$ 0.0042 per Ccf All applicable fees and taxes will be added to the above rate. (Note 1: Original filing was for \$0.0045 per Ccf effective for meters read on and after May 24, 2002. The rate was adjusted to \$0.0042 effective April 24, 2003 to prevent over-collection.)</p> <p>Supersedes Same Sheet Dated Meters Read On and After July 25, 2002 April 24, 2003</p>
T-GEN-CTXSvcA-IS-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 11471
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>(Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. <b>SPECIAL PROVISIONS</b>1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in the form set forth at Exhibit 1 attached hereto, setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer, in the form set forth at Exhibit 2 attached hereto, detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11471

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date.6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas.6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.CONDITIONS1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer.5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 11471

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T030-CTX-IS-Ind	<p>time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After January 2, 2003</p> <p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T030 INDUSTRIAL TRANSPORTATION SERVICE RATEAPPLICABILITYService under this rate schedule is available to any customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Division B - Mining - all Major Groups Division D - Manufacturing - all Major Groups Divisions E and J - Utility and Government - facilities generating power for resale onlyThis rate schedule is for those industrial customers whose consumption averages less than 10,000 Ccf per month.Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.TERRITORYAll incorporated areas served by the Company in its Central Texas Service Area.COST OF SERVICE RATE During each monthly billing period:A customer charge per meter per month of \$80.00 plus -All Ccf per monthly billing period @ \$ 0.1170 per Ccf Plus:See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). SPECIAL PROVISIONS AND CONDITIONSSee the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
43621	D	Mcf	\$ .0000	05/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9494	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11472**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:** 12/01/1988                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 03/01/1999

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change in 11/03 to new meter number 3581755, tariff #10935

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9419	**CONFIDENTIAL**	Y	



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6310 COMPANY NAME: TEXAS GAS SERVICE COMPANY

TARIFF CODE: DT RRC TARIFF NO: 11472

CURRENT RATE COMPONENT

RATE COMP. ID DESCRIPTION

RCR-CTX-IS-Reloc TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY
A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPCR + PPRC NV CPCR = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates. D. BILLING 1. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a component of the Company's Cost of Gas (per Ccf rate) for rate schedules: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1. 2. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be added to the applicable cost of service usage charge (per Ccf rate) for rate schedules: T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Supersedes Same Sheet Dated Meters Read On and After September 25, 2001 May 24, 2002

RCR-Rider-CTX-IS05 TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER Page 1 of 1

RELOCATION COST RECOVERY RATE

A. APPLICABILITY

The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR, shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT.

B. CURRENT RCR RATE

Effective Date RCR Rate
Meters Read On and After May 23, 2003 (3rd RCR Filing) \$ 0.0000 per Ccf (Note 1)
Total RCR Rate \$ 0.0000 per Ccf All applicable fees and taxes will be added to the above rate.
(Note 1: Original filing was for \$0.0045 per Ccf effective for meters read on and after May 24, 2002. The rate was adjusted to \$0.0042 effective April 24, 2003 to prevent over-collection. Effective May 23, 2003, it is no longer being charged.)

Supersedes Same Sheet Dated April 24, 2003 Meters Read On and After May 23, 2003

T-GEN-CTXSvcA-IS- TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11472

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>(Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. <b>SPECIAL PROVISIONS</b>. Definitions: As used in this tariff, the following terms will have the meanings indicated: <b>Aggregation Pool</b> - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. <b>Cumulative Operational Imbalance (COI)</b> - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. <b>Cumulative Tolerance Limit</b> - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. <b>Deliveries</b> - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. <b>Imbalance Volumes</b> - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. <b>Monthly Operational Imbalance (MOI)</b> - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. <b>Monthly Tolerance Limit</b> - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. <b>PIK Volumes</b> - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. <b>Prior Period Adjustment (PPA)</b> - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. <b>Receipts</b> - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. <b>Qualified Supplier</b> - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. <b>Supplier Service Agreement</b> - a contract in the form set forth at Exhibit 1 attached hereto, setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. <b>Transportation Agreement</b> - a contract between the Company and the customer, in the form set forth at Exhibit 2 attached hereto, detailing the terms and conditions upon which the customer will receive service under this tariff. <b>Upstream Balancing Agreement</b> - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. <b>2. Qualified Supplier Required</b> - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. <b>2.1 Change of Qualified Supplier</b> - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. <b>3. Aggregation Pool</b> - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. <b>4. Customer Volume Information</b> - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. <b>5. Imbalances</b> <b>5.1 Monthly Imbalances</b> - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. <b>5.2 Cumulative Imbalances</b> - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. <b>5.3 Upstream Imbalances</b> - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. <b>6. Cashout Procedure</b> <b>6.1 Over Deliveries</b> - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. <b>6.2 Under Deliveries</b> - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. <b>6.3 Exemption from Fees and</b></p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11472

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date.6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas.6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.CONDITIONS1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer.5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 11472**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T040-CTX-IS-PubA	<p>time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After January 2, 2003</p> <p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T040 Central Texas Service Area PUBLIC AUTHORITY TRANSPORTATION SERVICE RATEAPPLICABILITYApplicable to all public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.TERRITORYAll incorporated areas, other than West Lake Hills, served by the Company in its Central Texas Service Area.COST OF SERVICE RATE During each monthly billing period: A customer charge per meter per month of \$10.00 plus - All Ccf per monthly billing period @ \$ 0.1448 per Ccf Plus:See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).SPECIAL PROVISIONS AND CONDITIONSSee the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003</p>

**RATE ADJUSTMENT PROVISIONS:**  
None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
38181	D	Mcf	\$1.4550	10/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9419	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11473**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:** 12/01/1988                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 03/01/1999

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change 3/03 to new meter number 8274048, tariff #10890

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9419	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11473

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCR-CTX-IS-Reloc	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY</p> <p>A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPRC + PPRC NV CPRC = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates. D. BILLING 1. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a component of the Company's Cost of Gas (per Ccf rate) for rate schedules: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1. 2. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be added to the applicable cost of service usage charge (per Ccf rate) for rate schedules: T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Supersedes Same Sheet Dated Meters Read On and After September 25, 2001 May 24, 2002</p>
RCR-Rider-CTX-IS07	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER Page 1 of 1 RELOCATION COST RECOVERY RATE A. APPLICABILITY The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR, shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. B. CURRENT RCR RATE Effective Date RCR Rate Meters Read on and After July 25, 2002 (2nd RCR Filing) \$ 0.0000 per Ccf (Note 1) Meters Read on and After May 24, 2002 (3rd RCR Filing) \$ 0.0045 per Ccf Total RCR Rate \$ 0.0045 per Ccf All applicable fees and taxes will be added to the above rate. (Note 1: Original filing was for \$0.0017 per Ccf effective for meters read on and after May 25, 2001. The rate was adjusted to \$0.0007 effective June 25, 2002 to prevent over-collection. Effective July 25, 2002 it is no longer being charged.) Supersedes Same Sheet Dated Meters Read On and After June 25, 2002 July 25, 2002</p>
T-GEN-CTXSvcA-IS-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11473

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in the form set forth at Exhibit 1 attached hereto, setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer, in the form set forth at Exhibit 2 attached hereto, detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11473

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.CONDITIONS1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer.5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After January 2, 2003</p>
T040-CTX-IS-PubA	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T040 Central Texas Service Area PUBLIC AUTHORITY TRANSPORTATION SERVICE RATEAPPLICABILITYApplicable to all public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11473**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	constraints, and integrity of the distribution system.TERRITORY All incorporated areas, other than West Lake Hills, served by the Company in its Central Texas Service Area.COST OF SERVICE RATE During each monthly billing period: A customer charge per meter per month of \$10.00 plus - All Ccf per monthly billing period @ \$ 0.1448 per Ccf Plus:See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).SPECIAL PROVISIONS AND CONDITIONSSee the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
43622	D	Mcf	\$1.4420	02/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9419	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11477**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:** 12/02/1985                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change 2/93 to new meter number 00023339, tariff #10594

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9577	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11477

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCR-CTX-IS-Reloc	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY</p> <p><b>A. APPLICABILITY</b> This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT</p> <p><b>B. PURPOSE</b> Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule.</p> <p><b>C. COMPUTATION OF RCR RATE</b> The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPRC + PPRC NV CPRC = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates.</p> <p><b>D. BILLING</b> 1. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a component of the Company's Cost of Gas (per Ccf rate) for rate schedules: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1. 2. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be added to the applicable cost of service usage charge (per Ccf rate) for rate schedules: T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT.</p> <p><b>E. FILING WITH THE REGULATORY AUTHORITY</b> No less than thirty days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Supersedes Same Sheet Dated Meters Read On and After September 25, 2001 May 24, 2002</p>
RCR-Rider-CTX-IS07	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER Page 1 of 1 RELOCATION COST RECOVERY RATE</p> <p><b>A. APPLICABILITY</b> The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR, shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT.</p> <p><b>B. CURRENT RCR RATE</b> Effective Date RCR Rate Meters Read on and After July 25, 2002 (2nd RCR Filing) \$ 0.0000 per Ccf (Note 1) Meters Read on and After May 24, 2002 (3rd RCR Filing) \$ 0.0045 per Ccf Total RCR Rate \$ 0.0045 per Ccf All applicable fees and taxes will be added to the above rate. (Note 1: Original filing was for \$0.0017 per Ccf effective for meters read on and after May 25, 2001. The rate was adjusted to \$0.0007 effective June 25, 2002 to prevent over-collection. Effective July 25, 2002 it is no longer being charged.) Supersedes Same Sheet Dated Meters Read On and After June 25, 2002 July 25, 2002</p>
T-GEN-CTXSvcA-IS-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY</p> <p><b>APPLICABLE TO TRANSPORTATION RATE SCHEDULES. TERRITORY</b> All areas served by the Company in its Central Texas Service Area.</p> <p><b>ADDITIONAL CHARGES TO COST OF SERVICE RATE</b> During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder.</p> <p><b>SPECIAL PROVISIONS</b> 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 11477

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in the form set forth at Exhibit 1 attached hereto, setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer, in the form set forth at Exhibit 2 attached hereto, detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 11477
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.CONDITIONS1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer.5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After January 2, 2003</p>
T022-CTX-IS-LgCom	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T022 LARGE VOLUME COMMERCIAL TRANSPORTATION SERVICE RATE APPLICABILITYService under this rate schedule is available to any customer whose primary business activity at the location served is not provided for under any other rate schedule, and whose average usage exceeds 3,100 Ccf per monthly billing period, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11477**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	available capacity, operational constraints, and integrity of the distribution system.TERRITORYAll incorporated areas served by the Company in its Central Texas Service Area.COST OF SERVICE RATE During each monthly billing period:A customer charge per meter per month of \$ 150.00 plus - All Ccf per monthly billing period @ \$ 0.1151 per CcfPlus:See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).SPECIAL PROVISIONS AND CONDITIONSSee the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
43626	D	Mcf	\$1.2040	01/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9577	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11478**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 07/31/1987                      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change 5/03 to new meter number 00033627, tariff #10744

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9497	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11478

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCR-CTX-IS-Reloc	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY</p> <p>A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPRC + PPRC NV CPRC = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates. D. BILLING 1. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a component of the Company's Cost of Gas (per Ccf rate) for rate schedules: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1. 2. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be added to the applicable cost of service usage charge (per Ccf rate) for rate schedules: T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Supersedes Same Sheet Dated Meters Read On and After September 25, 2001 May 24, 2002</p>
RCR-Rider-CTX-IS07	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER Page 1 of 1 RELOCATION COST RECOVERY RATE A. APPLICABILITY The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR, shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. B. CURRENT RCR RATE Effective Date RCR Rate Meters Read on and After July 25, 2002 (2nd RCR Filing) \$ 0.0000 per Ccf (Note 1) Meters Read on and After May 24, 2002 (3rd RCR Filing) \$ 0.0045 per Ccf Total RCR Rate \$ 0.0045 per Ccf All applicable fees and taxes will be added to the above rate. (Note 1: Original filing was for \$0.0017 per Ccf effective for meters read on and after May 25, 2001. The rate was adjusted to \$0.0007 effective June 25, 2002 to prevent over-collection. Effective July 25, 2002 it is no longer being charged.) Supersedes Same Sheet Dated Meters Read On and After June 25, 2002 July 25, 2002</p>
T-GEN-CTXSvcA-IS-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 11478

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in the form set forth at Exhibit 1 attached hereto, setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer, in the form set forth at Exhibit 2 attached hereto, detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11478

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.CONDITIONS1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer.5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After January 2, 2003</p>
T042-CTX-IS-LgPubA	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T042 Central Texas Service Area LARGE VOLUME PUBLIC AUTHORITY TRANSPORTATION SERVICE RATEAPPLICABILITYApplicable to all public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).This rate schedule is for those public authority customers whose consumption is more than 2,900 Ccf per monthService under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11478**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.TERRITORYAll incorporated areas served by the Company in its Central Texas Service Area.COST OF SERVICE RATE During each monthly billing period: A customer charge per meter per month of \$50.00 plus -All Ccf per monthly billing period @ \$ 0.1166 per CcfPlus:See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).SPECIAL PROVISIONS AND CONDITIONSSee the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
43627	D	Mcf	\$1.2190	04/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
Customer	9497	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11479**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:** 12/01/1988                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 03/01/1999

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change 1/04 to new meter number 30507625, tariff #11033

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9419	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 11479
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCR-CTX-IS-Reloc	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY</p> <p><b>A. APPLICABILITY</b> This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT B. <b>PURPOSE</b> Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. <b>C. COMPUTATION OF RCR RATE</b> The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPRC + PPRC NV CPRC = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates. <b>D. BILLING</b> 1. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a component of the Company's Cost of Gas (per Ccf rate) for rate schedules: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1. 2. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be added to the applicable cost of service usage charge (per Ccf rate) for rate schedules: T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. <b>E. FILING WITH THE REGULATORY AUTHORITY</b> No less than thirty days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Supersedes Same Sheet Dated Meters Read On and After September 25, 2001 May 24, 2002</p>
RCR-Rider-CTX-IS	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER Page 1 of 1 RELOCATION COST RECOVERY RATE <b>A. APPLICABILITY</b> The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR, shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. <b>B. CURRENT RCR RATE</b> Effective Date RCR Rate Meters Read On and After November 19, 2003 (4th RCR Filing) \$ 0.0203 per Ccf Total RCR Rate \$ 0.0203 per Ccf All applicable fees and taxes will be added to the above rate. Supersedes Same Sheet Dated Meters Read On and After May 23, 2003 November 19, 2003</p>
T-GEN-CTXsvca-IS-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. <b>SPECIAL PROVISIONS</b> 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11479

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in the form set forth at Exhibit 1 attached hereto, setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer, in the form set forth at Exhibit 2 attached hereto, detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11479

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.CONDITIONS1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer.5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After January 2, 2003</p>
T048-CTX-IS-PSSpHt	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T048 Central Texas Service Area PUBLIC SCHOOLS SPACE HEATING TRANSPORTATION SERVICE RATEAPPLICABILITYApplicable to public schools for space heating purposes, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.TERRITORYAll incorporated areas, other than West Lake Hills, served by the Company in its Central Texas Service Area.COST OF SERVICE RATE During each monthly billing period: A customer charge per meter per month of \$ 60.00 plus -All Ccf per monthly billing period @ \$ 0.1302 per CcfPlus:See the Additional</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11479

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).SPECIAL PROVISIONS AND CONDITIONSSee the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
38404	D	Mcf	\$.0000	12/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	9419	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11484

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 07/01/1996      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change 5/03 to new meter number 03000138, tariff #10212

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9642	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
EP-T-17-IS-XEJ	EP-T-17-IS-XEJ RATE COMPONENTS 4.1 Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer, the sum of the following: (a) A customer charge of \$100.20 per customer meter per month; plus (b) A cost of service charge for the use of Transporter's facilities and all other services provided directly by Transporter for all volumes redelivered to the Customer in the amount of \$0.528 per Mcf (c) To the extent the customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter; plus (d) All amounts for any taxes or fees (including, but not limited to City franchise fee, gas throughput fees or Taxes and gas utility Taxes) and Shipper's lost and unaccounted-for-gas volumes. (e) In addition to the other sums payable to Transporter under this Agreement, Customer agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Customer, unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Customer agrees to pay this additional taxes, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis. 4.2 Notwithstanding 4.1 above, Customer shall be allowed to satisfy its lost and unaccounted -for gas volume under said section by payment in kind, unless Transporter, at Transporter's sole option, notifies Customer that Transporter will not accept such payment in kind. 4.3 When Transporter allows payment in kind, in addition to the volumes to be transporter hereunder, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the metered volumes delivered to Customer multiplied by the most recent purchase/sales ratio for Transporter's West Texas Service Area.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
43633	D	Mcf	\$.6698	04/01/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9642	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 11484**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11485**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 07/15/1988                      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 04/01/2002

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change 2/03 to new meter number G0246142, tariff #10221

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9662	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 11485
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T1-GalvSvcA-IS-Tran	<p>TEXAS GAS SERVICE COMPANY Galveston Service Area RATE SCHEDULE T-1 TRANSPORTATION SERVICE RATE APPLICABILITY Service under this rate schedule is available to any customer for the transportation of customer owned natural gas through the Company's Galveston distribution system for use by customers within all incorporated areas in the Company's Galveston Service Area. TERRITORY All incorporated areas served by the Company in its Galveston Service Area. RATE This rate shall be the sum of Part A, Part B, Part C, Part D and Part E as described below. Part A: A customer charge of \$100.00 per meter per month. Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the Ccf charge specified in the Company's Rate Schedule currently in effect for such month under which natural gas service would otherwise be available to such customer. Part C: A charge will be made each month to recover the cost of lost and unaccounted for gas associated with the volumes of natural gas transported for the customer. This charge will be calculated by multiplying the volume delivered to the customer by the purchase/sales ratio minus one for the Company's Galveston Service Area as calculated for the twelve-month period ended in the previous June based on actual purchase and actual sales as reported to the regulatory bodies. The resultant calculated lost and unaccounted for volume will then be multiplied by the Company's cost of purchased gas for the Galveston Service Area applicable to the billing period for which service is rendered, plus related fees and taxes, to calculate an amount to be billed to the customer each month. The lost and unaccounted for factor as determined above shall in no event exceed .0526 i.e. <math>[1/1 - .05] - 1</math> and must fall within the range of zero (0) to 5.26%. Part D: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT. as such may be amended from time-to-time which are attributable to the transportation service performed hereunder. Part E: A charge will be made each month to recover the cost of any applicable franchise fees. CONDITIONS 1. Subject in all respects to applicable laws, rules and regulations from time-to-time in effect. 2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto. 4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Supersedes Same Sheet Dated Meters Read On and After June 19, 1986 August 24, 2001</p>
20-Galv-IS-Com 060	<p>TEXAS GAS SERVICE COMPANY Galveston Service Area - Gulf Coast Region RATE SCHEDULE 20</p> <p><b>COMMERCIAL SERVICE RATE APPLICABILITY</b> Service under this rate schedule is available to any customer whose primary business activity at the location served is not provided for under any other rate schedule.</p> <p><b>TERRITORY</b> All of the Company's service area within the incorporated areas of the City of Galveston, Texas.</p> <p><b>COST OF SERVICE RATE</b> During each monthly billing period: A Customer Charge of \$15.00 plus -All Ccf per monthly billing @ \$ .2143 per Ccf</p> <p>Other Applicable Schedules: In addition to the Cost of Service set forth above, each customer's bill shall include: 1. The Cost of Gas for the billing month as determined in accordance with Rate Schedule 1-INC. 2. Adjustments in accordance with provisions of the Weather Normalization Clause, Rate Schedule WNC.</p> <p><b>CURTAILABILITY</b> Service under this rate schedule may be curtailed to protect service to residential customers in accordance with the Company's rules. Commercial customers using more than 15,000 Ccf in any month may be curtailed first in this class.</p> <p><b>OTHER CONDITIONS</b> 1. Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority. 2. The rate schedule may be used for special unmeted service such as gas street lights. The total hourly rated consumption of all gas burning appliances included, expressed in Ccf, at the location, shall be multiplied by 731 to determine the average monthly consumption of the service. The result, rounded to the next highest Ccf shall then be billed the rates provided in this rate.</p> <p>Supersedes Same Rate Sheet Dated July 1, 2001 Meters Read On and After June 25, 2002</p>

**RATE ADJUSTMENT PROVISIONS:**

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11485**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
43634	D	Mcf	\$2.1538	01/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9662	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11486**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:** 06/01/1997                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 12/05/2003

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change 12/03 to new meter number 00336413, tariff #10300

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9746	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 11486**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-1-RGV-ISOS-GTC	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area Rate Schedule T-1 GENERAL TERMS AND CONDITIONS FOR FIRM TRANSPORTATION ARTICLE I. DEFINITIONS Except as otherwise specified, the following terms as used herein shall be construed to have the following scope and meaning: a. Agreement shall mean the Gas Transportation Service Agreement into which these terms and conditions are incorporated by reference. b. Billing Period shall mean the period beginning at 7:00 a.m. Local Time on or about the twenty sixth (26th) day of a calendar month and ending at 7:00 a.m. Local Time on or about the twenty sixth (26th) day of the next succeeding calendar month. c. Contract Year shall mean the twelve (12) month period commencing on the effective date hereof and each consecutive twelve (12) month period thereafter. d. British thermal unit, herein called Btu shall mean the amount of heat required to raise the temperature of one (1) pound of water, one (1) degree F from fifty eight and five tenths (58.5) degrees F to fifty nine and five tenths (59.5) degrees F. e. Cubic foot of gas shall mean the volume of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty five hundredths (14.65) psia and a standard temperature of sixty (60) degrees Fahrenheit, herein called F. f. Day shall mean the twenty four (24) hour period commencing at 7:00 a.m. Central Time on any calendar day and ending at 7:00 a.m. Central Time on the following calendar day. g. Gas shall mean natural gas, including gas well gas, casinghead gas or the residue gas resulting from processing either casinghead gas or gas well gas. h. Gross Heating Value shall mean the number of Btu's liberated by the complete combustion at constant pressure of one (1) cubic foot of gas, at a base temperature of sixty (60) degrees F and a reference pressure base equal to fourteen and sixty five hundredths (14.65) psia, with air of the temperature and pressure of the gas, after the products of combustion are cooled to the initial temperature of the gas, and after the water of combustion is condensed to the liquid state. The Gross Heating Value of the gas shall be corrected for the water vapor content of the gas being delivered except so long as the water vapor content is seven (7) pounds or less per one million (1,000,000) cubic feet, the gas shall be assumed to be dry. i. MAOP means the Maximum Allowable Operating Pressure. j. Mcf shall mean one thousand (1,000) cubic feet. k. MMBtu shall mean a quantity of gas having a Gross Heating Value of one million (1,000,000) Btu's. l. Psia shall mean pounds per square inch, absolute. m. Psig shall mean pounds per square inch, gauge. n. Transport Gas shall mean that gas owned or controlled by Shipper and delivered by Shipper or its designee to TGS at the Point(s) of Delivery on the pipeline system of TGS, as it exists from time to time, for transportation by TGS and delivery by TGS at the Point(s) of Redelivery under this Agreement; provided, however, it is understood and agreed that the gas delivered at the Point(s) of Redelivery may not be transport gas in kind, but that the transport gas will be part of the commingled delivery of gas and, for the purpose hereunder, the commingled gas can be substituted for transport gas on a heat equivalent basis. ARTICLE II. QUALITY 1. The gas delivered hereunder shall: a. Contain not more than one (1) grain of hydrogen sulphide or more than twenty (20) grains of sulphur per one hundred (100) cubic feet; b. Have a Gross Heating Value of not less than nine hundred fifty (950) Btu's per cubic foot of gas when saturated with water vapor; c. Have a temperature of not greater than one hundred twenty (120) degrees F or less than forty (40) degrees F; d. Contain not more than three (3) percent by volume of carbon dioxide, one (1) percent by volume of oxygen, or two (2) percent by volume of nitrogen; e. Be commercially free of all liquids, suspended matters, dust, all gums and gum forming constituents, and other objectionable substances; and f. Contain not more than seven (7) pounds of water vapor per one million (1,000,000) cubic feet. 2. In the event the gas received or delivered hereunder should fail to meet the quality specifications stated above, then either party shall notify the other party which shall make a diligent effort to correct the situation. Either party shall have the right to refuse or accept such gas for so long as the other is unable to deliver gas conforming to such specifications, or may accept delivery of such gas or any part thereof during such period. A party's acceptance of gas that does not conform to the quality specifications stated above shall not constitute a waiver of such specifications by that party in regard to gas received or delivered under this Agreement after such acceptance. If, in TGS's sole opinion, the gas tendered hereunder becomes hazardous or is detrimental to TGS's operations, then TGS may promptly discontinue taking delivery. ARTICLE III. MEASUREMENT 1. The unit of volume for measurement of gas received and delivered hereunder shall be one (1) cubic foot of gas at a base temperature of sixty (60) degrees F and at a pressure of fourteen and sixty five hundredths (14.65) psia, as provided by the Natural Resources Code of the State of Texas (Section 91.051 through 91.062 of Vernon's Texas Civil Statutes). 2. All measurement facilities hereunder shall be installed and operated in accordance with the standards approved by the American National Standards Institute on June 28, 1977, and prescribed in the Gas Measurement Committee of the American Gas Association (AGA) Report Number 3 (ANSI/API 2530, First Edition), as it is now and from time to time may be revised, amended or supplemented. 3. TGS shall arrange for the operation of the measuring stations located at the Point(s) of Receipt and Delivery and Redelivery. The calibrating and adjusting of meters shall be done or arranged for by TGS in compliance with Paragraphs 4 and 5 of this Article. 4. Shipper shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the equipment used in measuring gas hereunder. The records from such measuring equipment shall remain the property of TGS or its representative, but upon request, TGS will submit to Shipper the records and charts, together with calculations therefrom, subject to their return within fifteen (15) days after receipt thereof, after which the charts shall be retained for a period of two (2) years. At least annually, TGS shall calibrate the meters and instruments or cause same to be calibrated. TGS shall give Shipper sufficient notice in advance of such tests so that Shipper may, at its election, be present in person or by its representative to observe adjustments, if any, which are made. 5. For the purpose of measurement and meter calibration, the atmospheric (barometric) pressure shall be assumed, unless otherwise determined by the Standard Gas Measurement Law, to be fourteen and four tenths (14.4) psia at the Point(s) of Receipt and Delivery, irrespective of variations in actual atmospheric pressure from time to time. 6. Temperature of the gas hereunder shall be assumed to be 60 degrees F. 7. The specific gravity of the gas hereunder shall be assumed to be 0.60. The nitrogen content of the gas shall be assumed to be 0.2%. The carbon dioxide content of the gas shall be assumed to be 0.5%. 8. The Gross Heating Value shall be determined at one (1) month intervals by the use of a spot or continuous sample. The Gross Heating Value of such sample to be obtained either by calorimeter or chromatographic analysis using the value of the physical constants for the gas compounds and the procedure for determining the Gross Heating Value of the gas shall be on a real gas basis in accordance with ANSI/ASTM D3588 79, as it is now and from time to time may be revised, amended or supplemented. The Gross Heating Value of the gas hereunder shall be effective for the billing period in which the sample is taken and all succeeding billing periods until that billing period in which a new sample is taken. 9. TGS shall, upon the request of a customer, make a test of the accuracy of the meter serving that customer. TGS 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 is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four (4) years, TGS is entitled to charge a fee for the test, not to exceed \$15.00, or such other fee for the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 11486

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>testing of meters as may be set forth in TGS's tariff properly on file with the regulatory authority. The customer shall be properly informed of the result of any test on a meter that serves him. Notwithstanding the above paragraph, if the meter is found to be more than nominally defective, to either the customer's or TGS's disadvantage, any fee charged for a meter test shall be refunded to the customer. More than nominally defective means a deviation of more than two percent (2%) from accurate registration. 10. If a meter test reveals a meter to be more than nominally defective, TGS shall correct previous readings consistent with the inaccuracy found in the meter for the periods of either: a. the last six months; or b. the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by TGS if the error is to TGS's disadvantage. If a meter is found not to register for any period of time, TGS 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.</p> <p><b>ARTICLE IV. BALANCING OF DELIVERIES</b> 1. Shipper's dispatcher or Shipper's designee must notify immediately TGS's dispatcher(s) of any changes in operating conditions on Shipper's system that will cause hourly rate variations in deliveries for Shipper's account. The extent to which such hourly rate variations are permissible will be at the sole discretion of TGS's dispatcher(s). 2. Based upon the daily quantity scheduled and such information as TGS has available concerning the quantity actually received, TGS will make daily delivery of Shipper's quantity of gas scheduled for transportation, after making adjustments for any prior imbalance in deliveries. 3. It is the intention of TGS and Shipper that daily deliveries to Shipper at the Point(s) of Redelivery hereunder, less applicable shrinkage, will be approximately equal, on a Gross Heating Value basis, to daily receipts by TGS at the Point(s) of Delivery from Shipper to transportation hereunder. However, due to variations in operating conditions, daily and monthly deliveries hereunder by TGS may be greater or less than the corresponding receipts of gas by TGS for transportation. Any such excess or deficiency will be adjusted or corrected in gas as soon as operating conditions reasonably permit. 4. Any dispatching notice or other communications by either party under this Article IV will be given to the other party at the addresses and telephone numbers set out in the Agreement, as applicable. 5. If, at the end of the term of this Agreement, either party owes gas to the other party hereunder, the party owing such gas must tender to the other party at the Point(s) herein designated, the quantity of gas so owed within thirty (30) days from such date.</p> <p><b>ARTICLE V. PRESSURE</b> The gas delivered by Shipper or its designee at the Point(s) of Delivery hereunder shall be delivered at a pressure sufficient to overcome the operating pressure existing in TGS's facilities from time to time; provided, however, in no event shall such delivery pressure exceed the MAOP of the system receiving the gas. The gas delivered at the Point(s) of Redelivery shall be delivered by TGS at the pressure existing from time to time in TGS's facilities.</p> <p><b>ARTICLE VI. BILLING AND PAYMENT</b> On or before the twentieth (20th) day of each calendar month, TGS will render to Shipper a statement setting forth the total quantity of gas, in terms of Mcf (adjusted for applicable shrinkage) received at the Point(s) of Redelivery hereunder, during the immediately preceding billing period and the amount payable for the transportation thereof. Shipper agrees to pay TGS the full amount payable according to such statement on or before the fifteenth (15th) day of each month. If Shipper, in good faith, disagrees with the amount of any invoice, Shipper shall immediately notify TGS of such disagreement, so that the difference may be resolved before the date for payment of this invoice. If Shipper fails to give such notification, or if Shipper and TGS do not resolve such disagreement before the due date, the amount of the invoice not in dispute shall be paid by Shipper on the due date, such payment to be subject to adjustment, without penalty, upon final resolution of the disagreement. The remittance address shall be such address as reflected on TGS's statement from time to time. Each party shall have the right to examine at all reasonable times the books, records, and charts of the other to the extent necessary to verify or audit the accuracy of any statement, bill, chart, or computation made under or pursuant to this Agreement. Any statement shall be final as to all parties, unless questioned within two (2) years after payment thereof has been made.</p> <p><b>ARTICLE VII. FORCE MAJEURE</b> 1. Definition of Force Majeure: The term force majeure as employed herein shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts or other industrial disturbances, inability to obtain pipe or other material or equipment or labor, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or pipelines, and any other cause whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to overcome. 2. Effect of Force Majeure: In the event of either Shipper or TGS being rendered unable by force majeure to itself or a necessary third party to wholly or in part carry out its obligations under the provisions of this Agreement, it is agreed that the obligations of the party affected by such force majeure, other than the obligation to make payments thereunder, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch. Nothing contained herein, however, shall be construed to require either party to settle a strike against its will. 3. If a party claims force majeure that affects one or more Delivery Point(s), nothing herein contained shall require the party claiming force majeure to make deliveries or to take gas at an alternative Delivery Point. Subject to then existing applicable regulatory requirements, should the gas available to Shipper for sale be reduced due to force majeure, TGS may, at its sole discretion, reduce or completely stop deliveries to Shipper, for whatever reason.</p> <p><b>ARTICLE VIII. WARRANTY OF TITLE</b> Each party hereby warrants title to all gas received or delivered by it hereunder to, or for the account of, the other party, that it has the right to deliver same and that such gas is free from all liens and adverse claims of every kind. Each party will defend, and save the other party harmless against all loss, damage and expense of any character with respect to the gas received or delivered by it or on account of royalties, taxes, payments of other charges applicable before or upon receipt or delivery of gas hereunder.</p> <p><b>ARTICLE IX. POSSESSION OF GAS</b> TGS will be deemed to be in possession of the gas delivered hereunder by Shipper only from the time it is received by TGS at the Point(s) of Delivery for transportation hereunder until it is delivered to Shipper at the Point(s) of Redelivery, as provided for herein. Shipper will be deemed to be in possession of such gas prior to such receipt and after such delivery. TGS will have no responsibility for damage or injury hereunder with respect to such gas before receipt by it or after delivery to Shipper. Shipper will have no responsibility for damage or injury hereunder with respect to such gas while it is deemed hereunder to be in TGS's possession.</p> <p><b>ARTICLE X. MISCELLANEOUS</b> 1. Notwithstanding any provisions herein to the contrary, in the event that initial deliveries fail to occur within ninety (90) days of the date hereof, TGS shall have the right, at its sole discretion, to cancel this agreement without prior notice. 2. Further, if receipts and/or deliveries at any Point(s) of Delivery or Redelivery hereunder shall cease for a period exceeding ninety (90) days, TGS shall have the</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11486

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-1-RGV-ISOS-Firm	<p>right without prior notice to delete such Point(s) of Delivery or Redelivery and remove equipment not utilized for the prescribed period, or to cancel this Agreement in its entirety if all the Point(s) of Delivery and Redelivery hereunder are so affected.3. This Agreement shall extend to and be binding upon the successors and assigns of the respective parties hereto, but no assignment or change of interest shall have the effect of releasing the assigning party from any of its obligations hereunder, unless such release of said assigning party is assented to in writing by the other party to whom the obligations are owing hereunder, such agreement not to be unreasonably withheld.4. This Agreement and any Gas Transportation Service Agreement (including its exhibits and addenda, if any), contains the entire agreement between the parties and supersedes all oral discussions, negotiations, representations, or agreements relating to the subject matter of this Agreement. No changes in this Agreement shall be made or be binding on any party unless made in writing. The paragraph headings are not part of this Agreement and shall not be deemed to affect the meaning or construction of any of its provisions.</p> <p>5. This Agreement and all operations hereunder are subject to the applicable orders, rules and regulations of the Railroad Commission of Texas, and of any other federal or state authority having or asserting jurisdiction and shall not be construed as a waiver of any right to question or contest any such law, order or regulation in any forum having jurisdiction in the premises.6. The parties hereto agree that this Agreement shall be construed and interpreted under the laws of the State of Texas and acknowledge that this Agreement and any Gas Transportation Agreement were entered into and negotiated jointly by all parties hereto and not by any one or more parties to the exclusion of the other or others. Supersedes Sheet Dated      Bills Rendered On and After      May 22, 1991 (Rio Grande Valley Gas Company)      October 1, 1993      AUTHORITY      DATE EFFECTIVE</p> <p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area Rate Schedule T-1 FIRM TRANSPORTATION SERVICE RATEAPPLICABILITYService under this rate schedule is limited to small volume commercial and industrial customers who are gas service customers of Texas Gas Service Company (Company) and who meet minimum usage capability requirements, or who are using gas in energy conservation equipment such as cogeneration and high efficiency air conditioning operations, as verified by the Company. Prior to the execution of a Gas Transportation Service Agreement, Shipper must represent and certify that its usage shall average five hundred (500) Mcf of gas per month. The Company shall have the right at all reasonable times, upon prior notice to Shipper, to enter onto Shipper's premises and inspect Shipper's facilities and operations to verify such capability. Shipper must agree to notify the Company within a reasonable time if there is any change in Shipper's usage. Should Shipper's usage capability average less than five hundred (500) Mcf per month, Shipper must so notify the Company and the Company may discontinue service hereunder except as provided in the Gas Transportation Service Agreement.TERRITORYRATE 1 - Firm Transportation Service - EnvironsThis rate is available to customers within the environs of the Cities served by the Company in its Rio Grande Valley Service Area. (Rates became effective on 05/15/90.)RATE 4 - Firm Transportation Service - Cities This rate is available to customers within the city of the Cities served by the Company in its Rio Grande Valley Service Area. (Rates became effective on 11/21/87.)RATEFirst 4 Ccf \$25.00Next 26 Ccf @ .14840 per CcfNext 60 Ccf @ .13644 per CcfNext 60 Ccf @ .12448 per CcfNext 100 Ccf @ .11252 per CcfAll Over 250 Ccf @ .10032 per CcfMinimum Monthly Bill \$25.00. All rates subject to adjustments set forth below. 1. Tax Adjustment: Each monthly bill shall be adjusted by the amount which represents the actual gross receipts, occupation and revenue taxes paid upon the base rates stated above, including franchise fees. Also, from and after the imposition or levy of any new tax, franchise fee or similar charge or any increase or decrease in the rate of any tax or franchise fee after May 15, 1990 (except ad valorem, net income or excess profits taxes) which increases or decreases the cost per Ccf to the Company for gas purchased, produced, transported, exchanged, sold and/or delivered to its customers, the net rate provided for herein above may be increased or decreased by the Company by an amount per Ccf which is equal to such increased or decreased cost per Ccf.2. Lost and Unaccounted for Gas Provision: Gas consumed by the Company as compressor fuel and gas lost and unaccounted for in providing transportation service under this rate schedule will be deducted in kind by the Company from the amounts of gas that the Company receives for transportation, in determining the amounts the Company is obligated to redeliver to Shipper. Such amounts of gas shall be called Applicable Shrinkage and shall be at the level as defined in the Gas Transportation Service Agreement, as changed from time to time.3. This rate schedule is available only for gas service customers of the Company who have entered into a Gas Transportation Service Agreement with the Company providing for firm transportation service at the rate specified herein. Such service shall be governed by the terms of the executed Gas Transportation Service Agreement.4. Service under this rate schedule is subject to the right of the Company to file with the appropriate regulatory authority and make changes in the rates and charges applicable to service hereunder; provided, however, that customers hereunder may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of the Company's rates and charges to assure that they are just and reasonable.5. Service under this rate schedule is subject to the terms, conditions, and priorities of the Company's curtailment plan in the same manner and to the same degree as is the Company's gas sales service.6. Notwithstanding anything herein to the contrary, in addition to the Rates set forth above, the Company shall bill each transportation customer, in the incorporated areas of Alamo, Brownsville, La Joya, Mercedes, and Weslaco only, a surcharge of \$0.01 per Ccf during the billing period in accordance with the Settlement Agreement and Release dated February 15, 2001 by and among the Company and the Cities represented in the Class Action Lawsuit known as Cause No. C-4558-95-G-2 (Settlement Agreement). The surcharge shall be effective only until the Settlement payments allocated to the incorporated areas of Alamo, Brownsville, La Joya, Mercedes, and Weslaco, in accordance with the Settlement Agreement, are collected by the Company. 7. Notwithstanding anything herein to the contrary, in addition to the Rates set forth above, the Company shall bill each transportation customer, in the incorporated area of McAllen only, a surcharge of \$0.12 per Mcf during the billing period in accordance with the Settlement Agreement dated March 10, 2003 and Amendment dated May 5, 2003 between the Company and the City of McAllen, Texas. The surcharge shall be effective only until the settlement payment allocated to transportation customers pursuant to the Settlement Agreement and Amendment is collected by the Company. Supersedes Same Sheet Dated      Meters Read On and After      August 24, 2001      May 23, 2003</p>

**RATE ADJUSTMENT PROVISIONS:**

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11486**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
43635	D	Mcf	\$1.0254	11/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9746	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11488**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:** 07/01/1997                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change 4/03 to new meter number 2C669985, tariff #10310

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9703	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11488**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-1-RGV-ISOS-Firm8	<p>SOUTHERN UNION GAS COMPANY Rio Grande Valley Service Area Rate Schedule T-1</p> <p>FIRM TRANSPORTATION SERVICE RATE</p> <p>APPLICABILITY</p> <p>Service under this rate schedule is limited to small volume commercial and industrial customers who are gas service customers of SUG and who meet minimum usage capability requirements, or who are using gas in energy conservation equipment such as cogeneration and high efficiency air conditioning operations, as verified by S.U.G. Prior to the execution of a Gas Transportation Service Agreement, Shipper must represent and certify that its usage shall average five hundred (500) Mcf of gas per month. SUG shall have the right at all reasonable times, upon prior notice to Shipper, to enter onto Shipper's premises and inspect Shipper's facilities and operations to verify such capability. Shipper must agree to notify SUG within a reasonable time if there is any change in Shipper's usage. Should Shipper's usage capability average less than five hundred (500) Mcf per month, Shipper must so notify SUG and SUG may discontinue service hereunder except as provided in the Gas Transportation Service Agreement.</p> <p>TERRITORY</p> <p>RATE 1 - Firm Transportation Service - Environs This rate is available to customers within the environs of the Cities served by SUG in its Rio Grande Valley Service Area. (Rates became effective on 05/15/90.)</p> <p>RATE 4 - Firm Transportation Service - Cities This rate is available to customers within the city of the Cities served by SUG in its Rio Grande Valley Service Area. (Rates became effective on 11/21/87.)</p> <p>RATE</p> <p>First 4 Ccf \$25.00 Next 26 Ccf @ .14840 per Ccf Next 60 Ccf @ .13644 per Ccf Next 60 Ccf @ .12448 per Ccf Next 100 Ccf @ .11252 per Ccf All Over 250 Ccf @ .10032 per Ccf</p> <p>Minimum Monthly Bill \$25.00.</p> <p>All rates subject to adjustments set forth below.</p> <ol style="list-style-type: none"> <li>1. Tax Adjustment: Each monthly bill shall be adjusted by the amount which represents the actual gross receipts, occupation and revenue taxes paid upon the base rates stated above, including franchise fees. Also, from and after the imposition or levy of any new tax, franchise fee or similar charge or any increase or decrease in the rate of any tax or franchise fee after May 15, 1990 (except ad valorem, net income or excess profits taxes) which increases or decreases the cost per Ccf to SUG for gas purchased, produced, transported, exchanged, sold and/or delivered to its customers, the net rate provided for herein above may be increased or decreased by SUG by an amount per Ccf which is equal to such increased or decreased cost per Ccf.</li> <li>2. Lost and Unaccounted for Gas Provision: Gas consumed by SUG as compressor fuel and gas lost and unaccounted for in providing transportation service under this rate schedule will be deducted in kind by SUG from the amounts of gas that SUG receives for transportation, in determining the amounts SUG is obligated to redeliver to Shipper. Such amounts of gas shall be called Applicable Shrinkage and shall be at the level as defined in the Gas Transportation Service Agreement, as changed from time to time.</li> <li>3. This rate schedule is available only for gas service customers of SUG who have entered into a Gas Transportation Service Agreement with SUG providing for firm transportation service at the rate specified herein. Such service shall be governed by the terms of the executed Gas Transportation Service Agreement.</li> <li>4. Service under this rate schedule is subject to the right of SUG to file with the appropriate regulatory authority and make changes in the rates and charges applicable to service hereunder; provided, however, that customers hereunder may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of SUG's rates and charges to assure that they are just and reasonable.</li> <li>5. Service under this rate schedule is subject to the terms, conditions, and priorities of SUG's curtailment plan in the same manner and to the same degree as is SUG's gas sales service.6. Notwithstanding anything herein to the contrary, in addition to the Rates set forth above, the Company shall bill each transportation customer, in the incorporated areas of Alamo, Brownsville, La Joya, Mercedes, and Weslaco only, a surcharge of \$0.01 per Ccf during the billing period in accordance with the Settlement Agreement and Release dated February 15, 2001 by and among the Company and the Cities represented in the Class Action Lawsuit known as Cause No. C-4558-95-G-2 (Settlement Agreement). The surcharge shall be effective only until the Settlement payments allocated to the incorporated areas of Alamo, Brownsville, La Joya, Mercedes, and Weslaco, in accordance with the Settlement Agreement, are collected by the Company.</li> </ol>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 11488

**CURRENT RATE COMPONENT**

RATE COMP. ID	DESCRIPTION
T-1-RGV-ISOS-GTC	<p>Supersedes Same Sheet Dated October 1, 1993                      Meters Read On and After August 24, 2001</p> <p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area Rate Schedule T-1 GENERAL TERMS AND CONDITIONS FOR FIRM TRANSPORTATION ARTICLE I. DEFINITIONS Except as otherwise specified, the following terms as used herein shall be construed to have the following scope and meaning: a. Agreement shall mean the Gas Transportation Service Agreement into which these terms and conditions are incorporated by reference. b. Billing Period shall mean the period beginning at 7:00 a.m. Local Time on or about the twenty sixth (26th) day of a calendar month and ending at 7:00 a.m. Local Time on or about the twenty sixth (26th) day of the next succeeding calendar month. c. Contract Year shall mean the twelve (12) month period commencing on the effective date hereof and each consecutive twelve (12) month period thereafter. d. British thermal unit, herein called Btu shall mean the amount of heat required to raise the temperature of one (1) pound of water, one (1) degree F from fifty eight and five tenths (58.5) degrees F to fifty nine and five tenths (59.5) degrees F. e. Cubic foot of gas shall mean the volume of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty five hundredths (14.65) psia and a standard temperature of sixty (60) degrees Fahrenheit, herein called F. f. Day shall mean the twenty four (24) hour period commencing at 7:00 a.m. Central Time on any calendar day and ending at 7:00 a.m. Central Time on the following calendar day. g. Gas shall mean natural gas, including gas well gas, casinghead gas or the residue gas resulting from processing either casinghead gas or gas well gas. h. Gross Heating Value shall mean the number of Btu's liberated by the complete combustion at constant pressure of one (1) cubic foot of gas, at a base temperature of sixty (60) degrees F and a reference pressure base equal to fourteen and sixty five hundredths (14.65) psia, with air of the temperature and pressure of the gas, after the products of combustion are cooled to the initial temperature of the gas, and after the water of combustion is condensed to the liquid state. The Gross Heating Value of the gas shall be corrected for the water vapor content of the gas being delivered except so long as the water vapor content is seven (7) pounds or less per one million (1,000,000) cubic feet, the gas shall be assumed to be dry. i. MAOP means the Maximum Allowable Operating Pressure. j. Mcf shall mean one thousand (1,000) cubic feet. k. MMBtu shall mean a quantity of gas having a Gross Heating Value of one million (1,000,000) Btu's. l. Psia shall mean pounds per square inch, absolute. m. Psig shall mean pounds per square inch, gauge. n. Transport Gas shall mean that gas owned or controlled by Shipper and delivered by Shipper or its designee to TGS at the Point(s) of Delivery on the pipeline system of TGS, as it exists from time to time, for transportation by TGS and delivery by TGS at the Point(s) of Redelivery under this Agreement; provided, however, it is understood and agreed that the gas delivered at the Point(s) of Redelivery may not be transport gas in kind, but that the transport gas will be part of the commingled delivery of gas and, for the purpose hereunder, the commingled gas can be substituted for transport gas on a heat equivalent basis. ARTICLE II. QUALITY 1. The gas delivered hereunder shall: a. Contain not more than one (1) grain of hydrogen sulphide or more than twenty (20) grains of sulphur per one hundred (100) cubic feet; b. Have a Gross Heating Value of not less than nine hundred fifty (950) Btu's per cubic foot of gas when saturated with water vapor; c. Have a temperature of not greater than one hundred twenty (120) degrees F or less than forty (40) degrees F; d. Contain not more than three (3) percent by volume of carbon dioxide, one (1) percent by volume of oxygen, or two (2) percent by volume of nitrogen; e. Be commercially free of all liquids, suspended matters, dust, all gums and gum forming constituents, and other objectionable substances; and f. Contain not more than seven (7) pounds of water vapor per one million (1,000,000) cubic feet. 2. In the event the gas received or delivered hereunder should fail to meet the quality specifications stated above, then either party shall notify the other party which shall make a diligent effort to correct the situation. Either party shall have the right to refuse or accept such gas for so long as the other is unable to deliver gas conforming to such specifications, or may accept delivery of such gas or any part thereof during such period. A party's acceptance of gas that does not conform to the quality specifications stated above shall not constitute a waiver of such specifications by that party in regard to gas received or delivered under this Agreement after such acceptance. If, in TGS's sole opinion, the gas tendered hereunder becomes hazardous or is detrimental to TGS's operations, then TGS may promptly discontinue taking delivery. ARTICLE III. MEASUREMENT 1. The unit of volume for measurement of gas received and delivered hereunder shall be one (1) cubic foot of gas at a base temperature of sixty (60) degrees F and at a pressure of fourteen and sixty five hundredths (14.65) psia, as provided by the Natural Resources Code of the State of Texas (Section 91.051 through 91.062 of Vernon's Texas Civil Statutes). 2. All measurement facilities hereunder shall be installed and operated in accordance with the standards approved by the American National Standards Institute on June 28, 1977, and prescribed in the Gas Measurement Committee of the American Gas Association (AGA) Report Number 3 (ANSI/API 2530, First Edition), as it is now and from time to time may be revised, amended or supplemented. 3. TGS shall arrange for the operation of the measuring stations located at the Point(s) of Receipt and Delivery and Redelivery. The calibrating and adjusting of meters shall be done or arranged for by TGS in compliance with Paragraphs 4 and 5 of this Article. 4. Shipper shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the equipment used in measuring gas hereunder. The records from such measuring equipment shall remain the property of TGS or its representative, but upon request, TGS will submit to Shipper the records and charts, together with calculations therefrom, subject to their return within fifteen (15) days after receipt thereof, after which the charts shall be retained for a period of two (2) years. At least annually, TGS shall calibrate the meters and instruments or cause same to be calibrated. TGS shall give Shipper sufficient notice in advance of such tests so that Shipper may, at its election, be present in person or by its representative to observe adjustments, if any, which are made. 5. For the purpose of measurement and meter calibration, the atmospheric (barometric) pressure shall be assumed, unless otherwise determined by the Standard Gas Measurement Law, to be fourteen and four tenths (14.4) psia at the Point(s) of Receipt and Delivery, irrespective of variations in actual atmospheric pressure from time to time. 6. Temperature of the gas hereunder shall be assumed to be 60 degrees F. 7. The specific gravity of the gas hereunder shall be assumed to be 0.60. The nitrogen content of the gas shall be assumed to be 0.2%. The carbon dioxide content of the gas shall be assumed to be 0.5%. 8. The Gross Heating Value shall be determined at one (1) month intervals by the use of a spot or continuous sample. The Gross Heating Value of such sample to be obtained either by calorimeter or chromatographic analysis using the value of the physical constants for the gas compounds and the procedure for determining the Gross Heating Value of the gas shall be on a real gas basis in accordance with ANSI/ASTM D3588 79, as it is now and from time to time may be revised, amended or supplemented. The Gross Heating Value of the gas hereunder shall be effective for the billing period in which the sample is taken and all succeeding billing periods until that billing period in which a new sample is taken. 9. TGS shall, upon the request of a customer, make a test of the accuracy of the meter serving that customer. TGS 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</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 11488

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>the same location, the test is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four (4) years, TGS is entitled to charge a fee for the test, not to exceed \$15.00, or such other fee for the testing of meters as may be set forth in TGS's tariff properly on file with the regulatory authority. The customer shall be properly informed of the result of any test on a meter that serves him. Notwithstanding the above paragraph, if the meter is found to be more than nominally defective, to either the customer's or TGS's disadvantage, any fee charged for a meter test shall be refunded to the customer. More than nominally defective means a deviation of more than two percent (2%) from accurate registration. 10. If a meter test reveals a meter to be more than nominally defective, TGS shall correct previous readings consistent with the inaccuracy found in the meter for the periods of either: a. the last six months; or b. the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by TGS if the error is to TGS's disadvantage. If a meter is found not to register for any period of time, TGS 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.</p> <p><b>ARTICLE IV. BALANCING OF DELIVERIES</b> 1. Shipper's dispatcher or Shipper's designee must notify immediately TGS's dispatcher(s) of any changes in operating conditions on Shipper's system that will cause hourly rate variations in deliveries for Shipper's account. The extent to which such hourly rate variations are permissible will be at the sole discretion of TGS's dispatcher(s). 2. Based upon the daily quantity scheduled and such information as TGS has available concerning the quantity actually received, TGS will make daily delivery of Shipper's quantity of gas scheduled for transportation, after making adjustments for any prior imbalance in deliveries. 3. It is the intention of TGS and Shipper that daily deliveries to Shipper at the Point(s) of Redelivery hereunder, less applicable shrinkage, will be approximately equal, on a Gross Heating Value basis, to daily receipts by TGS at the Point(s) of Delivery from Shipper to transportation hereunder. However, due to variations in operating conditions, daily and monthly deliveries hereunder by TGS may be greater or less than the corresponding receipts of gas by TGS for transportation. Any such excess or deficiency will be adjusted or corrected in gas as soon as operating conditions reasonably permit. 4. Any dispatching notice or other communications by either party under this Article IV will be given to the other party at the addresses and telephone numbers set out in the Agreement, as applicable. 5. If, at the end of the term of this Agreement, either party owes gas to the other party hereunder, the party owing such gas must tender to the other party at the Point(s) herein designated, the quantity of gas so owed within thirty (30) days from such date.</p> <p><b>ARTICLE V. PRESSURE</b> The gas delivered by Shipper or its designee at the Point(s) of Delivery hereunder shall be delivered at a pressure sufficient to overcome the operating pressure existing in TGS's facilities from time to time; provided, however, in no event shall such delivery pressure exceed the MAOP of the system receiving the gas. The gas delivered at the Point(s) of Redelivery shall be delivered by TGS at the pressure existing from time to time in TGS's facilities.</p> <p><b>ARTICLE VI. BILLING AND PAYMENT</b> On or before the twentieth (20th) day of each calendar month, TGS will render to Shipper a statement setting forth the total quantity of gas, in terms of Mcf (adjusted for applicable shrinkage) received at the Point(s) of Redelivery hereunder, during the immediately preceding billing period and the amount payable for the transportation thereof. Shipper agrees to pay TGS the full amount payable according to such statement on or before the fifteenth (15th) day of each month. If Shipper, in good faith, disagrees with the amount of any invoice, Shipper shall immediately notify TGS of such disagreement, so that the difference may be resolved before the date for payment of this invoice. If Shipper fails to give such notification, or if Shipper and TGS do not resolve such disagreement before the due date, the amount of the invoice not in dispute shall be paid by Shipper on the due date, such payment to be subject to adjustment, without penalty, upon final resolution of the disagreement. The remittance address shall be such address as reflected on TGS's statement from time to time. Each party shall have the right to examine at all reasonable times the books, records, and charts of the other to the extent necessary to verify or audit the accuracy of any statement, bill, chart, or computation made under or pursuant to this Agreement. Any statement shall be final as to all parties, unless questioned within two (2) years after payment thereof has been made.</p> <p><b>ARTICLE VII. FORCE MAJEURE</b> 1. Definition of Force Majeure: The term force majeure as employed herein shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts or other industrial disturbances, inability to obtain pipe or other material or equipment or labor, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or pipelines, and any other cause whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to overcome. 2. Effect of Force Majeure: In the event of either Shipper or TGS being rendered unable by force majeure to itself or a necessary third party to wholly or in part carry out its obligations under the provisions of this Agreement, it is agreed that the obligations of the party affected by such force majeure, other than the obligation to make payments thereunder, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch. Nothing contained herein, however, shall be construed to require either party to settle a strike against its will. 3. If a party claims force majeure that affects one or more Delivery Point(s), nothing herein contained shall require the party claiming force majeure to make deliveries or to take gas at an alternative Delivery Point. Subject to then existing applicable regulatory requirements, should the gas available to Shipper for sale be reduced due to force majeure, TGS may, at its sole discretion, reduce or completely stop deliveries to Shipper, for whatever reason.</p> <p><b>ARTICLE VIII. WARRANTY OF TITLE</b> Each party hereby warrants title to all gas received or delivered by it hereunder to, or for the account of, the other party, that it has the right to deliver same and that such gas is free from all liens and adverse claims of every kind. Each party will defend, and save the other party harmless against all loss, damage and expense of any character with respect to the gas received or delivered by it or on account of royalties, taxes, payments of other charges applicable before or upon receipt or delivery of gas hereunder.</p> <p><b>ARTICLE IX. POSSESSION OF GAS</b> TGS will be deemed to be in possession of the gas delivered hereunder by Shipper only from the time it is received by TGS at the Point(s) of Delivery for transportation hereunder until it is delivered to Shipper at the Point(s) of Redelivery, as provided for herein. Shipper will be deemed to be in possession of such gas prior to such receipt and after such delivery. TGS will have no responsibility for damage or injury hereunder with respect to such gas before receipt by it or after delivery to Shipper. Shipper will have no responsibility for damage or injury hereunder with respect to such gas while it is deemed hereunder to be in TGS's possession.</p> <p><b>ARTICLE X. MISCELLANEOUS</b> 1. Notwithstanding any provisions herein to the contrary, in the event that initial deliveries fail to occur within ninety (90) days of the date</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 11488**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>hereof, TGS shall have the right, at its sole discretion, to cancel this agreement without prior notice.2. Further, if receipts and/or deliveries at any Point(s) of Delivery or Redelivery hereunder shall cease for a period exceeding ninety (90) days, TGS shall have the right without prior notice to delete such Point(s) of Delivery or Redelivery and remove equipment not utilized for the prescribed period, or to cancel this Agreement in its entirety if all the Point(s) of Delivery and Redelivery hereunder are so affected.3. This Agreement shall extend to and be binding upon the successors and assigns of the respective parties hereto, but no assignment or change of interest shall have the effect of releasing the assigning party from any of its obligations hereunder, unless such release of said assigning party is assented to in writing by the other party to whom the obligations are owing hereunder, such agreement not to be unreasonably withheld.4. This Agreement and any Gas Transportation Service Agreement (including its exhibits and addenda, if any), contains the entire agreement between the parties and supersedes all oral discussions, negotiations, representations, or agreements relating to the subject matter of this Agreement. No changes in this Agreement shall be made or be binding on any party unless made in writing. The paragraph headings are not part of this Agreement and shall not be deemed to affect the meaning or construction of any of its provisions. 5. This Agreement and all operations hereunder are subject to the applicable orders, rules and regulations of the Railroad Commission of Texas, and of any other federal or state authority having or asserting jurisdiction and shall not be construed as a waiver of any right to question or contest any such law, order or regulation in any forum having jurisdiction in the premises.6. The parties hereto agree that this Agreement shall be construed and interpreted under the laws of the State of Texas and acknowledge that this Agreement and any Gas Transportation Agreement were entered into and negotiated jointly by all parties hereto and not by any one or more parties to the exclusion of the other or others. Supersedes Sheet Dated      Bills Rendered On and After May 22, 1991 (Rio Grande Valley Gas Company) October 1, 1993                      <b>AUTHORITY</b>                      <b>DATE EFFECTIVE</b></p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
43637	D	Mcf	\$1.0645	03/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9703	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11492

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 08/31/2004

**INITIAL SERVICE DATE:** 06/01/2003      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** 03-010

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Meter change 9/03 to new meter number 2C829350, tariff #10249

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
11193	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>																
T-3-PtArt-IS-Transp	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T-3 South Jefferson County Service Area TRANSPORTATION SERVICE RATEAPPLICABILITYService under this rate schedule is available to any customer for the transportation of customer owned natural gas through the Company's South Jefferson County distribution system for use by customers within all areas in the Company's South Jefferson County Service Area.TERRITORYAll areas served by the Company in its South Jefferson County Service Area.RATE This rate shall be the sum of Part A, Part B, Part C, Part D and Part E as described below.Part A: A customer charge of \$300.00 per meter per month.Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the following Ccf charge:</p> <table border="0"> <tr> <td>Commercial</td> <td>Public Authority</td> <td>Industrial</td> <td>Large Volume</td> </tr> <tr> <td>.14288 per Ccf</td> <td>.13913 per Ccf</td> <td>.14609 per Ccf</td> <td></td> </tr> <tr> <td>.22828 per Ccf</td> <td>Large Volume Industrial</td> <td></td> <td>.20071 per Ccf</td> </tr> <tr> <td>Large Volume Public Authority</td> <td>.21264 per Ccf</td> <td></td> <td></td> </tr> </table> <p>Part C: Buyer shall be allowed to satisfy its lost and unaccounted for gas obligation by payment in kind. However, if lost and unaccounted for gas is not paid for in kind, a charge will be made each month to recover the cost of lost and unaccounted for gas associated with the volumes of natural gas transported for the customer. This charge will be calculated by multiplying the volume delivered to the customer by the purchase/sales ratio minus one for the Company's South Jefferson County Service Area as calculated for the twelve-month period ended in the previous June based on actual purchase and actual sales as reported to the regulatory bodies. The resultant calculated lost and unaccounted for volume will then be multiplied by the Company's cost of purchased gas for the South Jefferson County Service Area applicable to the billing period for which service is rendered, plus related fees and taxes, to calculate an amount to be billed to the customer each month. The lost and unaccounted for factor as determined above shall in no event exceed .0526 i.e. [1/1 - .05]-1 and must fall within the range of zero (0) to 5.26%. Part D: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT. as such may be amended from time-to-time which are attributable to the transportation service performed hereunder.Part E: A charge will be made each month to recover the cost of any applicable franchise fees.CONDITIONS1. Subject in all respects to applicable laws, rules and regulations from time-to-time in effect. 2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto. 4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Supersedes Same Sheet Dated Meters Read On and After August 24, 2001 March 25, 2003 (City of Port Arthur)</p>	Commercial	Public Authority	Industrial	Large Volume	.14288 per Ccf	.13913 per Ccf	.14609 per Ccf		.22828 per Ccf	Large Volume Industrial		.20071 per Ccf	Large Volume Public Authority	.21264 per Ccf		
Commercial	Public Authority	Industrial	Large Volume														
.14288 per Ccf	.13913 per Ccf	.14609 per Ccf															
.22828 per Ccf	Large Volume Industrial		.20071 per Ccf														
Large Volume Public Authority	.21264 per Ccf																

**RATE ADJUSTMENT PROVISIONS:**

None



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 11492**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
43641	D	Mcf	\$1.5298	08/01/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	11193	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 15227**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 05/23/2007

**INITIAL SERVICE DATE:** 03/01/2005                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New redelivery point effective 04/01/06

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9488	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 15227
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
CT-T-27-IS-X01	<p>CT-T-27-IS-X01 RATE COMPONENTS</p> <p>4.1 Transporter's applicable rate schedule (T022), as amended from time to time, shall govern the conditions under which transportation service is available. Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs.</p> <p>(a) Monthly meter charge \$50.00 per meter</p> <p>(b) All charges specified in Transporter's applicable Rate Schedules (T022) governing transportation service at each Point of Redelivery.</p> <p>(c) Any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; plus</p> <p>(d) To the extent the Customer requires special handling of gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter.</p> <p>(e) All amounts for any taxes (including, but not limited to, municipal franchise fees or taxes and Article 6060 Tax), fees, and Customer's lost and unaccounted-for gas volumes; plus</p> <p>(f) The full amount of any additional, new or increased taxes, fees, street rentals, license fess, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Customer, unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Customer agrees to pay this additional tax, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis; plus</p> <p>(g) Any imbalance payment owing to Transporter pursuant to the Special Provisions of Transporter's Transportation Service Tariff (T-GEN).</p>
RCR-CTX-IS-Reloc	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPRC + PPRC NV CPRC = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates. D. BILLING 1. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a component of the Company's Cost of Gas (per Ccf rate) for rate schedules: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1. 2. The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be added to the applicable cost of service usage charge (per Ccf rate) for rate schedules: T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Supersedes Same Sheet Dated Meters Read On and After September 25, 2001 May 24, 2002</p>
RCR-Rider-CTX-IS12	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER Page 1 of 1 RELOCATION COST RECOVERY RATE A. APPLICABILITY The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR, shall apply to the following rate schedules for the incorporated areas of the Central Texas Service Area: 10, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 40, 41, 42, 43, 44, 48, CNG-1, C-1, T020, T021, T022, T023, T030, T031, T032, T033, T040, T041, T042, T043, T044, T048, T049, T0C-1, CNGT. B. CURRENT RCR RATE Effective Date RCR Rate Meters Read On and After December 16, 2005 (5th RCR Filing) \$ 0.0000 per Ccf (Note 1) Meters Read On and After November 30, 2005 (6th RCR Filing) \$ 0.0111 per Ccf Total RCR Rate \$ 0.0111 per Ccf All applicable fees and taxes will be added to the above rate. (Note 1: Original filing was for \$0.0144 per Ccf effective for meters read on and after 11/30/04. Effective 12/16/05, the 5th RCR filing rate is no longer being charged.) Supersedes Same Sheet Dated Meters Read On and After November 30, 2005 December 16, 2005</p>
T-GEN-CTXSvcA-IS-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 15227
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/-05]-1 and must fall within the range of zero (0) to 5.26%.The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus:A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder.Plus:Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus:Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS1. Definitions: As used in this tariff, the following terms will have the meanings indicated:Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area.Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit.Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month.PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation.Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month.Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff.Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company.Supplier Service Agreement - a contract in the form set forth at Exhibit 1 attached hereto, setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff.Transportation Agreement - a contract between the Company and the customer, in the form set forth at Exhibit 2 attached hereto, detailing the terms and conditions upon which the customer will receive service under this tariff.Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system.2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below.5. Imbalances5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI.5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof.5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 15227
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>the imbalance.6. Cashout Procedure6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date.6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas.6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.CONDITIONS1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.3. Service under this tariff is conditioned upon the customer's execution</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 15227**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T022-CTX-IS-LgCom	<p>of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer.5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule.</p> <p>Initial Rate Meters Read On and After January 2, 2003</p> <p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T022 LARGE VOLUME COMMERCIAL TRANSPORTATION SERVICE RATE APPLICABILITYService under this rate schedule is available to any customer whose primary business activity at the location served is not provided for under any other rate schedule, and whose average usage exceeds 3,100 Ccf per monthly billing period, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.TERRITORYAll incorporated areas served by the Company in its Central Texas Service Area.COST OF SERVICE RATE During each monthly billing period:A customer charge per meter per month of \$ 150.00 plus - All Ccf per monthly billing period @ \$ 0.1151 per CcfPlus:See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).SPECIAL PROVISIONS AND CONDITIONSSee the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After October 25, 2000 January 2, 2003</p>

**RATE ADJUSTMENT PROVISIONS:**

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 15227**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
57155	D	Mcf	\$1.2670	04/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9488	**CONFIDENTIAL**			
57156	D	Mcf	\$1.2670	04/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9488	**CONFIDENTIAL**			
57157	D	Mcf	\$1.2670	04/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9488	**CONFIDENTIAL**			
57158	D	Mcf	\$1.2670	04/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9488	**CONFIDENTIAL**			
57159	D	Mcf	\$1.2670	04/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9488	**CONFIDENTIAL**			
57160	D	Mcf	\$1.2670	04/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9488	**CONFIDENTIAL**			
57161	D	Mcf	\$1.2670	04/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9488	**CONFIDENTIAL**			
62450	D	Mcf	\$1.2670	04/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9488	**CONFIDENTIAL**			
62451	D	Mcf	\$1.2670	04/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9488	**CONFIDENTIAL**			
62452	D	Mcf	\$1.2670	04/01/2006	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	9488	**CONFIDENTIAL**			

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 15227**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
57153	D	Mcf	\$1.2670	04/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9488	**CONFIDENTIAL**			
57154	D	Mcf	\$1.2670	04/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9488	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

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



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 15267

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 08/11/2004      **RECEIVED DATE:** 05/23/2006

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** None

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
24889	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

**RATE COMP. ID**      **DESCRIPTION**

BR-T-2\_Breck\_OS\_XN      BR-T-2\_Breck\_OS\_XN6

RATE COMPONENTS

Customer shall pay to Transporter each month, a cost of service rate of \$0.05 for each MMBtu of gas redelivered by Transporter to Customer at the Point(s) of Redelivery.

Balancing: Each month, the difference between the volumes of natural gas received at the Point(s) of Receipt and the volumes of natural gas delivered at the Point(s) of Delivery, (Imbalance Volumes) shall be subject to cash-out provisions as described below. During any month where receipts exceed deliveries, Transporter shall pay to the Customer an amount equal to the product of the Imbalance Volumes, stated in MMBtu, multiplied times the lower of:

(i) 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the production month; or

(ii) 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month the cash out occurs. During any month where the deliveries exceed the receipts, Customer shall pay to Transporter an amount equal to the product of the Imbalance Volumes, stated in MMBtu, multiplied times the higher of: (i) 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the production month; or (ii) 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month the cash out occurs.

RATE ADJUSTMENT PROVISION N/A

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
57173	D	MMBtu	\$0.0500	08/11/2004	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	24889	**CONFIDENTIAL**			

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 15267

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 15268**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 12/01/2004                      **RECEIVED DATE:** 05/23/2006

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** None

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
24891	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 15268**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
BR-T-3_Breck_OS_XN	BR-T-3_Breck_OS_XN5
	<p>RATE COMPONENTS</p> <p>4.1 Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs:</p> <p>(a) A cost of service rate for use of Transporter's facilities and all other service provided by Transporter for all volumes redelivered to Customer: All volumes redelivered each contract year @ \$0.17 per MMBtu; plus</p> <p>(b) All amounts for any taxes attributable to the volumes redelivered to Customer including, but not limited to Texas Utilities code 122.051(Tax), fees, and Shipper's lost and unaccounted-for obligation unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from any such taxes or fees; plus</p> <p>(c) Any third party demand charges, transport or service fees paid by Transporter on behalf of Customer associated with the transportation of gas hereunder; plus</p> <p>(d) To the extent the customer requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter; plus</p> <p>(e) In addition to the other sums payable to Transporter under this Agreement, Customer agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Customer, unless Customer has furnished Transporter satisfactory certificates showing that Customer is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Customer agrees to pay this additional taxes, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis.</p> <p>4.2 The costs described in Paragraph 4.1 above may be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs.</p> <p>4.3 With Transporter's prior written consent, which consent may be withheld at Transporter's sole option, Customer shall be allowed to satisfy its lost and unaccounted for gas obligation.</p> <p>4.4 When Transporter allows payment in kind, in addition to the volumes to be transporter hereunder, Customer shall tender to Transporter at the Point(s) of Delivery volumes of gas equal to the volumes delivered to Customer at the Point of Delivery multiplied by the most recent purchase/sales ratio for the Transporter's North Texas Service Are.</p> <p>The purchase/sales ratio shall be calculated for the twelve (12) months ended August 31st each year based on actual purchases and actual sales, adjusted to reflect all volumes transported.</p> <p>Balancing Provisions: Customer shall have thirty (30) days following the month an imbalance is created to make-up the difference between the natural gas volumes received and delivered. If Customer fails to make up such difference the difference between the volumes of natural gas received at the Point(s) of Receipt and the volumes of natural gas delivered at the Point(s) of Delivery, (Imbalance Volumes) shall be subject to cash-out provisions as described below. During any month where receipts exceed deliveries, Transporter shall pay to the Customer an amount equal to the product of the Imbalance Volumes, stated in MMBtu, multiplied times the lower of: (i) 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the production month; or (ii) 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month the cash out occurs. During any month where the deliveries exceed the receipts, Customer shall pay to Transporter an amount equal to the product of the Imbalance Volumes, stated in MMBtu, multiplied times the higher of: (i) 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the production month; or (ii) 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month the cash out occurs.</p>

**RATE ADJUSTMENT PROVISIONS:**

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 15268**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
57180	D	MMBtu	\$.1700	12/01/2004	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	24891	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.  
 NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 15269

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 08/01/2013

**INITIAL SERVICE DATE:** 01/01/2005      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 12/01/2012

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Volumetric Rate updated per 2012 COSA filing & Delete Del Pt #57152 from contract

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9418	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
CT-T-4-IS-XAI	<p>CT-T-4-IS-XAI RATE COMPONENTS 4.1 Transporter's applicable rate schedule (T022), as amended from time to time, shall govern the conditions under which transportation service is available. Customer shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Customer at the Point(s) of Redelivery during the preceding month, the sum of the following transportation fees and compression and treating costs: (a) Monthly meter charge \$100.00 per meter (Per 12/1/2012 COS Adjustment Filing) (b) A cost of service charge for the use of the Transporter's facilities and all other services provided directly by the Transporter for all volumes redelivered to Customer: (i) The first 100,000 Mcf per year @ \$0.3948 per Mcf (ii) All over 100,000 Mcf per year @ \$0.3291 per Mcf (c) To the extent the Customer requires special handling of gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter. 4.2 Customer shall resolve imbalances in accordance with the Transporter's General transportation Tariff Rate Schedule T_GEN RATE ADJUSTMENT PROVISION The cost of service charge specified in 4.1(b) above shall remain in effect through November, 2005. Effective December 1, 2005, and each Dec 1st thereafter during the term of this Agreement or any amendment or extension of this Agreement, Transporter shall have the right to adjust the cost of service charge by providing thirty (30) days' advance notice to Customer. The cost of service shall increase in direct proportion to the increase in the Transporter's Central Texas Service Area expenses as reported to the Railroad Commission of Texas in the Transporter's Annual Report to the Gas Utilities Division. The cost of service charge for each contract year, after November 2005, shall be calculated by the formula prescribed below: most recent calendar year Central Texas expenses X prior year cost of service charge previous calendar year Central Texas expenses The minimum cost of service charge for a contract year shall be the prior years' cost of service charge. The maximum cost of service charge for a contract year shall be the result of 1.05 multiplied by the prior years' cost of service charge.</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
62434	D	Mcf	\$,0000	12/01/2012	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9418	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 15269**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 18210**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 06/06/2007

**INITIAL SERVICE DATE:** 05/01/2006                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New:GSD-2 filing delayed due to resource constraints. Rate Schedule 2Z, T-GEN-DRIP initial rates effective 1/31/06.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9555	**CONFIDENTIAL**	Y	



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 18210**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-2Z-Drip-OS-Com	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T- 2Z Dripping Springs Service Area Page 1 of 1    <b>COMMERCIAL TRANSPORTATION SERVICE RATE APPLICABILITY</b> Applicable to commercial customers and to customers not otherwise specifically provided for under any other rate schedule, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system. <b>TERRITORY</b> All unincorporated areas served by the Company in its Dripping Spings Service Area. <b>COST OF SERVICE RATE</b> During each monthly billing period:                      A customer charge per meter per month of \$75.00    plus - All Ccf per monthly billing period @ \$ 0.0758    per Ccf    Plus: See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). <b>SPECIAL PROVISIONS AND CONDITIONS</b> See the Special Provisions and Conditions pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions).    Initial Rate Meters Read On and After    January 31, 2006</p>
T-GEN-ENV-Drip-OS	<p>TEXAS GAS SERVICE COMPANY Dripping Springs Service Area RATE SCHEDULE T-GEN-ENV GENERAL CHARGES, PROVISIONS AND CONDITIONS</p> <p><b>APPLICABILITY</b> Applicable to Transportation Rate Schedules.</p> <p><b>TERRITORY</b> All unincorporated areas served by the Company in its Dripping Springs Service Area.</p> <p><b>ADDITIONAL CHARGES TO COST OF SERVICE RATE</b> During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of Lost Unaccounted for Gas (LUG) volume within the Service Area. The customer's share of LUG will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its Lost Unaccounted for Gas obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder.</p> <p><b>SPECIAL PROVISIONS</b></p> <p>1. Definitions: As used in this tariff, the following terms will have the meanings indicated: <b>Aggregation Pool</b> - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. <b>Cumulative Operational Imbalance (COI)</b> - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below.</p> <p><b>Cumulative Tolerance Limit</b> - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate.</p> <p><b>Deliveries</b> - Volumes of natural gas delivered to the customer's premises pursuant to this tariff.</p> <p><b>Imbalance Volumes</b> - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. <b>Monthly Operational Imbalance (MOI)</b> - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges.</p> <p><b>Monthly Tolerance Limit</b> - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. <b>PIK</b></p>

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 18210
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**CURRENT RATE COMPONENT****RATE COMP. ID****DESCRIPTION**

Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff.

Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company.

Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff.

Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff.

Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system.

2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier.

2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier.

3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below.

4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below.

## 5. Imbalances

5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI.

5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof.

5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance.

## 6. Cashout Procedure

6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded.

6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 18210
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	(iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.
	6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments.
	6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date.
	6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas.
	6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer.
	7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier.
	8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions:
	8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.
	8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.
	8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.
	9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:
	9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated.
	9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.
	9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 18210

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.</p> <p>CONDITIONS</p> <ol style="list-style-type: none"> <li>Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect.</li> <li>All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.</li> <li>Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto.</li> <li>Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer.</li> <li>The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.</li> <li>If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.</li> <li>All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule.</li> </ol> <p>Initial Rate                      Meters Read On and After  <span style="margin-left: 200px;">January 31, 2006</span></p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
62443	D	Mcf	\$ .7580	05/01/2006	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9555	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 19204**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 01/31/2008

**INITIAL SERVICE DATE:** 08/01/2007                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New Rate Component and redelivery point effective 08/01/2007

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
28080	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 19204**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RGV-T-30-IS-X94P	<p>RGV-T-30-IS-X94P RATE COMPONENTS 4.1 Subject to the other provisions of this Agreement, Shipper shall pay to Transporter each month, for each Mcf of Gas redelivered by Transporter to Shipper at the above-described Point(s) of Redelivery during the preceding month, the sum of the following transportation fee and other costs: (a) For all volumes redelivered each month \$0.18 per Mcf; plus (b) All amounts for any taxes attributable to the volumes redelivered to Shipper (including, but not limited to Texas Utilities Code 122.051 (Tax), fees, and Shipper's lost and unaccounted-for obligation unless Shipper has furnished Transporter satisfactory certificates showing that Shipper is exempt from any such taxes or fees; plus (c) Any third party demand charges, transport or service fees paid by Transporter for the benefit of Shipper associated with the transportation of gas hereunder; plus (d) To the extent Shipper requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter; plus (e) In addition to the other sums payable to Transporter under this Agreement, Shipper agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Shipper, unless Shipper has furnished Transporter satisfactory certificates showing that Shipper is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Shipper agrees to pay this additional tax, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis; plus (f) Any imbalance payments owing to Transporter pursuant to the Special Provisions of Transporter's Transportation Service Tariff. (g) A pro-rata share of any imbalance penalties assessed against Transporter by any pipeline delivering gas supplies for Transporter's sales customers within the distribution system that includes Shipper's Delivery Points.</p> <p>4.2 Transporter retains the right to adjust the tariff rates described in Paragraph 4.1 above at any time Transporter's filed tariff rates are changed or amended. 4.3 Shipper shall notify Transporter, in writing, of any change in Shipper's facilities, equipment, or volume of consumption, which would result in the application of a different rate schedule. Upon receipt of such notice, Transporter shall apply the appropriate rate schedule commencing with the next billing following Transporter's receipt of notice.</p>
T-2-RGV-ISOS-GTC	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area Rate Schedule T-2 GENERAL TERMS AND CONDITIONS FOR FIRM TRANSPORTATIONARTICLE I. DEFINITIONS Except as otherwise specified, the following terms as used herein shall be construed to have the following scope and meaning:a. Agreement shall mean the Gas Transportation Service Agreement into which these terms and conditions are incorporated by reference.b. Billing Period shall mean the period beginning at 7:00 a.m. Local Time on or about the twenty sixth (26th) day of a calendar month and ending at 7:00 a.m. Local Time on or about the twenty sixth (26th) day of the next succeeding calendar month.c. Contract Year shall mean the twelve (12) month period commencing on the effective date hereof and each consecutive twelve (12) month period thereafter.d. British thermal unit, herein called Btu shall mean the amount of heat required to raise the temperature of one (1) pound of water, one (1) degree F from fifty eight and five tenths (58.5) degrees F to fifty nine and five tenths (59.5) degrees F.e. Cubic foot of gas shall mean the volume of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty five hundredths (14.65) psia and a standard temperature of sixty (60) degrees Fahrenheit, herein called F.f. Day shall mean the twenty four (24) hour period commencing at 7:00 a.m. Central Time on any calendar day and ending at 7:00 a.m. Central Time on the following calendar day.g. Gas shall mean natural gas, including gas well gas, casinghead gas or the residue gas resulting from processing either casinghead gas or gas well gas.h. Gross Heating Value shall mean the number of Btu's liberated by the complete combustion at constant pressure of one (1) cubic foot of gas, at a base temperature of sixty (60) degrees F and a reference pressure base equal to fourteen and sixty five hundredths (14.65) psia, with air of the temperature and pressure of the gas, after the products of combustion are cooled to the initial temperature of the gas, and after the water of combustion is condensed to the liquid state. The Gross Heating Value of the gas shall be corrected for the water vapor content of the gas being delivered except so long as the water vapor content is seven (7) pounds or less per one million (1,000,000) cubic feet, the gas shall be assumed to be dry. i. MAOP means the Maximum Allowable Operating Pressure.j. Mcf shall mean one thousand (1,000) cubic feet.k. MMBtu shall mean a quantity of gas having a Gross Heating Value of one million (1,000,000) Btu's.l. Psia shall mean pounds per square inch, absolute.m. Psig shall mean pounds per square inch, gauge.n. Transport Gas shall mean that gas owned or controlled by Shipper and delivered by Shipper or its designee to TGS at the Point(s) of Delivery on the pipeline system of TGS, as it exists from time to time, for transportation by TGS and delivery by TGS at the Point(s) of Redelivery under this Agreement; provided, however, it is understood and agreed that the gas delivered at the Point(s) of Redelivery may not be transport gas in kind, but that the transport gas will be part of the commingled delivery of gas and, for the purpose hereunder, the commingled gas can be substituted for transport gas on a heat equivalent basis.ARTICLE II. QUALITY1. The gas delivered hereunder shall:a. Contain not more than one (1) grain of hydrogen sulphide or more than twenty (20) grains of sulphur per one hundred (100) cubic feet;b. Have a Gross Heating Value of not less than nine hundred fifty (950) Btu's per cubic foot of gas when saturated with water vapor;c. Have a temperature of not greater than one hundred twenty (120) degrees F or less than forty (40) degrees F;d. Contain not more than three (3) percent by volume of carbon dioxide, one (1) percent by volume of oxygen, or two (2) percent by volume of nitrogen;e. Be commercially free of all liquids, suspended matters, dust, all gums and gum forming constituents, and other objectionable substances; andf. Contain not more than seven (7) pounds of water vapor per one million (1,000,000) cubic feet. 2. In the event the gas received or delivered hereunder should fail to meet the quality specifications stated above, then either party shall notify the other party which shall make a diligent effort to correct the situation. Either party shall have the right to refuse or accept such gas for so long as the other is unable to deliver gas conforming to such specifications, or may accept delivery of such gas or any part thereof during such period. A party's acceptance of gas that does not conform to the quality specifications stated above shall not constitute a waiver of such specifications by that party in regard to gas received or delivered under this Agreement after such acceptance. If, in TGS's sole opinion, the gas tendered hereunder becomes hazardous or is detrimental to TGS's operations, then TGS may promptly discontinue taking delivery.ARTICLE III. MEASUREMENT1. The unit of volume for measurement of gas received and delivered hereunder shall be one (1) cubic foot of gas at a base temperature of sixty (60) degrees F and at a pressure of fourteen and sixty five hundredths (14.65) psia, as provided by the Natural Resources Code of the State of Texas (Section 91.051 through 91.062 of Vernon's Texas Civil Statutes).2. All measurement facilities hereunder shall be installed and operated in accordance with the standards approved by the American National Standards Institute on June 28, 1977, and prescribed in the Gas Measurement Committee of the American Gas Association (AGA) Report Number 3 (ANSI/API 2530, First Edition), as it is now and from time to time may be revised, amended or supplemented.3. TGS shall arrange for the operation of the measuring stations located at the Point(s) of Receipt and Delivery and Redelivery. The calibrating and</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 19204

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>adjusting of meters shall be done or arranged for by TGS in compliance with Paragraphs 4 and 5 of this Article.4. Shipper shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the equipment used in measuring gas hereunder. The records from such measuring equipment shall remain the property of TGS or its representative, but upon request, TGS will submit to Shipper the records and charts, together with calculations therefrom, subject to their return within fifteen (15) days after receipt thereof, after which the charts shall be retained for a period of two (2) years. At least annually, TGS shall calibrate the meters and instruments or cause same to be calibrated. TGS shall give Shipper sufficient notice in advance of such tests so that Shipper may, at its election, be present in person or by its representative to observe adjustments, if any, which are made.5. For the purpose of measurement and meter calibration, the atmospheric (barometric) pressure shall be assumed, unless otherwise determined by the Standard Gas Measurement Law, to be fourteen and four tenths (14.4) psia at the Point(s) of Receipt and Delivery, irrespective of variations in actual atmospheric pressure from time to time.6. Temperature of the gas hereunder shall be assumed to be 60 degrees F.7. The specific gravity of the gas hereunder shall be assumed to be 0.60. The nitrogen content of the gas shall be assumed to be 0.2%. The carbon dioxide content of the gas shall be assumed to be 0.5%.8. The Gross Heating Value shall be determined at one (1) month intervals by the use of a spot or continuous sample. The Gross Heating Value of such sample to be obtained either by calorimeter or chromatographic analysis using the value of the physical constants for the gas compounds and the procedure for determining the Gross Heating Value of the gas shall be on a real gas basis in accordance with ANSI/ASTM D3588 79, as it is now and from time to time may be revised, amended or supplemented. The Gross Heating Value of the gas hereunder shall be effective for the billing period in which the sample is taken and all succeeding billing periods until that billing period in which a new sample is taken. 9. TGS shall, upon the request of a customer, make a test of the accuracy of the meter serving that customer. TGS 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 is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four (4) years, TGS is entitled to charge a fee for the test, not to exceed \$15.00, or such other fee for the testing of meters as may be set forth in TGS's tariff properly on file with the regulatory authority. The customer shall be properly informed of the result of any test on a meter that serves him. Notwithstanding the above paragraph, if the meter is found to be more than nominally defective, to either the customer's or TGS's disadvantage, any fee charged for a meter test shall be refunded to the customer. More than nominally defective means a deviation of more than two percent (2%) from accurate registration. 10. If a meter test reveals a meter to be more than nominally defective, TGS shall correct previous readings consistent with the inaccuracy found in the meter for the periods of either:a. the last six months; orb. the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by TGS if the error is to TGS's disadvantage. If a meter is found not to register for any period of time, TGS 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.ARTICLE IV. BALANCING OF DELIVERIES1. Shipper's dispatcher or Shipper's designee must notify immediately TGS's dispatcher(s) of any changes in operating conditions on Shipper's system that will cause hourly rate variations in deliveries for Shipper's account. The extent to which such hourly rate variations are permissible will be at the sole discretion of TGS's dispatcher(s).2. Based upon the daily quantity scheduled and such information as TGS has available concerning the quantity actually received, TGS will make daily delivery of Shipper's quantity of gas scheduled for transportation, after making adjustments for any prior imbalance in deliveries.3. It is the intention of TGS and Shipper that daily deliveries to Shipper at the Point(s) of Redelivery hereunder, less applicable shrinkage, will be approximately equal, on a Gross Heating Value basis, to daily receipts by TGS at the Point(s) of Delivery from Shipper to transportation hereunder. However, due to variations in operating conditions, daily and monthly deliveries hereunder by TGS may be greater or less than the corresponding receipts of gas by TGS for transportation. Any such excess or deficiency will be adjusted or corrected in gas as soon as operating conditions reasonably permit. 4. Any dispatching notice or other communications by either party under this Article IV will be given to the other party at the addresses and telephone numbers set out in the Agreement, as applicable.5. If, at the end of the term of this Agreement, either party owes gas to the other party hereunder, the party owing such gas must tender to the other party at the Point(s) herein designated, the quantity of gas so owed within thirty (30) days from such date. ARTICLE V. PRESSURE The gas delivered by Shipper or its designee at the Point(s) of Delivery hereunder shall be delivered at a pressure sufficient to overcome the operating pressure existing in TGS's facilities from time to time; provided, however, in no event shall such delivery pressure exceed the MAOP of the system receiving the gas. The gas delivered at the Point(s) of Redelivery shall be delivered by TGS at the pressure existing from time to time in TGS's facilities.ARTICLE VI. BILLING AND PAYMENT On or before the twentieth (20th) day of each calendar month, TGS will render to Shipper a statement setting forth the total quantity of gas, in terms of Mcf (adjusted for applicable shrinkage) received at the Point(s) of Redelivery hereunder, during the immediately preceding billing period and the amount payable for the transportation thereof. Shipper agrees to pay TGS the full amount payable according to such statement on or before the fifteenth (15th) day of each month. If Shipper, in good faith, disagrees with the amount of any invoice, Shipper shall immediately notify TGS of such disagreement, so that the difference may be resolved before the date for payment of this invoice. If Shipper fails to give such notification, or if Shipper and TGS do not resolve such disagreement before the due date, the amount of the invoice not in dispute shall be paid by Shipper on the due date, such payment to be subject to adjustment, without penalty, upon final resolution of the disagreement. The remittance address shall be such address as reflected on TGS's statement from time to time. Each party shall have the right to examine at all reasonable times the books, records, and charts of the other to the extent necessary to verify or audit the accuracy of any statement, bill, chart, or computation made under or pursuant to this Agreement. Any statement shall be final as to all parties, unless questioned within two (2) years after payment thereof has been made. ARTICLE VII. FORCE MAJEURE1. Definition of Force Majeure: The term force majeure as employed herein shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts or other industrial disturbances, inability to obtain pipe or other material or equipment or labor, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or pipelines, and any other cause whether of the kind herein enumerated or otherwise, not</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 19204

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to overcome.2. Effect of Force Majeure: In the event of either Shipper or TGS being rendered unable by force majeure to itself or a necessary third party to wholly or in part carry out its obligations under the provisions of this Agreement, it is agreed that the obligations of the party affected by such force majeure, other than the obligation to make payments thereunder, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch. Nothing contained herein, however, shall be construed to require either party to settle a strike against its will. 3. If a party claims force majeure that affects one or more Delivery Point(s), nothing herein contained shall require the party claiming force majeure to make deliveries or to take gas at an alternative Delivery Point. Subject to then existing applicable regulatory requirements, should the gas available to Shipper for sale be reduced due to force majeure, TGS may, at its sole discretion, reduce or completely stop deliveries to Shipper, for whatever reason.ARTICLE VIII. WARRANTY OF TITLE Each party hereby warrants title to all gas received or delivered by it hereunder to, or for the account of, the other party, that it has the right to deliver same and that such gas is free from all liens and adverse claims of every kind. Each party will defend, and save the other party harmless against all loss, damage and expense of any character with respect to the gas received or delivered by it or on account of royalties, taxes, payments of other charges applicable before or upon receipt or delivery of gas hereunder. ARTICLE IX. POSSESSION OF GAS TGS will be deemed to be in possession of the gas delivered hereunder by Shipper only from the time it is received by TGS at the Point(s) of Delivery for transportation hereunder until it is delivered to Shipper at the Point(s) of Redelivery, as provided for herein. Shipper will be deemed to be in possession of such gas prior to such receipt and after such delivery. TGS will have no responsibility for damage or injury hereunder with respect to such gas before receipt by it or after delivery to Shipper. Shipper will have no responsibility for damage or injury hereunder with respect to such gas while it is deemed hereunder to be in TGS's possession. ARTICLE X. MISCELLANEOUS1. Notwithstanding any provisions herein to the contrary, in the event that initial deliveries fail to occur within ninety (90) days of the date hereof, TGS shall have the right, at its sole discretion, to cancel this agreement without prior notice.2. Further, if receipts and/or deliveries at any Point(s) of Delivery or Redelivery hereunder shall cease for a period exceeding ninety (90) days, TGS shall have the right without prior notice to delete such Point(s) of Delivery or Redelivery and remove equipment not utilized for the prescribed period, or to cancel this Agreement in its entirety if all the Point(s) of Delivery and Redelivery hereunder are so affected.3. This Agreement shall extend to and be binding upon the successors and assigns of the respective parties hereto, but no assignment or change of interest shall have the effect of releasing the assigning party from any of its obligations hereunder, unless such release of said assigning party is assented to in writing by the other party to whom the obligations are owing hereunder, such agreement not to be unreasonably withheld.4. This Agreement and any Gas Transportation Service Agreement (including its exhibits and addenda, if any), contains the entire agreement between the parties and supersedes all oral discussions, negotiations, representations, or agreements relating to the subject matter of this Agreement. No changes in this Agreement shall be made or be binding on any party unless made in writing. The paragraph headings are not part of this Agreement and shall not be deemed to affect the meaning or construction of any of its provisions. 5. This Agreement and all operations hereunder are subject to the applicable orders, rules and regulations of the Railroad Commission of Texas, and of any other federal or state authority having or asserting jurisdiction and shall not be construed as a waiver of any right to question or contest any such law, order or regulation in any forum having jurisdiction in the premises.6. The parties hereto agree that this Agreement shall be construed and interpreted under the laws of the State of Texas and acknowledge that this Agreement and any Gas Transportation Agreement were entered into and negotiated jointly by all parties hereto and not by any one or more parties to the exclusion of the other or others. Supersedes Sheet Dated Bills Rendered On and After May 22, 1991 (Rio Grande Valley Gas Company) October 1, 1993 AUTHORITY DATE EFFECTIVE</p>

**RATE ADJUSTMENT PROVISIONS:**  
None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
65642	D	Mcf	\$.1800	08/01/2007	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	28080	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	



## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 19204**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 19303

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 03/04/2008

**INITIAL SERVICE DATE:** 01/01/2007      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New redelivery point effective 01/01/2007

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
28412	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
CT-T-28-OS-MB	RATES 4.1 Subject to the other provisions of this Agreement, beginning on January 1, 2007, Shipper shall pay to Transporter each month, for each MMBtu of Gas redelivered by Transporter to Shipper at the above-described Point(s) of Redelivery during the preceding month, the sum of the following transportation fee and other costs: (a) A monthly customer charge of \$150.00 per month. For all volumes redelivered each month \$1.151 per MMBtu; plus (b) All amounts for any taxes attributable to the volumes redelivered to Shipper (including, but not limited to Texas utilities Code 122.051 (Tax), fees, and Shipper's lost and unaccounted-for obligation unless Shipper has furnished Transporter satisfactory certificates showing that Shipper is exempt from any such taxes or fees; plus (c) Any third party demand charges, transport or service fees paid by Transporter on behalf of Shipper associated with the transportation of gas hereunder; plus (d) A lost and unaccounted for allowance of 2% will be added to the volumes redelivered each month to Shipper's distribution customers. (e) In addition to the other sums payable to Transporter under this Agreement, Shipper agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other governmental authority against transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Shipper, unless Shipper has furnished Transporter satisfactory certificates showing that Shipper is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Shipper agrees to pay this additional tax, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis; plus 4.2 The costs described in Paragraph 4.1 above may be adjusted from time to time to reflect any changes, as determined by Transporter, in such costs.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
66215	D	Mcf	\$.0000	01/01/2007	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	28412	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 19303**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 19504

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 02/01/2004      **RECEIVED DATE:** 05/02/2008

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** TGS took over contracts from TGS RIO eff. 06/01/07

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
28612	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RGV-T-32-ISOS-600	The Customer shall pay each Month: 1) a meter operation charge of Three Hundred Seventy-Five Dollars (\$375.00); 2) for each MMBtu of gas delivered by Transporter to Customer at the point(s) of delivery : \$0.21 per MMBtu; 3) Transporter shall retain a percentage of the MMBtu received at the Point(s) of Receipt for fuel and line loss of 0.50%. <b>MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT 25,000 MMBTU/day</b> Daily Delivery Imbalance: Shipper shall be assessed a charge for each MMBTU of Daily Delivery Imbalance pursuant To the following fee schedule: Actual deliveries above or below the Scheduled Daily Rate 0 to 10% MMBTU per day variance - no charge Greater than 10% up to 20% per day variance - \$0.15 per MMBTU Greater than 20% per day variance - \$0.20 per MMBTU 6. Taxes and Governmental Fees: Customer shall be liable for and shall pay, cause to be paid, or reimburse Transporter if Transporter has paid, causes to be paid or becomes obligated to pay, any Taxes or Governmental Fees attributable to or associated with any or all of the following: (i) any service or transaction to be performed by Transporter or its designee under this Agreement, and (ii) any payment by Transporter or its designee to Customer or Customer's designee under this Agreement. Customer further agrees to pay any and all filing fees that Transporter or its designee may be required to pay to any regulatory agency or governmental body with respect to this Agreement, or the transaction service performed hereunder. The provisions of this Article shall survive termination of this Agreement. Taxes means any or all occupation, severance, production, extraction, first use, conservation, Btu or energy, gathering, transport, pipeline, utility, gross receipts, gas or oil revenue, gas or oil import, privilege, sales, use, consumption, excise, lease, transaction, and other taxes or New Taxes, governmental charges or fees, licenses, fees, permits and assessments, or increases therein, and any interest or penalties on such taxes, charges, licenses, fees, permits, New Taxes and assessments, other than taxes based on net income or net worth and Governmental Fees. New Taxes means (i) any Taxes enacted and effective after the Effective Date, including, without limitation, that portion of any Taxes or New Taxes that constitutes an increase, or (ii) any law, order, rule or regulation, or interpretation thereof, enacted and effective after the Effective Date resulting in the application of any Taxes to a new or different class of parties. Governmental Fees means any and all privilege, franchise fees, charges, user fees or rentals levied by governmental entities in exchange for the grant of privileges relating to use of land or improvements thereon.
RGV-T-34-ISOS-GTC	Service is provided pursuant to the terms and conditions set out in the Company's Statement of Operating Conditions. A copy of the Company's Statement of Operating Conditions can be obtained by contacting: Texas Gas Service Company Attn: Contract Administration 1301 S. Mopac Expressway, Ste. 400 Austin, TX 78746 Phone: (512) 370-8661 Fax: (512) 476-4966

**RATE ADJUSTMENT PROVISIONS:**

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 19504**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
66572	D	Mcf	\$.2100	06/01/2007	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	28612	**CONFIDENTIAL**			
66574	D	Mcf	\$.2100	06/01/2007	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	28612	**CONFIDENTIAL**			
66573	D	Mcf	\$.2100	06/01/2007	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	28612	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 19508

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 04/01/2004      **RECEIVED DATE:** 05/02/2008

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** TGS took over contracts from TGS RIO eff. 06/01/07

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
28613	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RGV-T-33-ISOS-Firm	The Customer shall pay each Month, for each MMBtu of gas redelivered by Transporter to Customer at the point(s) of redelivery a cost of service charge of: \$0.23 per MMBtu plus 1% Fuel Subject to Pipeline Balancing. In addition to the other sums payable to Transporter, Customer agrees to pay Transporter Taxes and Governmental Fees. Customer shall be liable for and shall pay, cause to be paid, or reimburse Transporter if Transporter has paid, causes to be paid or becomes obligated to pay, any Taxes or Governmental Fees attributable to or associated with any or all of the following: (i) any service or transaction to be performed by Transporter or its designee under this Agreement, and (ii) any payment by Transporter or its designee to Customer or Customer's designee under this Agreement. Customer further agrees to pay any and all filing fees that Transporter or its designee may be required to pay to any regulatory agency or governmental body with respect to this Agreement, or the transaction service performed hereunder. The provisions of this Article shall survive termination of this Agreement. Taxes means any or all occupation, severance, production, extraction, first use, conservation, Btu or energy, gathering, transport, pipeline, utility, gross receipts, gas or oil revenue, gas or oil import, privilege, sales, use, consumption, excise, lease, transaction, and other taxes or New Taxes, governmental charges or fees, licenses, fees, permits and assessments, or increases therein, and any interest or penalties on such taxes, charges, licenses, fees, permits, New Taxes and assessments, other than taxes based on net income or net worth and Governmental Fees. New Taxes means (i) any Taxes enacted and effective after the Effective Date, including, without limitation, that portion of any Taxes or New Taxes that constitutes an increase, or (ii) any law, order, rule or regulation, or interpretation thereof, enacted and effective after the Effective Date resulting in the application of any Taxes to a new or different class of parties. Governmental Fees means any and all privilege, franchise fees, charges, user fees or rentals levied by governmental entities in exchange for the grant of privileges relating to use of land or improvements thereon.
RGV-T-34-ISOS-GTC	Service is provided pursuant to the terms and conditions set out in the Company's Statement of Operating Conditions. A copy of the Company's Statement of Operating Conditions can be obtained by contacting: Texas Gas Service Company Attn: Contract Administration 1301 S. Mopac Expressway, Ste. 400 Austin, TX 78746 Phone: (512) 370-8661 Fax: (512) 476-4966

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
66570	D	Mcf	\$ .2300	06/01/2007	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	28613	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 19508**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 20892**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 03/02/2009

**INITIAL SERVICE DATE:** 05/01/2008                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New delivery point effective 05/01/2008

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
29643	**CONFIDENTIAL**	Y	



GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 20892

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RGV-T-35-OS-25035	<p>RATES 4.1 Transporter's applicable Rate Schedule, as amended from time to time, shall govern the conditions under which transportation service is available. Subject to the other provisions of this Agreement, beginning on the date deliveries of gas commence hereunder, Shipper shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Shipper at the above described Point(s) of Redelivery during the preceding month, the sum of the following: (a) During each monthly billing period, a per-meter charge as set forth at Exhibit A; plus (b) All charges specified in Transporter's applicable Rate Schedule governing transportation service at each Point of Redelivery as shown on Exhibit C, as amended from time to time; plus (c) Any third party demand charges, transport or service fees paid by Transporter for the benefit of Shipper associated with the transportation of gas hereunder; plus (d) To the extent Shipper requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter; plus (e) All amounts for any taxes (including, but not limited to, municipal franchise fees or taxes and Article 6060 fee), fees, and Shipper's lost and unaccounted-for gas volumes; plus (f) In addition to the other sums payable to Transporter under this Agreement, Shipper agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Shipper, unless Shipper has furnished Transporter satisfactory certificates showing that Shipper is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Shipper agrees to pay this additional tax, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis; plus (g) Any imbalance payments owing to Transporter pursuant to the Special Provisions of Transporter's Transportation Service Tariff. (h) A pro-rata share of any imbalance penalties assessed against Transporter by any pipeline delivering gas supplies for Transporter's sales customers within the distribution system that includes Shipper's Delivery Points. 4.2 Transporter retains the right to adjust the tariff rates described in Paragraph 4.1 above at any time Transporter's filed tariff rates are changed or amended. 4.3 Shipper shall notify Transporter, in writing, of any change in Shipper's facilities, equipment, or volume of consumption, which would result in the application of a different rate schedule. Upon receipt of such notice, Transporter shall apply the appropriate rate schedule commencing with the next billing following Transporter's receipt of notice. EXHIBIT A To the Gas Transportation Agreement between TEXAS GAS SERVICE COMPANY (Transporter) and DONNA IRRIGATION DISTRICT, (Shipper). Effective Date of Agreement: May 1, 2008 Rate: \$0.40 per Mcf Customer Charge: \$75.00 per Meter</p>
T-GEN-RGV-IS-GTC	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Rio Grande Valley Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1 for the incorporated areas or Rate Schedule 1-ENV for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. For customers or qualified suppliers shipping excess gas off the distribution system, PIK shall in no event exceed 1%. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: Additional charges may be made at the Company's sole discretion for compression, treating, or similar services if the customer or qualified supplier is shipping excess gas off the distribution system. Plus Notwithstanding anything herein to the contrary, in addition to the Rates set forth above, the Company shall bill each transportation customer, in the incorporated area of McAllen only, a surcharge of \$0.12 per Mcf during the billing period in accordance with the Settlement Agreement dated March 10, 2003 and Amendment dated May 5, 2003 between the Company and the City of McAllen, Texas. The surcharge shall be effective only until the settlement payment allocated to transportation customers pursuant to the Settlement Agreement and Amendment is collected by the Company. Plus Notwithstanding anything herein to the contrary, in addition to the Cost of Gas, the Company shall bill each transportation customer, in the incorporated areas of the Rio Grande Valley Service Area a rate case expense surcharge of \$0.00511 per Ccf during the billing period in accordance with the Settlement Agreement and Term Sheet dated July 10, 2006 and the applicable city ordinance by and among the Company and the Cities in regard to the Company's Statement of Intent to Increase rates filed on March 30, 2006. The rate case expense surcharge shall be effective only until the rate case expenses are collected. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20892
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>reasonably reliable and reasonably accurate. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each agreement. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. Upon receipt of notification of change of supplier, the Company will verify notification of termination of current supplier, verify all documentation of qualification of new supplier is executed, and establish an effective date for the change. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded, plus (ii) any applicable franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from applicable franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within thirty (30) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1 for the incorporated areas or Rate Schedule 1-ENV for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 20892

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions:</p> <p>8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the month for which the final COI was calculated, plus (ii) any applicable franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel. Supersedes Rate Schedules Dated Meters Read On and After October 1, 1993 T-1 and T-2 (General Terms July 31, 2006 (Incorporated only) and Conditions for Firm Transportation)</p>

**RATE ADJUSTMENT PROVISIONS:**  
None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 20892**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
69135	D	Mcf	\$.4000	05/01/2008	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	29643	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 20893**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 03/02/2009

**INITIAL SERVICE DATE:** 05/01/2008                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New delivery point effective 05/01/2008

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
29643	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20893
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GEN-RGV-IS-GTC	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Rio Grande Valley Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule:</p> <p>Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1 for the incorporated areas or Rate Schedule 1-ENV for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. For customers or qualified suppliers shipping excess gas off the distribution system, PIK shall in no event exceed 1%. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: Additional charges may be made at the Company's sole discretion for compression, treating, or similar services if the customer or qualified supplier is shipping excess gas off the distribution system. Plus Notwithstanding anything herein to the contrary, in addition to the Rates set forth above, the Company shall bill each transportation customer, in the incorporated area of McAllen only, a surcharge of \$0.12 per Mcf during the billing period in accordance with the Settlement Agreement dated March 10, 2003 and Amendment dated May 5, 2003 between the Company and the City of McAllen, Texas. The surcharge shall be effective only until the settlement payment allocated to transportation customers pursuant to the Settlement Agreement and Amendment is collected by the Company. Plus Notwithstanding anything herein to the contrary, in addition to the Cost of Gas, the Company shall bill each transportation customer, in the incorporated areas of the Rio Grande Valley Service Area a rate case expense surcharge of \$0.00511 per Ccf during the billing period in accordance with the Settlement Agreement and Term Sheet dated July 10, 2006 and the applicable city ordinance by and among the Company and the Cities in regard to the Company's Statement of Intent to Increase rates filed on March 30, 2006. The rate case expense surcharge shall be effective only until the rate case expenses are collected. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each agreement. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. Upon receipt of notification of change of supplier, the</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 20893

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Company will verify notification of termination of current supplier, verify all documentation of qualification of new supplier is executed, and establish an effective date for the change. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded, plus (ii) any applicable franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from applicable franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within thirty (30) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1 for the incorporated areas or Rate Schedule 1-ENV for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to:</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 20893

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RGV-T-35-OS-25035	<p>(i) the final COI volume, stated in MMBtu, multiplied by 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the month for which the final COI was calculated, plus (ii) any applicable franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel. Supersedes Rate Schedules Dated Meters Read On and After October 1, 1993 T-1 and T-2 (General Terms July 31, 2006 (Incorporated only) and Conditions for Firm Transportation)</p> <p>RATES 4.1 Transporter's applicable Rate Schedule, as amended from time to time, shall govern the conditions under which transportation service is available. Subject to the other provisions of this Agreement, beginning on the date deliveries of gas commence hereunder, Shipper shall pay to Transporter each month, for each Mcf of gas redelivered by Transporter to Shipper at the above described Point(s) of Redelivery during the preceding month, the sum of the following: (a) During each monthly billing period, a per-meter charge as set forth at Exhibit A; plus (b) All charges specified in Transporter's applicable Rate Schedule governing transportation service at each Point of Redelivery as shown on Exhibit C, as amended from time to time; plus (c) Any third party demand charges, transport or service fees paid by Transporter for the benefit of Shipper associated with the transportation of gas hereunder; plus (d) To the extent Shipper requires special handling of the gas transported hereunder, all costs (including, but not limited to, a rate of return and compensation of overhead, administration and depreciation) for compression, treating or similar services provided by Transporter; plus (e) All amounts for any taxes (including, but not limited to, municipal franchise fees or taxes and Article 6060 fee), fees, and Shipper's lost and unaccounted-for gas volumes; plus (f) In addition to the other sums payable to Transporter under this Agreement, Shipper agrees to pay Transporter the full amount of any additional, new or increased taxes, fees, street rentals, license fees, franchise taxes or fees or charges of every kind and character contracted, levied or assessed by any federal, state, municipal or other governmental authority against Transporter in connection with or attributable to the transportation, delivery, redelivery, use or other handling of the gas transported on behalf of Shipper, unless Shipper has furnished Transporter satisfactory certificates showing that Shipper is exempt from the applicable taxes, fees or charges. Subject to any necessary regulatory approvals, Shipper agrees to pay this additional tax, fee or charge whether asserted on a retroactive basis or whether applied on a going forward basis; plus (g) Any imbalance payments owing to Transporter pursuant to the Special Provisions of Transporter's Transportation Service Tariff. (h) A pro-rata share of any imbalance penalties assessed against Transporter by any pipeline delivering gas supplies for Transporter's sales customers within the distribution system that includes Shipper's Delivery Points. 4.2 Transporter retains the right to adjust the tariff rates described in Paragraph 4.1 above at any time Transporter's filed tariff rates are changed or amended. 4.3 Shipper shall notify Transporter, in writing, of any change in Shipper's facilities, equipment, or volume of consumption, which would result in the application of a different rate schedule. Upon receipt of such notice, Transporter shall apply the appropriate rate schedule commencing with the next billing following Transporter's receipt of notice. EXHIBIT A To the Gas Transportation Agreement between TEXAS GAS SERVICE COMPANY (Transporter) and DONNA IRRIGATION DISTRICT, (Shipper). Effective Date of Agreement: May 1, 2008 Rate: \$0.40 per Mcf Customer Charge: \$75.00 per Meter</p>

**RATE ADJUSTMENT PROVISIONS:**

None



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 20893**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
69136	D	Mcf	\$.4000	05/01/2008	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	29643	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 22592**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 02/19/2010

**INITIAL SERVICE DATE:** 09/01/2009                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** see ORD-CTX-IS

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New transportation delivery point.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
31502	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 22592
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
CT-T-29-IS-XSU	CT-T-29-IS-XSU RATE COMPONENTS The transportation rate shall be: Monthly Customer Fee: \$10.50 per meter for each and every Month. Monthly Delivery Fee: \$0.40 per Mcf
T-GTC-CTX-IS-Trans	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GTC ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT (Continued) 7.9 The accuracy of the measuring and testing equipment shall be verified according to Company's standard for the device being used and at other reasonable times upon request of Customer or Company. Gas quality tests may be made at times of equipment testing or at other reasonable times. Unless a test is requested by Customer, notice of the time and nature of each test shall not be given by Company. If a test is requested by a Customer, then Company shall give Customer notice sufficiently in advance to permit Customer to have a representative present. Representatives of both Customer and Company may be present to observe such tests. The results of any such tests shall be considered accurate until the next tests are made. All tests of measuring equipment shall be made at Company's expense, except that Customer shall bear the expense of tests made at its request if the inaccuracy found is two percent (2%) or less. 7.10 If, at any time, any of the measuring or testing equipment is found to be out of service, or registering inaccurately of any percentage, it shall be adjusted at once to read accurately within the limits prescribed by the manufacturer. If such equipment is out of service or inaccurate by an amount exceeding two percent (2%) at a reading corresponding to the average rate of flow for the period since the last preceding test, the previous reading of such equipment shall be disregarded for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of time equal to one-half of the elapsed time since the last test. The volume of Gas delivered during such period shall be estimated (i) by using the data recorded by any check measuring equipment if installed and accurately registering, or if not installed or registering accurately, (ii) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither such method is feasible, (iii) by estimating the quantity or quality delivered based upon deliveries under similar conditions during a period when the equipment was registering accurately. No adjustment shall be made for recorded inaccuracies of two percent (2%) or less. 7.11 The parties hereto shall have the right to inspect equipment installed or furnished by the other or third-party operators and the charts and other measurement or testing data of all such parties at all times during business hours; but the reading, calibration, and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing the same. The parties hereto shall preserve all original test data, charts, and other similar records in such party's possession for a period of at least twenty-four (24) months. Measurement data corrections should be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. 7.12 At every Point of Receipt and every Point of Delivery, the party having control over such facility shall allow the other party immediate access to the receipt and delivery information as it is generated by the party having such control. With respect to all Points of Receipt and Points of Delivery that have electronic flow measurement, both parties shall have remote telephone and electronic access to the receipt and delivery information generated at such Point of Receipt and Point of Delivery. ARTICLE 8 TITLE TO AND RESPONSIBILITY FOR GAS 8.1 Customer and Company, respectively, warrant title to all Gas delivered by it into or from the Pipeline System hereunder, and each of Customer and Company, respectively, warrant and represent each has the right to deliver the Gas hereunder, and that such Gas is free from liens and adverse claims of every kind. Customer agrees to indemnify and save Company harmless from and against all loss, damage, claims, and expense of every character with respect to Gas delivered by it on account of royalties, taxes, payments, liens, or other charges or claims arising (i) before or created upon delivery of said Gas into the Pipeline System, and (ii) upon and after delivery of said Gas from the Pipeline System to Customer. 8.2 Subject to compliance with the provisions of Section 8.1 above, Company warrants that title to all Gas delivered hereunder by Customer is free from liens and adverse claims of every kind. Company agrees to indemnify and save Customer harmless from and against all loss, damage, claims, and expense of every character with respect to Gas to be delivered at the Point of Delivery on account of royalties, taxes, payments, liens, or other charges or claims arising after delivery of Gas to and before withdrawal thereof from the Pipeline System by Customer. 8.3 As between the parties hereto, Customer or its supplier shall be deemed to be in the exclusive control and possession of the Gas until such Gas has been delivered to Company at the Point of Receipt, and after its withdrawal by Customer at the Point of Delivery. After Customer's or Customer's suppliers' delivery of such Gas at the Point of Receipt, Company shall thereafter be deemed to be in the exclusive control and possession of such Gas until its withdrawal by Customer at the Point of Delivery. The party which shall be in the exclusive control and possession of such Gas shall be responsible for all in injury or damage caused thereby and shall be responsible for any loss of Gas while in its possession, except with regard to injury, damage or loss caused by or arising out of the negligence of the nonpossessory party. 8.4 The Pipeline System shall at all times remain the property of Company, and Customer shall have no right or property interest therein but only the right for the transportation of Gas. ARTICLE 9 FORCE MAJEURE AND CASUALTY 9.1 If either Company or Customer is rendered unable, wholly or in part, by reason of force majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended. Any force majeure event (other than labor disputes, strikes, or lockouts) shall be remedied so far as possible with reasonable dispatch. Settlement of strikes, lockouts, and labor disputes shall be wholly within the discretion of the party having the difficulty. The term force majeure shall include, but is not limited to, the following: acts of God and the public enemy; the elements; fire, accidents, breakdowns, strikes; any industrial, civil, or public disturbance; inability to obtain or delay in obtaining rights-of-way, material, supplies, permits, or labor; any act or omission by parties not subject to control by the party hereunder having the difficulty; and any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military. If pursuant to the foregoing Company curtails or temporarily discontinues the receipt or delivery of Gas hereunder, Customer agrees to hold Company harmless from any loss, claim, damage, or expense that Customer may incur by reason of such curtailment or discontinuance. 9.2 If a portion of the Pipeline System required to make the transportation service available is partially damaged by fire or other casualty, the damage may be repaired by Company, at its option and in its sole discretion, as speedily as practicable, due allowance being made for the time taken for the settlement of insurance claims. Until such repairs are made, the payments shall be apportioned in proportion to the portion of the capacity of the Pipeline System which is still available for the purposes hereof, such determination to be made in the sole discretion of Company. If the damage is so extensive as to render the Pipeline System wholly unusable, in Company's sole opinion, the payments, if any, shall cease until such time as the Pipeline System is again useable. In case the damage shall, in Company's sole opinion, amount substantially to a destruction of the portion of the Pipeline System available for the transportation of Gas and Company shall elect not to</p>

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 22592
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<b>CURRENT RATE COMPONENT</b>
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<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>repair the damage, then the Agreement shall terminate at the time of such damage, and Company shall not be liable to Customer for any liability, damage, or claim which arises out of any failure to make repairs. ARTICLE 10 GOVERNMENTAL RULES, REGULATIONS, AND AUTHORIZATIONS; INTERPRETATION OF AGREEMENT 10.1 The Agreement is subject to all valid orders, laws, rules, and regulations of duly constituted municipal, State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or Gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies. 10.2 The Agreement shall be interpreted under the laws of the State of Texas, excluding any law thereof directing the application of the laws of another jurisdiction. ARTICLE 11 MISCELLANEOUS 11.1 Any modification of terms, or amendment of any provisions hereof, shall become effective only by supplemental written agreement between the parties. 11.2 (A) Any of the following events or conditions shall constitute a default of Customer under the Agreement: (1) Default in the delivery of any payment or any sums hereunder for a period of sixty (60) Days after the same becomes due; (2) Any other breach of the material terms and conditions of the Agreement and the failure of Customer to cure such breach within thirty (30) Days after written demand by Company or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Customer shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured; (3) Customer shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Customer; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Customer (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; or (5) If any certificate, statement, representation, or warranty furnished by Customer proves to be false or incomplete in any material respect. (B) Upon the happening of any event of default as set forth in subparagraph 11.2(A) above, Company shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Customer the sum of all transportation payments and all other amounts due and owing under the Agreement plus the sum of all transportation payments and other amounts to become payable during the balance of the term of the Agreement; (2) Retake possession of the entire capacity of the Pipeline System without any court order or other process of law and without any rights of Company being thereupon terminated; (3) Terminate the Agreement and the Exhibits; (4) Pursue any other remedy at law or in equity. (C) Any of the following events or conditions shall constitute an Event of Default with respect to Customer under the Agreement: (1) Default in the crediting of any sums due to Customer or in the payment of any other sums due to Customer under the Agreement for a period of ninety (90) Days after the same is established by Company to have become due; (2) Company's breach of any material term or condition of the Agreement and the failure of Company to cure such breach within thirty (30) Days after written demand by Customer or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Company shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured. (3) Company shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Company; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Company, (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; (D) Upon the happening of any event of default as set forth in subparagraph 11.2(C) above, Customer shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Company the sum of all outstanding credits and other amounts due and owing under the Agreement; (2) Terminate the Agreement and the Exhibits; (3) Pursue any other remedy at law or in equity. (E) The rights granted to Company and Customer hereunder shall be cumulative as to each and action on one shall not be deemed to constitute an election or waiver of any other right to which Company or Customer may be entitled. (F) Upon the termination of the Agreement, whether by lapse or time or otherwise, Customer will surrender any and all rights in the Pipeline System immediately. 11.3 Company shall not be liable for damages resulting from interruption of service, when such interruption is necessary to make repairs, changes, or adjustments in Company's equipment and facilities. 11.4 No waiver by Company or Customer of any default or the other under the Agreement shall operate as a waiver of any future default, whether of a like or different character. 11.5 The Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. In the event Customer sells, leases or otherwise transfers its distribution system to a third party, whether voluntarily or involuntarily, then Customer agrees, as a part of such sale, lease or transfer, to assign to such third party and to require such third party to accept the assignment of the Agreement and the Exhibits included therein, subject to the provisions of the following sentence. Neither the Agreement nor the Exhibits attached thereto nor the rights and obligations of Customer hereunder may be assigned without the consent of Company, which consent shall not be unreasonably withheld. 11.6 Customer will not mortgage, create a security interest in, or encumber the Agreement, or sublet the rights granted hereby, or permit its use by others, or pledge, loan, sublet, create a security interest in, or in any other manner attempt to dispose of such rights, or permit its use by others, or suffer any liens or legal process to be incurred or levied thereon; provided, however, that Customer may grant a security interest or similar encumbrance in connection with any existing financing arrangement associated with Customer's facility. 11.7 Except as provided below, Customer shall pay all fees, taxes, charges, and assessments imposed by or on behalf of any governmental entity in connection with the Agreement or in connection with the purchase, transportation, and disposition of Gas by or on behalf of Customer pursuant to the Agreement including but not limited to municipal and/or supplemental fees, franchise fees and any supplements thereto and taxes; provided that Company</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 22592

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>shall pay all ad valorem taxes and assessments levied on the Pipeline System and all appurtenant facilities. Company shall file all returns required for the Pipeline System and all appurtenant facilities. Customer will furnish Company with any information available to Customer in connection with Company's obligations under this section. 11.8 Company and Customer agree to exercise and take reasonable steps necessary to safeguard and cause their officers, directors, employees, agents, advisers, and representatives to safeguard the confidentiality of the Agreement and the terms and conditions thereof (as contrasted with the existence and effectiveness of the Agreement which are not confidential) and not to disclose any part of it or any information derived there from or any negotiations relating thereto to any party or person except that limited number of people within Company's and Customer's organizations, and their advisers, lenders and potential investors, as may need to know the terms and conditions hereof in order to evaluate, understand, execute and perform the Agreement. Company and Customer agree not to copy or permit the copying of the Agreement, except as may be necessary for their operations. In the event Customer or Company or any of their officers, directors, employees, agents, or representatives, is requested or required (by oral or written question or request for information or documents in legal proceedings, interrogatories, subpoena, Civil Investigative Demand or similar process) to disclose any information concerning the Agreement or the terms and conditions thereof or any negotiations relating thereto, it is agreed that the party receiving such question or request will provide the other parties with prompt notice thereof so that such other parties may seek a protective order or other appropriate relief or a release from the other parties. It is further agreed that if, in the absence of a protective order or receipt of a release, the other party is compelled to disclose such information or else stand liable for contempt or suffer other censure or penalty or adverse effect, then such party may disclose such information. The parties hereto are further authorized to make disclosure of the Agreement as may be required by Federal, state, or local regulation or agency or as may be required by auditors or accountants in connection with the preparation of financial statements or tax returns. Disclosure hereunder shall not constitute a basis for defense, termination, or modification of the Agreement. ARTICLE 12 DISPUTE RESOLUTION 12.1 Any dispute arising out of or relating to this Agreement for which a claim or demand is asserted that is equal to or exceeds a value of \$25,000 shall be resolved in accordance with the procedures specified in this Article 12, which shall be the sole and exclusive procedures for the resolution of any such disputes. The cost of conducting the dispute resolution process, including the fees and expenses of any arbitrators, shall be shared equally by the parties, and each party shall bear its own costs, including any attorneys' fees or other expenses incurred in the process. Each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances. 12.2 Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between management level personnel who have authority to settle the controversy. Any person may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. Within thirty (30) days after delivery of the initial notice, the designated managing personnel of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. 12.3 Arbitration. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation as provided above within sixty (60) days after initiation of negotiations shall be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect by (i) a sole arbitrator agreed upon by the parties if the dispute is between \$25,000 and \$250,000, or (ii) three independent and impartial arbitrators, of whom each party shall designate one, if the dispute is in excess of \$250,000. All arbitrators shall be knowledgeable in the natural gas industry. The arbitrator(s) shall have no authority to award consequential, punitive or exemplary damages. Provided, however, if one party fails to participate in the negotiation as agreed herein, the other party can commence arbitration prior to the expiration of the time periods set forth. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. Unless otherwise agreed, the place of arbitration shall be Austin, Texas. Initial Rate Schedule Meters Read On and After June 30, 2009 (Other Cities) July 17, 2009 (City of Cedar Park)</p>
T-GTC-CTX-IS-Trans	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION ARTICLE 1 DEFINITIONS 1.1 Affiliate shall mean any person, entity, or business section, or division that directly or through one or more intermediaries' controls, is controlled by, or is under common control with the entity in question. 1.2 Agreement shall mean the agreement to which the General Terms and Conditions for Transportation apply. 1.3 Btu shall mean British thermal unit(s) and shall be computed on a temperature base of sixty degrees (60 degrees) Fahrenheit and a pressure base of fourteen and sixty-five hundredths (14.65) psia and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and MMBtu shall mean one million (1,000,000) Btu. 1.4 Commission shall mean the Railroad Commission of Texas. 1.5 Company shall mean Texas Gas Service, a division of ONEOK, Inc., when it is acting as Company on the Pipeline System. 1.6 Cumulative Tolerance Limit shall mean five percent (5%) of aggregate historical annual deliveries of a Qualified Supplier's pool of customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit to reflect changes to the pool of customers and other known changes to anticipated deliveries that the Company determines to be reasonably reliable and accurate. 1.7 Customer shall mean a consumer which subscribes to natural gas services provided by Texas Gas Service. 1.8 Dekatherm (Dth) shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis. 1.9 Day shall mean the 24-hour period commencing at 9:00 a.m. (central clock time) on one calendar day and ending at 9:00 a.m. (central clock time) the following calendar day. 1.10 Dry shall mean the heating value calculation being determined with no water vapor present. 1.11 Effective Date shall mean the date specified in the Agreement. 1.12 Gas or natural gas shall mean the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof. 1.13 Gas Transportation Order shall mean a completed Exhibit A relating to the applicable gas transportation service Agreement. 1.14 Gross Heating Value or Gross shall mean the amount of energy transferred as heat per mass or mole from the complete combustion of the gas with oxygen (from air), at a base temperature in which all water formed by the reaction condenses to liquid. 1.15 Mcf shall mean one thousand (1,000) cubic feet of Gas. 1.16 Month shall mean the period beginning at 9:00 a.m. central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month, except where references not involving Gas measurement volumes are involved, in which case the calendar month shall be deemed to be referred to.</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 22592
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>1.17 Monthly Tolerance Limit shall mean ten percent (10%) of the aggregate deliveries for a Qualified Suppliers pool of customers for such month. 1.18 PDA shall mean a predetermined allocation method. 1.19 Pipeline System shall mean the current existing utility distribution facilities of Company located in the State of Texas. 1.20 Point of Delivery shall mean the point or points where Gas is delivered from the Pipeline System to or for the account of Customer and are shown on the applicable Gas Transportation Order. 1.21 Point Operator shall mean the person or entity that controls the Point of Receipt or Point of Delivery. 1.22 Point of Receipt shall mean the point or points where Company shall receive Gas into the Pipeline System from Customer, as described on the applicable Gas Transportation Order. 1.23 Psia shall mean pounds per square inch, absolute. 1.24 Psig shall mean pounds per square inch, gauge. 1.25 Qualified Supplier shall mean a supplier of natural gas for transportation to customers through the Company's pipeline system that meets the requirements of and has executed a Supplier Service Agreement. 1.26 Real shall mean the division of the ideal heating value by the compressibility of the gas. This creates an ideal Gross Heating Value per Real cubic foot. 1.27 Supplier Service Agreement shall mean a contract setting forth the requirements and terms upon which a supplier of natural gas may make deliveries of customer owned gas into the Company's pipeline system for delivery to one or more of the Company's customers receiving service under this tariff. 1.28 Tariff shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over Company or the services provided hereunder. 1.29 Week shall mean a period of seven (7) consecutive Days beginning at 9:00 a.m. central clock time on each Monday and ending at the same time on the next succeeding Monday. 1.30 Year shall mean a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29. <b>ARTICLE 2 RESTRICTIONS AND RESERVATIONS</b></p> <p>2.1 It is understood and agreed that Customer has only the right to transportation service in the Pipeline System and all equipment, including (but not in any way limited thereto) all pipe, valves, fittings, and meters comprising the Pipeline System and all other property and capacity rights and interests, shall at all times during the term of the Agreement remain the property of Company. Customer agrees not to cause or permit any liens or encumbrances to be filed with respect to the Pipeline System by reason of Customer's actions. Customer's Gas shall at all times remain the property of Customer, and Company shall have no right or property interest therein. 2.2 Company reserves the right in its sole discretion to remove, relocate, expand, or rebuild, without approval of Customer, any portion of the Pipeline System. Customer shall make no alterations, additions, or repairs to or on the Pipeline System, nor shall Customer bear any cost of any alterations, additions, repairs, maintenance or replacements made to or on said Pipeline System. 2.3 Customer agrees not to connect or cause the connection of any third party to the Pipeline System for any purpose without the express written approval and consent of Company to be granted in Company's sole discretion. Customer further agrees not to transport or cause to be transported any Gas for any third party. If either of these conditions is breached by Customer, Company shall have the right and option, notwithstanding any other provision of the Agreement or the General Terms and Conditions for Transportation, to terminate the Agreement including the Exhibits thereto immediately and without further obligation to Customer. 2.4 Company presently is transporting Gas to third parties on the Pipeline System and shall have the right in the future to transport additional Gas for such purposes and to transport Gas to additional third parties as it may desire, and Company shall have the right to make additional connections to the Pipeline System as may be required to serve presently existing and new customers, all of which is subject to the provisions of the Agreement. Company's transportation of Gas hereunder shall not obligate Company in any manner beyond the terms of the Agreement and the Exhibits attached thereto. 2.5 Company shall own any and all liquids which are recovered from the Pipeline System and may use, sell or transfer all liquids without having to account in any manner, or pay any monies or other consideration to Customer. 2.6 The Company reserves the unilateral right from time to time to seek regulatory approval to make any changes to, or to supersede, the rates, charges and any terms stated in the tariffs, rate schedules, the agreements, and the General Terms and Conditions. <b>ARTICLE 3 OPERATIONS</b> 3.1 Customer shall deliver its Gas into the Pipeline System at the Points of Receipt described on the applicable Gas Transportation Order, as it now exists and as it may be amended. Customer shall have no right to require Gas to be received at any particular Point of Receipt and Company may delete such points or modify the capacity thereof from time to time and at any time in its sole discretion with no further obligation to Customer with respect to such Point of Receipt. All supplies of Gas delivered to the Pipeline System must comply with the terms and conditions of the Agreement and the exhibits attached thereto. In no event shall Company be required to expand, modify, construct, rearrange, or change the operations of the Pipeline System in order to receive Gas from or on behalf of Customer or in order to deliver Gas to Customer at any existing Points of Delivery. 3.2 Customer shall advise (in a method and format approved by Company in its sole discretion) Company with respect to each Day, Week and Month the name of each supplier with whom it has a contract (and the name of the individual with such supplier responsible for Customer's account), which source of supply is delivering to Company, how much Gas is nominated to be delivered to Company from each source of supply (i.e., each well, plant, or other desired Point of Receipt) and the anticipated deliveries at each Point of Delivery. Customer's nomination shall be in good faith, in balance between Points of Receipt and Points of Delivery, and shall be based on Customer's commercially reasonable best efforts to estimate usage for Hour, Day, Week, and Month. Customer will cause their Qualified Supplier to act as their agent in the nomination process. Qualified Supplier shall not intentionally nominate more or less Gas than is anticipated for consumption by Customer(s), except as may be needed for balancing purposes to the extent Company accepts such nomination. Qualified Supplier shall submit nominations to the Company's gas scheduling department in accordance with their currently effective nomination process which can be provided to the parties upon request. Customer and Qualified Supplier shall exercise commercially reasonable best efforts to deliver to the Pipeline System Dths of Gas that Company is to deliver from the Pipeline System to Customer during any particular Hour, Day, Week and Month, including but not limited to volumes needed for peak Day usage for Customer's facilities. 3.3 Before the start of the Gas Day, the Point Operator and Company shall establish a predetermined allocation (PDA) method to specify how Gas received or delivered by Company shall be allocated in accordance with confirmed nominations at such point. Only one PDA methodology shall be applied per allocation period. 3.4 Customer's Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery. To the extent that Customer's acts or omissions cause Company to incur, directly or indirectly, fees, charges, expenses, or penalties from a supplier or transporter for failure to satisfy such supplier's or transporter's balancing or nomination requirements, then Customer agrees to reimburse Company for such fees, charges, expenses, or penalties, and defend, indemnify, and hold Company harmless with respect thereto. Any fees, charges, expenses or penalties which were determined to be in error will be credited back to the Customer. 3.5 The Point of Receipt and Point of Delivery may be, or may later become points through which other quantities of Gas are being measured; therefore, the measurement of Gas under the Agreement may involve the allocation of Gas deliveries. In such event, each party hereto will furnish, or cause to be furnished, to the other all data required to accurately account for all Gas. 3.6 Except as may be set forth on a</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 22592

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Gas Transportation Order, Company shall receive and deliver Gas hereunder as nearly as practicable at uniform hourly and daily rates of flow. It is recognized that it may be physically impracticable, because of measurement, Gas control limitations and other operating conditions, to stay in zero (0) imbalance each hour and each Day; therefore, the daily and hourly quantities received may, due to the aforementioned reasons, vary above or below the daily and hourly quantities delivered. If the quantities received and the quantities delivered hereunder should create an imbalance at the end of any hour, Day, Week, or Month, then Company and Customer shall adjust receipts and/or deliveries at any time to the end that the quantities received and delivered shall be kept as near to zero (0) imbalance as practicable. 3.7 Imbalances Customer must designate no more than one Qualified Supplier. The Qualified Supplier shall act on behalf of the Customer to procure gas supplies, deliver gas supplies to points of receipt designated in the Gas Transportation Order, and shall act as the Customer's agent with respect to nominations, operational notices required under the Gas Transportation Agreement or applicable tariffs and with respect to resolution of imbalances under this Rate Schedule. (A) The following cash out provisions shall be applied to the Qualified Supplier for its aggregate pool of Customers that are being provided service pursuant to a Rate Schedule or some other form of transportation service: 1) Qualified Supplier shall not deliver into the Pipeline System more Dths of Gas than Company delivers to the aggregate pool of Customers at the Points of Delivery during a Month. At the end of the Month in which an over-delivery occurred and exceeded the Monthly Tolerance Limit or the Cumulative Tolerance Limit, Qualified Supplier shall sell such excess Gas to Company at 95% of Inside FERC's FOM Houston Ship Channel index price. 2) If Company receives less Dths of Gas than are delivered to the aggregate pool of Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Month, then Qualified Supplier shall purchase such under-delivered volumes at 105% of Inside FERC's FOM Houston Ship Channel index price. The Company will provide monthly imbalance statements along with calculations of the cash out charges in accordance with the aforementioned cash out provisions to the Qualified Supplier each month. Payments for cash out charges will be due each month within 15 business days of the imbalance statement date. The Company may elect at its sole discretion to accrue the monthly cash out provisions each month and only require periodic settlement rather than monthly payments. The monthly transport payments shall not be abated with respect to a Month in which under-deliveries occurred except as provided in Article 9 and Article 10 hereof. 3.8 Customer and Company shall exercise their commercially reasonable best efforts to comply with all of the standards established by the North American Energy Standards Board, Inc. (NAESB), but in no event shall either party be required to comply with the NAESB standards if such compliance has a material adverse affect upon such party. 3.9 In the event Customer's source of gas supply is terminated by Customer's supplier due to non-payment or other reasons, or if customer is otherwise unable to continue as a transportation customer, Customer may, upon the giving of five (5) business days advance notice to Company, obtain service from Company under the general sales tariff applicable to Customer. Prior to commencing such service, Company may, in its sole discretion, require Customer to post a deposit or bond in accordance with the provisions of Article 5 hereof. ARTICLE 4 PRESSURE AND QUALITY OF GAS 4.1 Customer shall deliver (or cause to be delivered) the Gas to the Pipeline System at the Point of Receipt at a pressure sufficient to effect delivery into the Pipeline System at that point. If necessary, Customer shall provide additional compression to make such deliveries hereunder, and Company shall not have any cost or responsibility in that regard. 4.2 Subject to the provisions of Section 4.1 above, the Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery at pressures sufficient to effect deliveries to Customer's facilities, but not to exceed the maximum pressure that has existed for each Point of Delivery. 4.3 Gas delivered by and to Customer shall be commercially free of dust, gums, gum-forming constituents, gasoline, water, and any other substance that may become separated from the Gas during the handling hereof. All Gas received shall conform to the following additional specifications: (A) Contain not more than one-quarter (1/4) grain of hydrogen sulfide per 100 cubic feet, as determined by a method generally acceptable for use in the gas industry; (B) Contain not more than five (5) grains of total sulfur per 100 cubic feet; (C) Contain not more than two percent (2%) by volume of carbon dioxide; (D) Contain not more than four percent (4%) by volume of total inerts, including carbon dioxide and nitrogen; (E) Contain not more than two-tenths of one percent (.2%) by volume of oxygen; (F) Contain a gross heating value equivalent to at least 980 British Thermal Units per cubic foot and not to exceed 1080 British Thermal Units per cubic foot; (G) Have a temperature of not more than one hundred twenty degrees (120#) Fahrenheit and not less than forty degrees (40 #) Fahrenheit; (H) Contain no water or hydrocarbons in liquid form; (I) Contain not more than 7 pounds of water in vapor stage per 1,000 Mcf of gas; and (J) Be interchangeable with the Company's system Gas at the Point of Receipt or delivered to the nearest customer, city border station, or other pipeline interconnected with such receiving facility or downstream of the Point of Receipt. 4.4 The Company, at its option, may refuse to accept delivery of any gas not meeting the quality specifications set out above. Thereafter, Customer or Qualified Supplier shall have the right to conform or cause the gas to be conformed to the above specifications. If the Customer or Qualified Supplier does not elect to conform the gas to said specifications, then the Company at its sole option may accept or reject any such gas. 4.5 Notwithstanding anything to the contrary contained herein, the gas which the Company transports and delivers to the Customer shall be odorized by the Company. In the event Customer desires to remove the odorant, such removal shall be solely at Customer's risk and expense. ARTICLE 5 PAYMENT 5.1 Should Customer fail to pay or deliver any or all of the amount of the transportation payment and/or other fees due under any exhibit when such amount is due (which in no event shall be later than the last Day of the applicable Month), interest on the unpaid portion shall accrue at a rate (which in no event shall be higher than the maximum rate permitted by applicable law) equal to one and one-half percent (1 one-half%) per month from the due date until the date of payment. If such failure to pay continues for fifteen (15) Days after payment is due, Company, in addition to any other remedy it may have, may suspend further receipts and deliveries of Gas until such amount is paid; provided, however, that if Customer in good faith shall dispute in writing the amount of any such bill or part thereof and shall pay to Company such amounts as it concedes to be correct and, at any time thereafter within thirty (30) Days of the due date of such payment, shall furnish a good and sufficient surety bond in an amount and with surety satisfactory to Company, guaranteeing payment to Company of the amount ultimately found due upon such bills, including interest thereon, after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further receipts and withdrawals of Gas unless and until default be made in the conditions of such bond. As an alternative to posting a bond, Customer may pay the portion of any amount in dispute without waiving its rights to recoup any monies improperly billed. If the portion of any amount in dispute is ultimately determined to be incorrect, such amount shall be refunded by Company to Customer together with interest thereon at a rate (which in no event shall be higher than the maximum allowed by law) equal to one and one-half percent (1 one-half%) per Month for the period from the date of payment to Company to the date of refund by Company. 5.2 Customer agrees to pay any amounts due pursuant to the Agreement and the General Terms and Conditions for Transportation to Company within fifteen (15) Business Days</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 22592

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>after receipt of an invoice from Company. 5.3 Company reserves the right, prior to initiation of service, to require a cash deposit or bond in favor of Texas Gas Service in order to assure payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. In the event Customer's financial condition materially weakens or Customer fails to make timely payment in accordance with Article 5 after the execution of the Agreement, then upon written request from Company, Customer agrees to deposit cash with Texas Gas Service or secure a bond in favor of Texas Gas Service in order to assure the payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. Such deposit or bond shall be furnished to Texas Gas Service within fifteen (15) days after a request by Texas Gas Service is made for such deposit or bond and shall be made in a form and amount satisfactory to Texas Gas Service. If such deposit or bond is not furnished in a timely manner, or if a bond expires or is canceled prior to the end of the period specified below, or if the cash deposit or bond is not increased as specified below, then leasing of capacity and the rendering of all other services may be suspended by Texas Gas Service in its sole discretion until such deposit or bond is furnished, renewed or increased, as applicable. 5.4 Nothing in this Article 5 shall be deemed to supersede the respective rights and obligations of Company and Customer as provided by Texas statutes, rules, and/or regulation, as such statutes, rules, or regulations may be amended from time to time, with respect to adjustments to the amounts owed by Customer as a result of errors in Customer's meter or errors in reading Customer's meter. Customer shall be responsible for payment of the amounts owed Company for transportation service and gas supply provided to Customer during the applicable period for which it has been determined that Customer's meter was in error to the favor of Customer. ARTICLE 6 STATEMENTS AND RECORDS 6.1 On or about fifteen (15) days after the Company receives necessary volumetric information from other parties for each calendar month after commencement of Gas receipts and deliveries hereunder, Company shall render to the Qualified Supplier a statement for the preceding Month showing the total Dths of Gas received and delivered and each Point of Receipt and Point of Delivery. If information necessary for statement purposes is in the possession of Customer, Customer shall furnish such information to Company on or before the sixth (6th) Day of the Month in which the statement requiring such data is to be rendered. 6.2 Both parties hereto shall have the right at any and all reasonable times within twenty four (24) months from the time period in question, to examine the books and records of the other to the extent necessary to verify the accuracy of any statement, computation, or demand made hereunder. 6.3 Customer agrees to supply to Company, at Company's request at any time and from time to time, a sample of the liquids removed from the gas stream of the facilities which deliver gas to Company which sample is to be taken from a point upstream from the Point of Receipt. Said sample shall not contain any toxic, hazardous, or deleterious materials or any materials which Company, in its sole discretion, deems in any way harmful to its facilities, personnel or the environment, including, but not limited to, polychlorinated biphenyls (PCBs), and substances or materials considered hazardous or other similar terms, or requiring investigation, remediation or removal under any federal, state or local statute, regulation, rule or ordinance or any amendments thereof whether now in effect or as may be in effect in the future. If such samples contain any such materials or substances, Company shall have the right, in its sole discretion and in addition to other remedies available to it, to immediately cease receipt of Gas through the Point of Receipt until such time as all such materials or substances are eliminated from the Gas such that Company, in its sole discretion, elects to again receive such Gas through the Point of Receipt. Should Customer fail or refuse to eliminate all such materials or substances within a reasonable time, Company shall have the right, upon written notice, to terminate this Agreement. Customer hereby expressly agrees to indemnify and hold Company and Company's affiliates harmless from and against any and all liabilities, losses, claims, damages, actions, costs, fines, and expenses of whatever nature, including, but not limited to, court costs, and attorney's fees arising out of or in any manner relating to the presence of PCBs and/or any other toxic, hazardous, deleterious, harmful, or unsafe materials as described above in Gas delivered by or on behalf of Customer into Company's system. ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT The measurement and tests for quality of Gas delivered and delivered by Customer hereunder shall be governed as follows: 7.1 The quantities of Gas received and delivered shall be measured by means of meters of standard type which conform to the American Gas Association Measurement Committee Reports and other industry standards as to construction and installation. 7.2 The unit of volume for purposes of measurement shall be one (1) cubic foot of Gas at a temperature base of sixty degrees (60 degrees) Fahrenheit and at a pressure base of fourteen and seventy-three hundredths (14.65) pounds per square inch absolute. Customer agrees that the Btu content per Mcf of the gas volumes delivered by the Company at the Point of Delivery shall be assumed to be equal to the Btu content per Mcf of the gas volumes delivered by Customer at the Point of Receipt, when corrected for differences in pressure base. 7.3 The temperature shall be adjusted to standard conditions by a compensation device included with the meter or such other method as the Company shall deem appropriate. Corrections shall be made in accordance with industry practice. 7.4 Specific gravity shall be determined with accuracy to the nearest one thousandth (.001) by use of an instrument that conforms to industry standards. 7.5 Whenever the conditions of pressure and temperature differ from the standards, conversion of the volumes from these conditions to the standard conditions shall be in accordance with the Ideal Gas Laws corrected for deviation from Boyle's Law, all to be in accordance with methods and tables set out in the American Gas Association Measurement Committee Reports, or by other accepted methods that may be used from time to time. 7.6 The gross heating value of the Gas shall be determined by means of a sampling method of general use in the Gas industry. The location of the sampling equipment shall be determined by Company in its sole discretion but shall be at a location where a representative sample of the Gas to which it applies may be taken. 7.7 Tests to determine total sulfur, hydrogen sulfide, oxygen, carbon dioxide, total inerts, and water vapor shall be made by approved standards methods in general use by the Gas industry. Such tests shall be made at the request of either party hereto. If a test is performed at Customer's request and shows that the quality specifications as set forth in Section 4.3 hereof have been satisfied, Customer shall pay all costs and expenses of Company related to such test. 7.8 Except as may be otherwise provided, all measuring and testing equipment, housing devices, and materials shall be standard manufacture and type and shall, with all related equipment, appliances, and buildings, be owned, installed, maintained and operated or caused to be installed, maintained and operated by Company at the Points of Receipt and Points of Delivery. Customer may install and operate check measuring and testing equipment, which equipment and the operation thereof shall not interfere with the operation of Company's equipment.</p>
ORD-CTX-IS	<p>TEXAS GAS SERVICE COMPANY Central TX Service Area . RATE SCHEDULE ORD-CTX-IS CITY ORDINANCE LISTING APPLICABILITY Applicable to all gas sales and standard transport customers. TERRITORY All customers in the incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Cedar Park, Kyle, Rollingwood, Sunset Valley and West Lake Hills, Texas. DESCRIPTION Per TGS rate case filed 02/11/09, the above cities approved (via ordinances listed below) changes to both gas sales and standard transport cost of service rates. In addition, the cities approved revisions to the Cost of Gas Clause, Conservation Adjustment Clause, CNG Service Rate, Relocation Cost Recovery, Weather Normalization</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 22592**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	Adjustment Clause, and Quality of Service Rules. The cities also approved a new General Terms and Conditions for Transport Service tariff (T-GTC) and Green Saver Tariff (GS-1, not effective until 10/1/09). City approvals are as follows: City Ordinance or Resolution # Date Ordinance Passed Effective Date of Gas Sales Rate Schedules Austin 20090618-074 06/18/09 06/30/2009 Cedar Park G55-09-07-09-E1 07/09/09 07/17/2009 Kyle 571 06/16/09 06/30/2009 Rollingwood 2009-06-17-2 06/17/09 06/30/2009 Sunset Valley 090623 06/23/09 06/30/2009 West Lake Hills 367 (b) 06/24/09 06/30/2009 Meters Read On and After June 30, 2009 (Other Cities) July 17, 2009 (City of Cedar Park) Initial

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
73226	D	Mcf	\$.0000	09/01/2009	Y

**DESCRIPTION:**    \*\*CONFIDENTIAL\*\*

<b>Customer</b>	31502	**CONFIDENTIAL**
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**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 22593**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 02/19/2010

**INITIAL SERVICE DATE:** 01/01/2009                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** See ORD-RGV-IS

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New transportation delivery points.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
9746	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 22593
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GEN-RGV-0S-GTC	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Rio Grande Valley Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1 for the incorporated areas or Rate Schedule 1-ENV for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. For customers or qualified suppliers shipping excess gas off the distribution system, PIK shall in no event exceed 1%. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: Additional charges may be made at the Company's sole discretion for compression, treating, or similar services if the customer or qualified supplier is shipping excess gas off the distribution system. Plus: Notwithstanding anything herein to the contrary, in addition to the Rates set forth above, the Company shall bill each transportation customer, in the incorporated area of McAllen only, a surcharge of \$0.12 per Mcf during the billing period in accordance with the Settlement Agreement dated March 10, 2003 and Amendment dated May 5, 2003 between the Company and the City of McAllen, Texas. The surcharge shall be effective only until the settlement payment allocated to transportation customers pursuant to the Settlement Agreement and Amendment is collected by the Company. Plus: Notwithstanding anything herein to the contrary, in addition to the Cost of Gas, the Company shall bill each transportation customer, in the incorporated areas of the Rio Grande Valley Service Area a rate case expense surcharge of \$0.00511 per Ccf during the billing period in accordance with the Settlement Agreement and Term Sheet dated July 10, 2006 and the applicable city ordinance by and among the Company and the Cities in regard to the Company's Statement of Intent to Increase rates filed on March 30, 2006. The rate case expense surcharge shall be effective only until the rate case expenses are collected. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each agreement. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. Upon receipt of notification of change of supplier, the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 22593
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Company will verify notification of termination of current supplier, verify all documentation of qualification of new supplier is executed, and establish an effective date for the change. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded, plus (ii) any applicable franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from applicable franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within thirty (30) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1 for the incorporated areas or Rate Schedule 1-ENV for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to:</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 22593

**CURRENT RATE COMPONENT**

RATE COMP. ID	DESCRIPTION
	<p>(i) the final COI volume, stated in MMBtu, multiplied by 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the month for which the final COI was calculated, plus (ii) any applicable franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel. Initial - Supersedes Sheet Dated Meters Read On and After October 1, 1993 T-1 and T-2 (General Terms July 31, 2006 (Incorporated) and Conditions for Firm Transportation) April 30, 2007 (Unincorporated)</p>
T-1-RGV-OS-Firm	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area Rate Schedule T-1 TRANSPORTATION SERVICE RATE APPLICABILITY Service under this rate schedule is available to any customer of Texas Gas Service Company (Company) and to Qualified Suppliers or Producers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions) for the transportation of customer owned natural gas through the Company's Rio Grande Valley distribution system for use by customers within the Company's Rio Grande Valley's Service Area or delivered to connecting pipelines. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system. Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage capability average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder except as provided in the Gas Transportation Service Agreement. TERRITORY All areas served by the Company in its Rio Grande Valley Service Area. RATE This rate shall be the sum of Part A, Part B, and Part C as described below. Part A: A customer charge of \$50.00 per meter per month. Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the following Ccf charge: All Ccf @ \$0.09053 per Ccf Part C: Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). CONDITIONS See the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions) Supersedes Same Sheet Dated Meters Read On and After May 23, 2003 July 31, 2006 (Incorporated) April 30, 2007 (Unincorporated)</p>
ORD-RGV-IS	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area RATE SCHEDULE ORD-RGV CITY ORDINANCE LISTING APPLICABILITY Applicable to all gas sales and standard transport customers. TERRITORY All customers in the incorporated areas of Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progresso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas. DESCRIPTION Per the TGS Statement of Intent filed 03/27/09, the following cities approved the same Cost of Gas Clause, Cost of Service Adjustment Clause, Weather Normalization Clause, T-GEN and Cost of Service rates for both gas sales and standard transport customers. These rates were approved per the Settlement agreement dated August 14, 2009. City approvals are as follows: City Ordinance # Date Ordinance Passed Effective Date of Gas Sales and Standard Transport Rate Schedules Alamo 18-08-09 08/18/09 09/01/09 Alton 2009-04 08/25/09 09/01/09 Brownsville 2009-1510 09/01/09 09/01/09 Combes 2009-3 09/24/09 09/01/09 Donna 2009-09-79 09/17/09 09/01/09 Edcouch 2009-14 08/18/09 09/01/09 Edinburg 09-3378 08/18/09 09/01/09 Elsa 09-14 08/18/09 09/01/09 Harlingen 26 09/02/09 09/01/09 Hidalgo 2009-06 08/25/09 09/01/09 La Feria 2009-11 08/25/09 09/01/09 La Joya 2009-08 09/14/09 09/01/09 La Villa Operation of Law 08/31/09 09/01/09 Laguna Vista 2009-25 09/08/09 09/01/09 Los Fresnos 398 08/25/09 09/01/09 Lyford 09-08-24 08/24/09 09/01/09</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 22593**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	McAllen 2009-49 08/24/09 09/01/09 Mercedes 2009-11 08/01/09 09/01/09 Mission 3472 08/24/09 09/01/09 Palm Valley 2009-6 09/28/09 09/01/09 Palmhurst 08-25-09 08/25/09 09/01/09 Palmview 2009-05 08/18/09 09/01/09 Penitas 2009-12 08/17/09 09/01/09 Pharr 0-2009-27 08/18/09 09/01/09 Port Isabel 676 08/25/09 09/01/09 Primera 2009-04 08/18/09 09/01/09 Progreso Operation of Law 08/31/09 09/01/09 Rancho Viejo 183 08/27/09 09/01/09 Raymondville 1137 08/25/09 09/01/09 Rio Hondo 370 08/25/09 09/01/09 San Benito 2440 08/25/09 09/01/09 San Juan 40072 08/25/09 09/01/09 Santa Rosa 2009-02 9/10/2009 09/01/09 Weslaco 2009-22 09/01/09 09/01/09 Meters Read On and After September 1, 2009 Supersedes Same Sheet Dated July 31, 2006

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
73216	D	Mcf	\$.0000	01/01/2009	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9746	**CONFIDENTIAL**			
73217	D	Mcf	\$.0000	09/01/2009	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	9746	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 22606**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 02/22/2010

**INITIAL SERVICE DATE:** 12/01/2009                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** see ORD-CTX-IS

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New transportation delivery points.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
31512	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 22606

**CURRENT RATE COMPONENT**

RATE COMP. ID	DESCRIPTION
ORD-CTX-IS	<p>TEXAS GAS SERVICE COMPANY Central TX Service Area . RATE SCHEDULE ORD-CTX-IS CITY ORDINANCE LISTING APPLICABILITY Applicable to all gas sales and standard transport customers. TERRITORY All customers in the incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Cedar Park, Kyle, Rollingwood, Sunset Valley and West Lake Hills, Texas. DESCRIPTION Per TGS rate case filed 02/11/09, the above cities approved (via ordinances listed below) changes to both gas sales and standard transport cost of service rates. In addition, the cities approved revisions to the Cost of Gas Clause, Conservation Adjustment Clause, CNG Service Rate, Relocation Cost Recovery, Weather Normalization Adjustment Clause, and Quality of Service Rules. The cities also approved a new General Terms and Conditions for Transport Service tariff (T-GTC) and Green Saver Tariff (GS-1, not effective until 10/1/09). City approvals are as follows: City Ordinance or Resolution # Date Ordinance Passed Effective Date of Gas Sales Rate Schedules Austin 20090618-074 06/18/09 06/30/2009 Cedar Park G55-09-07-09-E1 07/09/09 07/17/2009 Kyle 571 06/16/09 06/30/2009 Rollingwood 2009-06-17-2 06/17/09 06/30/2009 Sunset Valley 090623 06/23/09 06/30/2009 West Lake Hills 367 (b) 06/24/09 06/30/2009 Meters Read On and After June 30, 2009 (Other Cities) July 17, 2009 (City of Cedar Park) Initial</p>
RCR-CTX-IS-Reloc06	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for all incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Cedar Park, Kyle, Rollingwood, Sunset Valley and West Lake Hills, Texas: 10, 20, 22, 30, 32, 40, 42, 48, CNG-1 and T-1. B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPRC + PPRC NV CPRC = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates. D. BILLING The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a separate adjustment (per Ccf rate) to the base bill for the rate schedules listed in Section A above. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty-five days before implementation of an RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Meters Read On and After June 30, 2009 (Other Cities) July 17, 2009 (City of Cedar Park) Supersedes Same Sheet Dated November 30, 2005 and replaces Rate Sch RCR dated 12/29/03 (Kyle)</p>
RCR-Rider-CTX-IS12	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER RELOCATION COST RECOVERY RATE A. APPLICABILITY The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to Rate Schedule RCR, shall apply to the rate schedules as listed in Section A of Rate Schedule RCR for all incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Cedar Park, Kyle, Rollingwood, Sunset Valley and West Lake Hills, Texas. B. CURRENT RCR RATE Effective Date RCR Rate Meters Read On and After December 28, 2009 (9th RCR Filing) \$ 0.0000 per Ccf Meters Read On and After December 01, 2009 (10th RCR Filing) \$ 0.0216 per Ccf (Note 1) Total RCR Rate \$ 0.0216 per Ccf All applicable fees and taxes will be added to the above rate. Note 1: The 10th RCR rate is applicable to Austin, Cedar Park, Rollingwood, Sunset Valley and West Lake Hills only. Future Central Texas Service Area RCR rate filings will be filed with all the cities listed in Section A above. Meters Read On and After December 28, 2009 Supersedes Same Sheet Dated December 01, 2009</p>
T-GTC-CTX-IS-Trans	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION ARTICLE 1 DEFINITIONS 1.1 Affiliate shall mean any person, entity, or business section, or division that directly or through one or more intermediaries' controls, is controlled by, or is under common control with the entity in question. 1.2 Agreement shall mean the agreement to which the General Terms and Conditions for Transportation apply. 1.3 Btu shall mean British thermal unit(s) and shall be computed on a temperature base of sixty degrees (60 degrees) Fahrenheit and a pressure base of fourteen and sixty-five hundredths (14.65) psia and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and MMBtu shall mean one million (1,000,000) Btu. 1.4 Commission shall mean the Railroad Commission of Texas. 1.5 Company shall mean Texas Gas Service, a division of ONEOK, Inc., when it is acting as Company on the Pipeline System. 1.6 Cumulative Tolerance Limit shall mean five percent (5%) of aggregate historical annual deliveries of a Qualified Supplier's pool of customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit to reflect changes to the pool of customers and other known changes to anticipated deliveries that the Company determines to be reasonably reliable and accurate. 1.7 Customer shall mean a consumer which subscribes to natural gas services provided by Texas Gas Service. 1.8 Dekatherm (Dth) shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis. 1.9 Day shall mean the 24-hour period commencing at 9:00 a.m. (central clock time) on one calendar day and ending at 9:00 a.m. (central clock time) the following calendar day. 1.10 Dry shall mean the heating value calculation being determined with no water vapor present. 1.11 Effective Date shall mean the date specified in the Agreement. 1.12 Gas or natural gas shall mean the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof. 1.13 Gas Transportation Order shall mean a completed Exhibit A relating to the applicable gas transportation service Agreement. 1.14 Gross Heating Value or Gross shall mean the amount of energy transferred as heat per mass or mole from the complete combustion of the gas with oxygen (from air), at a base temperature in which all water formed by the reaction condenses to liquid. 1.15 Mcf shall mean one</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 22606

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>thousand (1,000) cubic feet of Gas. 1.16 Month shall mean the period beginning at 9:00 a.m. central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month, except where references not involving Gas measurement volumes are involved, in which case the calendar month shall be deemed to be referred to. 1.17 Monthly Tolerance Limit shall mean ten percent (10%) of the aggregate deliveries for a Qualified Suppliers pool of customers for such month. 1.18 PDA shall mean a predetermined allocation method. 1.19 Pipeline System shall mean the current existing utility distribution facilities of Company located in the State of Texas. 1.20 Point of Delivery shall mean the point or points where Gas is delivered from the Pipeline System to or for the account of Customer and are shown on the applicable Gas Transportation Order. 1.21 Point Operator shall mean the person or entity that controls the Point of Receipt or Point of Delivery. 1.22 Point of Receipt shall mean the point or points where Company shall receive Gas into the Pipeline System from Customer, as described on the applicable Gas Transportation Order. 1.23 Psia shall mean pounds per square inch, absolute. 1.24 Psig shall mean pounds per square inch, gauge. 1.25 Qualified Supplier shall mean a supplier of natural gas for transportation to customers through the Company's pipeline system that meets the requirements of and has executed a Supplier Service Agreement. 1.26 Real shall mean the division of the ideal heating value by the compressibility of the gas. This creates an ideal Gross Heating Value per Real cubic foot. 1.27 Supplier Service Agreement shall mean a contract setting forth the requirements and terms upon which a supplier of natural gas may make deliveries of customer owned gas into the Company's pipeline system for delivery to one or more of the Company's customers receiving service under this tariff. 1.28 Tariff shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over Company or the services provided hereunder. 1.29 Week shall mean a period of seven (7) consecutive Days beginning at 9:00 a.m. central clock time on each Monday and ending at the same time on the next succeeding Monday. 1.30 Year shall mean a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29. <b>ARTICLE 2 RESTRICTIONS AND RESERVATIONS</b></p> <p>2.1 It is understood and agreed that Customer has only the right to transportation service in the Pipeline System and all equipment, including (but not in any way limited thereto) all pipe, valves, fittings, and meters comprising the Pipeline System and all other property and capacity rights and interests, shall at all times during the term of the Agreement remain the property of Company. Customer agrees not to cause or permit any liens or encumbrances to be filed with respect to the Pipeline System by reason of Customer's actions. Customer's Gas shall at all times remain the property of Customer, and Company shall have no right or property interest therein. 2.2 Company reserves the right in its sole discretion to remove, relocate, expand, or rebuild, without approval of Customer, any portion of the Pipeline System. Customer shall make no alterations, additions, or repairs to or on the Pipeline System, nor shall Customer bear any cost of any alterations, additions, repairs, maintenance or replacements made to or on said Pipeline System. 2.3 Customer agrees not to connect or cause the connection of any third party to the Pipeline System for any purpose without the express written approval and consent of Company to be granted in Company's sole discretion. Customer further agrees not to transport or cause to be transported any Gas for any third party. If either of these conditions is breached by Customer, Company shall have the right and option, notwithstanding any other provision of the Agreement or the General Terms and Conditions for Transportation, to terminate the Agreement including the Exhibits thereto immediately and without further obligation to Customer. 2.4 Company presently is transporting Gas to third parties on the Pipeline System and shall have the right in the future to transport additional Gas for such purposes and to transport Gas to additional third parties as it may desire, and Company shall have the right to make additional connections to the Pipeline System as may be required to serve presently existing and new customers, all of which is subject to the provisions of the Agreement. Company's transportation of Gas hereunder shall not obligate Company in any manner beyond the terms of the Agreement and the Exhibits attached thereto. 2.5 Company shall own any and all liquids which are recovered from the Pipeline System and may use, sell or transfer all liquids without having to account in any manner, or pay any monies or other consideration to Customer. 2.6 The Company reserves the unilateral right from time to time to seek regulatory approval to make any changes to, or to supersede, the rates, charges and any terms stated in the tariffs, rate schedules, the agreements, and the General Terms and Conditions. <b>ARTICLE 3 OPERATIONS</b></p> <p>3.1 Customer shall deliver its Gas into the Pipeline System at the Points of Receipt described on the applicable Gas Transportation Order, as it now exists and as it may be amended. Customer shall have no right to require Gas to be received at any particular Point of Receipt and Company may delete such points or modify the capacity thereof from time to time and at any time in its sole discretion with no further obligation to Customer with respect to such Point of Receipt. All supplies of Gas delivered to the Pipeline System must comply with the terms and conditions of the Agreement and the exhibits attached thereto. In no event shall Company be required to expand, modify, construct, rearrange, or change the operations of the Pipeline System in order to receive Gas from or on behalf of Customer or in order to deliver Gas to Customer at any existing Points of Delivery. 3.2 Customer shall advise (in a method and format approved by Company in its sole discretion) Company with respect to each Day, Week and Month the name of each supplier with whom it has a contract (and the name of the individual with such supplier responsible for Customer's account), which source of supply is delivering to Company, how much Gas is nominated to be delivered to Company from each source of supply (i.e., each well, plant, or other desired Point of Receipt) and the anticipated deliveries at each Point of Delivery. Customer's nomination shall be in good faith, in balance between Points of Receipt and Points of Delivery, and shall be based on Customer's commercially reasonable best efforts to estimate usage for Hour, Day, Week, and Month. Customer will cause their Qualified Supplier to act as their agent in the nomination process. Qualified Supplier shall not intentionally nominate more or less Gas than is anticipated for consumption by Customer(s), except as may be needed for balancing purposes to the extent Company accepts such nomination. Qualified Supplier shall submit nominations to the Company's gas scheduling department in accordance with their currently effective nomination process which can be provided to the parties upon request. Customer and Qualified Supplier shall exercise commercially reasonable best efforts to deliver to the Pipeline System Dths of Gas that Company is to deliver from the Pipeline System to Customer during any particular Hour, Day, Week and Month, including but not limited to volumes needed for peak Day usage for Customer's facilities. 3.3 Before the start of the Gas Day, the Point Operator and Company shall establish a predetermined allocation (PDA) method to specify how Gas received or delivered by Company shall be allocated in accordance with confirmed nominations at such point. Only one PDA methodology shall be applied per allocation period. 3.4 Customer's Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery. To the extent that Customer's acts or omissions cause Company to incur, directly or indirectly, fees, charges, expenses, or penalties from a supplier or transporter for failure to satisfy such supplier's or transporter's balancing or nomination requirements, then Customer agrees to reimburse Company for such fees, charges, expenses, or penalties, and defend, indemnify, and hold Company harmless with respect thereto. Any fees, charges, expenses or penalties which were determined to be in error will be credited back to the Customer. 3.5 The</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 22606

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Point of Receipt and Point of Delivery may be, or may later become points through which other quantities of Gas are being measured; therefore, the measurement of Gas under the Agreement may involve the allocation of Gas deliveries. In such event, each party hereto will furnish, or cause to be furnished, to the other all data required to accurately account for all Gas. 3.6 Except as may be set forth on a Gas Transportation Order, Company shall receive and deliver Gas hereunder as nearly as practicable at uniform hourly and daily rates of flow. It is recognized that it may be physically impracticable, because of measurement, Gas control limitations and other operating conditions, to stay in zero (0) imbalance each hour and each Day; therefore, the daily and hourly quantities received may, due to the aforementioned reasons, vary above or below the daily and hourly quantities delivered. If the quantities received and the quantities delivered hereunder should create an imbalance at the end of any hour, Day, Week, or Month, then Company and Customer shall adjust receipts and/or deliveries at any time to the end that the quantities received and delivered shall be kept as near to zero (0) imbalance as practicable. 3.7 Imbalances Customer must designate no more than one Qualified Supplier. The Qualified Supplier shall act on behalf of the Customer to procure gas supplies, deliver gas supplies to points of receipt designated in the Gas Transportation Order, and shall act as the Customer's agent with respect to nominations, operational notices required under the Gas Transportation Agreement or applicable tariffs and with respect to resolution of imbalances under this Rate Schedule. (A) The following cash out provisions shall be applied to the Qualified Supplier for its aggregate pool of Customers that are being provided service pursuant to a Rate Schedule or some other form of transportation service: 1) Qualified Supplier shall not deliver into the Pipeline System more Dths of Gas than Company delivers to the aggregate pool of Customers at the Points of Delivery during a Month. At the end of the Month in which an over-delivery occurred and exceeded the Monthly Tolerance Limit or the Cumulative Tolerance Limit, Qualified Supplier shall sell such excess Gas to Company at 95% of Inside FERC's FOM Houston Ship Channel index price. 2) If Company receives less Dths of Gas than are delivered to the aggregate pool of Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Month, then Qualified Supplier shall purchase such under-delivered volumes at 105% of Inside FERC's FOM Houston Ship Channel index price. The Company will provide monthly imbalance statements along with calculations of the cash out charges in accordance with the aforementioned cash out provisions to the Qualified Supplier each month. Payments for cash out charges will be due each month within 15 business days of the imbalance statement date. The Company may elect at its sole discretion to accrue the monthly cash out provisions each month and only require periodic settlement rather than monthly payments. The monthly transport payments shall not be abated with respect to a Month in which under-deliveries occurred except as provided in Article 9 and Article 10 hereof. 3.8 Customer and Company shall exercise their commercially reasonable best efforts to comply with all of the standards established by the North American Energy Standards Board, Inc. (NAESB), but in no event shall either party be required to comply with the NAESB standards if such compliance has a material adverse affect upon such party. 3.9 In the event Customer's source of gas supply is terminated by Customer's supplier due to non-payment or other reasons, or if customer is otherwise unable to continue as a transportation customer, Customer may, upon the giving of five (5) business days advance notice to Company, obtain service from Company under the general sales tariff applicable to Customer. Prior to commencing such service, Company may, in its sole discretion, require Customer to post a deposit or bond in accordance with the provisions of Article 5 hereof. ARTICLE 4 PRESSURE AND QUALITY OF GAS 4.1 Customer shall deliver (or cause to be delivered) the Gas to the Pipeline System at the Point of Receipt at a pressure sufficient to effect delivery into the Pipeline System at that point. If necessary, Customer shall provide additional compression to make such deliveries hereunder, and Company shall not have any cost or responsibility in that regard. 4.2 Subject to the provisions of Section 4.1 above, the Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery at pressures sufficient to effect deliveries to Customer's facilities, but not to exceed the maximum pressure that has existed for each Point of Delivery. 4.3 Gas delivered by and to Customer shall be commercially free of dust, gums, gum-forming constituents, gasoline, water, and any other substance that may become separated from the Gas during the handling hereof. All Gas received shall conform to the following additional specifications: (A) Contain not more than one-quarter (1/4) grain of hydrogen sulfide per 100 cubic feet, as determined by a method generally acceptable for use in the gas industry; (B) Contain not more than five (5) grains of total sulfur per 100 cubic feet; (C) Contain not more than two percent (2%) by volume of carbon dioxide; (D) Contain not more than four percent (4%) by volume of total inerts, including carbon dioxide and nitrogen; (E) Contain not more than two-tenths of one percent (.2%) by volume of oxygen; (F) Contain a gross heating value equivalent to at least 980 British Thermal Units per cubic foot and not to exceed 1080 British Thermal Units per cubic foot; (G) Have a temperature of not more than one hundred twenty degrees (120#) Fahrenheit and not less than forty degrees (40 #) Fahrenheit; (H) Contain no water or hydrocarbons in liquid form; (I) Contain not more than 7 pounds of water in vapor stage per 1,000 Mcf of gas; and (J) Be interchangeable with the Company's system Gas at the Point of Receipt or delivered to the nearest customer, city border station, or other pipeline interconnected with such receiving facility or downstream of the Point of Receipt. 4.4 The Company, at its option, may refuse to accept delivery of any gas not meeting the quality specifications set out above. Thereafter, Customer or Qualified Supplier shall have the right to conform or cause the gas to be conformed to the above specifications. If the Customer or Qualified Supplier does not elect to conform the gas to said specifications, then the Company at its sole option may accept or reject any such gas. 4.5 Notwithstanding anything to the contrary contained herein, the gas which the Company transports and delivers to the Customer shall be odorized by the Company. In the event Customer desires to remove the odorant, such removal shall be solely at Customer's risk and expense. ARTICLE 5 PAYMENT 5.1 Should Customer fail to pay or deliver any or all of the amount of the transportation payment and/or other fees due under any exhibit when such amount is due (which in no event shall be later than the last Day of the applicable Month), interest on the unpaid portion shall accrue at a rate (which in no event shall be higher than the maximum rate permitted by applicable law) equal to one and one-half percent (1 one-half%) per month from the due date until the date of payment. If such failure to pay continues for fifteen (15) Days after payment is due, Company, in addition to any other remedy it may have, may suspend further receipts and deliveries of Gas until such amount is paid; provided, however, that if Customer in good faith shall dispute in writing the amount of any such bill or part thereof and shall pay to Company such amounts as it concedes to be correct and, at any time thereafter within thirty (30) Days of the due date of such payment, shall furnish a good and sufficient surety bond in an amount and with surety satisfactory to Company, guaranteeing payment to Company of the amount ultimately found due upon such bills, including interest thereon, after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further receipts and withdrawals of Gas unless and until default be made in the conditions of such bond. As an alternative to posting a bond, Customer may pay the portion of any amount in dispute without waiving its rights to recoup any monies improperly billed. If the portion of any amount in dispute is ultimately determined to be incorrect, such amount shall be refunded by Company to Customer together with interest thereon</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 22606

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-CTX-IS-Trans	<p>at a rate (which in no event shall be higher than the maximum allowed by law) equal to one and one-half percent (one-half%) per Month for the period from the date of payment to Company to the date of refund by Company. 5.2 Customer agrees to pay any amounts due pursuant to the Agreement and the General Terms and Conditions for Transportation to Company within fifteen (15) Business Days after receipt of an invoice from Company. 5.3 Company reserves the right, prior to initiation of service, to require a cash deposit or bond in favor of Texas Gas Service in order to assure payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. In the event Customer's financial condition materially weakens or Customer fails to make timely payment in accordance with Article 5 after the execution of the Agreement, then upon written request from Company, Customer agrees to deposit cash with Texas Gas Service or secure a bond in favor of Texas Gas Service in order to assure the payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. Such deposit or bond shall be furnished to Texas Gas Service within fifteen (15) days after a request by Texas Gas Service is made for such deposit or bond and shall be made in a form and amount satisfactory to Texas Gas Service. If such deposit or bond is not furnished in a timely manner, or if a bond expires or is canceled prior to the end of the period specified below, or if the cash deposit or bond is not increased as specified below, then leasing of capacity and the rendering of all other services may be suspended by Texas Gas Service in its sole discretion until such deposit or bond is furnished, renewed or increased, as applicable. 5.4 Nothing in this Article 5 shall be deemed to supersede the respective rights and obligations of Company and Customer as provided by Texas statutes, rules, and/or regulation, as such statutes, rules, or regulations may be amended from time to time, with respect to adjustments to the amounts owed by Customer as a result of errors in Customer's meter or errors in reading Customer's meter. Customer shall be responsible for payment of the amounts owed Company for transportation service and gas supply provided to Customer during the applicable period for which it has been determined that Customer's meter was in error to the favor of Customer.</p> <p><b>ARTICLE 6 STATEMENTS AND RECORDS</b> 6.1 On or about fifteen (15) days after the Company receives necessary volumetric information from other parties for each calendar month after commencement of Gas receipts and deliveries hereunder, Company shall render to the Qualified Supplier a statement for the preceding Month showing the total Dths of Gas received and delivered and each Point of Receipt and Point of Delivery. If information necessary for statement purposes is in the possession of Customer, Customer shall furnish such information to Company on or before the sixth (6th) Day of the Month in which the statement requiring such data is to be rendered. 6.2 Both parties hereto shall have the right at any and all reasonable times within twenty four (24) months from the time period in question, to examine the books and records of the other to the extent necessary to verify the accuracy of any statement, computation, or demand made hereunder. 6.3 Customer agrees to supply to Company, at Company's request at any time and from time to time, a sample of the liquids removed from the gas stream of the facilities which deliver gas to Company which sample is to be taken from a point upstream from the Point of Receipt. Said sample shall not contain any toxic, hazardous, or deleterious materials or any materials which Company, in its sole discretion, deems in any way harmful to its facilities, personnel or the environment, including, but not limited to, polychlorinated biphenyls (PCBs), and substances or materials considered hazardous or other similar terms, or requiring investigation, remediation or removal under any federal, state or local statute, regulation, rule or ordinance or any amendments thereof whether now in effect or as may be in effect in the future. If such samples contain any such materials or substances, Company shall have the right, in its sole discretion and in addition to other remedies available to it, to immediately cease receipt of Gas through the Point of Receipt until such time as all such materials or substances are eliminated from the Gas such that Company, in its sole discretion, elects to again receive such Gas through the Point of Receipt. Should Customer fail or refuse to eliminate all such materials or substances within a reasonable time, Company shall have the right, upon written notice, to terminate this Agreement. Customer hereby expressly agrees to indemnify and hold Company and Company's affiliates harmless from and against any and all liabilities, losses, claims, damages, actions, costs, fines, and expenses of whatever nature, including, but not limited to, court costs, and attorney's fees arising out of or in any manner relating to the presence of PCBs and/or any other toxic, hazardous, deleterious, harmful, or unsafe materials as described above in Gas delivered by or on behalf of Customer into Company's system.</p> <p><b>ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT</b> The measurement and tests for quality of Gas delivered and delivered by Customer hereunder shall be governed as follows: 7.1 The quantities of Gas received and delivered shall be measured by means of meters of standard type which conform to the American Gas Association Measurement Committee Reports and other industry standards as to construction and installation. 7.2 The unit of volume for purposes of measurement shall be one (1) cubic foot of Gas at a temperature base of sixty degrees (60 degrees) Fahrenheit and at a pressure base of fourteen and seventy-three hundredths (14.65) pounds per square inch absolute. Customer agrees that the Btu content per Mcf of the gas volumes delivered by the Company at the Point of Delivery shall be assumed to be equal to the Btu content per Mcf of the gas volumes delivered by Customer at the Point of Receipt, when corrected for differences in pressure base. 7.3 The temperature shall be adjusted to standard conditions by a compensation device included with the meter or such other method as the Company shall deem appropriate. Corrections shall be made in accordance with industry practice. 7.4 Specific gravity shall be determined with accuracy to the nearest one thousandth (.001) by use of an instrument that conforms to industry standards. 7.5 Whenever the conditions of pressure and temperature differ from the standards, conversion of the volumes from these conditions to the standard conditions shall be in accordance with the Ideal Gas Laws corrected for deviation from Boyle's Law, all to be in accordance with methods and tables set out in the American Gas Association Measurement Committee Reports, or by other accepted methods that may be used from time to time. 7.6 The gross heating value of the Gas shall be determined by means of a sampling method of general use in the Gas industry. The location of the sampling equipment shall be determined by Company in its sole discretion but shall be at a location where a representative sample of the Gas to which it applies may be taken. 7.7 Tests to determine total sulfur, hydrogen sulfide, oxygen, carbon dioxide, total inerts, and water vapor shall be made by approved standards methods in general use by the Gas industry. Such tests shall be made at the request of either party hereto. If a test is performed at Customer's request and shows that the quality specifications as set forth in Section 4.3 hereof have been satisfied, Customer shall pay all costs and expenses of Company related to such test. 7.8 Except as may be otherwise provided, all measuring and testing equipment, housing devices, and materials shall be standard manufacture and type and shall, with all related equipment, appliances, and buildings, be owned, installed, maintained and operated or caused to be installed, maintained and operated by Company at the Points of Receipt and Points of Delivery. Customer may install and operate check measuring and testing equipment, which equipment and the operation thereof shall not interfere with the operation of Company's equipment.</p> <p>TEXAS GAS SERVICE COMPANY Central Texas Service Area      RATE SCHEDULE T-GTC ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT (Continued) 7.9 The accuracy of the measuring and testing equipment shall be verified according to Company's standard for the device being used and at other reasonable times upon request of Customer or Company. Gas</p>

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

RRC COID: 6310

COMPANY NAME: TEXAS GAS SERVICE COMPANY

TARIFF CODE: DT

RRC TARIFF NO: 22606

## CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

quality tests may be made at times of equipment testing or at other reasonable times. Unless a test is requested by Customer, notice of the time and nature of each test shall not be given by Company. If a test is requested by a Customer, then Company shall give Customer notice sufficiently in advance to permit Customer to have a representative present. Representatives of both Customer and Company may be present to observe such tests. The results of any such tests shall be considered accurate until the next tests are made. All tests of measuring equipment shall be made at Company's expense, except that Customer shall bear the expense of tests made at its request if the inaccuracy found is two percent (2%) or less. 7.10 If, at any time, any of the measuring or testing equipment is found to be out of service, or registering inaccurately of any percentage, it shall be adjusted at once to read accurately within the limits prescribed by the manufacturer. If such equipment is out of service or inaccurate by an amount exceeding two percent (2%) at a reading corresponding to the average rate of flow for the period since the last preceding test, the previous reading of such equipment shall be disregarded for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of time equal to one-half of the elapsed time since the last test. The volume of Gas delivered during such period shall be estimated (i) by using the data recorded by any check measuring equipment if installed and accurately registering, or if not installed or registering accurately, (ii) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither such method is feasible, (iii) by estimating the quantity or quality delivered based upon deliveries under similar conditions during a period when the equipment was registering accurately. No adjustment shall be made for recorded inaccuracies of two percent (2%) or less. 7.11 The parties hereto shall have the right to inspect equipment installed or furnished by the other or third-party operators and the charts and other measurement or testing data of all such parties at all times during business hours; but the reading, calibration, and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing the same. The parties hereto shall preserve all original test data, charts, and other similar records in such party's possession for a period of at least twenty-four (24) months. Measurement data corrections should be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. 7.12 At every Point of Receipt and every Point of Delivery, the party having control over such facility shall allow the other party immediate access to the receipt and delivery information as it is generated by the party having such control. With respect to all Points of Receipt and Points of Delivery that have electronic flow measurement, both parties shall have remote telephone and electronic access to the receipt and delivery information generated at such Point of Receipt and Point of Delivery. ARTICLE 8 TITLE TO AND RESPONSIBILITY FOR GAS 8.1 Customer and Company, respectively, warrant title to all Gas delivered by it into or from the Pipeline System hereunder, and each of Customer and Company, respectively, warrant and represent each has the right to deliver the Gas hereunder, and that such Gas is free from liens and adverse claims of every kind. Customer agrees to indemnify and save Company harmless from and against all loss, damage, claims, and expense of every character with respect to Gas delivered by it on account of royalties, taxes, payments, liens, or other charges or claims arising (i) before or created upon delivery of said Gas into the Pipeline System, and (ii) upon and after delivery of said Gas from the Pipeline System to Customer. 8.2 Subject to compliance with the provisions of Section 8.1 above, Company warrants that title to all Gas delivered hereunder by Customer is free from liens and adverse claims of every kind. Company agrees to indemnify and save Customer harmless from and against all loss, damage, claims, and expense of every character with respect to Gas to be delivered at the Point of Delivery on account of royalties, taxes, payments, liens, or other charges or claims arising after delivery of Gas to and before withdrawal thereof from the Pipeline System by Customer. 8.3 As between the parties hereto, Customer or its supplier shall be deemed to be in the exclusive control and possession of the Gas until such Gas has been delivered to Company at the Point of Receipt, and after its withdrawal by Customer at the Point of Delivery. After Customer's or Customer's suppliers' delivery of such Gas at the Point of Receipt, Company shall thereafter be deemed to be in the exclusive control and possession of such Gas until its withdrawal by Customer at the Point of Delivery. The party which shall be in the exclusive control and possession of such Gas shall be responsible for all in injury or damage caused thereby and shall be responsible for any loss of Gas while in its possession, except with regard to injury, damage or loss caused by or arising out of the negligence of the nonpossessory party. 8.4 The Pipeline System shall at all times remain the property of Company, and Customer shall have no right or property interest therein but only the right for the transportation of Gas. ARTICLE 9 FORCE MAJEURE AND CASUALTY 9.1 If either Company or Customer is rendered unable, wholly or in part, by reason of force majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended. Any force majeure event (other than labor disputes, strikes, or lockouts) shall be remedied so far as possible with reasonable dispatch. Settlement of strikes, lockouts, and labor disputes shall be wholly within the discretion of the party having the difficulty. The term force majeure shall include, but is not limited to, the following: acts of God and the public enemy; the elements; fire, accidents, breakdowns, strikes; any industrial, civil, or public disturbance; inability to obtain or delay in obtaining rights-of-way, material, supplies, permits, or labor; any act or omission by parties not subject to control by the party hereunder having the difficulty; and any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military. If pursuant to the foregoing Company curtails or temporarily discontinues the receipt or delivery of Gas hereunder, Customer agrees to hold Company harmless from any loss, claim, damage, or expense that Customer may incur by reason of such curtailment or discontinuance. 9.2 If a portion of the Pipeline System required to make the transportation service available is partially damaged by fire or other casualty, the damage may be repaired by Company, at its option and in its sole discretion, as speedily as practicable, due allowance being made for the time taken for the settlement of insurance claims. Until such repairs are made, the payments shall be apportioned in proportion to the portion of the capacity of the Pipeline System which is still available for the purposes hereof, such determination to be made in the sole discretion of Company. If the damage is so extensive as to render the Pipeline System wholly unusable, in Company's sole opinion, the payments, if any, shall cease until such time as the Pipeline System is again useable. In case the damage shall, in Company's sole opinion, amount substantially to a destruction of the portion of the Pipeline System available for the transportation of Gas and Company shall elect not to repair the damage, then the Agreement shall terminate at the time of such damage, and Company shall not be liable to Customer for any liability, damage, or claim which arises out of any failure to make repairs. ARTICLE 10 GOVERNMENTAL RULES, REGULATIONS, AND AUTHORIZATIONS; INTERPRETATION OF AGREEMENT 10.1 The Agreement is subject to all valid orders, laws, rules, and regulations of duly constituted municipal, State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or Gas supplies, the Agreement, or any provision hereof. The Company reserves

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 22606

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies. 10.2 The Agreement shall be interpreted under the laws of the State of Texas, excluding any law thereof directing the application of the laws of another jurisdiction. ARTICLE 11 MISCELLANEOUS 11.1 Any modification of terms, or amendment of any provisions hereof, shall become effective only by supplemental written agreement between the parties. 11.2 (A) Any of the following events or conditions shall constitute a default of Customer under the Agreement: (1) Default in the delivery of any payment or any sums hereunder for a period of sixty (60) Days after the same becomes due; (2) Any other breach of the material terms and conditions of the Agreement and the failure of Customer to cure such breach within thirty (30) Days after written demand by Company or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Customer shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured; (3) Customer shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Customer; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Customer (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; or (5) If any certificate, statement, representation, or warranty furnished by Customer proves to be false or incomplete in any material respect. (B) Upon the happening of any event of default as set forth in subparagraph 11.2(A) above, Company shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Customer the sum of all transportation payments and all other amounts due and owing under the Agreement plus the sum of all transportation payments and other amounts to become payable during the balance of the term of the Agreement; (2) Retake possession of the entire capacity of the Pipeline System without any court order or other process of law and without any rights of Company being thereupon terminated; (3) Terminate the Agreement and the Exhibits; (4) Pursue any other remedy at law or in equity. (C) Any of the following events or conditions shall constitute an Event of Default with respect to Company under the Agreement: (1) Default in the crediting of any sums due to Customer or in the payment of any other sums due to Customer under the Agreement for a period of ninety (90) Days after the same is established by Company to have become due; (2) Company's breach of any material term or condition of the Agreement and the failure of Company to cure such breach within thirty (30) Days after written demand by Customer or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Company shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured. (3) Company shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Company; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Company, (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; (D) Upon the happening of any event of default as set forth in subparagraph 11.2(C) above, Customer shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Company the sum of all outstanding credits and other amounts due and owing under the Agreement; (2) Terminate the Agreement and the Exhibits; (3) Pursue any other remedy at law or in equity. (E) The rights granted to Company and Customer hereunder shall be cumulative as to each and action on one shall not be deemed to constitute an election or waiver of any other right to which Company or Customer may be entitled. (F) Upon the termination of the Agreement, whether by lapse or time or otherwise, Customer will surrender any and all rights in the Pipeline System immediately. 11.3 Company shall not be liable for damages resulting from interruption of service, when such interruption is necessary to make repairs, changes, or adjustments in Company's equipment and facilities. 11.4 No waiver by Company or Customer of any default or the other under the Agreement shall operate as a waiver of any future default, whether of a like or different character. 11.5 The Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. In the event Customer sells, leases or otherwise transfers its distribution system to a third party, whether voluntarily or involuntarily, then Customer agrees, as a part of such sale, lease or transfer, to assign to such third party and to require such third party to accept the assignment of the Agreement and the Exhibits included therein, subject to the provisions of the following sentence. Neither the Agreement nor the Exhibits attached thereto nor the rights and obligations of Customer hereunder may be assigned without the consent of Company, which consent shall not be unreasonably withheld. 11.6 Customer will not mortgage, create a security interest in, or encumber the Agreement, or sublet the rights granted hereby, or permit its use by others, or pledge, loan, sublet, create a security interest in, or in any other manner attempt to dispose of such rights, or permit its use by others, or suffer any liens or legal process to be incurred or levied thereon; provided, however, that Customer may grant a security interest or similar encumbrance in connection with any existing financing arrangement associated with Customer's facility. 11.7 Except as provided below, Customer shall pay all fees, taxes, charges, and assessments imposed by or on behalf of any governmental entity in connection with the Agreement or in connection with the purchase, transportation, and disposition of Gas by or on behalf of Customer pursuant to the Agreement including but not limited to municipal and/or supplemental fees, franchise fees and any supplements thereto and taxes; provided that Company shall pay all ad valorem taxes and assessments levied on the Pipeline System and all appurtenant facilities. Company shall file all returns required for the Pipeline System and all appurtenant facilities. Customer will furnish Company with any information available to Customer in connection with Company's obligations under this section. 11.8 Company and Customer agree to exercise and take reasonable steps necessary to safeguard and cause their officers, directors, employees, agents, advisers, and representatives to safeguard the confidentiality of the Agreement and the terms and conditions thereof (as contrasted with the existence and effectiveness of the</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 22606

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Agreement which are not confidential) and not to disclose any part of it or any information derived there from or any negotiations relating thereto to any party or person except that limited number of people within Company's and Customer's organizations, and their advisers, lenders and potential investors, as may need to know the terms and conditions hereof in order to evaluate, understand, execute and perform the Agreement. Company and Customer agree not to copy or permit the copying of the Agreement, except as may be necessary for their operations. In the event Customer or Company or any of their officers, directors, employees, agents, or representatives, is requested or required (by oral or written question or request for information or documents in legal proceedings, interrogatories, subpoena, Civil Investigative Demand or similar process) to disclose any information concerning the Agreement or the terms and conditions thereof or any negotiations relating thereto, it is agreed that the party receiving such question or request will provide the other parties with prompt notice thereof so that such other parties may seek a protective order or other appropriate relief or a release from the other parties. It is further agreed that if, in the absence of a protective order or receipt of a release, the other party is compelled to disclose such information or else stand liable for contempt or suffer other censure or penalty or adverse effect, then such party may disclose such information. The parties hereto are further authorized to make disclosure of the Agreement as may be required by Federal, state, or local regulation or agency or as may be required by auditors or accountants in connection with the preparation of financial statements or tax returns. Disclosure hereunder shall not constitute a basis for defense, termination, or modification of the Agreement. <b>ARTICLE 12 DISPUTE RESOLUTION 12.1</b> Any dispute arising out of or relating to this Agreement for which a claim or demand is asserted that is equal to or exceeds a value of \$25,000 shall be resolved in accordance with the procedures specified in this Article 12, which shall be the sole and exclusive procedures for the resolution of any such disputes. The cost of conducting the dispute resolution process, including the fees and expenses of any arbitrators, shall be shared equally by the parties, and each party shall bear its own costs, including any attorneys' fees or other expenses incurred in the process. Each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances. <b>12.2</b> Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between management level personnel who have authority to settle the controversy. Any person may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. Within thirty (30) days after delivery of the initial notice, the designated managing personnel of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. <b>12.3</b> Arbitration. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation as provided above within sixty (60) days after initiation of negotiations shall be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect by (i) a sole arbitrator agreed upon by the parties if the dispute is between \$25,000 and \$250,000, or (ii) three independent and impartial arbitrators, of whom each party shall designate one, if the dispute is in excess of \$250,000. All arbitrators shall be knowledgeable in the natural gas industry. The arbitrator(s) shall have no authority to award consequential, punitive or exemplary damages. Provided, however, if one party fails to participate in the negotiation as agreed herein, the other party can commence arbitration prior to the expiration of the time periods set forth. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. Unless otherwise agreed, the place of arbitration shall be Austin, Texas. Initial Rate Schedule Meters Reading on and After June 30, 2009 (Other Cities) July 17, 2009 (City of Cedar Park)</p>
T-1-CTX-IS-Transp	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area      <b>RATE SCHEDULE T-1 TRANSPORTATION SERVICE RATE</b> Applicability Applicable to commercial customers and to consumers not otherwise specifically provided for under any other rate schedule. Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system. Availability Natural gas service under this rate schedule is available to any individually metered, commercial customer for the transportation of customer owned natural gas through the Company's Central Texas distribution system which includes Austin, Cedar Park, Kyle, Rollingwood, Sunset Valley and West Lake Hills, Texas. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion. Electronic flow measurement (EFM) may be required for Customers under this tariff at the Company's sole discretion. The customer may be required to reimburse the Company for any cost related to the installation of the EFM as well as provide for or reimburse the Company for any on going maintenance, repair, or communications costs. In the alternative, Customer may elect to discontinue service under this tariff and to receive service under the applicable sales tariff. Service is not available under this rate schedule for resale to others or for service for a term less than twelve (12) months. Under this tariff the Company shall perform or cause to be performed all functions necessary to transport the gas commodity from the Point of Receipt to the end use Customer. The Customer is responsible for acquiring the gas commodity from a third party supplier. Such gas supply must be delivered to the pipeline providing upstream services for the system from which the Customer is served. Customer shall deliver to Company each month, as reimbursement for lost and unaccounted for gas in the form of Payment in Kind (PIK), a volume of gas equal to the Purchase/Sales ratio authorized to be collected in the Cost of Gas clause times the volume of gas delivered by the Company for the account of Customer for transportation. Character of Service Firm gas transportation service Cost of Service Rate During each monthly billing period: A customer charge per meter per month listed by customer class as follows: Commercial - \$ 75.00 Large Commercial - \$150.00 Industrial - \$ 80.00 Large Industrial - \$150.00 Public Authority - \$ 25.00 Large Public Authority - \$100.00 Public Schools Space Heating - \$ 60.00 Compressed Natural Gas - \$ 40.00 Plus - All Ccf per monthly billing period listed by customer class as follows: Commercial - \$ 0.13010 per Ccf Large Commercial - \$ 0.10898 per Ccf Industrial - \$ 0.10675 per Ccf Large Industrial - \$ 0.10064 per Ccf Public Authority - \$ 0.11838 per Ccf Large Public Authority - \$ 0.11041 per Ccf Public Schools Space Heating - \$ 0.11689 per Ccf Compressed Natural Gas - \$ 0.07018 per Ccf Additional Charges 1) A charge will be made each month to recover the cost of taxes paid to the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 22606**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder. 2) A charge will be made each month to recover the cost of any applicable franchise fees paid to the cities. 3) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the Central Texas Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer. Subject to: Special Provisions                      Tariff General Terms and Conditions for Transportation Service T-GTC Other Conditions Transportation of Customer owned natural gas hereunder is subject in all respects to General Terms and Conditions for Transportation Service (T-GTC) and the Transportation Agreement entered into between the Customer and Company prior to commencement of service and all amendments and modifications thereto. Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Initial Rate Schedule                      Meters Read On and After June 30, 2009 (Other Cities) July 17, 2009 (City of Cedar Park)

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
73239	D	Mcf	\$ .0000	12/01/2009	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	31512	**CONFIDENTIAL**			
73240	D	Mcf	\$ .0000	12/01/2009	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	31512	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23478

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 05/27/2014      **RECEIVED DATE:** 06/03/2014

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** See ORD-CTX-IS and ORD-IRA-CTX

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Per the Incorp. Central TX Svc Area GRIP filing dated 2/11/14, new rates (customer charge) eff. 5/27/14. See ORD-IRA-CTX-IS for approval details.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
31811	**CONFIDENTIAL**	Y	



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23478**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>																														
ORD-IRA-CTX-IS	<p>TEXAS GAS SERVICE COMPANY Central TX Service Area RATE SCHEDULE ORD-IRA-CTX CITY ORDINANCE LISTING FOR INTERIM RATE ADJUSTMENT</p> <p><b>APPLICABILITY</b> Applicable to all gas sales and standard transport customers.</p> <p><b>TERRITORY</b> All customers in the incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley and West Lake Hills, Texas.</p> <p><b>DESCRIPTION</b> Per TGS Interim Rate Adjustment (GRIP) filed February 11, 2014 the cities approved the 2014 Interim Rate Adjustment (TYE Dec-2013) rates for both gas sales and standard transport customers.</p> <p>City approvals are as follows:</p> <table border="1"> <thead> <tr> <th>City Ordinance #</th> <th>Date Passed</th> <th>Effective Date of Rate Change</th> </tr> </thead> <tbody> <tr> <td>Austin 20140515-061</td> <td>05/15/2014</td> <td>05/27/2014</td> </tr> <tr> <td>Bee Cave 200</td> <td>05/13/2014</td> <td>05/27/2014</td> </tr> <tr> <td>Cedar Park G49.14.05.22.C3</td> <td>05/22/2014</td> <td>05/27/2014</td> </tr> <tr> <td>Dripping Springs Operation of Law</td> <td>05/27/2014</td> <td>05/27/2014</td> </tr> <tr> <td>Kyle Operation of Law</td> <td>05/27/2014</td> <td>05/27/2014</td> </tr> <tr> <td>Lakeway 2014-05-19-02</td> <td>05/19/2014</td> <td>05/27/2014</td> </tr> <tr> <td>Rollingwood Operation of law</td> <td>05/27/2014</td> <td>05/27/2014</td> </tr> <tr> <td>Sunset Valley 140520-A</td> <td>05/20/2014</td> <td>05/27/2014</td> </tr> <tr> <td>West Lake Hills Operation of Law</td> <td>05/27/2014</td> <td>05/27/2014</td> </tr> </tbody> </table> <p>Meters Read On and After: May 27, 2014 Supersedes same Rate Schedule dated: May 27, 2013</p>	City Ordinance #	Date Passed	Effective Date of Rate Change	Austin 20140515-061	05/15/2014	05/27/2014	Bee Cave 200	05/13/2014	05/27/2014	Cedar Park G49.14.05.22.C3	05/22/2014	05/27/2014	Dripping Springs Operation of Law	05/27/2014	05/27/2014	Kyle Operation of Law	05/27/2014	05/27/2014	Lakeway 2014-05-19-02	05/19/2014	05/27/2014	Rollingwood Operation of law	05/27/2014	05/27/2014	Sunset Valley 140520-A	05/20/2014	05/27/2014	West Lake Hills Operation of Law	05/27/2014	05/27/2014
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Sunset Valley 140520-A	05/20/2014	05/27/2014																													
West Lake Hills Operation of Law	05/27/2014	05/27/2014																													
IRA-CTX-IS-IRAAadj	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE IRA Central Texas Service Area</p> <p><b>INTERIM RATE ADJUSTMENT</b></p> <p><b>A. APPLICABILITY</b> This Interim Rate Adjustment (IRA) applies to all general service rate schedules of Texas Gas Service Company (Company) currently in force in the incorporated areas of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, Texas. Applicable rate schedules include 10, 20, 22, 30, 32, 40, 42, 48, CNG-1, and T-1.</p> <p><b>B. PURPOSE</b> Section 104.301, Subchapter G of the Texas Utility Code, effective on September 1, 2003, provides for an interim adjustment in a gas utility's monthly customer charge or initial block usage rate to recover the cost of changes in the utility's infrastructure investment and related expenses and revenues for providing gas utility service. The filing date of the utility's most recent rate case establishing rates for the area in which the interim rate adjustment will apply shall be no more than two years prior to the date the utility files its initial interim rate adjustment application for that area. The interim adjustment shall be recalculated on an annual basis, unless the utility files a written request and obtains approval from the regulatory authority to suspend the operation of the interim adjustment rate schedule for any year. This rate schedule establishes the interim adjustment provisions consistent with Section 104.301, Subchapter G of the Texas Utility Code.</p> <p><b>C. COMPUTATION OF IRA RATE</b> The amount the Company shall adjust its utility rates upward or downward under this rate schedule each calendar year is based on the difference between the value of the invested capital for the preceding calendar year and the value of the invested capital for the calendar year preceding that calendar year. The value of the invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment. Based on the difference between the values of the invested capital amounts as determined above, the Company may adjust only the following related components of its revenue requirement: return on investment, depreciation expense, ad valorem taxes, revenue related taxes and incremental federal income taxes. The factors for these components shall be the same as those established in the Company's most recent rate case for the service area in which this interim rate adjustment is to be implemented. The revenue requirement calculated pursuant to this rate schedule shall be allocated among the Company's customer classes for this service area in the same manner as the cost of service was allocated among customer classes in the Company's latest effective rates for this area.</p> <p><b>D. FILING WITH THE REGULATORY AUTHORITY</b> 1. The Company shall file either the initial interim adjustment or the annual interim adjustment with the regulatory authority at least 60 days before the proposed implementation date. During the 60-day period, the regulatory authority may act to suspend implementation of the adjustment.</p>																														

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23478

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>2. The Company shall provide notice to customers by bill insert or direct mail not later than the 45th day after the date of filing the interim adjustment.</p> <p>3. The Company shall file with the regulatory authority an annual report describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year. The annual report shall also state the cost, need, and customers benefited by the change in investment.</p> <p>4. In addition, the Company shall file with the regulatory authority an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year. Should the Company earn a return of more than 75 basis points above the return established in the latest effective rates implemented under this rate schedule, the Company shall file a statement stating the reasons why the rates are not unreasonable or in violation of the law.</p> <p>5. After the issuance of a final order or decision by a regulatory authority in a rate case that is filed after the implementation of a tariff or rate schedule under this section, any change in investment that has been included in an approved interim adjustment shall no longer be subject to subsequent review for reasonableness or prudence. All amounts collected under this rate schedule are subject to refund until the issuance of a final decision in the next rate case filing for this service area.</p> <p>6. The Company shall file a rate case no later than the 180th day after the fifth anniversary date its initial interim rate adjustment for this service area became effective. 7. The provisions under Section 104.301, Subchapter G of the Texas Utility Code for this interim adjustment do not limit the power of the regulatory authority under Section 104.151.</p> <p>Meters Read On and After: May 27, 2013</p> <p>Supersedes Same Sheet Dated:                      May 29, 2012 (Other Cities)                      September 4, 2012 (Dripping Springs)                      September 25, 2012 (City of Bee Cave - Initial Rate)                      October 19, 2012 (City of Lakeway - Initial Rate)</p>
ORD-CTX-IS	<p>TEXAS GAS SERVICE COMPANY Central TX Service Area . RATE SCHEDULE ORD-CTX-IS CITY ORDINANCE LISTING APPLICABILITY Applicable to all gas sales and standard transport customers. TERRITORY All customers in the incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Cedar Park, Kyle, Rollingwood, Sunset Valley and West Lake Hills, Texas. DESCRIPTION Per TGS rate case filed 02/11/09, the above cities approved (via ordinances listed below) changes to both gas sales and standard transport cost of service rates. In addition, the cities approved revisions to the Cost of Gas Clause, Conservation Adjustment Clause, CNG Service Rate, Relocation Cost Recovery, Weather Normalization Adjustment Clause, and Quality of Service Rules. The cities also approved a new General Terms and Conditions for Transport Service tariff (T-GTC) and Green Saver Tariff (GS-1, not effective until 10/1/09). City approvals are as follows: City Ordinance or Resolution # Date Ordinance Passed Effective Date of Gas Sales Rate Schedules Austin 20090618-074 06/18/09 06/30/2009 Cedar Park G55-09-07-09-E1 07/09/09 07/17/2009 Kyle 571 06/16/09 06/30/2009 Rollingwood 2009-06-17-2 06/17/09 06/30/2009 Sunset Valley 090623 06/23/09 06/30/2009 West Lake Hills 367 (b) 06/24/09 06/30/2009 Meters Read On and After June 30, 2009 (Other Cities) July 17, 2009 (City of Cedar Park) Initial</p>
RCR-CTX-IS-Reloc	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR RELOCATION COST RECOVERY A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for all incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Cedar Park, Dripping Springs, Kyle, Rollingwood, Sunset Valley and West Lake Hills, Texas: 10, 20, 22, 30, 32, 40, 42, 48, CNG-1 and T-1. B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPCR + PPRC NV CPCR = Relocation costs for the current recovery period. PPRC = Under collection or over collection from any prior RCR rates. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. RCR rates may be revised each quarter. All applicable fees and taxes will be added to the RCR rates. D. BILLING The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a separate adjustment (per Ccf rate) to the base bill for the rate schedules listed in Section A above. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty-five days before implementation of an RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications. Meters Read On and After June 30, 2009 (Other Cities), July 17, 2009 (City of Cedar Park) and December 9, 2011 (City of Dripping Springs - Initial Rate) Supersedes Same Sheet Dated November 30, 2005 and replaces Rate Sch RCR dated 12/29/03 (Kyle)</p>
RCR-Rider-CTX-IS	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-RIDER RELOCATION COST RECOVERY RATE A. APPLICABILITY The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23478

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-CTX-IS-Trans	<p>to Rate Schedule RCR, shall apply to the rate schedules as listed in Section (A) of Rate Schedule RCR for all incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Cedar Park, Dripping Springs, Kyle, Rollingwood, Sunset Valley and West Lake Hills, Texas. B. CURRENT RCR RATE Effective Date RCR Rate Meters Read On and After November 4, 2011 (11th RCR Filing) \$ 0.0000 per Ccf All applicable fees and taxes will be added to the above rate. Meters Read On and After November 4, 2011 (Other Cities) December 9, 2011 (City of Dripping Springs - Initial Rate) Supersedes Same Sheet Dated November 30, 2010 (Other Cities)</p> <p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GTC ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT (Continued) 7.9 The accuracy of the measuring and testing equipment shall be verified according to Company's standard for the device being used and at other reasonable times upon request of Customer or Company. Gas quality tests may be made at times of equipment testing or at other reasonable times. Unless a test is requested by Customer, notice of the time and nature of each test shall not be given by Company. If a test is requested by a Customer, then Company shall give Customer notice sufficiently in advance to permit Customer to have a representative present. Representatives of both Customer and Company may be present to observe such tests. The results of any such tests shall be considered accurate until the next tests are made. All tests of measuring equipment shall be made at Company's expense, except that Customer shall bear the expense of tests made at its request if the inaccuracy found is two percent (2%) or less. 7.10 If, at any time, any of the measuring or testing equipment is found to be out of service, or registering inaccurately of any percentage, it shall be adjusted at once to read accurately within the limits prescribed by the manufacturer. If such equipment is out of service or inaccurate by an amount exceeding two percent (2%) at a reading corresponding to the average rate of flow for the period since the last preceding test, the previous reading of such equipment shall be disregarded for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of time equal to one-half of the elapsed time since the last test. The volume of Gas delivered during such period shall be estimated (i) by using the data recorded by any check measuring equipment if installed and accurately registering, or if not installed or registering accurately, (ii) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither such method is feasible, (iii) by estimating the quantity or quality delivered based upon deliveries under similar conditions during a period when the equipment was registering accurately. No adjustment shall be made for recorded inaccuracies of two percent (2%) or less. 7.11 The parties hereto shall have the right to inspect equipment installed or furnished by the other or third-party operators and the charts and other measurement or testing data of all such parties at all times during business hours; but the reading, calibration, and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing the same. The parties hereto shall preserve all original test data, charts, and other similar records in such party's possession for a period of at least twenty-four (24) months. Measurement data corrections should be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. 7.12 At every Point of Receipt and every Point of Delivery, the party having control over such facility shall allow the other party immediate access to the receipt and delivery information as it is generated by the party having such control. With respect to all Points of Receipt and Points of Delivery that have electronic flow measurement, both parties shall have remote telephone and electronic access to the receipt and delivery information generated at such Point of Receipt and Point of Delivery. ARTICLE 8 TITLE TO AND RESPONSIBILITY FOR GAS 8.1 Customer and Company, respectively, warrant title to all Gas delivered by it into or from the Pipeline System hereunder, and each of Customer and Company, respectively, warrant and represent each has the right to deliver the Gas hereunder, and that such Gas is free from liens and adverse claims of every kind. Customer agrees to indemnify and save Company harmless from and against all loss, damage, claims, and expense of every character with respect to Gas delivered by it on account of royalties, taxes, payments, liens, or other charges or claims arising (i) before or created upon delivery of said Gas into the Pipeline System, and (ii) upon and after delivery of said Gas from the Pipeline System to Customer. 8.2 Subject to compliance with the provisions of Section 8.1 above, Company warrants that title to all Gas delivered hereunder by Customer is free from liens and adverse claims of every kind. Company agrees to indemnify and save Customer harmless from and against all loss, damage, claims, and expense of every character with respect to Gas to be delivered at the Point of Delivery on account of royalties, taxes, payments, liens, or other charges or claims arising after delivery of Gas to and before withdrawal thereof from the Pipeline System by Customer. 8.3 As between the parties hereto, Customer or its supplier shall be deemed to be in the exclusive control and possession of the Gas until such Gas has been delivered to Company at the Point of Receipt, and after its withdrawal by Customer at the Point of Delivery. After Customer's or Customer's suppliers' delivery of such Gas at the Point of Receipt, Company shall thereafter be deemed to be in the exclusive control and possession of such Gas until its withdrawal by Customer at the Point of Delivery. The party which shall be in the exclusive control and possession of such Gas shall be responsible for all in injury or damage caused thereby and shall be responsible for any loss of Gas while in its possession, except with regard to injury, damage or loss caused by or arising out of the negligence of the nonpossessory party. 8.4 The Pipeline System shall at all times remain the property of Company, and Customer shall have no right or property interest therein but only the right for the transportation of Gas. ARTICLE 9 FORCE MAJEURE AND CASUALTY 9.1 If either Company or Customer is rendered unable, wholly or in part, by reason of force majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended. Any force majeure event (other than labor disputes, strikes, or lockouts) shall be remedied so far as possible with reasonable dispatch. Settlement of strikes, lockouts, and labor disputes shall be wholly within the discretion of the party having the difficulty. The term force majeure shall include, but is not limited to, the following: acts of God and the public enemy; the elements; fire, accidents, breakdowns, strikes; any industrial, civil, or public disturbance; inability to obtain or delay in obtaining rights-of-way, material, supplies, permits, or labor; any act or omission by parties not subject to control by the party hereunder having the difficulty; and any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military. If pursuant to the foregoing Company curtails or temporarily discontinues the receipt or delivery of Gas hereunder, Customer agrees to hold Company harmless from any loss, claim, damage, or expense that Customer may incur by reason of such curtailment or discontinuance. 9.2 If a portion of the Pipeline System required to make the transportation service available is partially damaged by fire or other casualty, the damage may be repaired by Company, at its option and in its sole discretion, as speedily as practicable, due allowance being made for the time taken for the settlement of insurance claims. Until such repairs are made, the payments shall be apportioned in proportion to the portion of the</p>

GAS SERVICES DIVISION  
 GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23478

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>capacity of the Pipeline System which is still available for the purposes hereof, such determination to be made in the sole discretion of Company. If the damage is so extensive as to render the Pipeline System wholly unusable, in Company's sole opinion, the payments, if any, shall cease until such time as the Pipeline System is again useable. In case the damage shall, in Company's sole opinion, amount substantially to a destruction of the portion of the Pipeline System available for the transportation of Gas and Company shall elect not to repair the damage, then the Agreement shall terminate at the time of such damage, and Company shall not be liable to Customer for any liability, damage, or claim which arises out of any failure to make repairs. ARTICLE 10 GOVERNMENTAL RULES, REGULATIONS, AND AUTHORIZATIONS; INTERPRETATION OF AGREEMENT 10.1 The Agreement is subject to all valid orders, laws, rules, and regulations of duly constituted municipal, State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or Gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies. 10.2 The Agreement shall be interpreted under the laws of the State of Texas, excluding any law thereof directing the application of the laws of another jurisdiction. ARTICLE 11 MISCELLANEOUS 11.1 Any modification of terms, or amendment of any provisions hereof, shall become effective only by supplemental written agreement between the parties. 11.2 (A) Any of the following events or conditions shall constitute a default of Customer under the Agreement: (1) Default in the delivery of any payment or any sums hereunder for a period of sixty (60) Days after the same becomes due; (2) Any other breach of the material terms and conditions of the Agreement and the failure of Customer to cure such breach within thirty (30) Days after written demand by Company or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Customer shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured; (3) Customer shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Customer; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Customer (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; or (5) If any certificate, statement, representation, or warranty furnished by Customer proves to be false or incomplete in any material respect. (B) Upon the happening of any event of default as set forth in subparagraph 11.2(A) above, Company shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Customer the sum of all transportation payments and all other amounts due and owing under the Agreement plus the sum of all transportation payments and other amounts to become payable during the balance of the term of the Agreement; (2) Retake possession of the entire capacity of the Pipeline System without any court order or other process of law and without any rights of Company being thereupon terminated; (3) Terminate the Agreement and the Exhibits; (4) Pursue any other remedy at law or in equity. (C) Any of the following events or conditions shall constitute an Event of Default with respect to Company under the Agreement: (1) Default in the crediting of any sums due to Customer or in the payment of any other sums due to Customer under the Agreement for a period of ninety (90) Days after the same is established by Company to have become due; (2) Company's breach of any material term or condition of the Agreement and the failure of Company to cure such breach within thirty (30) Days after written demand by Customer or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Company shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured. (3) Company shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Company; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Company, (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; (D) Upon the happening of any event of default as set forth in subparagraph 11.2(C) above, Customer shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Company the sum of all outstanding credits and other amounts due and owing under the Agreement; (2) Terminate the Agreement and the Exhibits; (3) Pursue any other remedy at law or in equity. (E) The rights granted to Company and Customer hereunder shall be cumulative as to each and action on one shall not be deemed to constitute an election or waiver of any other right to which Company or Customer may be entitled. (F) Upon the termination of the Agreement, whether by lapse or time or otherwise, Customer will surrender any and all rights in the Pipeline System immediately. 11.3 Company shall not be liable for damages resulting from interruption of service, when such interruption is necessary to make repairs, changes, or adjustments in Company's equipment and facilities. 11.4 No waiver by Company or Customer of any default or the other under the Agreement shall operate as a waiver of any future default, whether of a like or different character. 11.5 The Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. In the event Customer sells, leases or otherwise transfers its distribution system to a third party, whether voluntarily or involuntarily, then Customer agrees, as a part of such sale, lease or transfer, to assign to such third party and to require such third party to accept the assignment of the Agreement and the Exhibits included therein, subject to the provisions of the following sentence. Neither the Agreement nor the Exhibits attached thereto nor the rights and obligations of Customer hereunder may be assigned without the consent of Company, which consent shall not be unreasonably withheld. 11.6 Customer will not mortgage, create a security interest in, or encumber the Agreement, or sublet the rights granted hereby, or permit its use by others, or pledge, loan, sublet, create a security interest in, or in any other manner attempt to dispose of such rights, or permit its use by others, or suffer any liens or legal process to be incurred or levied thereon; provided, however, that Customer may grant a security interest or similar encumbrance in</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23478**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-1-CTX-IS-Transp	<p>connection with any existing financing arrangement associated with Customer's facility. 11.7 Except as provided below, Customer shall pay all fees, taxes, charges, and assessments imposed by or on behalf of any governmental entity in connection with the Agreement or in connection with the purchase, transportation, and disposition of Gas by or on behalf of Customer pursuant to the Agreement including but not limited to municipal and/or supplemental fees, franchise fees and any supplements thereto and taxes; provided that Company shall pay all ad valorem taxes and assessments levied on the Pipeline System and all appurtenant facilities. Company shall file all returns required for the Pipeline System and all appurtenant facilities. Customer will furnish Company with any information available to Customer in connection with Company's obligations under this section. 11.8 Company and Customer agree to exercise and take reasonable steps necessary to safeguard and cause their officers, directors, employees, agents, advisers, and representatives to safeguard the confidentiality of the Agreement and the terms and conditions thereof (as contrasted with the existence and effectiveness of the Agreement which are not confidential) and not to disclose any part of it or any information derived there from or any negotiations relating thereto to any party or person except that limited number of people within Company's and Customer's organizations, and their advisers, lenders and potential investors, as may need to know the terms and conditions hereof in order to evaluate, understand, execute and perform the Agreement. Company and Customer agree not to copy or permit the copying of the Agreement, except as may be necessary for their operations. In the event Customer or Company or any of their officers, directors, employees, agents, or representatives, is requested or required (by oral or written question or request for information or documents in legal proceedings, interrogatories, subpoena, Civil Investigative Demand or similar process) to disclose any information concerning the Agreement or the terms and conditions thereof or any negotiations relating thereto, it is agreed that the party receiving such question or request will provide the other parties with prompt notice thereof so that such other parties may seek a protective order or other appropriate relief or a release from the other parties. It is further agreed that if, in the absence of a protective order or receipt of a release, the other party is compelled to disclose such information or else stand liable for contempt or suffer other censure or penalty or adverse effect, then such party may disclose such information. The parties hereto are further authorized to make disclosure of the Agreement as may be required by Federal, state, or local regulation or agency or as may be required by auditors or accountants in connection with the preparation of financial statements or tax returns. Disclosure hereunder shall not constitute a basis for defense, termination, or modification of the Agreement. ARTICLE 12 DISPUTE RESOLUTION 12.1 Any dispute arising out of or relating to this Agreement for which a claim or demand is asserted that is equal to or exceeds a value of \$25,000 shall be resolved in accordance with the procedures specified in this Article 12, which shall be the sole and exclusive procedures for the resolution of any such disputes. The cost of conducting the dispute resolution process, including the fees and expenses of any arbitrators, shall be shared equally by the parties, and each party shall bear its own costs, including any attorneys' fees or other expenses incurred in the process. Each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances. 12.2 Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between management level personnel who have authority to settle the controversy. Any person may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. Within thirty (30) days after delivery of the initial notice, the designated managing personnel of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. 12.3 Arbitration. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation as provided above within sixty (60) days after initiation of negotiations shall be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect by (i) a sole arbitrator agreed upon by the parties if the dispute is between \$25,000 and \$250,000, or (ii) three independent and impartial arbitrators, of whom each party shall designate one, if the dispute is in excess of \$250,000. All arbitrators shall be knowledgeable in the natural gas industry. The arbitrator(s) shall have no authority to award consequential, punitive or exemplary damages. Provided, however, if one party fails to participate in the negotiation as agreed herein, the other party can commence arbitration prior to the expiration of the time periods set forth. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. Unless otherwise agreed, the place of arbitration shall be Austin, Texas. Meters Read On and After: January 27, 2014 Supersedes: June 30, 2009 (Other Cities) July 17, 2009 (City of Cedar Park), December 9, 2011 (City of Dripping Springs -Initial), September 25, 2012 (City of Bee Cave - Initial Rate) and October 19, 2012 (City of Lakeway - Initial Rate)</p> <p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-1 TRANSPORTATION SERVICE RATE</p> <p><b>Applicability</b> Applicable to commercial customers and to consumers not otherwise specifically provided for under any other rate schedule. Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.</p> <p><b>Availability</b> Natural gas service under this rate schedule is available to any individually metered, commercial customer for the transportation of customer owned natural gas through the Company's Central Texas distribution system which includes Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley and West Lake Hills, Texas. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23478**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Electronic flow measurement (EFM) may be required for Customers under this tariff at the Company's sole discretion. The customer may be required to reimburse the Company for any cost related to the installation of the EFM as well as provide for or reimburse the Company for any ongoing maintenance, repair, or communications costs. In the alternative, Customer may elect to discontinue service under this tariff and to receive service under the applicable sales tariff.</p> <p>Service is not available under this rate schedule for resale to others or for service for a term less than twelve (12) months.</p> <p>Under this tariff the Company shall perform or cause to be performed all functions necessary to transport the gas commodity from the Point of Receipt to the end use Customer. The Customer is responsible for acquiring the gas commodity from a third party supplier. Such gas supply must be delivered to the pipeline providing upstream services for the system from which the Customer is served.</p> <p>Customer shall deliver to Company each month, as reimbursement for lost and unaccounted for gas in the form of Payment in Kind (PIK), a volume of gas equal to the Purchase/Sales ratio authorized to be collected in the Cost of Gas clause times the volume of gas delivered by the Company for the account of Customer for transportation.</p> <p>Character of Service Firm gas transportation service</p> <p>Cost of Service Rate During each monthly billing period, a customer charge per meter per month listed by customer class as follows: Commercial \$ 75.00 plus Interim Rate Adjustments \$107.21 (Footnote 1) Total Rate \$182.21</p> <p>Large Commercial \$ 150.00 plus Interim Rate Adjustments \$373.31 (Footnote 2) Total Rate \$523.31</p> <p>Industrial \$ 80.00 plus Interim Rate Adjustments \$177.49 (Footnote 3) Total Rate \$257.49</p> <p>Large Industrial \$ 150.00 plus Interim Rate Adjustments \$635.28 (Footnote 4) Total Rate \$785.28</p> <p>Public Authority \$ 25.00 plus Interim Rate Adjustments \$23.94 (Footnote 5) Total Rate \$48.94</p> <p>Large Public Authority \$ 100.00 plus Interim Rate Adjustments \$364.62 (Footnote 6) Total Rate \$464.62</p> <p>Public Schools Space Heat \$ 60.00 plus Interim Rate Adjustments \$71.29 (Footnote 7) Total Rate \$131.29</p> <p>CNG \$ 40.00 plus Interim Rate Adjustments \$15.69 (Footnote 8) Total Rate \$55.69</p> <p>Plus - All Ccf per monthly billing period listed by customer class as follows: Commercial - \$ 0.13010 per Ccf Large Commercial - \$ 0.10898 per Ccf Industrial - \$ 0.10675 per Ccf Large Industrial - \$ 0.10064 per Ccf Public Authority - \$ 0.11838 per Ccf Large Public Authority - \$ 0.11041 per Ccf Public Schools Space Heating - \$ 0.11689 per Ccf Compressed Natural Gas - \$ 0.07018 per Ccf</p> <p>Additional Charges 1) A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder. 2) The basic rates for cost of service shall include the amount of the Interim Rate Adjustment in accordance with the provisions of Rate</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23478**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	Schedule IRA.
	3) A charge will be made each month to recover the cost of any applicable franchise fees paid to the cities.
	4) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the Central Texas Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.
	Subject to: Special Provisions Tariff General Terms and Conditions for Transportation Service T-GTC
	Other Conditions Transportation of Customer owned natural gas hereunder is subject in all respects to General Terms and Conditions for Transportation Service (T-GTC) and the Transportation Agreement entered into between the Customer and Company prior to commencement of service and all amendments and modifications thereto. Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.
	Footnote 1: 2010 IRA - \$11.38; 2011 IRA - \$27.04; 2012 IRA - \$29.59; 2013 IRA - \$39.20
	Footnote 2: 2010 IRA - \$37.03; 2011 IRA - \$91.51; 2012 IRA - \$102.56; 2013 IRA - \$142.21
	Footnote 3: 2010 IRA - \$17.61; 2011 IRA - \$42.72; 2012 IRA - \$49.68; 2013 IRA - \$67.48
	Footnote 4: 2010 IRA - \$74.19; 2011 IRA - \$181.83; 2012 IRA - \$106.42; 2013 IRA - \$272.84
	Footnote 5: 2010 IRA - \$3.16; 2011 IRA - \$6.48; 2012 IRA - \$6.16 ; 2013 IRA - \$8.14
	Footnote 6: 2010 IRA - \$41.64; 2011 IRA - \$108.05; 2012 IRA - \$103.08; 2013 IRA - \$111.85
	Footnote 7: 2010 IRA - \$7.03; 2011 IRA - \$17.41; 2012 IRA - \$20.47; 2013 IRA - \$26.38
	Footnote 8: 2010 IRA - \$1.57; 2011 IRA - \$3.85; 2012 IRA - \$4.50 ; 2013 IRA - \$5.77
	Meters Read On and After: May 27, 2014 Supersedes same Rate Schedule dated: May 27, 2013
T-GTC-CTX-IS-Trans	TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION ARTICLE 1
	DEFINITIONS 1.1 Affiliate shall mean any person, entity, or business section, or division that directly or through one or more intermediaries' controls, is controlled by, or is under common control with the entity in question.  1.2 Agreement shall mean the agreement to which the General Terms and Conditions for Transportation apply.  1.3 Btu shall mean British thermal unit(s) and shall be computed on a temperature base of sixty degrees (60 degrees) Fahrenheit and a pressure base of fourteen and sixty-five hundredths (14.65) psia and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and MMBtu shall mean one million (1,000,000) Btu.  1.4 Commission shall mean the Railroad Commission of Texas.  1.5 Company shall mean Texas Gas Service when it is acting as Company on the Pipeline System.  1.6 Cumulative Tolerance Limit shall mean five percent (5%) of aggregate historical annual deliveries of a Qualified Supplier's pool of customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit to reflect changes to the pool of customers and other known changes to anticipated deliveries that the Company determines to be reasonably reliable and accurate.  1.7 Customer shall mean a consumer which subscribes to natural gas services provided by Texas Gas Service.  1.8 Dekatherm (Dth) shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis.

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23478
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**CURRENT RATE COMPONENT****RATE COMP. ID****DESCRIPTION**

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

1.10 Dry shall mean the heating value calculation being determined with no water vapor present.

1.11 Effective Date shall mean the date specified in the Agreement.

1.12 Gas or natural gas shall mean the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof.

1.13 Gas Transportation Order shall mean a completed Exhibit A relating to the applicable gas transportation service Agreement.

1.14 Gross Heating Value or Gross shall mean the amount of energy transferred as heat per mass or mole from the complete combustion of the gas with oxygen (from air), at a base temperature in which all water formed by the reaction condenses to liquid.

1.15 Mcf shall mean one thousand (1,000) cubic feet of Gas.

1.16 Month shall mean the period beginning at 9:00 a.m. central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month, except where references not involving Gas measurement volumes are involved, in which case the calendar month shall be deemed to be referred to. 1.17 Monthly Tolerance Limit shall mean ten percent (10%) of the aggregate deliveries for a Qualified Suppliers pool of customers for such month.

1.18 PDA shall mean a predetermined allocation method.

1.19 Pipeline System shall mean the current existing utility distribution facilities of Company located in the State of Texas.

1.20 Point of Delivery shall mean the point or points where Gas is delivered from the Pipeline System to or for the account of Customer and are shown on the applicable Gas Transportation Order.

1.21 Point Operator shall mean the person or entity that controls the Point of Receipt or Point of Delivery.

1.22 Point of Receipt shall mean the point or points where Company shall receive Gas into the Pipeline System from Customer, as described on the applicable Gas Transportation Order.

1.23 Psia shall mean pounds per square inch, absolute.

1.24 Psig shall mean pounds per square inch, gauge.

1.25 Qualified Supplier shall mean a supplier of natural gas for transportation to customers through the Company's pipeline system that meets the requirements of and has executed a Supplier Service Agreement.

1.26 Real shall mean the division of the ideal heating value by the compressibility of the gas. This creates an ideal Gross Heating Value per Real cubic foot.

1.27 Supplier Service Agreement shall mean a contract setting forth the requirements and terms upon which a supplier of natural gas may make deliveries of customer owned gas into the Company's pipeline system for delivery to one or more of the Company's customers receiving service under this tariff.

1.28 Tariff shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over Company or the services provided hereunder.

1.29 Week shall mean a period of seven (7) consecutive Days beginning at 9:00 a.m. central clock time on each Monday and ending at the same time on the next succeeding Monday. 1.30 Year shall mean a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29.

**ARTICLE 2****RESTRICTIONS AND RESERVATIONS**

2.1 It is understood and agreed that Customer has only the right to transportation service in the Pipeline System and all equipment, including (but not in any way limited thereto) all pipe, valves, fittings, and meters comprising the Pipeline System and all other property and capacity rights and interests, shall at all times during the term of the Agreement remain the property of Company. Customer agrees not to cause or permit any liens or encumbrances to be filed with respect to the Pipeline System by reason of Customer's actions. Customer's Gas shall at all times remain the property of Customer, and Company shall have no right or property interest therein.

2.2 Company reserves the right in its sole discretion to remove, relocate, expand, or rebuild, without approval of Customer, any portion of the Pipeline System. Customer shall make no alterations, additions, or repairs to or on the Pipeline System, nor shall Customer bear any cost of any alterations, additions, repairs, maintenance or replacements made to or on said Pipeline System.



## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23478
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**CURRENT RATE COMPONENT****RATE COMP. ID****DESCRIPTION**

2.3 Customer agrees not to connect or cause the connection of any third party to the Pipeline System for any purpose without the express written approval and consent of Company to be granted in Company's sole discretion. Customer further agrees not to transport or cause to be transported any Gas for any third party. If either of these conditions is breached by Customer, Company shall have the right and option, notwithstanding any other provision of the Agreement or the General Terms and Conditions for Transportation, to terminate the Agreement including the Exhibits thereto immediately and without further obligation to Customer.

2.4 Company presently is transporting Gas to third parties on the Pipeline System and shall have the right in the future to transport additional Gas for such purposes and to transport Gas to additional third parties as it may desire, and Company shall have the right to make additional connections to the Pipeline System as may be required to serve presently existing and new customers, all of which is subject to the provisions of the Agreement. Company's transportation of Gas hereunder shall not obligate Company in any manner beyond the terms of the Agreement and the Exhibits attached thereto.

2.5 Company shall own any and all liquids which are recovered from the Pipeline System and may use, sell or transfer all liquids without having to account in any manner, or pay any monies or other consideration to Customer.

2.6 The Company reserves the unilateral right from time to time to seek regulatory approval to make any changes to, or to supersede, the rates, charges and any terms stated in the tariffs, rate schedules, the agreements, and the General Terms and Conditions.

**ARTICLE 3  
OPERATIONS**

3.1 Customer shall deliver its Gas into the Pipeline System at the Points of Receipt described on the applicable Gas Transportation Order, as it now exists and as it may be amended. Customer shall have no right to require Gas to be received at any particular Point of Receipt and Company may delete such points or modify the capacity thereof from time to time and at any time in its sole discretion with no further obligation to Customer with respect to such Point of Receipt. All supplies of Gas delivered to the Pipeline System must comply with the terms and conditions of the Agreement and the exhibits attached thereto. In no event shall Company be required to expand, modify, construct, rearrange, or change the operations of the Pipeline System in order to receive Gas from or on behalf of Customer or in order to deliver Gas to Customer at any existing Points of Delivery.

3.2 Customer shall advise (in a method and format approved by Company in its sole discretion) Company with respect to each Day, Week and Month the name of each supplier with whom it has a contract (and the name of the individual with such supplier responsible for Customer's account), which source of supply is delivering to Company, how much Gas is nominated to be delivered to Company from each source of supply (i.e., each well, plant, or other desired Point of Receipt) and the anticipated deliveries at each Point of Delivery. Customer's nomination shall be in good faith, in balance between Points of Receipt and Points of Delivery, and shall be based on Customer's commercially reasonable best efforts to estimate usage for Hour, Day, Week, and Month. Customer will cause their Qualified Supplier to act as their agent in the nomination process. Qualified Supplier shall not intentionally nominate more or less Gas than is anticipated for consumption by Customer(s), except as may be needed for balancing purposes to the extent Company accepts such nomination. Qualified Supplier shall submit nominations to the Company's gas scheduling department in accordance with their currently effective nomination process which can be provided to the parties upon request. Customer and Qualified Supplier shall exercise commercially reasonable best efforts to deliver to the Pipeline System Dths of Gas that Company is to deliver from the Pipeline System to Customer during any particular Hour, Day, Week and Month, including but not limited to volumes needed for peak Day usage for Customer's facilities.

3.3 Before the start of the Gas Day, the Point Operator and Company shall establish a predetermined allocation (PDA) method to specify how Gas received or delivered by Company shall be allocated in accordance with confirmed nominations at such point. Only one PDA methodology shall be applied per allocation period.

3.4 Customer's Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery. To the extent that Customer's acts or omissions cause Company to incur, directly or indirectly, fees, charges, expenses, or penalties from a supplier or transporter for failure to satisfy such supplier's or transporter's balancing or nomination requirements, then Customer agrees to reimburse Company for such fees, charges, expenses, or penalties, and defend, indemnify, and hold Company harmless with respect thereto. Any fees, charges, expenses or penalties which were determined to be in error will be credited back to the Customer.

3.5 The Point of Receipt and Point of Delivery may be, or may later become points through which other quantities of Gas are being measured; therefore, the measurement of Gas under the Agreement may involve the allocation of Gas deliveries. In such event, each party hereto will furnish, or cause to be furnished, to the other all data required to accurately account for all Gas.

3.6 Except as may be set forth on a Gas Transportation Order, Company shall receive and deliver Gas hereunder as nearly as practicable at uniform hourly and daily rates of flow. It is recognized that it may be physically impracticable, because of measurement, Gas control limitations and other operating conditions, to stay in zero (0) imbalance each hour and each Day; therefore, the daily and hourly quantities received may, due to the aforementioned reasons, vary above or below the daily and hourly quantities delivered. If the quantities received and the quantities delivered hereunder should create an imbalance at the end of any hour, Day, Week, or Month, then Company and Customer shall adjust receipts and/or deliveries at any time to the end that the quantities received and delivered shall be kept as near to zero (0) imbalance as practicable.

3.7 Imbalances Customer must designate no more than one Qualified Supplier. The Qualified Supplier shall act on behalf of the Customer to procure gas supplies, deliver gas supplies to points of receipt designated in the Gas Transportation Order, and shall act as the Customer's agent with respect to nominations, operational notices required under the Gas Transportation Agreement or applicable

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23478**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>tariffs and with respect to resolution of imbalances under this Rate Schedule. (A) The following cash out provisions shall be applied to the Qualified Supplier for its aggregate pool of Customers that are being provided service pursuant to a Rate Schedule or some other form of transportation service: 1) Qualified Supplier shall not deliver into the Pipeline System more Dths of Gas than Company delivers to the aggregate pool of Customers at the Points of Delivery during a Month. At the end of the Month in which an over-delivery occurred and exceeded the Monthly Tolerance Limit or the Cumulative Tolerance Limit, Qualified Supplier shall sell such excess Gas to Company at 95% of Inside FERC's FOM Houston Ship Channel index price. 2) If Company receives less Dths of Gas than are delivered to the aggregate pool of Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Month, then Qualified Supplier shall purchase such under-delivered volumes at 105% of Inside FERC's FOM Houston Ship Channel index price. The Company will provide monthly imbalance statements along with calculations of the cash out charges in accordance with the aforementioned cash out provisions to the Qualified Supplier each month. Payments for cash out charges will be due each month within 15 business days of the imbalance statement date. The Company may elect at its sole discretion to accrue the monthly cash out provisions each month and only require periodic settlement rather than monthly payments. The monthly transport payments shall not be abated with respect to a Month in which under-deliveries occurred except as provided in Article 9 and Article 10 hereof.</p> <p>3.8 Customer and Company shall exercise their commercially reasonable best efforts to comply with all of the standards established by the North American Energy Standards Board, Inc. (NAESB), but in no event shall either party be required to comply with the NAESB standards if such compliance has a material adverse affect upon such party.</p> <p>3.9 In the event Customer's source of gas supply is terminated by Customer's supplier due to non-payment or other reasons, or if customer is otherwise unable to continue as a transportation customer, Customer may, upon the giving of five (5) business days advance notice to Company, obtain service from Company under the general sales tariff applicable to Customer. Prior to commencing such service, Company may, in its sole discretion, require Customer to post a deposit or bond in accordance with the provisions of Article 5 hereof.</p> <p><b>ARTICLE 4</b> <b>PRESSURE AND QUALITY OF GAS</b></p> <p>4.1 Customer shall deliver (or cause to be delivered) the Gas to the Pipeline System at the Point of Receipt at a pressure sufficient to effect delivery into the Pipeline System at that point. If necessary, Customer shall provide additional compression to make such deliveries hereunder, and Company shall not have any cost or responsibility in that regard.</p> <p>4.2 Subject to the provisions of Section 4.1 above, the Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery at pressures sufficient to effect deliveries to Customer's facilities, but not to exceed the maximum pressure that has existed for each Point of Delivery.</p> <p>4.3 Gas delivered by and to Customer shall be commercially free of dust, gums, gum-forming constituents, gasoline, water, and any other substance that may become separated from the Gas during the handling hereof. All Gas received shall conform to the following additional specifications: (A) Contain not more than one-quarter (1/4) grain of hydrogen sulfide per 100 cubic feet, as determined by a method generally acceptable for use in the gas industry; (B) Contain not more than five (5) grains of total sulfur per 100 cubic feet; (C) Contain not more than two percent (2%) by volume of carbon dioxide; (D) Contain not more than four percent (4%) by volume of total inerts, including carbon dioxide and nitrogen; (E) Contain not more than two-tenths of one percent (.2%) by volume of oxygen; (F) Contain a gross heating value equivalent to at least 980 British Thermal Units per cubic foot and not to exceed 1080 British Thermal Units per cubic foot; (G) Have a temperature of not more than one hundred twenty degrees (120#) Fahrenheit and not less than forty degrees (40 #) Fahrenheit; (H) Contain no water or hydrocarbons in liquid form; (I) Contain not more than 7 pounds of water in vapor stage per 1,000 Mcf of gas; and (J) Be interchangeable with the Company's system Gas at the Point of Receipt or delivered to the nearest customer, city border station, or other pipeline interconnected with such receiving facility or downstream of the Point of Receipt.</p> <p>4.4 The Company, at its option, may refuse to accept delivery of any gas not meeting the quality specifications set out above. Thereafter, Customer or Qualified Supplier shall have the right to conform or cause the gas to be conformed to the above specifications. If the Customer or Qualified Supplier does not elect to conform the gas to said specifications, then the Company at its sole option may accept or reject any such gas.</p> <p>4.5 Notwithstanding anything to the contrary contained herein, the gas which the Company transports and delivers to the Customer shall be odorized by the Company. In the event Customer desires to remove the odorant, such removal shall be solely at Customer's risk and expense.</p> <p><b>ARTICLE 5</b> <b>PAYMENT</b></p> <p>5.1 Should Customer fail to pay or deliver any or all of the amount of the transportation payment and/or other fees due under any exhibit when such amount is due (which in no event shall be later than the last Day of the applicable Month), interest on the unpaid portion shall accrue at a rate (which in no event shall be higher than the maximum rate permitted by applicable law) equal to one and one-half percent (1 one-half%) per month from the due date until the date of payment. If such failure to pay continues for fifteen (15) Days after payment is due, Company, in addition to any other remedy it may have, may suspend further receipts and deliveries of Gas until such amount is paid; provided, however, that if Customer in good faith shall dispute in writing the amount of any such bill or part thereof and shall pay to Company such amounts as it concedes to be correct and, at any time thereafter within thirty (30) Days of the due date of such payment, shall furnish a good and sufficient surety bond in an amount and with surety satisfactory to Company, guaranteeing</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23478

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>payment to Company of the amount ultimately found due upon such bills, including interest thereon, after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further receipts and withdrawals of Gas unless and until default be made in the conditions of such bond. As an alternative to posting a bond, Customer may pay the portion of any amount in dispute without waiving its rights to recoup any monies improperly billed. If the portion of any amount in dispute is ultimately determined to be incorrect, such amount shall be refunded by Company to Customer together with interest thereon at a rate (which in no event shall be higher than the maximum allowed by law) equal to one and one-half percent (one-half%) per Month for the period from the date of payment to Company to the date of refund by Company.</p> <p>5.2 Customer agrees to pay any amounts due pursuant to the Agreement and the General Terms and Conditions for Transportation to Company within fifteen (15) Business Days after receipt of an invoice from Company.</p> <p>5.3 Company reserves the right, prior to initiation of service, to require a cash deposit or bond in favor of Texas Gas Service in order to assure payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. In the event Customer's financial condition materially weakens or Customer fails to make timely payment in accordance with Article 5 after the execution of the Agreement, then upon written request from Company, Customer agrees to deposit cash with Texas Gas Service or secure a bond in favor of Texas Gas Service in order to assure the payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. Such deposit or bond shall be furnished to Texas Gas Service within fifteen (15) days after a request by Texas Gas Service is made for such deposit or bond and shall be made in a form and amount satisfactory to Texas Gas Service. If such deposit or bond is not furnished in a timely manner, or if a bond expires or is canceled prior to the end of the period specified below, or if the cash deposit or bond is not increased as specified below, then leasing of capacity and the rendering of all other services may be suspended by Texas Gas Service in its sole discretion until such deposit or bond is furnished, renewed or increased, as applicable.</p> <p>5.4 Nothing in this Article 5 shall be deemed to supersede the respective rights and obligations of Company and Customer as provided by Texas statutes, rules, and/or regulation, as such statutes, rules, or regulations may be amended from time to time, with respect to adjustments to the amounts owed by Customer as a result of errors in Customer's meter or errors in reading Customer's meter. Customer shall be responsible for payment of the amounts owed Company for transportation service and gas supply provided to Customer during the applicable period for which it has been determined that Customer's meter was in error to the favor of Customer.</p> <p><b>ARTICLE 6</b> <b>STATEMENTS AND RECORDS</b></p> <p>6.1 On or about fifteen (15) days after the Company receives necessary volumetric information from other parties for each calendar month after commencement of Gas receipts and deliveries hereunder, Company shall render to the Qualified Supplier a statement for the preceding Month showing the total Dths of Gas received and delivered and each Point of Receipt and Point of Delivery. If information necessary for statement purposes is in the possession of Customer, Customer shall furnish such information to Company on or before the sixth (6th) Day of the Month in which the statement requiring such data is to be rendered.</p> <p>6.2 Both parties hereto shall have the right at any and all reasonable times within twenty four (24) months from the time period in question, to examine the books and records of the other to the extent necessary to verify the accuracy of any statement, computation, or demand made hereunder.</p> <p>6.3 Customer agrees to supply to Company, at Company's request at any time and from time to time, a sample of the liquids removed from the gas stream of the facilities which deliver gas to Company which sample is to be taken from a point upstream from the Point of Receipt. Said sample shall not contain any toxic, hazardous, or deleterious materials or any materials which Company, in its sole discretion, deems in any way harmful to its facilities, personnel or the environment, including, but not limited to, polychlorinated biphenyls (PCBs), and substances or materials considered hazardous or other similar terms, or requiring investigation, remediation or removal under any federal, state or local statute, regulation, rule or ordinance or any amendments thereof whether now in effect or as may be in effect in the future. If such samples contain any such materials or substances, Company shall have the right, in its sole discretion and in addition to other remedies available to it, to immediately cease receipt of Gas through the Point of Receipt until such time as all such materials or substances are eliminated from the Gas such that Company, in its sole discretion, elects to again receive such Gas through the Point of Receipt. Should Customer fail or refuse to eliminate all such materials or substances within a reasonable time, Company shall have the right, upon written notice, to terminate this Agreement. Customer hereby expressly agrees to indemnify and hold Company and Company's affiliates harmless from and against any and all liabilities, losses, claims, damages, actions, costs, fines, and expenses of whatever nature, including, but not limited to, court costs, and attorney's fees arising out of or in any manner relating to the presence of PCBs and/or any other toxic, hazardous, deleterious, harmful, or unsafe materials as described above in Gas delivered by or on behalf of Customer into Company's system.</p> <p><b>ARTICLE 7</b> <b>MEASUREMENT AND TESTS OF GAS AND EQUIPMENT</b> The measurement and tests for quality of Gas delivered and delivered by Customer hereunder shall be governed as follows:</p> <p>7.1 The quantities of Gas received and delivered shall be measured by means of meters of standard type which conform to the American Gas Association Measurement Committee Reports and other industry standards as to construction and installation.</p> <p>7.2 The unit of volume for purposes of measurement shall be one (1) cubic foot of Gas at a temperature base of sixty degrees (60 degrees) Fahrenheit and at a pressure base of fourteen and seventy-three hundredths (14.65) pounds per square inch absolute. Customer agrees that the Btu content per Mcf of the gas volumes delivered by the Company at the Point of Delivery shall be assumed to be equal to the Btu content per Mcf of the gas volumes delivered by Customer at the Point of Receipt, when corrected for differences in pressure</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23478**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	base.
	7.3 The temperature shall be adjusted to standard conditions by a compensation device included with the meter or such other method as the Company shall deem appropriate. Corrections shall be made in accordance with industry practice.
	7.4 Specific gravity shall be determined with accuracy to the nearest one thousandth (.001) by use of an instrument that conforms to industry standards. 7.5 Whenever the conditions of pressure and temperature differ from the standards, conversion of the volumes from these conditions to the standard conditions shall be in accordance with the Ideal Gas Laws corrected for deviation from Boyle's Law, all to be in accordance with methods and tables set out in the American Gas Association Measurement Committee Reports, or by other accepted methods that may be used from time to time.
	7.6 The gross heating value of the Gas shall be determined by means of a sampling method of general use in the Gas industry. The location of the sampling equipment shall be determined by Company in its sole discretion but shall be at a location where a representative sample of the Gas to which it applies may be taken.
	7.7 Tests to determine total sulfur, hydrogen sulfide, oxygen, carbon dioxide, total inerts, and water vapor shall be made by approved standards methods in general use by the Gas industry. Such tests shall be made at the request of either party hereto. If a test is performed at Customer's request and shows that the quality specifications as set forth in Section 4.3 hereof have been satisfied, Customer shall pay all costs and expenses of Company related to such test.
	7.8 Except as may be otherwise provided, all measuring and testing equipment, housing devices, and materials shall be standard manufacture and type and shall, with all related equipment, appliances, and buildings, be owned, installed, maintained and operated or caused to be installed, maintained and operated by Company at the Points of Receipt and Points of Delivery. Customer may install and operate check measuring and testing equipment, which equipment and the operation thereof shall not interfere with the operation of Company's equipment.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
74236	D	Mcf	\$.0000	06/30/2009	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	31811	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	
M	Other(with detailed explanation)	Firm Transportation customers within the Incorp. areas of the CENTRAL TX SVC AREA

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23479**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 11/26/2013                      **RECEIVED DATE:** 02/06/2014

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:** 10285 (2013 r.case)

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Eff. 01/27/2014, remove 'ONEOK, Inc.' from the Tx Gas Service Company name from T-GTC-RGV-IS0S-Tra-a and b from rate schedule.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32237	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23479

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-RGV-IS0S-Tr	<p>TEXAS GAS SERVICE COMPANY - Rio Grande Valley Service Area RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION Rate schedule T-GTC general charges, provisions and conditions applicable to: Transportation Rate Schedules T-1 and T-2 in the areas served by the Company in its Rio Grande Valley Texas Service Area.</p> <p><b>ARTICLE 1 DEFINITIONS</b> 1.1 Affiliate shall mean any person, entity, or business section, or division that directly or through one or more intermediaries' controls, is controlled by, or is under common control with the entity in question. 1.2 Agreement shall mean the agreement to which the General Terms and Conditions for Transportation apply. 1.3 Btu shall mean British thermal unit(s) and shall be computed on a temperature base of sixty degrees (60 degrees) Fahrenheit and a pressure base of fourteen and sixty-five hundredths (14.65) psia and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and MMBtu shall mean one million (1,000,000) Btu. 1.4 Commission shall mean the Railroad Commission of Texas. 1.5 Company shall mean Texas Gas Service when it is acting as Company on the Pipeline System. 1.6 Cumulative Tolerance Limit shall mean five percent (5%) of aggregate historical annual deliveries of a Qualified Supplier's pool of customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit to reflect changes to the pool of customers and other known changes to anticipated deliveries that the Company determines to be reasonably reliable and accurate. 1.7 Customer shall mean a consumer which subscribes to natural gas services provided by Texas Gas Service. 1.8 Dekatherm (Dth) shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis. 1.9 Day shall mean the 24-hour period commencing at 9:00 a.m. (central clock time) on one calendar day and ending at 9:00 a.m. (central clock time) the following calendar day. 1.10 Dry shall mean the heating value calculation being determined with no water vapor present. 1.11 Effective Date shall mean the date specified in the Agreement. 1.12 Gas or natural gas shall mean the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof. 1.13 Gas Transportation Order shall mean a completed Exhibit A relating to the applicable gas transportation service Agreement. 1.14 Gross Heating Value or Gross shall mean the amount of energy transferred as heat per mass or mole from the complete combustion of the gas with oxygen (from air), at a base temperature in which all water formed by the reaction condenses to liquid. 1.15 Mcf shall mean one thousand (1,000) cubic feet of Gas. 1.16 Month shall mean the period beginning at 9:00 a.m. central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month, except where references not involving Gas measurement volumes are involved, in which case the calendar month shall be deemed to be referred to. 1.17 Monthly Tolerance Limit shall mean ten percent (10%) of the aggregate deliveries for a Qualified Suppliers pool of customers for such month. 1.18 PDA shall mean a predetermined allocation method. 1.19 Pipeline System shall mean the current existing utility distribution facilities of Company located in the State of Texas. 1.20 Point of Delivery shall mean the point or points where Gas is delivered from the Pipeline System to or for the account of Customer and are shown on the applicable Gas Transportation Order. 1.21 Point Operator shall mean the person or entity that controls the Point of Receipt or Point of Delivery. 1.22 Point of Receipt shall mean the point or points where Company shall receive Gas into the Pipeline System from Customer, as described on the applicable Gas Transportation Order. 1.23 Psia shall mean pounds per square inch, absolute. 1.24 Psig shall mean pounds per square inch, gauge. 1.25 Qualified Supplier shall mean a supplier of natural gas for transportation to customers through the Company's pipeline system that meets the requirements of and has executed a Supplier Service Agreement. 1.26 Real shall mean the division of the ideal heating value by the compressibility of the gas. This creates an ideal Gross Heating Value per Real cubic foot. 1.27 Supplier Service Agreement shall mean a contract setting forth the requirements and terms upon which a supplier of natural gas may make deliveries of customer owned gas into the Company's pipeline system for delivery to one or more of the Company's customers receiving service under this tariff. 1.28 Tariff shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over Company or the services provided hereunder. 1.29 Week shall mean a period of seven (7) consecutive Days beginning at 9:00 a.m. central clock time on each Monday and ending at the same time on the next succeeding Monday. 1.30 Year shall mean a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29.</p> <p><b>ARTICLE 2 RESTRICTIONS AND RESERVATIONS</b> 2.1 It is understood and agreed that Customer has only the right to transportation service in the Pipeline System and all equipment, including (but not in any way limited thereto) all pipe, valves, fittings, and meters comprising the Pipeline System and all other property and capacity rights and interests, shall at all times during the term of the Agreement remain the property of Company. Customer agrees not to cause or permit any liens or encumbrances to be filed with respect to the Pipeline System by reason of Customer's actions. Customer's Gas shall at all times remain the property of Customer, and Company shall have no right or property interest therein. 2.2 Company reserves the right in its sole discretion to remove, relocate, expand, or rebuild, without approval of Customer, any portion of the Pipeline System. Customer shall make no alterations, additions, or repairs to or on the Pipeline System, nor shall Customer bear any cost of any alterations, additions, repairs, maintenance or replacements made to or on said Pipeline System. 2.3 Customer agrees not to connect or cause the connection of any third party to the Pipeline System for any purpose without the express written approval and consent of Company to be granted in Company's sole discretion. Customer further agrees not to transport or cause to be transported any Gas for any third party. If either of these conditions is breached by Customer, Company shall have the right and option, notwithstanding any other provision of the Agreement or the General Terms and Conditions for Transportation, to terminate the Agreement including the Exhibits thereto immediately and without further obligation to Customer. 2.4 Company presently is transporting Gas to third parties on the Pipeline System and shall have the right in the future to transport additional Gas for such purposes and to transport Gas to additional third parties as it may desire, and Company shall have the right to make additional connections to the Pipeline System as may be required to serve presently existing and new customers, all of which is subject to the provisions of the Agreement. Company's transportation of Gas hereunder shall not obligate Company in any manner beyond the terms of the Agreement and the Exhibits attached thereto. 2.5 Company shall own any and all liquids which are recovered from the Pipeline System and may use, sell or transfer all liquids without having to account in any manner, or pay any monies or other consideration to Customer. 2.6 The Company reserves the unilateral right from time to time to seek regulatory approval to make any changes to, or to supersede, the rates, charges and any terms stated in the tariffs, rate schedules, the agreements, and the General Terms and Conditions.</p> <p><b>ARTICLE 3 OPERATIONS</b> 3.1 Customer shall deliver its Gas into the Pipeline System at the Points of Receipt described on the applicable Gas Transportation Order, as it now exists and as it may be amended. Customer shall have no right to require Gas to be received at any particular Point of Receipt and Company may delete such points or modify the capacity thereof from time to time and at any time in its sole discretion with no further</p>

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

RRC COID: 6310

COMPANY NAME: TEXAS GAS SERVICE COMPANY

TARIFF CODE: DT

RRC TARIFF NO: 23479

## CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

obligation to Customer with respect to such Point of Receipt. All supplies of Gas delivered to the Pipeline System must comply with the terms and conditions of the Agreement and the exhibits attached thereto. In no event shall Company be required to expand, modify, construct, rearrange, or change the operations of the Pipeline System in order to receive Gas from or on behalf of Customer or in order to deliver Gas to Customer at any existing Points of Delivery. 3.2 Customer shall advise (in a method and format approved by Company in its sole discretion) Company with respect to each Day, Week and Month the name of each supplier with whom it has a contract (and the name of the individual with such supplier responsible for Customer's account), which source of supply is delivering to Company, how much Gas is nominated to be delivered to Company from each source of supply (i.e., each well, plant, or other desired Point of Receipt) and the anticipated deliveries at each Point of Delivery. Customer's nomination shall be in good faith, in balance between Points of Receipt and Points of Delivery, and shall be based on Customer's commercially reasonable best efforts to estimate usage for Hour, Day, Week, and Month. Customer will cause their Qualified Supplier to act as their agent in the nomination process. Qualified Supplier shall not intentionally nominate more or less Gas than is anticipated for consumption by Customer(s), except as may be needed for balancing purposes to the extent Company accepts such nomination. Qualified Supplier shall submit nominations to the Company's gas scheduling department in accordance with their currently effective nomination process which can be provided to the parties upon request. Customer and Qualified Supplier shall exercise commercially reasonable best efforts to deliver to the Pipeline System Dths of Gas that Company is to deliver from the Pipeline System to Customer during any particular Hour, Day, Week and Month, including but not limited to volumes needed for peak Day usage for Customer's facilities. 3.3 Before the start of the Gas Day, the Point Operator and Company shall establish a predetermined allocation (PDA) method to specify how Gas received or delivered by Company shall be allocated in accordance with confirmed nominations at such point. Only one PDA methodology shall be applied per allocation period. 3.4 Customer's Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery. To the extent that Customer's acts or omissions cause Company to incur, directly or indirectly, fees, charges, expenses, or penalties from a supplier or transporter for failure to satisfy such supplier's or transporter's balancing or nomination requirements, then Customer agrees to reimburse Company for such fees, charges, expenses, or penalties, and defend, indemnify, and hold Company harmless with respect thereto. Any fees, charges, expenses or penalties which were determined to be in error will be credited back to the Customer. 3.5 The Point of Receipt and Point of Delivery may be, or may later become points through which other quantities of Gas are being measured; therefore, the measurement of Gas under the Agreement may involve the allocation of Gas deliveries. In such event, each party hereto will furnish, or cause to be furnished, to the other all data required to accurately account for all Gas. 3.6 Except as may be set forth on a Gas Transportation Order, Company shall receive and deliver Gas hereunder as nearly as practicable at uniform hourly and daily rates of flow. It is recognized that it may be physically impracticable, because of measurement, Gas control limitations and other operating conditions, to stay in zero (0) imbalance each hour and each Day; therefore, the daily and hourly quantities received may, due to the aforementioned reasons, vary above or below the daily and hourly quantities delivered. If the quantities received and the quantities delivered hereunder should create an imbalance at the end of any hour, Day, Week, or Month, then Company and Customer shall adjust receipts and/or deliveries at any time to the end that the quantities received and delivered shall be kept as near to zero (0) imbalance as practicable. 3.7 Imbalances Customer must designate no more than one Qualified Supplier. The Qualified Supplier shall act on behalf of the Customer to procure gas supplies, deliver gas supplies to points of receipt designated in the Gas Transportation Order, and shall act as the Customer's agent with respect to nominations, operational notices required under the Gas Transportation Agreement or applicable tariffs and with respect to resolution of imbalances under this Rate Schedule. (A) The following cash out provisions shall be applied to the Qualified Supplier for its aggregate pool of Customers that are being provided service pursuant to a Rate Schedule or some other form of transportation service: 1) Qualified Supplier shall not deliver into the Pipeline System more Dths of Gas than Company delivers to the aggregate pool of Customers at the Points of Delivery during a Month. At the end of the Month in which an over-delivery occurred and exceeded the Monthly Tolerance Limit or the Cumulative Tolerance Limit, Qualified Supplier shall sell such excess Gas to Company at 95% of Inside FERC's FOM Houston Ship Channel index price. 2) If Company receives less Dths of Gas than are delivered to the aggregate pool of Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Month, then Qualified Supplier shall purchase such under-delivered volumes at 105% of Inside FERC's FOM Houston Ship Channel index price. The Company will provide monthly imbalance statements along with calculations of the cash out charges in accordance with the aforementioned cash out provisions to the Qualified Supplier each month. Payments for cash out charges will be due each month within 15 business days of the imbalance statement date. The Company may elect at its sole discretion to accrue the monthly cash out provisions each month and only require periodic settlement rather than monthly payments. The monthly transport payments shall not be abated with respect to a Month in which under-deliveries occurred except as provided in Article 9 and Article 10 hereof. 3.8 Customer and Company shall exercise their commercially reasonable best efforts to comply with all of the standards established by the North American Energy Standards Board, Inc. (NAESB), but in no event shall either party be required to comply with the NAESB standards if such compliance has a material adverse affect upon such party. 3.9 In the event Customer's source of gas supply is terminated by Customer's supplier due to non-payment or other reasons, or if customer is otherwise unable to continue as a transportation customer, Customer may, upon the giving of five (5) business days advance notice to Company, obtain service from Company under the general sales tariff applicable to Customer. Prior to commencing such service, Company may, in its sole discretion, require Customer to post a deposit or bond in accordance with the provisions of Article 5 hereof. ARTICLE 4 PRESSURE AND QUALITY OF GAS 4.1 Customer shall deliver (or cause to be delivered) the Gas to the Pipeline System at the Point of Receipt at a pressure sufficient to effect delivery into the Pipeline System at that point. If necessary, Customer shall provide additional compression to make such deliveries hereunder, and Company shall not have any cost or responsibility in that regard. 4.2 Subject to the provisions of Section 4.1 above, the Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery at pressures sufficient to effect deliveries to Customer's facilities, but not to exceed the maximum pressure that has existed for each Point of Delivery. 4.3 Gas delivered by and to Customer shall be commercially free of dust, gums, gum-forming constituents, gasoline, water, and any other substance that may become separated from the Gas during the handling hereof. All Gas received shall conform to the following additional specifications: (A) Contain not more than one-quarter (1/4) grain of hydrogen sulfide per 100 cubic feet, as determined by a method generally acceptable for use in the gas industry; (B) Contain not more than five (5) grains of total sulfur per 100 cubic feet; (C) Contain not more than two percent (2%) by volume of carbon dioxide; (D) Contain not more than four percent (4%) by volume of total inerts, including carbon dioxide and nitrogen; (E) Contain not more than two-tenths of one percent (.2%) by volume of oxygen; (F) Contain a gross heating value equivalent to at

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23479

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>least 980 British Thermal Units per cubic foot and not to exceed 1080 British Thermal Units per cubic foot; (G) Have a temperature of not more than one hundred twenty degrees (120#) Fahrenheit and not less than forty degrees (40 #) Fahrenheit; (H) Contain no water or hydrocarbons in liquid form; (I) Contain not more than 7 pounds of water in vapor stage per 1,000 Mcf of gas; and (J) Be interchangeable with the Company's system Gas at the Point of Receipt or delivered to the nearest customer, city border station, or other pipeline interconnected with such receiving facility or downstream of the Point of Receipt. 4.4 The Company, at its option, may refuse to accept delivery of any gas not meeting the quality specifications set out above. Thereafter, Customer or Qualified Supplier shall have the right to conform or cause the gas to be conformed to the above specifications. If the Customer or Qualified Supplier does not elect to conform the gas to said specifications, then the Company at its sole option may accept or reject any such gas. 4.5 Notwithstanding anything to the contrary contained herein, the gas which the Company transports and delivers to the Customer shall be odorized by the Company. In the event Customer desires to remove the odorant, such removal shall be solely at Customer's risk and expense. ARTICLE 5 PAYMENT 5.1 Should Customer fail to pay or deliver any or all of the amount of the transportation payment and/or other fees due under any exhibit when such amount is due (which in no event shall be later than the last Day of the applicable Month), interest on the unpaid portion shall accrue at a rate (which in no event shall be higher than the maximum rate permitted by applicable law) equal to one and one-half percent (1 one-half%) per month from the due date until the date of payment. If such failure to pay continues for fifteen (15) Days after payment is due, Company, in addition to any other remedy it may have, may suspend further receipts and deliveries of Gas until such amount is paid; provided, however, that if Customer in good faith shall dispute in writing the amount of any such bill or part thereof and shall pay to Company such amounts as it concedes to be correct and, at any time thereafter within thirty (30) Days of the due date of such payment, shall furnish a good and sufficient surety bond in an amount and with surety satisfactory to Company, guaranteeing payment to Company of the amount ultimately found due upon such bills, including interest thereon, after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further receipts and withdrawals of Gas unless and until default be made in the conditions of such bond. As an alternative to posting a bond, Customer may pay the portion of any amount in dispute without waiving its rights to recoup any monies improperly billed. If the portion of any amount in dispute is ultimately determined to be incorrect, such amount shall be refunded by Company to Customer together with interest thereon at a rate (which in no event shall be higher than the maximum allowed by law) equal to one and one-half percent (One-half%) per Month for the period from the date of payment to Company to the date of refund by Company. 5.2 Customer agrees to pay any amounts due pursuant to the Agreement and the General Terms and Conditions for Transportation to Company within fifteen (15) Business Days after receipt of an invoice from Company. 5.3 Company reserves the right, prior to initiation of service, to require a cash deposit or bond in favor of Texas Gas Service in order to assure payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. In the event Customer's financial condition materially weakens or Customer fails to make timely payment in accordance with Article 5 after the execution of the Agreement, then upon written request from Company, Customer agrees to deposit cash with Texas Gas Service or secure a bond in favor of Texas Gas Service in order to assure the payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. Such deposit or bond shall be furnished to Texas Gas Service within fifteen (15) days after a request by Texas Gas Service is made for such deposit or bond and shall be made in a form and amount satisfactory to Texas Gas Service. If such deposit or bond is not furnished in a timely manner, or if a bond expires or is canceled prior to the end of the period specified below, or if the cash deposit or bond is not increased as specified below, then leasing of capacity and the rendering of all other services may be suspended by Texas Gas Service in its sole discretion until such deposit or bond is furnished, renewed or increased, as applicable. 5.4 Nothing in this Article 5 shall be deemed to supersede the respective rights and obligations of Company and Customer as provided by Texas statutes, rules, and/or regulation, as such statutes, rules, or regulations may be amended from time to time, with respect to adjustments to the amounts owed by Customer as a result of errors in Customer's meter or errors in reading Customer's meter. Customer shall be responsible for payment of the amounts owed Company for transportation service and gas supply provided to Customer during the applicable period for which it has been determined that Customer's meter was in error to the favor of Customer. ARTICLE 6 STATEMENTS AND RECORDS 6.1 On or about fifteen (15) days after the Company receives necessary volumetric information from other parties for each calendar month after commencement of Gas receipts and deliveries hereunder, Company shall render to the Qualified Supplier a statement for the preceding Month showing the total Dths of Gas received and delivered and each Point of Receipt and Point of Delivery. If information necessary for statement purposes is in the possession of Customer, Customer shall furnish such information to Company on or before the sixth (6th) Day of the Month in which the statement requiring such data is to be rendered. 6.2 Both parties hereto shall have the right at any and all reasonable times within twenty four (24) months from the time period in question, to examine the books and records of the other to the extent necessary to verify the accuracy of any statement, computation, or demand made hereunder. 6.3 Customer agrees to supply to Company, at Company's request at any time and from time to time, a sample of the liquids removed from the gas stream of the facilities which deliver gas to Company which sample is to be taken from a point upstream from the Point of Receipt. Said sample shall not contain any toxic, hazardous, or deleterious materials or any materials which Company, in its sole discretion, deems in any way harmful to its facilities, personnel or the environment, including, but not limited to, polychlorinated byphenyls (PCBs), and substances or materials considered hazardous or other similar terms, or requiring investigation, remediation or removal under any federal, state or local statute, regulation, rule or ordinance or any amendments thereof whether now in effect or as may be in effect in the future. If such samples contain any such materials or substances, Company shall have the right, in its sole discretion and in addition to other remedies available to it, to immediately cease receipt of Gas through the Point of Receipt until such time as all such materials or substances are eliminated from the Gas such that Company, in its sole discretion, elects to again receive such Gas through the Point of Receipt. Should Customer fail or refuse to eliminate all such materials or substances within a reasonable time, Company shall have the right, upon written notice, to terminate this Agreement. Customer hereby expressly agrees to indemnify and hold Company and Company's affiliates harmless from and against any and all liabilities, losses, claims, damages, actions, costs, fines, and expenses of whatever nature, including, but not limited to, court costs, and attorney's fees arising out of or in any manner relating to the presence of PCBs and/or any other toxic, hazardous, deleterious, harmful, or unsafe materials as described above in Gas delivered by or on behalf of Customer into Company's system. ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT The measurement and tests for quality of Gas delivered and delivered by Customer hereunder shall be governed as follows: 7.1 The quantities of Gas received and delivered shall be measured by means of meters of standard type which conform to the American Gas Association Measurement Committee Reports and other industry standards</p>



GAS SERVICES DIVISION  
 GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23479

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-RGV-IS0S-Tr	<p>as to construction and installation. 7.2 The unit of volume for purposes of measurement shall be one (1) cubic foot of Gas at a temperature base of sixty degrees (60 degrees) Fahrenheit and at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute. Customer agrees that the Btu content per Mcf of the gas volumes delivered by the Company at the Point of Delivery shall be assumed to be equal to the Btu content per Mcf of the gas volumes delivered by Customer at the Point of Receipt, when corrected for differences in pressure base. 7.3 The temperature shall be adjusted to standard conditions by a compensation device included with the meter or such other method as the Company shall deem appropriate. Corrections shall be made in accordance with industry practice. 7.4 Specific gravity shall be determined with accuracy to the nearest one thousandth (.001) by use of an instrument that conforms to industry standards. 7.5 Whenever the conditions of pressure and temperature differ from the standards, conversion of the volumes from these conditions to the standard conditions shall be in accordance with the Ideal Gas Laws corrected for deviation from Boyle's Law, all to be in accordance with methods and tables set out in the American Gas Association Measurement Committee Reports, or by other accepted methods that may be used from time to time. 7.6 The gross heating value of the Gas shall be determined by means of a sampling method of general use in the Gas industry. The location of the sampling equipment shall be determined by Company in its sole discretion but shall be at a location where a representative sample of the Gas to which it applies may be taken. 7.7 Tests to determine total sulfur, hydrogen sulfide, oxygen, carbon dioxide, total inerts, and water vapor shall be made by approved standards methods in general use by the Gas industry. Such tests shall be made at the request of either party hereto. If a test is performed at Customer's request and shows that the quality specifications as set forth in Section 4.3 hereof have been satisfied, Customer shall pay all costs and expenses of Company related to such test. 7.8 Except as may be otherwise provided, all measuring and testing equipment, housing devices, and materials shall be standard manufacture and type and shall, with all related equipment, appliances, and buildings, be owned, installed, maintained and operated or caused to be installed, maintained and operated by Company at the Points of Receipt and Points of Delivery. Customer may install and operate check measuring and testing equipment, which equipment and the operation thereof shall not interfere with the operation of Company's equipment. 7.9 The accuracy of the measuring and testing equipment shall be verified according to Company's standard for the device being used and at other reasonable times upon request of Customer or Company. Gas quality tests may be made at times of equipment testing or at other reasonable times. Unless a test is requested by Customer, notice of the time and nature of each test shall not be given by Company. If a test is requested by a Customer, then Company shall give Customer notice sufficiently in advance to permit Customer to have a representative present. Representatives of both Customer and Company may be present to observe such tests. The results of any such tests shall be considered accurate until the next tests are made. All tests of measuring equipment shall be made at Company's expense, except that Customer shall bear the expense of tests made at its request if the inaccuracy found is two percent (2%) or less.</p> <p>TEXAS GAS SERVICE COMPANY - Rio Grande Valley Service Area RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION (continued) 7.10 If, at any time, any of the measuring or testing equipment is found to be out of service, or registering inaccurately of any percentage, it shall be adjusted at once to read accurately within the limits prescribed by the manufacturer. If such equipment is out of service or inaccurate by an amount exceeding two percent (2%) at a reading corresponding to the average rate of flow for the period since the last preceding test, the previous reading of such equipment shall be disregarded for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of time equal to one-half of the elapsed time since the last test. The volume of Gas delivered during such period shall be estimated (i) by using the data recorded by any check measuring equipment if installed and accurately registering, or if not installed or registering accurately, (ii) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither such method is feasible, (iii) by estimating the quantity or quality delivered based upon deliveries under similar conditions during a period when the equipment was registering accurately. No adjustment shall be made for recorded inaccuracies of two percent (2%) or less. 7.11 The parties hereto shall have the right to inspect equipment installed or furnished by the other or third-party operators and the charts and other measurement or testing data of all such parties at all times during business hours; but the reading, calibration, and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing the same. The parties hereto shall preserve all original test data, charts, and other similar records in such party's possession for a period of at least twenty-four (24) months. Measurement data corrections should be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. 7.12 At every Point of Receipt and every Point of Delivery, the party having control over such facility shall allow the other party immediate access to the receipt and delivery information as it is generated by the party having such control. With respect to all Points of Receipt and Points of Delivery that have electronic flow measurement, both parties shall have remote telephone and electronic access to the receipt and delivery information generated at such Point of Receipt and Point of Delivery. ARTICLE 8 TITLE TO AND RESPONSIBILITY FOR GAS 8.1 Customer and Company, respectively, warrant title to all Gas delivered by it into or from the Pipeline System hereunder, and each of Customer and Company, respectively, warrant and represent each has the right to deliver the Gas hereunder, and that such Gas is free from liens and adverse claims of every kind. Customer agrees to indemnify and save Company harmless from and against all loss, damage, claims, and expense of every character with respect to Gas delivered by it on account of royalties, taxes, payments, liens, or other charges or claims arising (i) before or created upon delivery of said Gas into the Pipeline System, and (ii) upon and after delivery of said Gas from the Pipeline System to Customer. 8.2 Subject to compliance with the provisions of Section 8.1 above, Company warrants that title to all Gas delivered hereunder by Customer is free from liens and adverse claims of every kind. Company agrees to indemnify and save Customer harmless from and against all loss, damage, claims, and expense of every character with respect to Gas to be delivered at the Point of Delivery on account of royalties, taxes, payments, liens, or other charges or claims arising after delivery of Gas to and before withdrawal thereof from the Pipeline System by Customer. 8.3 As between the parties hereto, Customer or its supplier shall be deemed to be in the exclusive control and possession of the Gas until such Gas has been delivered to Company at the Point of Receipt, and after its withdrawal by Customer at the Point of Delivery. After Customer's or Customer's suppliers' delivery of such Gas at the Point of Receipt, Company shall thereafter be deemed to be in the exclusive control and possession of such Gas until its withdrawal by Customer at the Point of Delivery. The party which shall be in the exclusive control and possession of such Gas shall be responsible for all in injury or damage caused thereby and shall be responsible for any loss of Gas while in its possession, except with regard to injury, damage or loss caused by or arising out of the negligence of the nonpossessory party. 8.4 The Pipeline System shall at all times remain the property of</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23479
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Company, and Customer shall have no right or property interest therein but only the right for the transportation of Gas. ARTICLE 9 FORCE MAJEURE AND CASUALTY 9.1 If either Company or Customer is rendered unable, wholly or in part, by reason of force majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended. Any force majeure event (other than labor disputes, strikes, or lockouts) shall be remedied so far as possible with reasonable dispatch. Settlement of strikes, lockouts, and labor disputes shall be wholly within the discretion of the party having the difficulty. The term force majeure shall include, but is not limited to, the following: acts of God and the public enemy; the elements; fire, accidents, breakdowns, strikes; any industrial, civil, or public disturbance; inability to obtain or delay in obtaining rights-of-way, material, supplies, permits, or labor; any act or omission by parties not subject to control by the party hereunder having the difficulty; and any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military. If pursuant to the foregoing Company curtails or temporarily discontinues the receipt or delivery of Gas hereunder, Customer agrees to hold Company harmless from any loss, claim, damage, or expense that Customer may incur by reason of such curtailment or discontinuance. 9.2 If a portion of the Pipeline System required to make the transportation service available is partially damaged by fire or other casualty, the damage may be repaired by Company, at its option and in its sole discretion, as speedily as practicable, due allowance being made for the time taken for the settlement of insurance claims. Until such repairs are made, the payments shall be apportioned in proportion to the portion of the capacity of the Pipeline System which is still available for the purposes hereof, such determination to be made in the sole discretion of Company. If the damage is so extensive as to render the Pipeline System wholly unusable, in Company's sole opinion, the payments, if any, shall cease until such time as the Pipeline System is again useable. In case the damage shall, in Company's sole opinion, amount substantially to a destruction of the portion of the Pipeline System available for the transportation of Gas and Company shall elect not to repair the damage, then the Agreement shall terminate at the time of such damage, and Company shall not be liable to Customer for any liability, damage, or claim which arises out of any failure to make repairs. ARTICLE 10 GOVERNMENTAL RULES, REGULATIONS, AND AUTHORIZATIONS; INTERPRETATION OF AGREEMENT 10.1 The Agreement is subject to all valid orders, laws, rules, and regulations of duly constituted municipal, State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or Gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies. 10.2 The Agreement shall be interpreted under the laws of the State of Texas, excluding any law thereof directing the application of the laws of another jurisdiction. ARTICLE 11 MISCELLANEOUS 11.1 Any modification of terms, or amendment of any provisions hereof, shall become effective only by supplemental written agreement between the parties. 11.2 (A) Any of the following events or conditions shall constitute a default of Customer under the Agreement: (1) Default in the delivery of any payment or any sums hereunder for a period of sixty (60) Days after the same becomes due; (2) Any other breach of the material terms and conditions of the Agreement and the failure of Customer to cure such breach within thirty (30) Days after written demand by Company or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Customer shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured; (3) Customer shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Customer; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Customer (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; or (5) If any certificate, statement, representation, or warranty furnished by Customer proves to be false or incomplete in any material respect. (B) Upon the happening of any event of default as set forth in subparagraph 11.2(A) above, Company shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Customer the sum of all transportation payments and all other amounts due and owing under the Agreement plus the sum of all transportation payments and other amounts to become payable during the balance of the term of the Agreement; (2) Retake possession of the entire capacity of the Pipeline System without any court order or other process of law and without any rights of Company being thereupon terminated; (3) Terminate the Agreement and the Exhibits; (4) Pursue any other remedy at law or in equity. (C) Any of the following events or conditions shall constitute an Event of Default with respect to Company under the Agreement: (1) Default in the crediting of any sums due to Customer or in the payment of any other sums due to Customer under the Agreement for a period of ninety (90) Days after the same is established by Company to have become due; (2) Company's breach of any material term or condition of the Agreement and the failure of Company to cure such breach within thirty (30) Days after written demand by Customer or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Company shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured. (3) Company shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Company; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Company, (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; (D) Upon the happening of any event of default as set</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23479

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCE-Rider-RGV-OS	<p>forth in subparagraph 11.2(C)above, Customer shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Company the sum of all outstanding credits and other amounts due and owing under the Agreement; (2) Terminate the Agreement and the Exhibits; (3) Pursue any other remedy at law or in equity. (E) The rights granted to Company and Customer hereunder shall be cumulative as to each and action on one shall not be deemed to constitute an election or waiver of any other right to which Company or Customer may be entitled. (F) Upon the termination of the Agreement, whether by lapse or time or otherwise, Customer will surrender any and all rights in the Pipeline System immediately. 11.3 Company shall not be liable for damages resulting from interruption of service, when such interruption is necessary to make repairs, changes, or adjustments in Company's equipment and facilities. 11.4 No waiver by Company or Customer of any default or the other under the Agreement shall operate as a waiver of any future default, whether of a like or different character. 11.5 The Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. In the event Customer sells, leases or otherwise transfers its distribution system to a third party, whether voluntarily or involuntarily, then Customer agrees, as a part of such sale, lease or transfer, to assign to such third party and to require such third party to accept the assignment of the Agreement and the Exhibits included therein, subject to the provisions of the following sentence. Neither the Agreement nor the Exhibits attached thereto nor the rights and obligations of Customer hereunder may be assigned without the consent of Company, which consent shall not be unreasonably withheld. 11.6 Customer will not mortgage, create a security interest in, or encumber the Agreement, or sublet the rights granted hereby, or permit its use by others, or pledge, loan, sublet, create a security interest in, or in any other manner attempt to dispose of such rights, or permit its use by others, or suffer any liens or legal process to be incurred or levied thereon; provided, however, that Customer may grant a security interest or similar encumbrance in connection with any existing financing arrangement associated with Customer's facility. 11.7 Except as provided below, Customer shall pay all fees, taxes, charges, and assessments imposed by or on behalf of any governmental entity in connection with the Agreement or in connection with the purchase, transportation, and disposition of Gas by or on behalf of Customer pursuant to the Agreement including but not limited to municipal and/or supplemental fees, franchise fees and any supplements thereto and taxes; provided that Company shall pay all ad valorem taxes and assessments levied on the Pipeline System and all appurtenant facilities. Company shall file all returns required for the Pipeline System and all appurtenant facilities. Customer will furnish Company with any information available to Customer in connection with Company's obligations under this section. 11.8 Company and Customer agree to exercise and take reasonable steps necessary to safeguard and cause their officers, directors, employees, agents, advisers, and representatives to safeguard the confidentiality of the Agreement and the terms and conditions thereof (as contrasted with the existence and effectiveness of the Agreement which are not confidential) and not to disclose any part of it or any information derived there from or any negotiations relating thereto to any party or person except that limited number of people within Company's and Customer's organizations, and their advisers, lenders and potential investors, as may need to know the terms and conditions hereof in order to evaluate, understand, execute and perform the Agreement. Company and Customer agree not to copy or permit the copying of the Agreement, except as may be necessary for their operations. In the event Customer or Company or any of their officers, directors, employees, agents, or Representatives, is requested or required (by oral or written question or request for information or documents in legal proceedings, interrogatories, subpoena, Civil Investigative Demand or similar process) to disclose any information concerning the Agreement or the terms and conditions thereof or any negotiations relating thereto, it is agreed that the party receiving such question or request will provide the other parties with prompt notice thereof so that such other parties may seek a protective order or other appropriate relief or a release from the other parties. It is further agreed that if, in the absence of a protective order or receipt of a release, the other party is compelled to disclose such information or else stand liable for contempt or suffer other censure or penalty or adverse effect, then such party may disclose such information. The parties hereto are further authorized to make disclosure of the Agreement as may be required by Federal, state, or local regulation or agency or as may be required by auditors or accountants in connection with the preparation of financial statements or tax returns. Disclosure hereunder shall not constitute a basis for defense, termination, or modification of the Agreement. <b>ARTICLE 12 DISPUTE RESOLUTION</b> 12.1 Any dispute arising out of or relating to this Agreement for which a claim or demand is asserted that is equal to or exceeds a value of \$25,000 shall be resolved in accordance with the procedures specified in this Article 12, which shall be the sole and exclusive procedures for the resolution of any such disputes. The cost of conducting the dispute resolution process, including the fees and expenses of any arbitrators, shall be shared equally by the parties, and each party shall bear its own costs, including any attorneys' fees or other expenses incurred in the process. Each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances. 12.2 Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between management level personnel who have authority to settle the controversy. Any person may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. Within thirty (30) days after delivery of the initial notice, the designated managing personnel of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. 12.3 Arbitration. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation as provided above within sixty (60) days after initiation of negotiations shall be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect by (i) a sole arbitrator agreed upon by the parties if the dispute is between \$25,000 and \$250,000, or (ii) three independent and impartial arbitrators, of whom each party shall designate one, if the dispute is in excess of \$250,000. All arbitrators shall be knowledgeable in the natural gas industry. The arbitrator(s) shall have no authority to award consequential, punitive or exemplary damages. Provided, however, if one party fails to participate in the negotiation as agreed herein, the other party can commence arbitration prior to the expiration of the time periods set forth. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. Unless otherwise agreed, the place of arbitration shall be Austin, Texas. Meters Read On and After January 27, 2014 Supersedes: November 26, 2013</p> <p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23479**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>RATE SCHEDULE RCE-RIDER RATE CASE EXPENSE RATE</p> <p>A. APPLICABILITY The Rate Case Expense (RCE) rate as set forth in Section (B) below is pursuant to Gas Utilities Docket No. 10285: Statement of Intent Filed by Texas Gas Service Company to Change Rates in the Environs of the Rio Grande Valley Service Area, Final Order Finding of Fact No. 43. This rate shall apply to the following rate schedules of Texas Gas Service Company in the unincorporated areas served in Rio Grande Valley Area of Texas including Alamo, Alton, Bayview, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Heights, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Monte Alto, Olmito, Palm Valley, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Carlos, San Juan, Santa Rosa, and Weslaco, Texas: 1Z, 2Z, 3Z, 4Z, T-1 and T-2.</p> <p>B. RCE RATE All Ccf during each billing period:                      \$ 0.2072 per Ccf</p> <p>This rate will be in effect until all approved and expended rate case expenses are recovered under the applicable rate schedules.</p> <p>C. OTHER ADJUSTMENTS Taxes: Plus applicable taxes and fees (including franchise fees) related to above.</p> <p>D. CONDITIONS Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.</p> <p>E. COMPLIANCE TGS shall file a reconciliation report annually on or before December 31st, commencing in 2014. TGS shall file the report with the Commission, Addressed to the Director of Gas Services Division an referencing Gas Utilities Docket No. 10285, Rate Case Expense Recovery Report. The report shall include: - The volumes used by month by customer class during the applicable period, - The amount of Rate Case Expense recovered, by month - The outstanding balance , by month Effective Date: Issuance date of Final Order in GUD No. 10285</p> <p>Initial Rate Schedule Meters Read On and After November 26, 2013</p> <p>T-1-RGV-OS-Firm                      TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area RATE SCHEDULE T-1 TRANSPORTATION SERVICE RATE</p> <p>APPLICABILITY Service under this rate schedule is available to any customer of Texas Gas Service Company (Company) and to Qualified Suppliers or Producers supplying natural gas to be transported, pursuant to Rate Schedule T-GTC (General Terms and Conditions) for the transportation of customer owned natural gas through the Company's Rio Grande Valley distribution system for use by customers within the Company's Rio Grande Valley's Service Area or delivered to connecting pipelines. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.</p> <p>Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage capability average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder except as provided in the Gas Transportation Service Agreement.</p> <p>AVAILABILITY Natural gas service under this rate schedule is available to any qualified individually metered, transport customer for the transportation of customer owned natural gas through the Company's Rio Grande Valley distribution system. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.</p> <p>Electronic flow measurement (EFM) may be required for Customers under this tariff at the Company's sole discretion. The customer may be required to reimburse the Company for any cost related to the installation of the EFM as well as provide for or reimburse the Company for any on- going maintenance, repair, or communications costs. In the alternative, Customer may elect to discontinue service under this tariff and to receive service under the applicable sales tariff.</p> <p>Service is not available under this rate schedule for resale to others or for service for a term less than twelve (12) months.</p> <p>Under this tariff the Company shall perform or cause to be performed all functions necessary to transport the gas commodity from the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23479**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Point of Receipt to the end use Customer. The Customer is responsible for acquiring the gas commodity from a third party supplier. Such gas supply must be delivered to the pipeline providing upstream services for the system from which the Customer is served.</p> <p>Customer shall deliver to Company each month, as reimbursement for lost and unaccounted for gas in the form of Payment in Kind (PIK), a volume of gas equal to the Purchase/Sales ratio authorized to be collected in the Cost of Gas clause times the volume of gas delivered by the Company for the account of Customer for transportation.</p> <p><b>TERRITORY</b> All areas served by the Company in its Rio Grande Valley Service Area.</p> <p><b>RATE</b> This rate shall be the sum of Part A, Part B, and Part C as described below:</p> <p>Part A: A customer charge of \$127.82 per meter per month plus Interim Rate Adjustment (IRA) \$                      (Footnote 1) Total Customer Charge \$127.82</p> <p>Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the following Ccf charge:  All Ccf @ \$0.1301 per Ccf</p> <p>Part C: Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GTC (General Terms and Conditions for Transportation).</p> <p><b>ADDITIONAL CHARGES</b> 1) A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of TEXAS UTILITIES CODE, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder.</p> <p>Footnote 1:</p> <p>2) A charge will be made each month to recover any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder.</p> <p>3) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the Rio Grande Valley Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.</p> <p>4) Additional charges may be made at the Company's sole discretion for compression, treating, or similar services if the customer or qualified supplier is shipping excess gas off the distribution system.</p> <p><b>SPECIAL PROVISIONS</b> Tariff General Terms and Conditions for Transportation T-GTC</p> <p><b>OTHER CONDITIONS</b> Transportation of Customer owned natural gas hereunder is subject in all respects to the Transportation Agreement entered into between the Customer and Company prior to commencement of service and all amendments and modifications thereto.</p> <p>Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.</p> <p><b>PAYMENT</b> Bills are to be paid within 15 days after the date of Company's bill to Customer.</p> <p>Meters Read On and After November 26, 2013</p> <p>Supercedes Same Rate Sheet Dated April 30, 2007 (Unincorporated)</p>

**RATE ADJUSTMENT PROVISIONS:**

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23479**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
75389	D	Mcf	\$.0000	04/30/2007	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	32237	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23480**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 11/26/2013                      **RECEIVED DATE:** 02/06/2014

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:** 10285 (2013 r.case)

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Eff. 01/27/2014, remove 'ONEOK, Inc.' from the Tx Gas Service Company name from T-GTC-RGV-ISOS-Tra-a and b from rate schedule.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32237	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23480

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-RGV-IS0S-Tr	<p>TEXAS GAS SERVICE COMPANY - Rio Grande Valley Service Area RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION Rate schedule T-GTC general charges, provisions and conditions applicable to: Transportation Rate Schedules T-1 and T-2 in the areas served by the Company in its Rio Grande Valley Texas Service Area.</p> <p><b>ARTICLE 1 DEFINITIONS</b> 1.1 Affiliate shall mean any person, entity, or business section, or division that directly or through one or more intermediaries' controls, is controlled by, or is under common control with the entity in question. 1.2 Agreement shall mean the agreement to which the General Terms and Conditions for Transportation apply. 1.3 Btu shall mean British thermal unit(s) and shall be computed on a temperature base of sixty degrees (60 degrees) Fahrenheit and a pressure base of fourteen and sixty-five hundredths (14.65) psia and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and MMBtu shall mean one million (1,000,000) Btu. 1.4 Commission shall mean the Railroad Commission of Texas. 1.5 Company shall mean Texas Gas Service when it is acting as Company on the Pipeline System. 1.6 Cumulative Tolerance Limit shall mean five percent (5%) of aggregate historical annual deliveries of a Qualified Supplier's pool of customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit to reflect changes to the pool of customers and other known changes to anticipated deliveries that the Company determines to be reasonably reliable and accurate. 1.7 Customer shall mean a consumer which subscribes to natural gas services provided by Texas Gas Service. 1.8 Dekatherm (Dth) shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis. 1.9 Day shall mean the 24-hour period commencing at 9:00 a.m. (central clock time) on one calendar day and ending at 9:00 a.m. (central clock time) the following calendar day. 1.10 Dry shall mean the heating value calculation being determined with no water vapor present. 1.11 Effective Date shall mean the date specified in the Agreement. 1.12 Gas or natural gas shall mean the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof. 1.13 Gas Transportation Order shall mean a completed Exhibit A relating to the applicable gas transportation service Agreement. 1.14 Gross Heating Value or Gross shall mean the amount of energy transferred as heat per mass or mole from the complete combustion of the gas with oxygen (from air), at a base temperature in which all water formed by the reaction condenses to liquid. 1.15 Mcf shall mean one thousand (1,000) cubic feet of Gas. 1.16 Month shall mean the period beginning at 9:00 a.m. central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month, except where references not involving Gas measurement volumes are involved, in which case the calendar month shall be deemed to be referred to. 1.17 Monthly Tolerance Limit shall mean ten percent (10%) of the aggregate deliveries for a Qualified Suppliers pool of customers for such month. 1.18 PDA shall mean a predetermined allocation method. 1.19 Pipeline System shall mean the current existing utility distribution facilities of Company located in the State of Texas. 1.20 Point of Delivery shall mean the point or points where Gas is delivered from the Pipeline System to or for the account of Customer and are shown on the applicable Gas Transportation Order. 1.21 Point Operator shall mean the person or entity that controls the Point of Receipt or Point of Delivery. 1.22 Point of Receipt shall mean the point or points where Company shall receive Gas into the Pipeline System from Customer, as described on the applicable Gas Transportation Order. 1.23 Psia shall mean pounds per square inch, absolute. 1.24 Psig shall mean pounds per square inch, gauge. 1.25 Qualified Supplier shall mean a supplier of natural gas for transportation to customers through the Company's pipeline system that meets the requirements of and has executed a Supplier Service Agreement. 1.26 Real shall mean the division of the ideal heating value by the compressibility of the gas. This creates an ideal Gross Heating Value per Real cubic foot. 1.27 Supplier Service Agreement shall mean a contract setting forth the requirements and terms upon which a supplier of natural gas may make deliveries of customer owned gas into the Company's pipeline system for delivery to one or more of the Company's customers receiving service under this tariff. 1.28 Tariff shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over Company or the services provided hereunder. 1.29 Week shall mean a period of seven (7) consecutive Days beginning at 9:00 a.m. central clock time on each Monday and ending at the same time on the next succeeding Monday. 1.30 Year shall mean a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29.</p> <p><b>ARTICLE 2 RESTRICTIONS AND RESERVATIONS</b> 2.1 It is understood and agreed that Customer has only the right to transportation service in the Pipeline System and all equipment, including (but not in any way limited thereto) all pipe, valves, fittings, and meters comprising the Pipeline System and all other property and capacity rights and interests, shall at all times during the term of the Agreement remain the property of Company. Customer agrees not to cause or permit any liens or encumbrances to be filed with respect to the Pipeline System by reason of Customer's actions. Customer's Gas shall at all times remain the property of Customer, and Company shall have no right or property interest therein. 2.2 Company reserves the right in its sole discretion to remove, relocate, expand, or rebuild, without approval of Customer, any portion of the Pipeline System. Customer shall make no alterations, additions, or repairs to or on the Pipeline System, nor shall Customer bear any cost of any alterations, additions, repairs, maintenance or replacements made to or on said Pipeline System. 2.3 Customer agrees not to connect or cause the connection of any third party to the Pipeline System for any purpose without the express written approval and consent of Company to be granted in Company's sole discretion. Customer further agrees not to transport or cause to be transported any Gas for any third party. If either of these conditions is breached by Customer, Company shall have the right and option, notwithstanding any other provision of the Agreement or the General Terms and Conditions for Transportation, to terminate the Agreement including the Exhibits thereto immediately and without further obligation to Customer. 2.4 Company presently is transporting Gas to third parties on the Pipeline System and shall have the right in the future to transport additional Gas for such purposes and to transport Gas to additional third parties as it may desire, and Company shall have the right to make additional connections to the Pipeline System as may be required to serve presently existing and new customers, all of which is subject to the provisions of the Agreement. Company's transportation of Gas hereunder shall not obligate Company in any manner beyond the terms of the Agreement and the Exhibits attached thereto. 2.5 Company shall own any and all liquids which are recovered from the Pipeline System and may use, sell or transfer all liquids without having to account in any manner, or pay any monies or other consideration to Customer. 2.6 The Company reserves the unilateral right from time to time to seek regulatory approval to make any changes to, or to supersede, the rates, charges and any terms stated in the tariffs, rate schedules, the agreements, and the General Terms and Conditions.</p> <p><b>ARTICLE 3 OPERATIONS</b> 3.1 Customer shall deliver its Gas into the Pipeline System at the Points of Receipt described on the applicable Gas Transportation Order, as it now exists and as it may be amended. Customer shall have no right to require Gas to be received at any particular Point of Receipt and Company may delete such points or modify the capacity thereof from time to time and at any time in its sole discretion with no further</p>



## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

RRC COID: 6310

COMPANY NAME: TEXAS GAS SERVICE COMPANY

TARIFF CODE: DT

RRC TARIFF NO: 23480

## CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

obligation to Customer with respect to such Point of Receipt. All supplies of Gas delivered to the Pipeline System must comply with the terms and conditions of the Agreement and the exhibits attached thereto. In no event shall Company be required to expand, modify, construct, rearrange, or change the operations of the Pipeline System in order to receive Gas from or on behalf of Customer or in order to deliver Gas to Customer at any existing Points of Delivery. 3.2 Customer shall advise (in a method and format approved by Company in its sole discretion) Company with respect to each Day, Week and Month the name of each supplier with whom it has a contract (and the name of the individual with such supplier responsible for Customer's account), which source of supply is delivering to Company, how much Gas is nominated to be delivered to Company from each source of supply (i.e., each well, plant, or other desired Point of Receipt) and the anticipated deliveries at each Point of Delivery. Customer's nomination shall be in good faith, in balance between Points of Receipt and Points of Delivery, and shall be based on Customer's commercially reasonable best efforts to estimate usage for Hour, Day, Week, and Month. Customer will cause their Qualified Supplier to act as their agent in the nomination process. Qualified Supplier shall not intentionally nominate more or less Gas than is anticipated for consumption by Customer(s), except as may be needed for balancing purposes to the extent Company accepts such nomination. Qualified Supplier shall submit nominations to the Company's gas scheduling department in accordance with their currently effective nomination process which can be provided to the parties upon request. Customer and Qualified Supplier shall exercise commercially reasonable best efforts to deliver to the Pipeline System Dths of Gas that Company is to deliver from the Pipeline System to Customer during any particular Hour, Day, Week and Month, including but not limited to volumes needed for peak Day usage for Customer's facilities. 3.3 Before the start of the Gas Day, the Point Operator and Company shall establish a predetermined allocation (PDA) method to specify how Gas received or delivered by Company shall be allocated in accordance with confirmed nominations at such point. Only one PDA methodology shall be applied per allocation period. 3.4 Customer's Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery. To the extent that Customer's acts or omissions cause Company to incur, directly or indirectly, fees, charges, expenses, or penalties from a supplier or transporter for failure to satisfy such supplier's or transporter's balancing or nomination requirements, then Customer agrees to reimburse Company for such fees, charges, expenses, or penalties, and defend, indemnify, and hold Company harmless with respect thereto. Any fees, charges, expenses or penalties which were determined to be in error will be credited back to the Customer. 3.5 The Point of Receipt and Point of Delivery may be, or may later become points through which other quantities of Gas are being measured; therefore, the measurement of Gas under the Agreement may involve the allocation of Gas deliveries. In such event, each party hereto will furnish, or cause to be furnished, to the other all data required to accurately account for all Gas. 3.6 Except as may be set forth on a Gas Transportation Order, Company shall receive and deliver Gas hereunder as nearly as practicable at uniform hourly and daily rates of flow. It is recognized that it may be physically impracticable, because of measurement, Gas control limitations and other operating conditions, to stay in zero (0) imbalance each hour and each Day; therefore, the daily and hourly quantities received may, due to the aforementioned reasons, vary above or below the daily and hourly quantities delivered. If the quantities received and the quantities delivered hereunder should create an imbalance at the end of any hour, Day, Week, or Month, then Company and Customer shall adjust receipts and/or deliveries at any time to the end that the quantities received and delivered shall be kept as near to zero (0) imbalance as practicable. 3.7 Imbalances Customer must designate no more than one Qualified Supplier. The Qualified Supplier shall act on behalf of the Customer to procure gas supplies, deliver gas supplies to points of receipt designated in the Gas Transportation Order, and shall act as the Customer's agent with respect to nominations, operational notices required under the Gas Transportation Agreement or applicable tariffs and with respect to resolution of imbalances under this Rate Schedule. (A) The following cash out provisions shall be applied to the Qualified Supplier for its aggregate pool of Customers that are being provided service pursuant to a Rate Schedule or some other form of transportation service: 1) Qualified Supplier shall not deliver into the Pipeline System more Dths of Gas than Company delivers to the aggregate pool of Customers at the Points of Delivery during a Month. At the end of the Month in which an over-delivery occurred and exceeded the Monthly Tolerance Limit or the Cumulative Tolerance Limit, Qualified Supplier shall sell such excess Gas to Company at 95% of Inside FERC's FOM Houston Ship Channel index price. 2) If Company receives less Dths of Gas than are delivered to the aggregate pool of Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Month, then Qualified Supplier shall purchase such under-delivered volumes at 105% of Inside FERC's FOM Houston Ship Channel index price. The Company will provide monthly imbalance statements along with calculations of the cash out charges in accordance with the aforementioned cash out provisions to the Qualified Supplier each month. Payments for cash out charges will be due each month within 15 business days of the imbalance statement date. The Company may elect at its sole discretion to accrue the monthly cash out provisions each month and only require periodic settlement rather than monthly payments. The monthly transport payments shall not be abated with respect to a Month in which under-deliveries occurred except as provided in Article 9 and Article 10 hereof. 3.8 Customer and Company shall exercise their commercially reasonable best efforts to comply with all of the standards established by the North American Energy Standards Board, Inc. (NAESB), but in no event shall either party be required to comply with the NAESB standards if such compliance has a material adverse affect upon such party. 3.9 In the event Customer's source of gas supply is terminated by Customer's supplier due to non-payment or other reasons, or if customer is otherwise unable to continue as a transportation customer, Customer may, upon the giving of five (5) business days advance notice to Company, obtain service from Company under the general sales tariff applicable to Customer. Prior to commencing such service, Company may, in its sole discretion, require Customer to post a deposit or bond in accordance with the provisions of Article 5 hereof. ARTICLE 4 PRESSURE AND QUALITY OF GAS 4.1 Customer shall deliver (or cause to be delivered) the Gas to the Pipeline System at the Point of Receipt at a pressure sufficient to effect delivery into the Pipeline System at that point. If necessary, Customer shall provide additional compression to make such deliveries hereunder, and Company shall not have any cost or responsibility in that regard. 4.2 Subject to the provisions of Section 4.1 above, the Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery at pressures sufficient to effect deliveries to Customer's facilities, but not to exceed the maximum pressure that has existed for each Point of Delivery. 4.3 Gas delivered by and to Customer shall be commercially free of dust, gums, gum-forming constituents, gasoline, water, and any other substance that may become separated from the Gas during the handling hereof. All Gas received shall conform to the following additional specifications: (A) Contain not more than one-quarter (1/4) grain of hydrogen sulfide per 100 cubic feet, as determined by a method generally acceptable for use in the gas industry; (B) Contain not more than five (5) grains of total sulfur per 100 cubic feet; (C) Contain not more than two percent (2%) by volume of carbon dioxide; (D) Contain not more than four percent (4%) by volume of total inerts, including carbon dioxide and nitrogen; (E) Contain not more than two-tenths of one percent (.2%) by volume of oxygen; (F) Contain a gross heating value equivalent to at

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23480

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>least 980 British Thermal Units per cubic foot and not to exceed 1080 British Thermal Units per cubic foot; (G) Have a temperature of not more than one hundred twenty degrees (120#) Fahrenheit and not less than forty degrees (40 #) Fahrenheit; (H) Contain no water or hydrocarbons in liquid form; (I) Contain not more than 7 pounds of water in vapor stage per 1,000 Mcf of gas; and (J) Be interchangeable with the Company's system Gas at the Point of Receipt or delivered to the nearest customer, city border station, or other pipeline interconnected with such receiving facility or downstream of the Point of Receipt. 4.4 The Company, at its option, may refuse to accept delivery of any gas not meeting the quality specifications set out above. Thereafter, Customer or Qualified Supplier shall have the right to conform or cause the gas to be conformed to the above specifications. If the Customer or Qualified Supplier does not elect to conform the gas to said specifications, then the Company at its sole option may accept or reject any such gas. 4.5 Notwithstanding anything to the contrary contained herein, the gas which the Company transports and delivers to the Customer shall be odorized by the Company. In the event Customer desires to remove the odorant, such removal shall be solely at Customer's risk and expense. ARTICLE 5 PAYMENT 5.1 Should Customer fail to pay or deliver any or all of the amount of the transportation payment and/or other fees due under any exhibit when such amount is due (which in no event shall be later than the last Day of the applicable Month), interest on the unpaid portion shall accrue at a rate (which in no event shall be higher than the maximum rate permitted by applicable law) equal to one and one-half percent (1 one-half%) per month from the due date until the date of payment. If such failure to pay continues for fifteen (15) Days after payment is due, Company, in addition to any other remedy it may have, may suspend further receipts and deliveries of Gas until such amount is paid; provided, however, that if Customer in good faith shall dispute in writing the amount of any such bill or part thereof and shall pay to Company such amounts as it concedes to be correct and, at any time thereafter within thirty (30) Days of the due date of such payment, shall furnish a good and sufficient surety bond in an amount and with surety satisfactory to Company, guaranteeing payment to Company of the amount ultimately found due upon such bills, including interest thereon, after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further receipts and withdrawals of Gas unless and until default be made in the conditions of such bond. As an alternative to posting a bond, Customer may pay the portion of any amount in dispute without waiving its rights to recoup any monies improperly billed. If the portion of any amount in dispute is ultimately determined to be incorrect, such amount shall be refunded by Company to Customer together with interest thereon at a rate (which in no event shall be higher than the maximum allowed by law) equal to one and one-half percent (1one-half%) per Month for the period from the date of payment to Company to the date of refund by Company. 5.2 Customer agrees to pay any amounts due pursuant to the Agreement and the General Terms and Conditions for Transportation to Company within fifteen (15) Business Days after receipt of an invoice from Company. 5.3 Company reserves the right, prior to initiation of service, to require a cash deposit or bond in favor of Texas Gas Service in order to assure payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. In the event Customer's financial condition materially weakens or Customer fails to make timely payment in accordance with Article 5 after the execution of the Agreement, then upon written request from Company, Customer agrees to deposit cash with Texas Gas Service or secure a bond in favor of Texas Gas Service in order to assure the payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. Such deposit or bond shall be furnished to Texas Gas Service within fifteen (15) days after a request by Texas Gas Service is made for such deposit or bond and shall be made in a form and amount satisfactory to Texas Gas Service. If such deposit or bond is not furnished in a timely manner, or if a bond expires or is canceled prior to the end of the period specified below, or if the cash deposit or bond is not increased as specified below, then leasing of capacity and the rendering of all other services may be suspended by Texas Gas Service in its sole discretion until such deposit or bond is furnished, renewed or increased, as applicable. 5.4 Nothing in this Article 5 shall be deemed to supersede the respective rights and obligations of Company and Customer as provided by Texas statutes, rules, and/or regulation, as such statutes, rules, or regulations may be amended from time to time, with respect to adjustments to the amounts owed by Customer as a result of errors in Customer's meter or errors in reading Customer's meter. Customer shall be responsible for payment of the amounts owed Company for transportation service and gas supply provided to Customer during the applicable period for which it has been determined that Customer's meter was in error to the favor of Customer. ARTICLE 6 STATEMENTS AND RECORDS 6.1 On or about fifteen (15) days after the Company receives necessary volumetric information from other parties for each calendar month after commencement of Gas receipts and deliveries hereunder, Company shall render to the Qualified Supplier a statement for the preceding Month showing the total Dths of Gas received and delivered and each Point of Receipt and Point of Delivery. If information necessary for statement purposes is in the possession of Customer, Customer shall furnish such information to Company on or before the sixth (6th) Day of the Month in which the statement requiring such data is to be rendered. 6.2 Both parties hereto shall have the right at any and all reasonable times within twenty four (24) months from the time period in question, to examine the books and records of the other to the extent necessary to verify the accuracy of any statement, computation, or demand made hereunder. 6.3 Customer agrees to supply to Company, at Company's request at any time and from time to time, a sample of the liquids removed from the gas stream of the facilities which deliver gas to Company which sample is to be taken from a point upstream from the Point of Receipt. Said sample shall not contain any toxic, hazardous, or deleterious materials or any materials which Company, in its sole discretion, deems in any way harmful to its facilities, personnel or the environment, including, but not limited to, polychlorinated byphenyls (PCBs), and substances or materials considered hazardous or other similar terms, or requiring investigation, remediation or removal under any federal, state or local statute, regulation, rule or ordinance or any amendments thereof whether now in effect or as may be in effect in the future. If such samples contain any such materials or substances, Company shall have the right, in its sole discretion and in addition to other remedies available to it, to immediately cease receipt of Gas through the Point of Receipt until such time as all such materials or substances are eliminated from the Gas such that Company, in its sole discretion, elects to again receive such Gas through the Point of Receipt. Should Customer fail or refuse to eliminate all such materials or substances within a reasonable time, Company shall have the right, upon written notice, to terminate this Agreement. Customer hereby expressly agrees to indemnify and hold Company and Company's affiliates harmless from and against any and all liabilities, losses, claims, damages, actions, costs, fines, and expenses of whatever nature, including, but not limited to, court costs, and attorney's fees arising out of or in any manner relating to the presence of PCBs and/or any other toxic, hazardous, deleterious, harmful, or unsafe materials as described above in Gas delivered by or on behalf of Customer into Company's system. ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT The measurement and tests for quality of Gas delivered and delivered by Customer hereunder shall be governed as follows: 7.1 The quantities of Gas received and delivered shall be measured by means of meters of standard type which conform to the American Gas Association Measurement Committee Reports and other industry standards</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23480

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-RGV-IS0S-Tr	<p>as to construction and installation. 7.2 The unit of volume for purposes of measurement shall be one (1) cubic foot of Gas at a temperature base of sixty degrees (60 degrees) Fahrenheit and at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute. Customer agrees that the Btu content per Mcf of the gas volumes delivered by the Company at the Point of Delivery shall be assumed to be equal to the Btu content per Mcf of the gas volumes delivered by Customer at the Point of Receipt, when corrected for differences in pressure base. 7.3 The temperature shall be adjusted to standard conditions by a compensation device included with the meter or such other method as the Company shall deem appropriate. Corrections shall be made in accordance with industry practice. 7.4 Specific gravity shall be determined with accuracy to the nearest one thousandth (.001) by use of an instrument that conforms to industry standards. 7.5 Whenever the conditions of pressure and temperature differ from the standards, conversion of the volumes from these conditions to the standard conditions shall be in accordance with the Ideal Gas Laws corrected for deviation from Boyle's Law, all to be in accordance with methods and tables set out in the American Gas Association Measurement Committee Reports, or by other accepted methods that may be used from time to time. 7.6 The gross heating value of the Gas shall be determined by means of a sampling method of general use in the Gas industry. The location of the sampling equipment shall be determined by Company in its sole discretion but shall be at a location where a representative sample of the Gas to which it applies may be taken. 7.7 Tests to determine total sulfur, hydrogen sulfide, oxygen, carbon dioxide, total inerts, and water vapor shall be made by approved standards methods in general use by the Gas industry. Such tests shall be made at the request of either party hereto. If a test is performed at Customer's request and shows that the quality specifications as set forth in Section 4.3 hereof have been satisfied, Customer shall pay all costs and expenses of Company related to such test. 7.8 Except as may be otherwise provided, all measuring and testing equipment, housing devices, and materials shall be standard manufacture and type and shall, with all related equipment, appliances, and buildings, be owned, installed, maintained and operated or caused to be installed, maintained and operated by Company at the Points of Receipt and Points of Delivery. Customer may install and operate check measuring and testing equipment, which equipment and the operation thereof shall not interfere with the operation of Company's equipment. 7.9 The accuracy of the measuring and testing equipment shall be verified according to Company's standard for the device being used and at other reasonable times upon request of Customer or Company. Gas quality tests may be made at times of equipment testing or at other reasonable times. Unless a test is requested by Customer, notice of the time and nature of each test shall not be given by Company. If a test is requested by a Customer, then Company shall give Customer notice sufficiently in advance to permit Customer to have a representative present. Representatives of both Customer and Company may be present to observe such tests. The results of any such tests shall be considered accurate until the next tests are made. All tests of measuring equipment shall be made at Company's expense, except that Customer shall bear the expense of tests made at its request if the inaccuracy found is two percent (2%) or less.</p> <p>TEXAS GAS SERVICE COMPANY - Rio Grande Valley Service Area RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION (continued) 7.10 If, at any time, any of the measuring or testing equipment is found to be out of service, or registering inaccurately of any percentage, it shall be adjusted at once to read accurately within the limits prescribed by the manufacturer. If such equipment is out of service or inaccurate by an amount exceeding two percent (2%) at a reading corresponding to the average rate of flow for the period since the last preceding test, the previous reading of such equipment shall be disregarded for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of time equal to one-half of the elapsed time since the last test. The volume of Gas delivered during such period shall be estimated (i) by using the data recorded by any check measuring equipment if installed and accurately registering, or if not installed or registering accurately, (ii) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither such method is feasible, (iii) by estimating the quantity or quality delivered based upon deliveries under similar conditions during a period when the equipment was registering accurately. No adjustment shall be made for recorded inaccuracies of two percent (2%) or less. 7.11 The parties hereto shall have the right to inspect equipment installed or furnished by the other or third-party operators and the charts and other measurement or testing data of all such parties at all times during business hours; but the reading, calibration, and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing the same. The parties hereto shall preserve all original test data, charts, and other similar records in such party's possession for a period of at least twenty-four (24) months. Measurement data corrections should be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. 7.12 At every Point of Receipt and every Point of Delivery, the party having control over such facility shall allow the other party immediate access to the receipt and delivery information as it is generated by the party having such control. With respect to all Points of Receipt and Points of Delivery that have electronic flow measurement, both parties shall have remote telephone and electronic access to the receipt and delivery information generated at such Point of Receipt and Point of Delivery. ARTICLE 8 TITLE TO AND RESPONSIBILITY FOR GAS 8.1 Customer and Company, respectively, warrant title to all Gas delivered by it into or from the Pipeline System hereunder, and each of Customer and Company, respectively, warrant and represent each has the right to deliver the Gas hereunder, and that such Gas is free from liens and adverse claims of every kind. Customer agrees to indemnify and save Company harmless from and against all loss, damage, claims, and expense of every character with respect to Gas delivered by it on account of royalties, taxes, payments, liens, or other charges or claims arising (i) before or created upon delivery of said Gas into the Pipeline System, and (ii) upon and after delivery of said Gas from the Pipeline System to Customer. 8.2 Subject to compliance with the provisions of Section 8.1 above, Company warrants that title to all Gas delivered hereunder by Customer is free from liens and adverse claims of every kind. Company agrees to indemnify and save Customer harmless from and against all loss, damage, claims, and expense of every character with respect to Gas to be delivered at the Point of Delivery on account of royalties, taxes, payments, liens, or other charges or claims arising after delivery of Gas to and before withdrawal thereof from the Pipeline System by Customer. 8.3 As between the parties hereto, Customer or its supplier shall be deemed to be in the exclusive control and possession of the Gas until such Gas has been delivered to Company at the Point of Receipt, and after its withdrawal by Customer at the Point of Delivery. After Customer's or Customer's suppliers' delivery of such Gas at the Point of Receipt, Company shall thereafter be deemed to be in the exclusive control and possession of such Gas until its withdrawal by Customer at the Point of Delivery. The party which shall be in the exclusive control and possession of such Gas shall be responsible for all in injury or damage caused thereby and shall be responsible for any loss of Gas while in its possession, except with regard to injury, damage or loss caused by or arising out of the negligence of the nonpossessory party. 8.4 The Pipeline System shall at all times remain the property of</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23480
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Company, and Customer shall have no right or property interest therein but only the right for the transportation of Gas. ARTICLE 9 FORCE MAJEURE AND CASUALTY 9.1 If either Company or Customer is rendered unable, wholly or in part, by reason of force majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended. Any force majeure event (other than labor disputes, strikes, or lockouts) shall be remedied so far as possible with reasonable dispatch. Settlement of strikes, lockouts, and labor disputes shall be wholly within the discretion of the party having the difficulty. The term force majeure shall include, but is not limited to, the following: acts of God and the public enemy; the elements; fire, accidents, breakdowns, strikes; any industrial, civil, or public disturbance; inability to obtain or delay in obtaining rights-of-way, material, supplies, permits, or labor; any act or omission by parties not subject to control by the party hereunder having the difficulty; and any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military. If pursuant to the foregoing Company curtails or temporarily discontinues the receipt or delivery of Gas hereunder, Customer agrees to hold Company harmless from any loss, claim, damage, or expense that Customer may incur by reason of such curtailment or discontinuance. 9.2 If a portion of the Pipeline System required to make the transportation service available is partially damaged by fire or other casualty, the damage may be repaired by Company, at its option and in its sole discretion, as speedily as practicable, due allowance being made for the time taken for the settlement of insurance claims. Until such repairs are made, the payments shall be apportioned in proportion to the portion of the capacity of the Pipeline System which is still available for the purposes hereof, such determination to be made in the sole discretion of Company. If the damage is so extensive as to render the Pipeline System wholly unusable, in Company's sole opinion, the payments, if any, shall cease until such time as the Pipeline System is again useable. In case the damage shall, in Company's sole opinion, amount substantially to a destruction of the portion of the Pipeline System available for the transportation of Gas and Company shall elect not to repair the damage, then the Agreement shall terminate at the time of such damage, and Company shall not be liable to Customer for any liability, damage, or claim which arises out of any failure to make repairs. ARTICLE 10 GOVERNMENTAL RULES, REGULATIONS, AND AUTHORIZATIONS; INTERPRETATION OF AGREEMENT 10.1 The Agreement is subject to all valid orders, laws, rules, and regulations of duly constituted municipal, State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or Gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies. 10.2 The Agreement shall be interpreted under the laws of the State of Texas, excluding any law thereof directing the application of the laws of another jurisdiction. ARTICLE 11 MISCELLANEOUS 11.1 Any modification of terms, or amendment of any provisions hereof, shall become effective only by supplemental written agreement between the parties. 11.2 (A) Any of the following events or conditions shall constitute a default of Customer under the Agreement: (1) Default in the delivery of any payment or any sums hereunder for a period of sixty (60) Days after the same becomes due; (2) Any other breach of the material terms and conditions of the Agreement and the failure of Customer to cure such breach within thirty (30) Days after written demand by Company or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Customer shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured; (3) Customer shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Customer; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Customer (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; or (5) If any certificate, statement, representation, or warranty furnished by Customer proves to be false or incomplete in any material respect. (B) Upon the happening of any event of default as set forth in subparagraph 11.2(A) above, Company shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Customer the sum of all transportation payments and all other amounts due and owing under the Agreement plus the sum of all transportation payments and other amounts to become payable during the balance of the term of the Agreement; (2) Retake possession of the entire capacity of the Pipeline System without any court order or other process of law and without any rights of Company being thereupon terminated; (3) Terminate the Agreement and the Exhibits; (4) Pursue any other remedy at law or in equity. (C) Any of the following events or conditions shall constitute an Event of Default with respect to Company under the Agreement: (1) Default in the crediting of any sums due to Customer or in the payment of any other sums due to Customer under the Agreement for a period of ninety (90) Days after the same is established by Company to have become due; (2) Company's breach of any material term or condition of the Agreement and the failure of Company to cure such breach within thirty (30) Days after written demand by Customer or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Company shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured. (3) Company shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Company; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Company, (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; (D) Upon the happening of any event of default as set</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23480

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCE-Rider-RGV-OS	<p>forth in subparagraph 11.2(C)above, Customer shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Company the sum of all outstanding credits and other amounts due and owing under the Agreement; (2) Terminate the Agreement and the Exhibits; (3) Pursue any other remedy at law or in equity. (E) The rights granted to Company and Customer hereunder shall be cumulative as to each and action on one shall not be deemed to constitute an election or waiver of any other right to which Company or Customer may be entitled. (F) Upon the termination of the Agreement, whether by lapse or time or otherwise, Customer will surrender any and all rights in the Pipeline System immediately. 11.3 Company shall not be liable for damages resulting from interruption of service, when such interruption is necessary to make repairs, changes, or adjustments in Company's equipment and facilities. 11.4 No waiver by Company or Customer of any default or the other under the Agreement shall operate as a waiver of any future default, whether of a like or different character. 11.5 The Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. In the event Customer sells, leases or otherwise transfers its distribution system to a third party, whether voluntarily or involuntarily, then Customer agrees, as a part of such sale, lease or transfer, to assign to such third party and to require such third party to accept the assignment of the Agreement and the Exhibits included therein, subject to the provisions of the following sentence. Neither the Agreement nor the Exhibits attached thereto nor the rights and obligations of Customer hereunder may be assigned without the consent of Company, which consent shall not be unreasonably withheld. 11.6 Customer will not mortgage, create a security interest in, or encumber the Agreement, or sublet the rights granted hereby, or permit its use by others, or pledge, loan, sublet, create a security interest in, or in any other manner attempt to dispose of such rights, or permit its use by others, or suffer any liens or legal process to be incurred or levied thereon; provided, however, that Customer may grant a security interest or similar encumbrance in connection with any existing financing arrangement associated with Customer's facility. 11.7 Except as provided below, Customer shall pay all fees, taxes, charges, and assessments imposed by or on behalf of any governmental entity in connection with the Agreement or in connection with the purchase, transportation, and disposition of Gas by or on behalf of Customer pursuant to the Agreement including but not limited to municipal and/or supplemental fees, franchise fees and any supplements thereto and taxes; provided that Company shall pay all ad valorem taxes and assessments levied on the Pipeline System and all appurtenant facilities. Company shall file all returns required for the Pipeline System and all appurtenant facilities. Customer will furnish Company with any information available to Customer in connection with Company's obligations under this section. 11.8 Company and Customer agree to exercise and take reasonable steps necessary to safeguard and cause their officers, directors, employees, agents, advisers, and representatives to safeguard the confidentiality of the Agreement and the terms and conditions thereof (as contrasted with the existence and effectiveness of the Agreement which are not confidential) and not to disclose any part of it or any information derived there from or any negotiations relating thereto to any party or person except that limited number of people within Company's and Customer's organizations, and their advisers, lenders and potential investors, as may need to know the terms and conditions hereof in order to evaluate, understand, execute and perform the Agreement. Company and Customer agree not to copy or permit the copying of the Agreement, except as may be necessary for their operations. In the event Customer or Company or any of their officers, directors, employees, agents, or Representatives, is requested or required (by oral or written question or request for information or documents in legal proceedings, interrogatories, subpoena, Civil Investigative Demand or similar process) to disclose any information concerning the Agreement or the terms and conditions thereof or any negotiations relating thereto, it is agreed that the party receiving such question or request will provide the other parties with prompt notice thereof so that such other parties may seek a protective order or other appropriate relief or a release from the other parties. It is further agreed that if, in the absence of a protective order or receipt of a release, the other party is compelled to disclose such information or else stand liable for contempt or suffer other censure or penalty or adverse effect, then such party may disclose such information. The parties hereto are further authorized to make disclosure of the Agreement as may be required by Federal, state, or local regulation or agency or as may be required by auditors or accountants in connection with the preparation of financial statements or tax returns. Disclosure hereunder shall not constitute a basis for defense, termination, or modification of the Agreement. <b>ARTICLE 12 DISPUTE RESOLUTION</b> 12.1 Any dispute arising out of or relating to this Agreement for which a claim or demand is asserted that is equal to or exceeds a value of \$25,000 shall be resolved in accordance with the procedures specified in this Article 12, which shall be the sole and exclusive procedures for the resolution of any such disputes. The cost of conducting the dispute resolution process, including the fees and expenses of any arbitrators, shall be shared equally by the parties, and each party shall bear its own costs, including any attorneys' fees or other expenses incurred in the process. Each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances. 12.2 Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between management level personnel who have authority to settle the controversy. Any person may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. Within thirty (30) days after delivery of the initial notice, the designated managing personnel of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. 12.3 Arbitration. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation as provided above within sixty (60) days after initiation of negotiations shall be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect by (i) a sole arbitrator agreed upon by the parties if the dispute is between \$25,000 and \$250,000, or (ii) three independent and impartial arbitrators, of whom each party shall designate one, if the dispute is in excess of \$250,000. All arbitrators shall be knowledgeable in the natural gas industry. The arbitrator(s) shall have no authority to award consequential, punitive or exemplary damages. Provided, however, if one party fails to participate in the negotiation as agreed herein, the other party can commence arbitration prior to the expiration of the time periods set forth. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. Unless otherwise agreed, the place of arbitration shall be Austin, Texas. Meters Read On and After January 27, 2014 Supersedes: November 26, 2013</p> <p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23480**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>RATE SCHEDULE RCE-RIDER RATE CASE EXPENSE RATE</p> <p>A. APPLICABILITY The Rate Case Expense (RCE) rate as set forth in Section (B) below is pursuant to Gas Utilities Docket No. 10285: Statement of Intent Filed by Texas Gas Service Company to Change Rates in the Environs of the Rio Grande Valley Service Area, Final Order Finding of Fact No. 43. This rate shall apply to the following rate schedules of Texas Gas Service Company in the unincorporated areas served in Rio Grande Valley Area of Texas including Alamo, Alton, Bayview, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Heights, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Monte Alto, Olmito, Palm Valley, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Carlos, San Juan, Santa Rosa, and Weslaco, Texas: 1Z, 2Z, 3Z, 4Z, T-1 and T-2.</p> <p>B. RCE RATE All Ccf during each billing period:                      \$ 0.2072 per Ccf</p> <p>This rate will be in effect until all approved and expended rate case expenses are recovered under the applicable rate schedules.</p> <p>C. OTHER ADJUSTMENTS Taxes: Plus applicable taxes and fees (including franchise fees) related to above.</p> <p>D. CONDITIONS Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.</p> <p>E. COMPLIANCE TGS shall file a reconciliation report annually on or before December 31st, commencing in 2014. TGS shall file the report with the Commission, Addressed to the Director of Gas Services Division an referencing Gas Utilities Docket No. 10285, Rate Case Expense Recovery Report. The report shall include: - The volumes used by month by customer class during the applicable period, - The amount of Rate Case Expense recovered, by month - The outstanding balance , by month Effective Date: Issuance date of Final Order in GUD No. 10285</p> <p>Initial Rate Schedule Meters Read On and After November 26, 2013</p>
T-2-RGV-OS-Firm	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area RATE SCHEDULE T-2 TRANSPORTATION SERVICE RATE</p> <p>APPLICABILITY Service under this rate schedule is available to any customer of Texas Gas Service Company (Company) and to Qualified Suppliers or Producers supplying natural gas to be transported, pursuant to Rate Schedule T- GTC (General Terms and Conditions) for the transportation of customer owned natural gas through the Company's Rio Grande Valley distribution system for use by customers within the Company's Rio Grande Valley's Service Area or delivered to connecting pipelines. This rate schedule requires a one year commitment for transportation service. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.</p> <p>AVAILABILITY Natural gas service under this rate schedule is available to any qualified individually metered, transport customer for the transportation of customer owned natural gas through the Company's Rio Grande Valley distribution system. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.</p> <p>Electronic flow measurement (EFM) may be required for Customers under this tariff at the Company's sole discretion. The customer may be required to reimburse the Company for any cost related to the installation of the EFM as well as provide for or reimburse the Company for any on- going maintenance, repair, or communications costs. In the alternative, Customer may elect to discontinue service under this tariff and to receive service under the applicable sales tariff.</p> <p>Service is not available under this rate schedule for resale to others or for service for a term less than twelve (12) months.</p> <p>Under this tariff the Company shall perform or cause to be performed all functions necessary to transport the gas commodity from the Point of Receipt to the end use Customer. The Customer is responsible for acquiring the gas commodity from a third party supplier. Such gas supply must be delivered to the pipeline providing upstream services for the system from which the Customer is served.</p> <p>Customer shall deliver to Company each month, as reimbursement for lost and unaccounted for gas in the form of Payment in Kind (PIK), a volume of gas equal to the Purchase/Sales ratio authorized to be collected in the Cost of Gas clause times the volume of gas delivered by the Company for the account of Customer for transportation.</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23480**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p><b>TERRITORY</b> All areas served by the Company in its Rio Grande Valley Service Area.</p> <p><b>RATE</b> This rate shall be the sum of Part A, Part B, and Part C as described below:</p> <p>Part A: A customer charge of \$327.82 per meter per month plus Interim Rate Adjustment (IRA) \$ (Footnote 1) Total Customer Charge \$327.82</p> <p>Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the following Ccf charge:  All Ccf @ \$0.0548 per Ccf</p> <p>Part C: Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GTC (General Terms and Conditions for Transportation).</p> <p>Minimum Monthly Bill of \$1,500 (from the sum of Part A and Part B)</p> <p><b>ADDITIONAL CHARGES</b> 1) A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of TEXAS UTILITIES CODE, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder.  2) A charge will be made each month to recover any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder.  3) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the Rio Grande Valley Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.</p> <p>Footnote 1:  4) Additional charges may be made at the Company's sole discretion for compression, treating, or similar services if the customer or qualified supplier is shipping excess gas off the distribution system.</p> <p><b>SPECIAL PROVISIONS</b> Tariff General Terms and Conditions for Transportation T-GTC</p> <p><b>OTHER CONDITIONS</b> Transportation of Customer owned natural gas hereunder is subject in all respects to the Transportation Agreement entered into between the Customer and Company prior to commencement of service and all amendments and modifications thereto.</p> <p>Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.</p> <p><b>PAYMENT</b> Bills are to be paid within 15 days after the date of Company's bill to Customer.</p> <p>Meters Read On and After November 26, 2013</p> <p>Supercedes Same Rate Sheet Dated April 30, 2007 (Unincorporated)</p>

**RATE ADJUSTMENT PROVISIONS:**

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23480**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
75389	D	Mcf	\$.0000	04/30/2007	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	32237	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**



**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23525**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 07/29/2014                      **RECEIVED DATE:** 08/15/2014

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:** 9988(R.Case),10016(RCE),100

**CITY ORDINANCE NO:** ORD-EPSvcA-IS(R.Case); Res. 3/

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New Cust Chg. rate eff. 7/29/14 per first Annual EPARR filing with City of El Paso and settlement via Resolution adopted by the City Council.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
31910	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23525**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
IRA-EPSvcA-IS-IRAd	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE IRA El Paso Service Area - West Texas Region INTERIM RATE ADJUSTMENT A. APPLICABILITY This Interim Rate Adjustment (IRA) applies to all general service rate schedules of Texas Gas Service Company (Company) currently in force in the incorporated areas of El Paso, Anthony, Clint, Vinton, Socorro, and Horizon City, Texas. Applicable rate schedules include 10, 20, 21, 25, 26, 27, 40, SS, and T-1. B. PURPOSE Section 104.301, Subchapter G of the Texas Utility Code, effective on September 1, 2003, provides for an interim adjustment in a gas utility's monthly customer charge or initial block usage rate to recover the cost of changes in the utility's infrastructure investment and related expenses and revenues for providing gas utility service. The filing date of the utility's most recent rate case establishing rates for the area in which the interim rate adjustment will apply shall be no more than two years prior to the date the utility files its initial interim rate adjustment application for that area. The interim adjustment shall be recalculated on an annual basis, unless the utility files a written request and obtains approval from the regulatory authority to suspend the operation of the interim adjustment rate schedule for any year. This rate schedule establishes the interim adjustment provisions consistent with Section 104.301, Subchapter G of the Texas Utility Code. C. COMPUTATION OF IRA RATE The amount the Company shall adjust its utility rates upward or downward under this rate schedule each calendar year is based on the difference between the value of the invested capital for the preceding calendar year and the value of the invested capital for the calendar year preceding that calendar year. The value of the invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment. Based on the difference between the values of the invested capital amounts as determined above, the Company may adjust only the following related components of its revenue requirement: return on investment, depreciation expense, ad valorem taxes, revenue related taxes and incremental federal income taxes. The factors for these components shall be the same as those established in the Company's most recent rate case for the service area in which this interim rate adjustment is to be implemented. The revenue requirement calculated pursuant to this rate schedule shall be allocated among the Company's customer classes for this service area in the same manner as the cost of service was allocated among customer classes in the Company's latest effective rates for this area. D. FILING WITH THE REGULATORY AUTHORITY 1. The Company shall file either the initial interim adjustment or the annual interim adjustment with the regulatory authority at least 60 days before the proposed implementation date. During the 60-day period, the regulatory authority may act to suspend implementation of the adjustment. 2. The Company shall provide notice to customers by bill insert or direct mail not later than the 45th day after the date of filing the interim adjustment. 3. The Company shall file with the regulatory authority an annual report describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year. The annual report shall also state the cost, need, and customers benefited by the change in investment. 4. In addition, the Company shall file with the regulatory authority an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year. Should the Company earn a return of more than 75 basis points above the return established in the latest effective rates implemented under this rate schedule, the Company shall file a statement stating the reasons why the rates are not unreasonable or in violation of the law. 5. After the issuance of a final order or decision by a regulatory authority in a rate case that is filed after the implementation of a tariff or rate schedule under this section, any change in investment that has been included in an approved interim adjustment shall no longer be subject to subsequent review for reasonableness or prudence. All amounts collected under this rate schedule are subject to refund until the issuance of a final decision in the next rate case filing for this service area. 6. The Company shall file a rate case no later than the 180th day after the fifth anniversary date its initial interim rate adjustment for this service area became effective. 7. The provisions under Section 104.301, Subchapter G of the Texas Utility Code for this interim adjustment do not limit the power of the regulatory authority under Section 104.151. Meters Read On and After: September 10, 2013 Supersedes Rate Schedule IRA and IRA-OTH: dated June 18, 2013</p>
20-EPSvcA-IS-Com	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE 20</p> <p>COMMERCIAL SERVICE RATE APPLICABILITY</p> <p>Applicable to all commercial consumers and to consumers not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company.</p> <p>TERRITORY The incorporated areas of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas</p> <p>COST OF SERVICE RATE During each monthly billing period:</p> <p>A customer charge of \$ 18.30 plus The First 100 Ccf No Charge The Next 400 Ccf \$ .10901 per Ccf The Next 2500 Ccf .08901 per Ccf All Over 3000 Ccf .06901 per Ccf</p> <p>Prompt Payment Provision: None.</p> <p>Above rates are net.</p> <p>OTHER ADJUSTMENTS</p> <p>Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23525

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month. Taxes: Plus applicable taxes and fees (including franchise fees) related to above.</p> <p>CONDITIONS</p> <p>1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.</p> <p>2. The applicability section of this rate notwithstanding, if a customer, other than a full requirements customer, pays a standby charge pursuant to Rate Schedule S.S., Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.</p> <p>Meters Read On and After January 19, 2011</p> <p>Supersedes Same Rate Schedule Dated February 15, 2008</p>
<p>EPARR-ElPaso-IS</p>	<p>Texas Gas Service Company                      Rate Schedule EPARR El Paso Service Area - West Texas Region                      El Paso</p> <p>Annual Rate Review I. Purpose This mechanism is designed to provide annual earnings transparency. All rate calculations under this tariff shall be made on an El Paso Service Area wide basis. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. The rate adjustments implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. This Rider EPARR will be effective for the period commencing with the Company's first EPARR filing on or before April 15, 2014, and will remain in effect unless and until either the Company or the regulatory authority having original jurisdiction gives written notice to the contrary to the other by January 1 of the filing year. Upon receipt of such notice by either the Company or the regulatory authority having original jurisdiction, the Company shall prepare and file a Statement of Intent rate case with the regulatory authority within 180 days. Rates approved pursuant to this tariff shall remain in effect during the pendency of any Statement of Intent rate filing. II. Definitions a) The Filing Date shall occur on or before March 31 of each year with the exception of 2014, which shall have a Filing Date of April 15, 2014. The Annual Evaluation Date shall be the date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall, with the exception of 2014 be no earlier than March 1st nor later than March 31st of each year. This filing shall be made in electronic form where practicable. b) Audited Financial Data shall mean the Company's books and records related to the Company's El Paso Service Area and shared services operations. Audited Financial Data shall not require the schedules and information provided under this tariff to undergo a separate financial audit by an outside auditing firm similar to the Company's annual financial audit. c) The Company is defined as Texas Gas Service Company, a division of ONE Gas, Inc. d) The Test Period is defined as the twelve-month period ending December 31, of each preceding calendar year. The Company's April 2014 filing will be based on the twelve-month period ending December 31, 2013. e) The Rate Effective Period is defined as the twelve-month period commencing with the first billing cycle for August in each year and ending when subsequent rates are implemented under this tariff pursuant to a final order from a regulatory authority. f) Final Order is defined as the most recent general rate case final order establishing the Company's effective rates for customers within the City of El Paso. g) El Paso Service Area means the incorporated areas of El Paso, Anthony, Clint, Horizon City, San Elizario, Socorro, and Vinton, as well as the surrounding unincorporated areas served by the Company. III. Rate Review Mechanism The Company shall file with the City of El Paso the schedules specified below for the Test Period, with the filing to be made by the Annual Evaluation Date following the end of the Test Period. The schedules will be based upon the Company's Audited Financial Data, as adjusted, and will include the following: a) Test Period ending balances for actual gross plant in service, accumulated depreciation, accumulated deferred income taxes, inventory, and other rate base components, with the exception of working capital, will be used for the calculation of rates for the Rate Effective Period. The ratemaking treatments, principles, findings and adjustments included in the Final Order will apply except when a departure from those treatments, principles, findings or adjustments is justified by changed circumstances. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. In addition: (i) Cash working capital to be included in rate base will be zero 0; (ii) With respect to pension and other postemployment benefits, the Company will record a regulatory asset or liability for these costs until the amounts are included in the next annual rate adjustment implemented under this tariff. Each year, the Company's filing under this tariff will clearly state the level of pension and other postemployment benefits recovered in rates. In addition, the Company may maintain one or more reserve accounts as provided in Tex. Util. Code. Sec. 104.059, and treat any surplus or shortage in the reserve accounts in accordance with Tex. Util. Code. Sec. 104.059. (iii) For rate making purposes, the calculation of Accumulated Deferred Income Taxes (ADIT) will be based on the original book basis and tax basis for assets placed in service under the ownership of Southern Union and the original book basis and tax basis for assets placed in service subsequent to the acquisition of Southern Union's assets. Company-generated net operating losses may be considered in calculating the ADIT balance, if appropriate. b) Depreciation rates booked in the period will be those approved in the Final Order, or the depreciation rates most recently approved for the El Paso Service Area and for the Shared Services Division by the Railroad Commission of Texas, as applicable, if and only if the City of El Paso has the right to participate in a subsequent Railroad Commission of Texas proceeding with a full right to have its reasonable expenses reimbursed. All calculation methodologies will be those approved in the Final Order except where noted or included in this tariff. c) Return on Equity (ROE) shall be maintained at 10.1%. d) The cost of long-term debt will be the weighted cost of long-term debt for ONE Gas, Inc. determined at the end of the Test Period. The capital structure will be the ratio of long-term debt and equity determined at the end of the Test Period. For purposes of the filing in April 2014, the long-term cost of debt will be determined at January 31, 2014. For purposes of the filing in April 2014, the Capital Structure for the filing in April 2014 shall be determined at January 31, 2014, but in no event shall the capital structure consist of more than 57% equity. e) All applicable accounting adjustments along with all supporting work papers. Such adjustments may include: 1) Pro-forma adjustments to update and annualize costs and revenue billing determinants as of the end of the Test Period. 2) Pro-forma or other adjustments required to properly account for atypical, unusual, or nonrecurring events recorded during the Test Period. f) Shared Services allocation factors shall be recalculated each year based on the latest</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23525

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>component factors used during the Test Period, but the methodology used will be that approved in the Final Order. IV. Calculation of Rate Adjustment a) The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency calculations using the class classification and allocation methodology accepted in the Final Order. The result shall be reflected in the proposed new rates to be established for the Rate Effective Period. In calculating the required rate adjustments, such adjustments will be applied to the minimum charge or customer charge if the rate class has no minimum charge. b) All reasonable and necessary operation and maintenance expenses from the Test Period will be used for the calculation of rates for the Rate Effective Period. Such amounts shall be prepared consistent with the rate making treatments approved in the Final Order subject to an allowance that authorizes the inclusion of (1) reasonable cost of meals and travel incurred during the Test Period (as limited by Sec IX) and (2) 25% of the Company's long-term and short-term incentive compensation costs incurred during the Test Period. The Company may include in its operations and maintenance expense reasonable costs of Pipeline Integrity testing conducted after completion of the 2010-2014 test cycle. The Company may also adjust rates for the Rate Effective Period to include recovery of any known and measurable changes to operating and maintenance costs. Known and measurable adjustments shall be limited to those changes that have occurred prior to the Filing Date. c) Effective with the Company's 2014 filing under this tariff, the Company may include in its rate base calculation all prudently incurred, direct, incremental investment and costs associated with Commission Rule 8.209. d) The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall be deemed prudent and not subject to further review. In determining whether investment was prudently incurred, the regulatory authority shall base its decision on a review that examines as fair, just and reasonable. e) The Company shall provide a schedule demonstrating the proof of revenues relied upon to calculate the proposed rate for the Rate Effective Period. The proposed rates shall conform as closely as is practicable to the revenue allocation principles approved in the Final Order except that any required increase or decrease shall be apportioned to the customer charge. V. Attestation A sworn statement shall be filed by an Officer of the Company affirming that the filed schedules are in compliance with the provisions of this mechanism and are true and correct to the best of his/her knowledge, information and belief. No testimony shall be filed, but a brief narrative explanation shall be provided of any changes to corporate structure, accounting methodologies or allocation of common costs. VI. Evaluation Procedures The City of El Paso shall have a minimum of 125 days to review and render a decision on the Company's filed schedules and work papers. The Company will be prepared to provide all supplemental information as may be requested to ensure adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information, with the exception of information claimed to be confidential, highly sensitive or proprietary, and such information shall be provided within ten (10) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions. Information claimed to be confidential, highly sensitive or proprietary shall be furnished to representatives of the Regulatory Authority pursuant to a confidentiality agreement in accordance with Texas Law. During the 125 day period, the Company and the regulatory authority will work collaboratively and seek agreement on the proposed adjustments to the Company's schedule and proposed rates. If agreement has been reached by the Company and the regulatory authority, the regulatory authority shall authorize an increase or decrease to the Company's rates so as to achieve the revenue levels indicated for the Rate Effective Period. If, at the end of the 125 day period, the Company and the regulatory authority have not reached agreement on the proposed adjustments, the Company shall have the right to appeal the regulatory authority's action or inaction to the Railroad Commission of Texas. Upon the filing of an appeal of a city's order relating to an annual EPARR filing with the Railroad Commission of Texas, the regulatory authority shall not oppose the implementation of rates subject to refund or advocate the imposition of a third party surety bond by the Company. To defray the cost, if any, of regulatory authority review of the Company's annual filing, the Company shall reimburse the regulatory authority for its reasonable expenses incurred upon submission of invoices for such review. The Company shall further be allowed to recover its reasonable and necessary expenses it incurs for outside services above any amounts included in the Test Year provided in connection with the annual filing subject to the review of the regulatory authority. Costs contemplated hereunder shall be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made or the Company expense is incurred. A regulatory authority seeking reimbursement under this provision shall submit its request for reimbursement to the Company no later than September 1 of the year in which the annual filing is made and the Company shall reimburse the regulatory authority in accordance with this provision within 30 days of the submission. VII. Reconsideration and Appeal Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007). VIII. Notice Notice of this annual EPARR filing shall be provided by either: (1) including the notice, in conspicuous form, in the bill of each directly affected customer, or (2) sending the notice by email if the customer's bill is provided in this format no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information: a) a description of the proposed revision of rates and schedules; b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer; c) the service area or areas in which the proposed rate adjustment would apply; d) the date the proposed rate adjustment was filed with the regulatory authority; and e) the Company's address, telephone number and website where information concerning the proposed rate adjustment may be obtained. IX. EPARR Schedules and Information The following types of employee reimbursed expenses and directly incurred costs are to be removed from all expense and rate base amounts included within Rider EPARR filings for the Test Period and for the Rate Effective Period: Amounts incurred for travel, meals or entertainment of employee spouses, domestic partners, significant others, children and pets. Amounts for air travel that exceed published commercial coach air fares. Amounts incurred for excessive rates for hotel rooms. Amounts for alcoholic beverages. Amounts paid for admission to entertainment, sports, art or cultural events, and all event sponsorship costs. Amounts for social club dues or fees. initial Rate Schedule Meters Read On and After March 25, 2014 (City of El Paso only)</p>
ORD-EPSvcA-IS	<p>TEXAS GAS SERVICE COMPANY - El Paso Service Area - West Texas Region RATE SCHEDULE ORD-ELP CITY ORDINANCE LISTING APPLICABILITY Applicable to all gas sales and standard transport customers. TERRITORY All customers in the incorporated area of El Paso, Anthony, Clint, Horizon City, Socorro and Vinton, Texas. DESCRIPTION Per TGS rate case filed 08/31/07, the following cities approved the same Cost of Gas Clause, Economic Development Rate, General Charges and Provisions for Transport Service (T-GEN), Quality of Service Rules and Cost of Service rates for gas sales and standard transport. City approvals are as follows: City Ordinance or Resolution # Date Ordinance Passed Effective Date of Gas Sales Rate Schedules</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23525**

**CURRENT RATE COMPONENT**

<b>RATE COMP. ID</b>	<b>DESCRIPTION</b>
PIT-EPSvcA-ISOS	Anthony 370 01/08/08 02/15/2008 Clint --                      01/15/08 02/15/2008 El Paso --                      02/05/08 02/15/2008 Horizon City -- 01/08/08 02/15/2008 Socorro 356    01/17/08 02/15/2008 Vinton 08-1-15    01/15/08 02/15/2008    Initial February 15, 2008 TEXAS GAS SERVICE COMPANY RATE SCHEDULE PIT El Paso Service Area - West Texas Region PIPELINE INTEGRITY TESTING (PIT) RIDER

**PURPOSE**

The purpose of this Pipeline Integrity Testing Rider is to promote the public interest in pipeline safety by enabling the Company to recover over a four-year period the reasonable and necessary Pipeline Integrity Safety Testing expenses incurred by the Company during the four-year testing cycle from January 1, 2010, through December 31, 2013 (including contractor costs but excluding the labor cost of TGS employees), in the amount of \$2,197,846. These legally mandated operating and maintenance expenses shall be recovered through a separate monthly volumetric charge (the Pipeline Integrity Testing or PIT Surcharge) that shall be shown as a separate line item on the customer's monthly bill and calculated for each customer class as described below. Capital expenditures associated with the Pipeline Integrity Program shall continue to be recovered through base rates and any interim rate adjustments implemented pursuant to Section 104.301 of the Gas Utility Regulatory Act.

**APPLICABILITY**

This Rider shall be applied to all gas sales and transportation customers within the service territory designated below, except special contract customers.

**TERRITORY**

This Rider shall apply throughout the Company's El Paso Service Area (EPSA), both within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas (collectively, the EPSA Cities), and in the unincorporated areas (environs) adjacent to the EPSA Cities.

**QUALIFYING EXPENSES**

This Rider applies only to the legally mandated safety testing of the Company's transmission lines in the EPSA under the Pipeline Integrity Safety Testing Program. The operating and maintenance expense items that qualify for recovery under this Rider shall include the contractor costs associated with land and leak survey, permitting, and job order preparation and completion; the clearing of right-of-way; any needed notifications to adjacent businesses and residences; traffic control equipment and personnel; Direct Current Voltage Gradient (DCVG), Close Interval (CI), and other surveys to ensure the integrity of the pipeline system; any required rigid bypasses; flushing of the lines and testing and disposal of the flush water; hydrostatic testing of the lines and analysis and disposal of the test water; any required pigging of the lines in connection with safety testing; any required x-ray welding; metallurgical testing of the pipeline or components thereof; site restoration, painting, and clean-up; expenses associated with providing a supply of compressed natural gas (CNG) to ensure uninterrupted service to customers during testing; and any other operating and maintenance expenses reasonably necessary to safely and effectively perform required safety testing of the Company's transmission pipelines in the EPSA. Neither capital expenditures by the Company, nor the labor cost of TGS employees, shall be recovered under this Rider.

**CALCULATION OF PIT SURCHARGES**

The Pipeline Integrity Testing Surcharges established under this Rider shall be designed so as to recover the Total Testing Expense of \$2,197,846 in Pipeline Integrity Safety Testing expenses incurred by the Company over the four-year testing cycle from January 1, 2010, through December 31, 2013, and shall be calculated as follows: First, the Total Testing Expense shall be allocated among the applicable customer classes in the same proportion that demand costs were assigned to those classes in the Class Cost of Service Study approved in the Company's most recent rate case in which rates were set by the Railroad Commission of Texas (the Commission) for customers in the EPSA Cities.

$$\text{Each Class' Total Allocated} \quad \text{Total Testing} \quad \text{Each Class' Demand}$$

$$\text{Testing Expense} \quad = \quad \text{Expense} \quad \times \quad \frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}}$$

Second, the total dollar amount allocated to each customer class in the foregoing manner shall be divided by forty-eight (48) monthly billing cycles, so as to derive the amount that shall be ratably recovered from each class on a monthly basis during the four-year recovery period:

$$\text{Monthly Recovery from Each Class} \quad = \quad \frac{\text{Each Class' Total Allocated Testing Expense}}{48 \text{ Months}}$$

Third, the total amount that is to be recovered on a monthly basis from each class shall be divided by the estimated average monthly usage for each class to produce the monthly PIT Surcharge for each class.

$$\text{Each Class' PIT Surcharge} \quad = \quad \frac{\text{Monthly Recovery from Each Class}}{\text{Estimated Monthly Usage of Each Class}}$$

Based upon customer data for the prior calendar year and any other relevant factors, the estimated monthly usage for each class may be revised annually to account for customer growth, and the resulting revised PIT Surcharge shall be applied to each class for the ensuing

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23525**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	12-month recovery period.
	<b>ANNUAL RECONCILIATION</b> After completion of each of the first three annual recovery periods, the total revenues collected under this Rider for that year shall be reconciled against the revenues previously calculated to be collected for that year, and the PIT Surcharge for each class shall be adjusted upward or downward so that the Company recovers any underrecoveries or refunds any overrecoveries that may have accrued under the Rider, plus monthly interest on those underrecoveries or overrecoveries at the cost of long-term debt approved in the Company's most recent general rate case in which rates were set by the Commission for application to customers in the EPSA Cities. The reconciliation shall be filed with the regulatory authority on or before February 21st of each year, and the regulatory authority shall complete its review of the reconciliation on or before March 21st of each year, so that the Company can implement the reconciled PIT Surcharges beginning with the first billing cycle for April of each succeeding year of the four-year recovery period.
	<b>DEFERRED ACCOUNTING</b> The Company is authorized and directed to defer, as a regulatory asset, all Pipeline Integrity Safety Testing expenses incurred during the testing cycle starting on January 1, 2010, and ending on December 31, 2013, and all revenues specifically collected under this Rider shall be applied to the deferred expense account. The Company shall not earn a return on any regulatory asset created under this provision, and no such regulatory asset shall be included in the Company's invested capital (rate base) for ratemaking purposes.
	<b>ANNUAL REPORT &amp; APPLICABLE PSCC</b> On or before February 21st after each calendar year of the testing cycle, the Company shall file a report with the Commission and the EPSA Cities showing all Pipeline Integrity Safety Testing expenses incurred during the previous calendar year and verifying the prior year's collections and any underrecoveries or overrecoveries accruing to date under this Rider. The report shall separately identify and list such expenses by account number and project number. Prior to the effective date of this Rider and on or before February 21st of each succeeding year while this Rider is in effect, the Company shall also file an Addendum to this Rider with the Commission and the EPSA Cities (a) identifying the PIT Surcharges that will be applied during the ensuing 12-month recovery period from April 1st through March 31st, and (b) providing the underlying data and calculations on which each PIT Surcharge for that period is based.
	<b>NOTICE TO AFFECTED CUSTOMERS</b> In addition to the annual report and Addendum to this Rider required above, the Company shall provide, on or before March 31st after each calendar year of the testing cycle, written notice to each affected customer of (a) the PIT Surcharge that will be applied during the ensuing 12-month period from April 1st through March 31st, and (b) the effect the PIT Surcharge is expected to have on the average monthly bill for each affected customer class. The written notice shall be provided in both English and Spanish, shall be the only information contained on the piece of paper on which it is printed, and may be provided either by separate mailing or by insert included with the Company's monthly billing statements. The Company shall also file an affidavit annually with the Commission and the EPSA Cities certifying that notice has been provided to customers in this manner. The notice shall be presumed to be complete three calendar days after the date the separate mailing or billing statement is deposited in a postage-paid, properly addressed wrapper in a post office or official depository under care of the United States Postal Service. The initial notice shall be filed with, reviewed, and approved by the regulatory authority, and each subsequent notice shall follow the same format as that of the approved initial notice.
	<b>FINAL REVIEW, RECONCILIATION, AND TERMINATION</b> After the end of the four-year recovery period, the Company shall file a final reconciliation with the regulatory authority identifying all PIT Expenses recovered to date under this Rider, as well as any interest on overrecoveries refunded or credited to customers and any interest on underrecoveries recovered from customers during that period. In the event the total amount recovered differs from the total amount that TGS is authorized to recover under this Rider, then the Company shall include a calculation of the final surcharge, refund, or credit required to eliminate any such difference and shall implement same over a period of not more than four months. This Rider shall cease to be operable upon collection in this manner of the Total Testing Expenses authorized for collection hereunder, plus or minus any interest accruing on underrecoveries and overrecoveries, or sooner if ordered by the Commission or agreed upon by the Company and the EPSA Cities.
	<b>Initial Rate</b> Meters Read On and After February 29, 2012
PIT-Rider-EPSvcA-IS	El Paso Service Area - West Texas Region RATE SCHEDULE PIT-RIDER PIPELINE INTEGRITY TESTING (PIT) SURCHARGE RIDER A. APPLICABILITY The Pipeline Integrity Testing Surcharge (PIT) rate as set forth in Section (B) below is pursuant to Final Order in GUD 10049 and GUD 10142. This rate shall apply to the following rate schedules of Texas Gas Service Company in the incorporated and unincorporated areas of and adjacent to the El Paso Service Area (EPSA): 10, 20, 21, 25, 26, 27, 40, E5, SS, T-1, 1Z, 2Z, 2A, 2E, 2F, 2G, 4Z, SS-ENV AND T-1-ENV. The EPSA includes El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas. B. PIT RATE Rate Schedule Customer Class Rate per CCF 10 Residential (I/S EPSA) \$ 0.0034 20 Commercial (I/S EPSA) \$ 0.0033 21 Commercial A/C (I/S EPSA) \$ 0.0033 25 Public Authority (I/S EPSA) \$ 0.0057 26 Public Authority A/C (I/S EPSA) \$ 0.0057 27 Municipal Water Pumping (I/S EPSA) \$ 0.0015 40 Industrial (I/S EPSA) \$ 0.0027 E5 Fort Bliss (I/S EPSA) \$ 0.0067 SS Standby Service (I/S EPSA) \$ 0.0027 T-1 Commercial Transportation (I/S EPSA) \$ 0.0016 T-1 Industrial Transportation (I/S EPSA) \$ 0.0010 T-1 Public Authority Transportation (I/S EPSA) \$ 0.0025 1Z Residential (O/S EPSA) \$ 0.0033 2Z Commercial (O/S EPSA) \$ 0.0033 2A Commercial A/C (O/S EPSA) \$ 0.0033 2E Public Authority (O/S EPSA) \$ 0.0057 2F Public Authority A/C (O/S EPSA) \$ 0.0057 2G Municipal Water Pumping (O/S EPSA) \$ 0.0015 4Z Industrial (O/S EPSA) \$ 0.0027 SS-ENV Standby Service (O/S EPSA) \$ 0.0027 T-1-ENV Commercial Transportation (O/S EPSA) \$ 0.0016 T-1-ENV Industrial Transportation (O/S EPSA) \$ 0.0010 T-1-ENV Public Authority Transportation (O/S EPSA) \$ 0.0025 This rate will be in effect until all approved and expended pipeline integrity testing expenses are recovered under the applicable rate schedules. C. OTHER ADJUSTMENTS Taxes: Plus applicable

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23525**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>								
T1-EPSvcA-IS-Std	<p>taxes and fees (including franchises fees) related to above. D.    CONDITIONS Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.                      Meters Read On and After April 1, 2013    Supersedes Rate Schedule dated February 29, 2012</p> <p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T-1 El Paso Service Area - West Texas Region TRANSPORTATION SERVICE RATE</p> <p><b>APPLICABILITY</b> Service under this rate schedule is available to any customer for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with the customer's gas supplier to have its gas delivered to one of the Company's existing delivery points for transportation by the Company to the customer's facilities at the customer's service point.</p> <p><b>TERRITORY</b> El Paso Service Area consisting of the incorporated areas of El Paso, Texas.</p> <p><b>RATE</b> This rate shall be the sum of Part A and Part B as described below:</p> <p>Part A: During each monthly billing period, a customer charge per meter per month listed by customer class as follows:</p> <table border="0"> <tr> <td>Commercial</td> <td style="text-align: right;">\$759.53</td> </tr> <tr> <td>Public Authority</td> <td style="text-align: right;">\$771.95</td> </tr> <tr> <td>Industrial/Stand-by</td> <td style="text-align: right;">\$898.14</td> </tr> <tr> <td>Electrical Cogeneration and Energy Conservation</td> <td style="text-align: right;">\$898.14</td> </tr> </table> <p>Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at a rate calculated as follows:</p> <ol style="list-style-type: none"> <li>Determine the bill for the quantity of customer-owned gas metered and delivered to the customer at the Company's volumetric Cost of Service Rate on the gas sales tariff which would otherwise be applicable;</li> <li>Add a balancing service rate for any applicable portion of incremental cost of the Company's transportation reservation costs received from its upstream pipelines that is deemed at the Company's sole discretion to directly or indirectly benefit the transportation service customers through scheduling balancing flexibility. The balancing service rate will be recalculated annually in conjunction with the Cost of Gas annual reconciliation audit and/or as the upstream pipeline changes the rates being charged to the Company. In addition the Company will charge system sales customers as of the date of this Rate Schedule that become transportation customers after the effective date of this Rate Schedule, a rate representing the cost of stranded capacity, incurred by the Company for upstream transportation and reservation costs as determined by the Company. Proceeds from these rates will be credited to the Reconciliation Account.</li> <li>See the Additional Charges to Cost of Service Rate Pursuant to Rate Schedule T-GEN (General Charges and Provisions).</li> </ol> <p><b>SPECIAL PROVISIONS</b></p> <ol style="list-style-type: none"> <li>Transportation volumes delivered under this schedule shall be considered first through customer's meter for billing purposes.</li> <li>Gas transported under this schedule shall be for use only by the customer.</li> <li>See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges and Provisions).</li> <li>Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average at least five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder, except as may otherwise be provided in the Gas Transportation Service Agreement between the Company and customer, and provide service under the general service rate applicable to Customer.</li> <li>Customers that qualify for and elect service under this tariff must remain on transportation service for a minimum of twelve months. If a customer chooses to leave transportation service under this tariff after twelve months, the customer may not return to transportation service for at least twelve months. If a customer requests to leave transportation service under this tariff and return to the appropriate general service rate, the Company may at its sole discretion decline the request until adequate upstream pipeline capacity can be procured.</li> <li>Transportation of customer-owned natural gas under this tariff will require telemetry or electronic flow measurement that meets the Company's required specifications at the customer's point (s) of re-delivery. The Company may require the customer to reimburse the Company for the cost of telemetry at its sole discretion.</li> </ol> <p><b>CONDITIONS</b></p>	Commercial	\$759.53	Public Authority	\$771.95	Industrial/Stand-by	\$898.14	Electrical Cogeneration and Energy Conservation	\$898.14
Commercial	\$759.53								
Public Authority	\$771.95								
Industrial/Stand-by	\$898.14								
Electrical Cogeneration and Energy Conservation	\$898.14								

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23525**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCE-Rider-EPSvcA-IS	<p>1. Transportation of customer-owned natural gas hereunder shall be subject in all respects to applicable laws, rules and regulations from time to time in effect.</p> <p>2. Transportation of customer-owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.</p> <p>3. Transportation of customer-owned natural gas hereunder is subject in all respects to terms and conditions of the Gas Transportation Service Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto.</p> <p>4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.</p> <p>Meters Read On and After: July 29, 2014</p> <p>Supersedes Rate Schedule T-1 Dated: September 10, 2013 (El Paso only eff Jul 18 2014)</p> <p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE RCE RIDER El Paso Service Area - Incorporated RATE CASE EXPENSE (RCE) SURCHARGE</p> <p><b>A. APPLICABILITY</b> Pursuant to the Final Order in GUD No. 10016, the Rate Case Expense (RCE) Surcharge set forth in Section B. below shall apply to all gas sales customers (except special contract customers) located in that portion of the Company's El Paso Service Area (EPSA) that is within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas, including customers served under Rate Schedules 10, 20, 21, 25, 26, 27, 40, C-1, SS, and T-1.</p> <p><b>B. RCE SURCHARGE -</b> The initial RCE Surcharge per Ccf for each billing period shall be: \$0.0053 - The RCE Surcharge per Ccf for each billing period from April 2013 - March 2014 shall be: \$0.0054</p> <p>This rate, as adjusted pursuant to Section C. below, shall be designed to recover the approved level of Company and City rate case expenses of \$2,536,360.75 over a recovery period of three years. However, if the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, is collected in less than three years, then this Rider shall cease to be operable and the Company shall cease to apply the Rate Case Expense Surcharge. If the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, has not been collected by the end of the three-year recovery period, then this Rider shall remain in effect beyond the three-year recovery period only until all approved rate case expenses have been recovered under the applicable rate schedules, and any interest accruing on overrecoveries or underrecoveries has been recovered from or refunded or credited to the Company's customers.</p> <p><b>C. OTHER ADJUSTMENTS</b> The applicable RCE Surcharge shall be adjusted annually to reflect interest on any underrecoveries or overrecoveries calculated at the Company's 6.21% cost of long-term debt as determined by the Railroad Commission of Texas in GUD No. 9988. In addition to the RCE Surcharge, applicable revenue-related taxes and fees, including franchise fees, shall also be recovered based on the revenue amounts collected hereunder.</p> <p><b>D. ANNUAL COMPLIANCE FILING</b> On or before February 21st following each calendar year in which an RCE Surcharge was applied to recover rate case expenses under this Rider, the Company shall file a written report with the Commission and the EPSA Cities showing the total amount of rate case expenses (including any adjustments made to reflect interest on overrecoveries or underrecoveries accruing to the Company or its customers) that (a) were recovered during the preceding calendar year, (b) have been cumulatively recovered since the effective date of the Rider, and (c) still remain to be recovered through the Rider pursuant to the Commission's Final Order in GUD No. 10016. The report shall also include a calculation of the RCE Surcharge that is to be applied during the ensuing recovery period.</p> <p><b>E. CONDITIONS</b> Service under this rate schedule shall be subject to all applicable laws and orders and to the Company's rules and regulations on file with the regulatory authority.</p> <p>Meters Read On and After April 1, 2013</p> <p>Supersedes Rate Schedule dated February 29, 2012</p>
T-GEN-EPSvcA-IS-S	<p>TEXAS GAS SERVICE COMPANY EL PASO SERVICE AREA - West Texas Region RATE SCHEDULE T-GEN GENERAL CHARGES AND PROVISIONS APPLICABILITY Applicable to Transportation Rate Schedules: T1-OTH. TERRITORY All areas served by the Company in the incorporated areas of its El Paso Service Area consisting of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas . ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23525

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Economic Development Rate (Rate Schedule EDR), if applicable, and the Company's Interim Cost Recovery and Rate Adjustment (Rate Schedule IRA-OTH), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: UPSTREAM PIPELINE SCHEDULING AND BALANCING PROVISIONS A proportional share of any upstream pipeline transportation service charges and penalties incurred by the Company that, in whole or in part, are the result of customer or customer's agent scheduling and/or managing the upstream transportation of the customer's gas to Company's interconnecting point(s) with the upstream pipeline(s). Proceeds from this charge will be credited to the Reconciliation Account. The Company will bill customer for these charges and penalties manually on a separate bill. Payment shall be required in accordance with the Company's Rules of Service. A transport customer may elect to have its supplier act as agent for resolution of these charges. The Company will allow aggregation in resolution of the upstream pipeline scheduling and balancing charges as long as the aggregated customers are supplied by the same supplier, and provided that the customers are physically located behind the same upstream pipeline balancing point, as determined by the Company. Plus: MONTHLY COMMODITY BALANCING PROVISIONS In addition to the Upstream Pipeline Scheduling and Balancing provisions described above, the Company will resolve monthly commodity imbalances in accordance with the provisions described below: 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) 4. Customer</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23525

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances</p> <p>5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure</p> <p>6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.</p> <p>6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions:</p> <p>8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:</p> <p>9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23525**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin, for the month in which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand-by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. Meters Read On and After: September 10, 2013 Supercedes Rate Schedules T-GEN and T-GEN-OTH: Dated June 18, 2013</p>

**RATE ADJUSTMENT PROVISIONS:**

See IRA-EPSvcA-IS-IRAdj (RATE SCHEDULE IRAInterim Rate Adjustment)

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
74420	D	Mcf	\$.0000	02/15/2008	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	31910	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	
M	Other(with detailed explanation)	Commercial Transportation customers in the Incorp. areas of EL PASO, TX

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23526**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 07/29/2014                      **RECEIVED DATE:** 08/15/2014

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:** 9988(R.Case),10016(RCE),100

**CITY ORDINANCE NO:** ORD-EPSvcA-IS(R.Case); Res. 3/

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New Cust Chg. rate eff. 7/29/14 per first Annual EPARR filing with City of El Paso and settlement via Resolution adopted by the City Council.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
31911	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23526

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
25-EPSvcA-IS-PubA	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region                      RATE SCHEDULE 25      PUBLIC                      AUTHORITY SERVICE RATE APPLICABILITY Applicable to all public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts. This rate is only available to full requirements customers of Texas Gas Service Company. TERRITORY The incorporated areas of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas COST OF SERVICE RATE During each monthly billing period: A customer charge of \$ 32.71 plus The First 100 Ccf No Charge The Next 400 Ccf \$ .11409 per Ccf The Next 2500 Ccf .09409 per Ccf All Over 3000 Ccf .08409 per Ccf Prompt Payment Provision: None. Above rates are net. OTHER ADJUSTMENTS Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month. Taxes: Plus applicable taxes and fees (including franchise fees) related to above. CONDITIONS 1. Subject in all respects to applicable laws, rules and regulations from time to time in effect. 2. The applicability section of this rate notwithstanding, if a customer, other than a full requirements customer, pays a standby charge pursuant to Rate Schedule S.S., Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate. Meters Read On and After January 19, 2011 Supersedes Same Rate Schedule Dated February 15, 2008</p>
EPARR-ElPaso-IS	<p>Texas Gas Service Company                      Rate Schedule EPARR El Paso Service Area - West Texas Region                      El Paso                      Annual Rate Review I. Purpose This mechanism is designed to provide annual earnings transparency. All rate calculations under this tariff shall be made on an El Paso Service Area wide basis. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. The rate adjustments implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. This Rider EPARR will be effective for the period commencing with the Company's first EPARR filing on or before April 15, 2014, and will remain in effect unless and until either the Company or the regulatory authority having original jurisdiction gives written notice to the contrary to the other by January 1 of the filing year. Upon receipt of such notice by either the Company or the regulatory authority having original jurisdiction, the Company shall prepare and file a Statement of Intent rate case with the regulatory authority within 180 days. Rates approved pursuant to this tariff shall remain in effect during the pendency of any Statement of Intent rate filing. II. Definitions a) The Filing Date shall occur on or before March 31 of each year with the exception of 2014, which shall have a Filing Date of April 15, 2014. The Annual Evaluation Date shall be the date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall, with the exception of 2014 be no earlier than March 1st nor later than March 31st of each year. This filing shall be made in electronic form where practicable. b) Audited Financial Data shall mean the Company's books and records related to the Company's El Paso Service Area and shared services operations. Audited Financial Data shall not require the schedules and information provided under this tariff to undergo a separate financial audit by an outside auditing firm similar to the Company's annual financial audit. c) The Company is defined as Texas Gas Service Company, a division of ONE Gas, Inc. d) The Test Period is defined as the twelve-month period ending December 31, of each preceding calendar year. The Company's April 2014 filing will be based on the twelve-month period ending December 31, 2013. e) The Rate Effective Period is defined as the twelve-month period commencing with the first billing cycle for August in each year and ending when subsequent rates are implemented under this tariff pursuant to a final order from a regulatory authority. f) Final Order is defined as the most recent general rate case final order establishing the Company's effective rates for customers within the City of El Paso. g) El Paso Service Area means the incorporated areas of El Paso, Anthony, Clint, Horizon City, San Elizario, Socorro, and Vinton, as well as the surrounding unincorporated areas served by the Company. III. Rate Review Mechanism The Company shall file with the City of El Paso the schedules specified below for the Test Period, with the filing to be made by the Annual Evaluation Date following the end of the Test Period. The schedules will be based upon the Company's Audited Financial Data, as adjusted, and will include the following: a) Test Period ending balances for actual gross plant in service, accumulated depreciation, accumulated deferred income taxes, inventory, and other rate base components, with the exception of working capital, will be used for the calculation of rates for the Rate Effective Period. The ratemaking treatments, principles, findings and adjustments included in the Final Order will apply except when a departure from those treatments, principles, findings or adjustments is justified by changed circumstances. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. In addition: (i) Cash working capital to be included in rate base will be zero 0; (ii) With respect to pension and other postemployment benefits, the Company will record a regulatory asset or liability for these costs until the amounts are included in the next annual rate adjustment implemented under this tariff. Each year, the Company's filing under this tariff will clearly state the level of pension and other postemployment benefits recovered in rates. In addition, the Company may maintain one or more reserve accounts as provided in Tex. Util. Code. Sec. 104.059, and treat any surplus or shortage in the reserve accounts in accordance with Tex. Util. Code. Sec. 104.059. (iii) For rate making purposes, the calculation of Accumulated Deferred Income Taxes (ADIT) will be based on the original book basis and tax basis for assets placed in service under the ownership of Southern Union and the original book basis and tax basis for assets placed in service subsequent to the acquisition of Southern Union's assets. Company-generated net operating losses may be considered in calculating the ADIT balance, if appropriate. b) Depreciation rates booked in the period will be those approved in the Final Order, or the depreciation rates most recently approved for the El Paso Service Area and for the Shared Services Division by the Railroad Commission of Texas, as applicable, if and only if the City of El Paso has the right to participate in a subsequent Railroad Commission of Texas proceeding with a full right to have its reasonable expenses reimbursed. All calculation methodologies will be those approved in the Final Order except where noted or included in this tariff. c) Return on Equity (ROE) shall be maintained at 10.1%. d) The cost of long-term debt will be the weighted cost of long-term debt for ONE Gas, Inc. determined at the end of the Test Period. The capital structure will be the ratio of long-term debt and equity determined at the end of the Test Period. For purposes of the filing in April 2014, the long-term cost of debt will be determined at January 31, 2014. For purposes of the filing in April 2014, the Capital Structure for the filing in April 2014 shall be determined at January 31, 2014, but in no event shall the capital structure consist of more than 57% equity. e) All applicable accounting adjustments along with all supporting work papers. Such adjustments may include: 1) Pro-forma adjustments to update and annualize costs and revenue billing determinants as of the end of the Test Period. 2) Pro-forma or other adjustments required to properly account for atypical, unusual, or nonrecurring events recorded during the Test Period. f) Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Test Period, but the methodology used will be that approved in the Final Order. IV. Calculation of Rate Adjustment a) The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23526

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>calculations using the class classification and allocation methodology accepted in the Final Order. The result shall be reflected in the proposed new rates to be established for the Rate Effective Period. In calculating the required rate adjustments, such adjustments will be applied to the minimum charge or customer charge if the rate class has no minimum charge. b) All reasonable and necessary operation and maintenance expenses from the Test Period will be used for the calculation of rates for the Rate Effective Period. Such amounts shall be prepared consistent with the rate making treatments approved in the Final Order subject to an allowance that authorizes the inclusion of (1) reasonable cost of meals and travel incurred during the Test Period (as limited by Sec IX) and (2) 25% of the Company's long-term and short-term incentive compensation costs incurred during the Test Period. The Company may include in its operations and maintenance expense reasonable costs of Pipeline Integrity testing conducted after completion of the 2010-2014 test cycle. The Company may also adjust rates for the Rate Effective Period to include recovery of any known and measurable changes to operating and maintenance costs. Known and measurable adjustments shall be limited to those changes that have occurred prior to the Filing Date. c) Effective with the Company's 2014 filing under this tariff, the Company may include in its rate base calculation all prudently incurred, direct, incremental investment and costs associated with Commission Rule 8.209. d) The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall be deemed prudent and not subject to further review. In determining whether investment was prudently incurred, the regulatory authority shall base its decision on a review that examines as fair, just and reasonable. e) The Company shall provide a schedule demonstrating the proof of revenues relied upon to calculate the proposed rate for the Rate Effective Period. The proposed rates shall conform as closely as is practicable to the revenue allocation principles approved in the Final Order except that any required increase or decrease shall be apportioned to the customer charge. V. Attestation A sworn statement shall be filed by an Officer of the Company affirming that the filed schedules are in compliance with the provisions of this mechanism and are true and correct to the best of his/her knowledge, information and belief. No testimony shall be filed, but a brief narrative explanation shall be provided of any changes to corporate structure, accounting methodologies or allocation of common costs. VI. Evaluation Procedures The City of El Paso shall have a minimum of 125 days to review and render a decision on the Company's filed schedules and work papers. The Company will be prepared to provide all supplemental information as may be requested to ensure adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information, with the exception of information claimed to be confidential, highly sensitive or proprietary, and such information shall be provided within ten (10) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions. Information claimed to be confidential, highly sensitive or proprietary shall be furnished to representatives of the Regulatory Authority pursuant to a confidentiality agreement in accordance with Texas Law. During the 125 day period, the Company and the regulatory authority will work collaboratively and seek agreement on the proposed adjustments to the Company's schedule and proposed rates. If agreement has been reached by the Company and the regulatory authority, the regulatory authority shall authorize an increase or decrease to the Company's rates so as to achieve the revenue levels indicated for the Rate Effective Period. If, at the end of the 125 day period, the Company and the regulatory authority have not reached agreement on the proposed adjustments, the Company shall have the right to appeal the regulatory authority's action or inaction to the Railroad Commission of Texas. Upon the filing of an appeal of a city's order relating to an annual EPARR filing with the Railroad Commission of Texas, the regulatory authority shall not oppose the implementation of rates subject to refund or advocate the imposition of a third party surety bond by the Company. To defray the cost, if any, of regulatory authority review of the Company's annual filing, the Company shall reimburse the regulatory authority for its reasonable expenses incurred upon submission of invoices for such review. The Company shall further be allowed to recover its reasonable and necessary expenses it incurs for outside services above any amounts included in the Test Year provided in connection with the annual filing subject to the review of the regulatory authority. Costs contemplated hereunder shall be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made or the Company expense is incurred. A regulatory authority seeking reimbursement under this provision shall submit its request for reimbursement to the Company no later than September 1 of the year in which the annual filing is made and the Company shall reimburse the regulatory authority in accordance with this provision within 30 days of the submission. VII. Reconsideration and Appeal Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007). VIII. Notice Notice of this annual EPARR filing shall be provided by either: (1) including the notice, in conspicuous form, in the bill of each directly affected customer, or (2) sending the notice by email if the customer's bill is provided in this format no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information: a) a description of the proposed revision of rates and schedules; b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer; c) the service area or areas in which the proposed rate adjustment would apply; d) the date the proposed rate adjustment was filed with the regulatory authority; and e) the Company's address, telephone number and website where information concerning the proposed rate adjustment may be obtained. IX. EPARR Schedules and Information The following types of employee reimbursed expenses and directly incurred costs are to be removed from all expense and rate base amounts included within Rider EPARR filings for the Test Period and for the Rate Effective Period: Amounts incurred for travel, meals or entertainment of employee spouses, domestic partners, significant others, children and pets. Amounts for air travel that exceed published commercial coach air fares. Amounts incurred for excessive rates for hotel rooms. Amounts for alcoholic beverages. Amounts paid for admission to entertainment, sports, art or cultural events, and all event sponsorship costs. Amounts for social club dues or fees. initial Rate Schedule Meters Read On and After March 25, 2014 (City of El Paso only)</p>
IRA-EPSvcA-IS-IRAd	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE IRA El Paso Service Area - West Texas Region INTERIM RATE ADJUSTMENT A. APPLICABILITY This Interim Rate Adjustment (IRA) applies to all general service rate schedules of Texas Gas Service Company (Company) currently in force in the incorporated areas of El Paso, Anthony, Clint, Vinton, Socorro, and Horizon City, Texas. Applicable rate schedules include 10, 20, 21, 25, 26, 27, 40, SS, and T-1. B. PURPOSE Section 104.301, Subchapter G of the Texas Utility Code, effective on September 1, 2003, provides for an interim adjustment in a gas utility's monthly customer charge or initial block usage rate to recover the cost of changes in the utility's infrastructure investment and related expenses and revenues for providing gas utility service. The filing date of the utility's most recent rate case establishing rates for the area in which the interim rate adjustment will apply shall be no more than two years prior to the date the utility files its initial interim rate adjustment application for</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23526

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<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>that area. The interim adjustment shall be recalculated on an annual basis, unless the utility files a written request and obtains approval from the regulatory authority to suspend the operation of the interim adjustment rate schedule for any year. This rate schedule establishes the interim adjustment provisions consistent with Section 104.301, Subchapter G of the Texas Utility Code. C. COMPUTATION OF IRA RATE The amount the Company shall adjust its utility rates upward or downward under this rate schedule each calendar year is based on the difference between the value of the invested capital for the preceding calendar year and the value of the invested capital for the calendar year preceding that calendar year. The value of the invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment. Based on the difference between the values of the invested capital amounts as determined above, the Company may adjust only the following related components of its revenue requirement: return on investment, depreciation expense, ad valorem taxes, revenue related taxes and incremental federal income taxes. The factors for these components shall be the same as those established in the Company's most recent rate case for the service area in which this interim rate adjustment is to be implemented. The revenue requirement calculated pursuant to this rate schedule shall be allocated among the Company's customer classes for this service area in the same manner as the cost of service was allocated among customer classes in the Company's latest effective rates for this area. D. FILING WITH THE REGULATORY AUTHORITY 1. The Company shall file either the initial interim adjustment or the annual interim adjustment with the regulatory authority at least 60 days before the proposed implementation date. During the 60-day period, the regulatory authority may act to suspend implementation of the adjustment. 2. The Company shall provide notice to customers by bill insert or direct mail not later than the 45th day after the date of filing the interim adjustment. 3. The Company shall file with the regulatory authority an annual report describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year. The annual report shall also state the cost, need, and customers benefited by the change in investment. 4. In addition, the Company shall file with the regulatory authority an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year. Should the Company earn a return of more than 75 basis points above the return established in the latest effective rates implemented under this rate schedule, the Company shall file a statement stating the reasons why the rates are not unreasonable or in violation of the law. 5. After the issuance of a final order or decision by a regulatory authority in a rate case that is filed after the implementation of a tariff or rate schedule under this section, any change in investment that has been included in an approved interim adjustment shall no longer be subject to subsequent review for reasonableness or prudence. All amounts collected under this rate schedule are subject to refund until the issuance of a final decision in the next rate case filing for this service area. 6. The Company shall file a rate case no later than the 180th day after the fifth anniversary date its initial interim rate adjustment for this service area became effective. 7. The provisions under Section 104.301, Subchapter G of the Texas Utility Code for this interim adjustment do not limit the power of the regulatory authority under Section 104.151. Meters Read On and After: September 10, 2013 Supersedes Rate Schedule IRA and IRA-OTH: dated June 18, 2013</p>
ORD-EPSvcA-IS	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE ORD-ELP CITY ORDINANCE LISTING APPLICABILITY Applicable to all gas sales and standard transport customers. TERRITORY All customers in the incorporated area of El Paso, Anthony, Clint, Horizon City, Socorro and Vinton, Texas. DESCRIPTION Per TGS rate case filed 08/31/07, the following cities approved the same Cost of Gas Clause, Economic Development Rate, General Charges and Provisions for Transport Service (T-GEN), Quality of Service Rules and Cost of Service rates for gas sales and standard transport. City approvals are as follows: City Ordinance or Resolution # Date Ordinance Passed Effective Date of Gas Sales Rate Schedules Anthony 370 01/08/08 02/15/2008 Clint -- 01/15/08 02/15/2008 El Paso -- 02/05/08 02/15/2008 Horizon City -- 01/08/08 02/15/2008 Socorro 356 01/17/08 02/15/2008 Vinton 08-1-15 01/15/08 02/15/2008 Initial February 15, 2008</p>
PIT-EPSvcA-ISOS	<p>TEXAS GAS SERVICE COMPANY            RATE SCHEDULE PIT            El Paso Service Area - West Texas Region            PIPELINE INTEGRITY TESTING (PIT) RIDER</p> <p><b>PURPOSE</b>            The purpose of this Pipeline Integrity Testing Rider is to promote the public interest in pipeline safety by enabling the Company to recover over a four-year period the reasonable and necessary Pipeline Integrity Safety Testing expenses incurred by the Company during the four-year testing cycle from January 1, 2010, through December 31, 2013 (including contractor costs but excluding the labor cost of TGS employees), in the amount of \$2,197,846. These legally mandated operating and maintenance expenses shall be recovered through a separate monthly volumetric charge (the Pipeline Integrity Testing or PIT Surcharge) that shall be shown as a separate line item on the customer's monthly bill and calculated for each customer class as described below. Capital expenditures associated with the Pipeline Integrity Program shall continue to be recovered through base rates and any interim rate adjustments implemented pursuant to Section 104.301 of the Gas Utility Regulatory Act.</p> <p><b>APPLICABILITY</b>            This Rider shall be applied to all gas sales and transportation customers within the service territory designated below, except special contract customers.</p> <p><b>TERRITORY</b>            This Rider shall apply throughout the Company's El Paso Service Area (EPSA), both within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas (collectively, the EPSA Cities), and in the unincorporated areas (environs) adjacent to the EPSA Cities.</p> <p><b>QUALIFYING EXPENSES</b>            This Rider applies only to the legally mandated safety testing of the Company's transmission lines in the EPSA under the Pipeline Integrity Safety Testing Program. The operating and maintenance expense items that qualify for recovery under this Rider shall include the contractor costs associated with land and leak survey, permitting, and job order preparation and completion; the clearing of right-</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>										
	<p>of-way; any needed notifications to adjacent businesses and residences; traffic control equipment and personnel; Direct Current Voltage Gradient (DCVG), Close Interval (CI), and other surveys to ensure the integrity of the pipeline system; any required rigid bypasses; flushing of the lines and testing and disposal of the flush water; hydrostatic testing of the lines and analysis and disposal of the test water; any required pigging of the lines in connection with safety testing; any required x-ray welding; metallurgical testing of the pipeline or components thereof; site restoration, painting, and clean-up; expenses associated with providing a supply of compressed natural gas (CNG) to ensure uninterrupted service to customers during testing; and any other operating and maintenance expenses reasonably necessary to safely and effectively perform required safety testing of the Company's transmission pipelines in the EPSA. Neither capital expenditures by the Company, nor the labor cost of TGS employees, shall be recovered under this Rider.</p>										
	<p><b>CALCULATION OF PIT SURCHARGES</b>                      The Pipeline Integrity Testing Surcharges established under this Rider shall be designed so as to recover the Total Testing Expense of \$2,197,846 in Pipeline Integrity Safety Testing expenses incurred by the Company over the four-year testing cycle from January 1, 2010, through December 31, 2013, and shall be calculated as follows: First, the Total Testing Expense shall be allocated among the applicable customer classes in the same proportion that demand costs were assigned to those classes in the Class Cost of Service Study approved in the Company's most recent rate case in which rates were set by the Railroad Commission of Texas (the Commission) for customers in the EPSA Cities.</p>										
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Each Class' Total Allocated</td> <td style="width: 10%;"></td> <td style="width: 20%;">Total Testing</td> <td style="width: 10%;"></td> <td style="width: 20%;">Each Class' Demand</td> </tr> <tr> <td>Testing Expense</td> <td>=</td> <td>Expense</td> <td>x</td> <td><math>\frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}}</math></td> </tr> </table>	Each Class' Total Allocated		Total Testing		Each Class' Demand	Testing Expense	=	Expense	x	$\frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}}$
Each Class' Total Allocated		Total Testing		Each Class' Demand							
Testing Expense	=	Expense	x	$\frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}}$							
	<p>Second, the total dollar amount allocated to each customer class in the foregoing manner shall be divided by forty-eight (48) monthly billing cycles, so as to derive the amount that shall be ratably recovered from each class on a monthly basis during the four-year recovery period:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Monthly Recovery from Each Class</td> <td style="width: 10%;"></td> <td style="width: 20%;">=</td> <td style="width: 10%;"></td> <td style="width: 20%;"><math>\frac{\text{Each Class' Total Allocated Testing Expense}}{48 \text{ Months}}</math></td> </tr> </table>	Monthly Recovery from Each Class		=		$\frac{\text{Each Class' Total Allocated Testing Expense}}{48 \text{ Months}}$					
Monthly Recovery from Each Class		=		$\frac{\text{Each Class' Total Allocated Testing Expense}}{48 \text{ Months}}$							
	<p>Third, the total amount that is to be recovered on a monthly basis from each class shall be divided by the estimated average monthly usage for each class to produce the monthly PIT Surcharge for each class.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Each Class' PIT Surcharge</td> <td style="width: 10%;"></td> <td style="width: 20%;">=</td> <td style="width: 10%;"></td> <td style="width: 20%;"><math>\frac{\text{Monthly Recovery from Each Class}}{\text{Estimated Monthly Usage of Each Class}}</math></td> </tr> </table>	Each Class' PIT Surcharge		=		$\frac{\text{Monthly Recovery from Each Class}}{\text{Estimated Monthly Usage of Each Class}}$					
Each Class' PIT Surcharge		=		$\frac{\text{Monthly Recovery from Each Class}}{\text{Estimated Monthly Usage of Each Class}}$							
	<p>Based upon customer data for the prior calendar year and any other relevant factors, the estimated monthly usage for each class may be revised annually to account for customer growth, and the resulting revised PIT Surcharge shall be applied to each class for the ensuing 12-month recovery period.</p>										
	<p><b>ANNUAL RECONCILIATION</b>                      After completion of each of the first three annual recovery periods, the total revenues collected under this Rider for that year shall be reconciled against the revenues previously calculated to be collected for that year, and the PIT Surcharge for each class shall be adjusted upward or downward so that the Company recovers any underrecoveries or refunds any overrecoveries that may have accrued under the Rider, plus monthly interest on those underrecoveries or overrecoveries at the cost of long-term debt approved in the Company's most recent general rate case in which rates were set by the Commission for application to customers in the EPSA Cities. The reconciliation shall be filed with the regulatory authority on or before February 21st of each year, and the regulatory authority shall complete its review of the reconciliation on or before March 21st of each year, so that the Company can implement the reconciled PIT Surcharges beginning with the first billing cycle for April of each succeeding year of the four-year recovery period.</p>										
	<p><b>DEFERRED ACCOUNTING</b>                      The Company is authorized and directed to defer, as a regulatory asset, all Pipeline Integrity Safety Testing expenses incurred during the testing cycle starting on January 1, 2010, and ending on December 31, 2013, and all revenues specifically collected under this Rider shall be applied to the deferred expense account. The Company shall not earn a return on any regulatory asset created under this provision, and no such regulatory asset shall be included in the Company's invested capital (rate base) for ratemaking purposes.</p>										
	<p><b>ANNUAL REPORT &amp; APPLICABLE PSCC</b>                      On or before February 21st after each calendar year of the testing cycle, the Company shall file a report with the Commission and the EPSA Cities showing all Pipeline Integrity Safety Testing expenses incurred during the previous calendar year and verifying the prior year's collections and any underrecoveries or overrecoveries accruing to date under this Rider. The report shall separately identify and list such expenses by account number and project number. Prior to the effective date of this Rider and on or before February 21st of each succeeding year while this Rider is in effect, the Company shall also file an Addendum to this Rider with the Commission and the EPSA Cities (a) identifying the PIT Surcharges that will be applied during the ensuing 12-month recovery period from April 1st through March 31st, and (b) providing the underlying data and calculations on which each PIT Surcharge for that period is based.</p>										
	<p><b>NOTICE TO AFFECTED CUSTOMERS</b>                      In addition to the annual report and Addendum to this Rider required above, the Company shall provide, on or before March 31st after each calendar year of the testing cycle, written notice to each affected customer of (a) the PIT Surcharge that will be applied during the</p>										



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23526**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>ensuing 12-month period from April 1st through March 31st, and (b) the effect the PIT Surcharge is expected to have on the average monthly bill for each affected customer class. The written notice shall be provided in both English and Spanish, shall be the only information contained on the piece of paper on which it is printed, and may be provided either by separate mailing or by insert included with the Company's monthly billing statements. The Company shall also file an affidavit annually with the Commission and the EPSA Cities certifying that notice has been provided to customers in this manner. The notice shall be presumed to be complete three calendar days after the date the separate mailing or billing statement is deposited in a postage-paid, properly addressed wrapper in a post office or official depository under care of the United States Postal Service. The initial notice shall be filed with, reviewed, and approved by the regulatory authority, and each subsequent notice shall follow the same format as that of the approved initial notice.</p> <p><b>FINAL REVIEW, RECONCILIATION, AND TERMINATION</b> After the end of the four-year recovery period, the Company shall file a final reconciliation with the regulatory authority identifying all PIT Expenses recovered to date under this Rider, as well as any interest on overrecoveries refunded or credited to customers and any interest on underrecoveries recovered from customers during that period. In the event the total amount recovered differs from the total amount that TGS is authorized to recover under this Rider, then the Company shall include a calculation of the final surcharge, refund, or credit required to eliminate any such difference and shall implement same over a period of not more than four months. This Rider shall cease to be operable upon collection in this manner of the Total Testing Expenses authorized for collection hereunder, plus or minus any interest accruing on underrecoveries and overrecoveries, or sooner if ordered by the Commission or agreed upon by the Company and the EPSA Cities.</p> <p><b>Initial Rate</b> Meters Read On and After February 29, 2012</p>
<p>PIT-Rider-EPSvcA-IS</p>	<p>El Paso Service Area - West Texas Region <b>RATE SCHEDULE PIT-RIDER PIPELINE INTEGRITY TESTING (PIT) SURCHARGE RIDER A. APPLICABILITY</b> The Pipeline Integrity Testing Surcharge (PIT) rate as set forth in Section (B) below is pursuant to Final Order in GUD 10049 and GUD 10142. This rate shall apply to the following rate schedules of Texas Gas Service Company in the incorporated and unincorporated areas of and adjacent to the El Paso Service Area (EPSA): 10, 20, 21, 25, 26, 27, 40, E5, SS, T-1, 1Z, 2Z, 2A, 2E, 2F, 2G, 4Z, SS-ENV AND T-1-ENV. The EPSA includes El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas. <b>B. PIT RATE Rate Schedule Customer Class Rate per CCF</b> 10 Residential (I/S EPSA) \$ 0.0034 20 Commercial (I/S EPSA) \$ 0.0033 21 Commercial A/C (I/S EPSA) \$ 0.0033 25 Public Authority (I/S EPSA) \$ 0.0057 26 Public Authority A/C (I/S EPSA) \$ 0.0057 27 Municipal Water Pumping (I/S EPSA) \$ 0.0015 40 Industrial (I/S EPSA) \$ 0.0027 E5 Fort Bliss (I/S EPSA) \$ 0.0067 SS Standby Service (I/S EPSA) \$ 0.0027 T-1 Commercial Transportation (I/S EPSA) \$ 0.0016 T-1 Industrial Transportation (I/S EPSA) \$ 0.0010 T-1 Public Authority Transportation (I/S EPSA) \$ 0.0025 1Z Residential (O/S EPSA) \$ 0.0034 2Z Commercial (O/S EPSA) \$ 0.0033 2A Commercial A/C (O/S EPSA) \$ 0.0033 2E Public Authority (O/S EPSA) \$ 0.0057 2F Public Authority A/C (O/S EPSA) \$ 0.0057 2G Municipal Water Pumping (O/S EPSA) \$ 0.0015 4Z Industrial (O/S EPSA) \$ 0.0027 SS-ENV Standby Service (O/S EPSA) \$ 0.0027 T-1-ENV Commercial Transportation (O/S EPSA) \$ 0.0016 T-1-ENV Industrial Transportation (O/S EPSA) \$ 0.0010 T-1-ENV Public Authority Transportation (O/S EPSA) \$ 0.0025 This rate will be in effect until all approved and expended pipeline integrity testing expenses are recovered under the applicable rate schedules. <b>C. OTHER ADJUSTMENTS Taxes:</b> Plus applicable taxes and fees (including franchises fees) related to above. <b>D. CONDITIONS</b> Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority. Meters Read On and After April 1, 2013 Supersedes Rate Schedule dated February 29, 2012</p>
<p>RCE-Rider-EPSvcA-IS</p>	<p><b>TEXAS GAS SERVICE COMPANY</b> <b>RATE SCHEDULE RCE RIDER</b> El Paso Service Area - Incorporated <b>RATE CASE EXPENSE (RCE) SURCHARGE</b></p> <p><b>A. APPLICABILITY</b> Pursuant to the Final Order in GUD No. 10016, the Rate Case Expense (RCE) Surcharge set forth in Section B. below shall apply to all gas sales customers (except special contract customers) located in that portion of the Company's El Paso Service Area (EPSA) that is within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas, including customers served under Rate Schedules 10, 20, 21, 25, 26, 27, 40, C-1, SS, and T-1.</p> <p><b>B. RCE SURCHARGE -</b> The initial RCE Surcharge per Ccf for each billing period shall be: \$0.0053 - The RCE Surcharge per Ccf for each billing period from April 2013 - March 2014 shall be: \$0.0054</p> <p>This rate, as adjusted pursuant to Section C. below, shall be designed to recover the approved level of Company and City rate case expenses of \$2,536,360.75 over a recovery period of three years. However, if the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, is collected in less than three years, then this Rider shall cease to be operable and the Company shall cease to apply the Rate Case Expense Surcharge. If the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, has not been collected by the end of the three-year recovery period, then this Rider shall remain in effect beyond the three-year recovery period only until all approved rate case expenses have been recovered under the applicable rate schedules, and any interest accruing on overrecoveries or underrecoveries has been recovered from or refunded or credited to the Company's customers.</p> <p><b>C. OTHER ADJUSTMENTS</b> The applicable RCE Surcharge shall be adjusted annually to reflect interest on any underrecoveries or overrecoveries calculated at the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Company's 6.21% cost of long-term debt as determined by the Railroad Commission of Texas in GUD No. 9988. In addition to the RCE Surcharge, applicable revenue-related taxes and fees, including franchise fees, shall also be recovered based on the revenue amounts collected hereunder.</p> <p>D. ANNUAL COMPLIANCE FILING On or before February 21st following each calendar year in which an RCE Surcharge was applied to recover rate case expenses under this Rider, the Company shall file a written report with the Commission and the EPSA Cities showing the total amount of rate case expenses (including any adjustments made to reflect interest on overrecoveries or underrecoveries accruing to the Company or its customers) that (a) were recovered during the preceding calendar year, (b) have been cumulatively recovered since the effective date of the Rider, and (c) still remain to be recovered through the Rider pursuant to the Commission's Final Order in GUD No. 10016. The report shall also include a calculation of the RCE Surcharge that is to be applied during the ensuing recovery period.</p> <p>E. CONDITIONS Service under this rate schedule shall be subject to all applicable laws and orders and to the Company's rules and regulations on file with the regulatory authority.</p> <p>Meters Read On and After April 1, 2013</p> <p>Supersedes Rate Schedule dated February 29, 2012</p>
T-GEN-EPSvcA-IS-S	<p>TEXAS GAS SERVICE COMPANY EL PASO SERVICE AREA - West Texas Region RATE SCHEDULE T-GEN GENERAL CHARGES AND PROVISIONS APPLICABILITY Applicable to Transportation Rate Schedules: T1-OTH. TERRITORY All areas served by the Company in the incorporated areas of its El Paso Service Area consisting of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas . ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Economic Development Rate (Rate Schedule EDR), if applicable, and the Company's Interim Cost Recovery and Rate Adjustment (Rate Schedule IRA-OTH), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: UPSTREAM PIPELINE SCHEDULING AND BALANCING PROVISIONS A proportional share of any upstream pipeline transportation service charges and penalties incurred by the Company that, in whole or in part, are the result of customer or customer's agent scheduling and/or managing the upstream transportation of the customer's gas to Company's interconnecting point(s) with the upstream pipeline(s). Proceeds from this charge will be credited to the Reconciliation Account. The Company will bill customer for these charges and penalties manually on a separate bill. Payment shall be required in accordance with the Company's Rules of Service. A transport customer may elect to have its supplier act as agent for resolution of these charges. The Company will allow aggregation in resolution of the upstream pipeline scheduling and balancing charges as long as the aggregated customers are supplied by the same supplier, and provided that the customers are physically located behind the same upstream pipeline balancing point, as determined by the Company. Plus: MONTHLY COMMODITY BALANCING PROVISIONS In addition to the Upstream Pipeline Scheduling and Balancing provisions described above, the Company will resolve monthly commodity imbalances in accordance with the provisions described below: 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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	<p>to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23526

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>								
	<p>the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin, for the month in which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand-by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. Meters Read On and After: September 10, 2013 Supercedes Rate Schedules T-GEN and T-GEN-OTH: Dated June 18, 2013</p>								
T1-EPSvcA-IS-Std	<p>TEXAS GAS SERVICE COMPANY                      RATE SCHEDULE T-1                      El Paso Service Area - West Texas Region                      TRANSPORTATION SERVICE RATE</p> <p><b>APPLICABILITY</b>                      Service under this rate schedule is available to any customer for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with the customer's gas supplier to have its gas delivered to one of the Company's existing delivery points for transportation by the Company to the customer's facilities at the customer's service point.</p> <p><b>TERRITORY</b>                      El Paso Service Area consisting of the incorporated areas of El Paso, Texas.</p> <p><b>RATE</b>                      This rate shall be the sum of Part A and Part B as described below:</p> <p>Part A: During each monthly billing period, a customer charge per meter per month listed by customer class as follows:</p> <table border="0"> <tr> <td>Commercial</td> <td>\$759.53</td> </tr> <tr> <td>Public Authority</td> <td>\$771.95</td> </tr> <tr> <td>Industrial/Stand-by</td> <td>\$898.14</td> </tr> <tr> <td>Electrical Cogeneration and Energy Conservation</td> <td>\$898.14</td> </tr> </table> <p>Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at a rate calculated as follows:</p> <ol style="list-style-type: none"> <li>Determine the bill for the quantity of customer-owned gas metered and delivered to the customer at the Company's volumetric Cost of Service Rate on the gas sales tariff which would otherwise be applicable;</li> <li>Add a balancing service rate for any applicable portion of incremental cost of the Company's transportation reservation costs received from its upstream pipelines that is deemed at the Company's sole discretion to directly or indirectly benefit the transportation service</li> </ol>	Commercial	\$759.53	Public Authority	\$771.95	Industrial/Stand-by	\$898.14	Electrical Cogeneration and Energy Conservation	\$898.14
Commercial	\$759.53								
Public Authority	\$771.95								
Industrial/Stand-by	\$898.14								
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GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23526

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>customers through scheduling balancing flexibility. The balancing service rate will be recalculated annually in conjunction with the Cost of Gas annual reconciliation audit and/or as the upstream pipeline changes the rates being charged to the Company. In addition the Company will charge system sales customers as of the date of this Rate Schedule that become transportation customers after the effective date of this Rate Schedule, a rate representing the cost of stranded capacity, incurred by the Company for upstream transportation and reservation costs as determined by the Company. Proceeds from these rates will be credited to the Reconciliation Account.</p> <p>3. See the Additional Charges to Cost of Service Rate Pursuant to Rate Schedule T-GEN (General Charges and Provisions).</p> <p><b>SPECIAL PROVISIONS</b></p> <p>1. Transportation volumes delivered under this schedule shall be considered first through customer's meter for billing purposes.</p> <p>2. Gas transported under this schedule shall be for use only by the customer.</p> <p>3. See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges and Provisions).</p> <p>4. Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average at least five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder, except as may otherwise be provided in the Gas Transportation Service Agreement between the Company and customer, and provide service under the general service rate applicable to Customer.</p> <p>5. Customers that qualify for and elect service under this tariff must remain on transportation service for a minimum of twelve months. If a customer chooses to leave transportation service under this tariff after twelve months, the customer may not return to transportation service for at least twelve months. If a customer requests to leave transportation service under this tariff and return to the appropriate general service rate, the Company may at its sole discretion decline the request until adequate upstream pipeline capacity can be procured.</p> <p>6. Transportation of customer-owned natural gas under this tariff will require telemetry or electronic flow measurement that meets the Company's required specifications at the customer's point (s) of re-delivery. The Company may require the customer to reimburse the Company for the cost of telemetry at its sole discretion.</p> <p><b>CONDITIONS</b></p> <p>1. Transportation of customer-owned natural gas hereunder shall be subject in all respects to applicable laws, rules and regulations from time to time in effect.</p> <p>2. Transportation of customer-owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.</p> <p>3. Transportation of customer-owned natural gas hereunder is subject in all respects to terms and conditions of the Gas Transportation Service Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto.</p> <p>4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.</p> <p>Meters Read On and After: July 29, 2014</p> <p>Supersedes Rate Schedule T-1 Dated: September 10, 2013 (El Paso only eff Jul 18 2014)</p>

**RATE ADJUSTMENT PROVISIONS:**

See IRA-EPSvcA-IS-IRAdj (RATE SCHEDULE IRAInterim Rate Adjustment)

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
74420	D	Mcf	\$.0000	02/15/2008	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	31911	**CONFIDENTIAL**			

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23526**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	
M	Other(with detailed explanation)	Public Auth. Transportation customers in the Incorp. areas of EL PASO, TX

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23527

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 07/29/2014      **RECEIVED DATE:** 08/15/2014

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:** 9988(R.Case),10016(RCE),100

**CITY ORDINANCE NO:** ORD-EPSvcA-IS(R.Case); Res. 3/

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New Cust Chg. rate eff. 7/29/14 per first Annual EPARR filing with City of El Paso and settlement via Resolution adopted by the City Council.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
31912	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23527

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
40-EPSvcA-IS-Ind	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region      RATE SCHEDULE 40      INDUSTRIAL SERVICE RATE APPLICABILITY Applicable to industrial consumers and to consumers not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company. TERRITORY The incorporated areas of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas      COST OF SERVICE RATE During each monthly billing period: A Customer Charge of \$ 84.01 plus - The First 100 Ccf No charge The Next 400 Ccf \$ .14528 per Ccf The Next 2500 Ccf .13528 per Ccf All Over 3000 Ccf .06528 per Ccf Prompt Payment Provision: None. Above rates are net. OTHER ADJUSTMENTS Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month. Taxes: Plus applicable taxes and fees (including franchise fees) related to above. CONDITIONS 1. Subject in all respects to applicable laws, rules and regulations from time to time in effect. 2. The applicability section of this rate notwithstanding, if a customer, other than a full requirements customer, pays a standby charge pursuant to Rate Schedule S.S., Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate. Meters Read On and After January 19, 2011 Supersedes Same Rate Schedule Dated February 15, 2008</p>
EPARR-ElPaso-IS	<p>Texas Gas Service Company      Rate Schedule EPARR El Paso Service Area - West Texas Region      El Paso Annual Rate Review I. Purpose This mechanism is designed to provide annual earnings transparency. All rate calculations under this tariff shall be made on an El Paso Service Area wide basis. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. The rate adjustments implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. This Rider EPARR will be effective for the period commencing with the Company's first EPARR filing on or before April 15, 2014, and will remain in effect unless and until either the Company or the regulatory authority having original jurisdiction gives written notice to the contrary to the other by January 1 of the filing year. Upon receipt of such notice by either the Company or the regulatory authority having original jurisdiction, the Company shall prepare and file a Statement of Intent rate case with the regulatory authority within 180 days. Rates approved pursuant to this tariff shall remain in effect during the pendency of any Statement of Intent rate filing. II. Definitions a) The Filing Date shall occur on or before March 31 of each year with the exception of 2014, which shall have a Filing Date of April 15, 2014. The Annual Evaluation Date shall be the date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall, with the exception of 2014 be no earlier than March 1st nor later than March 31st of each year. This filing shall be made in electronic form where practicable. b) Audited Financial Data shall mean the Company's books and records related to the Company's El Paso Service Area and shared services operations. Audited Financial Data shall not require the schedules and information provided under this tariff to undergo a separate financial audit by an outside auditing firm similar to the Company's annual financial audit. c) The Company is defined as Texas Gas Service Company, a division of ONE Gas, Inc. d) The Test Period is defined as the twelve-month period ending December 31, of each preceding calendar year. The Company's April 2014 filing will be based on the twelve-month period ending December 31, 2013. e) The Rate Effective Period is defined as the twelve-month period commencing with the first billing cycle for August in each year and ending when subsequent rates are implemented under this tariff pursuant to a final order from a regulatory authority. f) Final Order is defined as the most recent general rate case final order establishing the Company's effective rates for customers within the City of El Paso. g) El Paso Service Area means the incorporated areas of El Paso, Anthony, Clint, Horizon City, San Elizario, Socorro, and Vinton, as well as the surrounding unincorporated areas served by the Company. III. Rate Review Mechanism The Company shall file with the City of El Paso the schedules specified below for the Test Period, with the filing to be made by the Annual Evaluation Date following the end of the Test Period. The schedules will be based upon the Company's Audited Financial Data, as adjusted, and will include the following: a) Test Period ending balances for actual gross plant in service, accumulated depreciation, accumulated deferred income taxes, inventory, and other rate base components, with the exception of working capital, will be used for the calculation of rates for the Rate Effective Period. The ratemaking treatments, principles, findings and adjustments included in the Final Order will apply except when a departure from those treatments, principles, findings or adjustments is justified by changed circumstances. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. In addition: (i) Cash working capital to be included in rate base will be zero 0; (ii) With respect to pension and other postemployment benefits, the Company will record a regulatory asset or liability for these costs until the amounts are included in the next annual rate adjustment implemented under this tariff. Each year, the Company's filing under this tariff will clearly state the level of pension and other postemployment benefits recovered in rates. In addition, the Company may maintain one or more reserve accounts as provided in Tex. Util. Code. Sec. 104.059, and treat any surplus or shortage in the reserve accounts in accordance with Tex. Util. Code. Sec. 104.059. (iii) For rate making purposes, the calculation of Accumulated Deferred Income Taxes (ADIT) will be based on the original book basis and tax basis for assets placed in service under the ownership of Southern Union and the original book basis and tax basis for assets placed in service subsequent to the acquisition of Southern Union's assets. Company-generated net operating losses may be considered in calculating the ADIT balance, if appropriate. b) Depreciation rates booked in the period will be those approved in the Final Order, or the depreciation rates most recently approved for the El Paso Service Area and for the Shared Services Division by the Railroad Commission of Texas, as applicable, if and only if the City of El Paso has the right to participate in a subsequent Railroad Commission of Texas proceeding with a full right to have its reasonable expenses reimbursed. All calculation methodologies will be those approved in the Final Order except where noted or included in this tariff. c) Return on Equity (ROE) shall be maintained at 10.1%. d) The cost of long-term debt will be the weighted cost of long-term debt for ONE Gas, Inc. determined at the end of the Test Period. The capital structure will be the ratio of long-term debt and equity determined at the end of the Test Period. For purposes of the filing in April 2014, the long-term cost of debt will be determined at January 31, 2014. For purposes of the filing in April 2014, the Capital Structure for the filing in April 2014 shall be determined at January 31, 2014, but in no event shall the capital structure consist of more than 57% equity. e) All applicable accounting adjustments along with all supporting work papers. Such adjustments may include: 1) Pro-forma adjustments to update and annualize costs and revenue billing determinants as of the end of the Test Period. 2) Pro-forma or other adjustments required to properly account for atypical, unusual, or nonrecurring events recorded during the Test Period. f) Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Test Period, but the methodology used will be that approved in the Final Order. IV. Calculation of Rate Adjustment a) The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency</p>



GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23527

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>calculations using the class classification and allocation methodology accepted in the Final Order. The result shall be reflected in the proposed new rates to be established for the Rate Effective Period. In calculating the required rate adjustments, such adjustments will be applied to the minimum charge or customer charge if the rate class has no minimum charge. b) All reasonable and necessary operation and maintenance expenses from the Test Period will be used for the calculation of rates for the Rate Effective Period. Such amounts shall be prepared consistent with the rate making treatments approved in the Final Order subject to an allowance that authorizes the inclusion of (1) reasonable cost of meals and travel incurred during the Test Period (as limited by Sec IX) and (2) 25% of the Company's long-term and short-term incentive compensation costs incurred during the Test Period. The Company may include in its operations and maintenance expense reasonable costs of Pipeline Integrity testing conducted after completion of the 2010-2014 test cycle. The Company may also adjust rates for the Rate Effective Period to include recovery of any known and measurable changes to operating and maintenance costs. Known and measurable adjustments shall be limited to those changes that have occurred prior to the Filing Date. c) Effective with the Company's 2014 filing under this tariff, the Company may include in its rate base calculation all prudently incurred, direct, incremental investment and costs associated with Commission Rule 8.209. d) The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall be deemed prudent and not subject to further review. In determining whether investment was prudently incurred, the regulatory authority shall base its decision on a review that examines as fair, just and reasonable. e) The Company shall provide a schedule demonstrating the proof of revenues relied upon to calculate the proposed rate for the Rate Effective Period. The proposed rates shall conform as closely as is practicable to the revenue allocation principles approved in the Final Order except that any required increase or decrease shall be apportioned to the customer charge. V. Attestation A sworn statement shall be filed by an Officer of the Company affirming that the filed schedules are in compliance with the provisions of this mechanism and are true and correct to the best of his/her knowledge, information and belief. No testimony shall be filed, but a brief narrative explanation shall be provided of any changes to corporate structure, accounting methodologies or allocation of common costs. VI. Evaluation Procedures The City of El Paso shall have a minimum of 125 days to review and render a decision on the Company's filed schedules and work papers. The Company will be prepared to provide all supplemental information as may be requested to ensure adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information, with the exception of information claimed to be confidential, highly sensitive or proprietary, and such information shall be provided within ten (10) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions. Information claimed to be confidential, highly sensitive or proprietary shall be furnished to representatives of the Regulatory Authority pursuant to a confidentiality agreement in accordance with Texas Law. During the 125 day period, the Company and the regulatory authority will work collaboratively and seek agreement on the proposed adjustments to the Company's schedule and proposed rates. If agreement has been reached by the Company and the regulatory authority, the regulatory authority shall authorize an increase or decrease to the Company's rates so as to achieve the revenue levels indicated for the Rate Effective Period. If, at the end of the 125 day period, the Company and the regulatory authority have not reached agreement on the proposed adjustments, the Company shall have the right to appeal the regulatory authority's action or inaction to the Railroad Commission of Texas. Upon the filing of an appeal of a city's order relating to an annual EPARR filing with the Railroad Commission of Texas, the regulatory authority shall not oppose the implementation of rates subject to refund or advocate the imposition of a third party surety bond by the Company. To defray the cost, if any, of regulatory authority review of the Company's annual filing, the Company shall reimburse the regulatory authority for its reasonable expenses incurred upon submission of invoices for such review. The Company shall further be allowed to recover its reasonable and necessary expenses it incurs for outside services above any amounts included in the Test Year provided in connection with the annual filing subject to the review of the regulatory authority. Costs contemplated hereunder shall be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made or the Company expense is incurred. A regulatory authority seeking reimbursement under this provision shall submit its request for reimbursement to the Company no later than September 1 of the year in which the annual filing is made and the Company shall reimburse the regulatory authority in accordance with this provision within 30 days of the submission. VII. Reconsideration and Appeal Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007). VIII. Notice Notice of this annual EPARR filing shall be provided by either: (1) including the notice, in conspicuous form, in the bill of each directly affected customer, or (2) sending the notice by email if the customer's bill is provided in this format no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information: a) a description of the proposed revision of rates and schedules; b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer; c) the service area or areas in which the proposed rate adjustment would apply; d) the date the proposed rate adjustment was filed with the regulatory authority; and e) the Company's address, telephone number and website where information concerning the proposed rate adjustment may be obtained. IX. EPARR Schedules and Information The following types of employee reimbursed expenses and directly incurred costs are to be removed from all expense and rate base amounts included within Rider EPARR filings for the Test Period and for the Rate Effective Period: Amounts incurred for travel, meals or entertainment of employee spouses, domestic partners, significant others, children and pets. Amounts for air travel that exceed published commercial coach air fares. Amounts incurred for excessive rates for hotel rooms. Amounts for alcoholic beverages. Amounts paid for admission to entertainment, sports, art or cultural events, and all event sponsorship costs. Amounts for social club dues or fees. initial Rate Schedule Meters Read On and After March 25, 2014 (City of El Paso only)</p>
IRA-EPSvcA-IS-IRAd	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE IRA El Paso Service Area - West Texas Region INTERIM RATE ADJUSTMENT A. APPLICABILITY This Interim Rate Adjustment (IRA) applies to all general service rate schedules of Texas Gas Service Company (Company) currently in force in the incorporated areas of El Paso, Anthony, Clint, Vinton, Socorro, and Horizon City, Texas. Applicable rate schedules include 10, 20, 21, 25, 26, 27, 40, SS, and T-1. B. PURPOSE Section 104.301, Subchapter G of the Texas Utility Code, effective on September 1, 2003, provides for an interim adjustment in a gas utility's monthly customer charge or initial block usage rate to recover the cost of changes in the utility's infrastructure investment and related expenses and revenues for providing gas utility service. The filing date of the utility's most recent rate case establishing rates for the area in which the interim rate adjustment will apply shall be no more than two years prior to the date the utility files its initial interim rate adjustment application for</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23527

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>that area. The interim adjustment shall be recalculated on an annual basis, unless the utility files a written request and obtains approval from the regulatory authority to suspend the operation of the interim adjustment rate schedule for any year. This rate schedule establishes the interim adjustment provisions consistent with Section 104.301, Subchapter G of the Texas Utility Code. C. COMPUTATION OF IRA RATE The amount the Company shall adjust its utility rates upward or downward under this rate schedule each calendar year is based on the difference between the value of the invested capital for the preceding calendar year and the value of the invested capital for the calendar year preceding that calendar year. The value of the invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment. Based on the difference between the values of the invested capital amounts as determined above, the Company may adjust only the following related components of its revenue requirement: return on investment, depreciation expense, ad valorem taxes, revenue related taxes and incremental federal income taxes. The factors for these components shall be the same as those established in the Company's most recent rate case for the service area in which this interim rate adjustment is to be implemented. The revenue requirement calculated pursuant to this rate schedule shall be allocated among the Company's customer classes for this service area in the same manner as the cost of service was allocated among customer classes in the Company's latest effective rates for this area. D. FILING WITH THE REGULATORY AUTHORITY 1. The Company shall file either the initial interim adjustment or the annual interim adjustment with the regulatory authority at least 60 days before the proposed implementation date. During the 60-day period, the regulatory authority may act to suspend implementation of the adjustment. 2. The Company shall provide notice to customers by bill insert or direct mail not later than the 45th day after the date of filing the interim adjustment. 3. The Company shall file with the regulatory authority an annual report describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year. The annual report shall also state the cost, need, and customers benefited by the change in investment. 4. In addition, the Company shall file with the regulatory authority an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year. Should the Company earn a return of more than 75 basis points above the return established in the latest effective rates implemented under this rate schedule, the Company shall file a statement stating the reasons why the rates are not unreasonable or in violation of the law. 5. After the issuance of a final order or decision by a regulatory authority in a rate case that is filed after the implementation of a tariff or rate schedule under this section, any change in investment that has been included in an approved interim adjustment shall no longer be subject to subsequent review for reasonableness or prudence. All amounts collected under this rate schedule are subject to refund until the issuance of a final decision in the next rate case filing for this service area. 6. The Company shall file a rate case no later than the 180th day after the fifth anniversary date its initial interim rate adjustment for this service area became effective. 7. The provisions under Section 104.301, Subchapter G of the Texas Utility Code for this interim adjustment do not limit the power of the regulatory authority under Section 104.151. Meters Read On and After: September 10, 2013 Supersedes Rate Schedule IRA and IRA-OTH: dated June 18, 2013</p>
ORD-EPSvcA-IS	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE ORD-ELP CITY ORDINANCE LISTING APPLICABILITY Applicable to all gas sales and standard transport customers. TERRITORY All customers in the incorporated area of El Paso, Anthony, Clint, Horizon City, Socorro and Vinton, Texas. DESCRIPTION Per TGS rate case filed 08/31/07, the following cities approved the same Cost of Gas Clause, Economic Development Rate, General Charges and Provisions for Transport Service (T-GEN), Quality of Service Rules and Cost of Service rates for gas sales and standard transport. City approvals are as follows: City Ordinance or Resolution # Date Ordinance Passed Effective Date of Gas Sales Rate Schedules Anthony 370 01/08/08 02/15/2008 Clint -- 01/15/08 02/15/2008 El Paso -- 02/05/08 02/15/2008 Horizon City -- 01/08/08 02/15/2008 Socorro 356 01/17/08 02/15/2008 Vinton 08-1-15 01/15/08 02/15/2008 Initial February 15, 2008</p>
PIT-EPSvcA-ISOS	<p>TEXAS GAS SERVICE COMPANY            RATE SCHEDULE PIT            El Paso Service Area - West Texas Region            PIPELINE INTEGRITY TESTING (PIT) RIDER</p> <p><b>PURPOSE</b>            The purpose of this Pipeline Integrity Testing Rider is to promote the public interest in pipeline safety by enabling the Company to recover over a four-year period the reasonable and necessary Pipeline Integrity Safety Testing expenses incurred by the Company during the four-year testing cycle from January 1, 2010, through December 31, 2013 (including contractor costs but excluding the labor cost of TGS employees), in the amount of \$2,197,846. These legally mandated operating and maintenance expenses shall be recovered through a separate monthly volumetric charge (the Pipeline Integrity Testing or PIT Surcharge) that shall be shown as a separate line item on the customer's monthly bill and calculated for each customer class as described below. Capital expenditures associated with the Pipeline Integrity Program shall continue to be recovered through base rates and any interim rate adjustments implemented pursuant to Section 104.301 of the Gas Utility Regulatory Act.</p> <p><b>APPLICABILITY</b>            This Rider shall be applied to all gas sales and transportation customers within the service territory designated below, except special contract customers.</p> <p><b>TERRITORY</b>            This Rider shall apply throughout the Company's El Paso Service Area (EPSA), both within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas (collectively, the EPSA Cities), and in the unincorporated areas (environs) adjacent to the EPSA Cities.</p> <p><b>QUALIFYING EXPENSES</b>            This Rider applies only to the legally mandated safety testing of the Company's transmission lines in the EPSA under the Pipeline Integrity Safety Testing Program. The operating and maintenance expense items that qualify for recovery under this Rider shall include the contractor costs associated with land and leak survey, permitting, and job order preparation and completion; the clearing of right-</p>

GAS SERVICES DIVISION

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**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>												
	<p>of-way; any needed notifications to adjacent businesses and residences; traffic control equipment and personnel; Direct Current Voltage Gradient (DCVG), Close Interval (CI), and other surveys to ensure the integrity of the pipeline system; any required rigid bypasses; flushing of the lines and testing and disposal of the flush water; hydrostatic testing of the lines and analysis and disposal of the test water; any required pigging of the lines in connection with safety testing; any required x-ray welding; metallurgical testing of the pipeline or components thereof; site restoration, painting, and clean-up; expenses associated with providing a supply of compressed natural gas (CNG) to ensure uninterrupted service to customers during testing; and any other operating and maintenance expenses reasonably necessary to safely and effectively perform required safety testing of the Company's transmission pipelines in the EPSA. Neither capital expenditures by the Company, nor the labor cost of TGS employees, shall be recovered under this Rider.</p>												
	<p><b>CALCULATION OF PIT SURCHARGES</b>                      The Pipeline Integrity Testing Surcharges established under this Rider shall be designed so as to recover the Total Testing Expense of \$2,197,846 in Pipeline Integrity Safety Testing expenses incurred by the Company over the four-year testing cycle from January 1, 2010, through December 31, 2013, and shall be calculated as follows: First, the Total Testing Expense shall be allocated among the applicable customer classes in the same proportion that demand costs were assigned to those classes in the Class Cost of Service Study approved in the Company's most recent rate case in which rates were set by the Railroad Commission of Texas (the Commission) for customers in the EPSA Cities.</p>												
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Each Class' Total Allocated</td> <td style="width: 10%;"></td> <td style="width: 10%;">Total Testing</td> <td style="width: 10%;"></td> <td style="width: 10%;">Each Class' Demand</td> <td style="width: 10%;"></td> </tr> <tr> <td>Testing Expense</td> <td>=</td> <td>Expense</td> <td>x</td> <td><math>\frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}}</math></td> <td></td> </tr> </table>	Each Class' Total Allocated		Total Testing		Each Class' Demand		Testing Expense	=	Expense	x	$\frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}}$	
Each Class' Total Allocated		Total Testing		Each Class' Demand									
Testing Expense	=	Expense	x	$\frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}}$									
	<p>Second, the total dollar amount allocated to each customer class in the foregoing manner shall be divided by forty-eight (48) monthly billing cycles, so as to derive the amount that shall be ratably recovered from each class on a monthly basis during the four-year recovery period:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Monthly Recovery from Each Class</td> <td style="width: 10%;"></td> <td style="width: 10%;">=</td> <td style="width: 10%;">Each Class' Total Allocated Testing Expense</td> <td style="width: 10%;"></td> <td style="width: 10%;"><math>\frac{\hspace{10em}}{48 \text{ Months}}</math></td> </tr> </table>	Monthly Recovery from Each Class		=	Each Class' Total Allocated Testing Expense		$\frac{\hspace{10em}}{48 \text{ Months}}$						
Monthly Recovery from Each Class		=	Each Class' Total Allocated Testing Expense		$\frac{\hspace{10em}}{48 \text{ Months}}$								
	<p>Third, the total amount that is to be recovered on a monthly basis from each class shall be divided by the estimated average monthly usage for each class to produce the monthly PIT Surcharge for each class.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Each Class' PIT Surcharge</td> <td style="width: 10%;"></td> <td style="width: 10%;">=</td> <td style="width: 10%;">Monthly Recovery from Each Class</td> <td style="width: 10%;"></td> <td style="width: 10%;"><math>\frac{\hspace{10em}}{\text{Estimated Monthly Usage of Each Class}}</math></td> </tr> </table>	Each Class' PIT Surcharge		=	Monthly Recovery from Each Class		$\frac{\hspace{10em}}{\text{Estimated Monthly Usage of Each Class}}$						
Each Class' PIT Surcharge		=	Monthly Recovery from Each Class		$\frac{\hspace{10em}}{\text{Estimated Monthly Usage of Each Class}}$								
	<p>Based upon customer data for the prior calendar year and any other relevant factors, the estimated monthly usage for each class may be revised annually to account for customer growth, and the resulting revised PIT Surcharge shall be applied to each class for the ensuing 12-month recovery period.</p>												
	<p><b>ANNUAL RECONCILIATION</b>                      After completion of each of the first three annual recovery periods, the total revenues collected under this Rider for that year shall be reconciled against the revenues previously calculated to be collected for that year, and the PIT Surcharge for each class shall be adjusted upward or downward so that the Company recovers any underrecoveries or refunds any overrecoveries that may have accrued under the Rider, plus monthly interest on those underrecoveries or overrecoveries at the cost of long-term debt approved in the Company's most recent general rate case in which rates were set by the Commission for application to customers in the EPSA Cities. The reconciliation shall be filed with the regulatory authority on or before February 21st of each year, and the regulatory authority shall complete its review of the reconciliation on or before March 21st of each year, so that the Company can implement the reconciled PIT Surcharges beginning with the first billing cycle for April of each succeeding year of the four-year recovery period.</p>												
	<p><b>DEFERRED ACCOUNTING</b>                      The Company is authorized and directed to defer, as a regulatory asset, all Pipeline Integrity Safety Testing expenses incurred during the testing cycle starting on January 1, 2010, and ending on December 31, 2013, and all revenues specifically collected under this Rider shall be applied to the deferred expense account. The Company shall not earn a return on any regulatory asset created under this provision, and no such regulatory asset shall be included in the Company's invested capital (rate base) for ratemaking purposes.</p>												
	<p><b>ANNUAL REPORT &amp; APPLICABLE PSCC</b>                      On or before February 21st after each calendar year of the testing cycle, the Company shall file a report with the Commission and the EPSA Cities showing all Pipeline Integrity Safety Testing expenses incurred during the previous calendar year and verifying the prior year's collections and any underrecoveries or overrecoveries accruing to date under this Rider. The report shall separately identify and list such expenses by account number and project number. Prior to the effective date of this Rider and on or before February 21st of each succeeding year while this Rider is in effect, the Company shall also file an Addendum to this Rider with the Commission and the EPSA Cities (a) identifying the PIT Surcharges that will be applied during the ensuing 12-month recovery period from April 1st through March 31st, and (b) providing the underlying data and calculations on which each PIT Surcharge for that period is based.</p>												
	<p><b>NOTICE TO AFFECTED CUSTOMERS</b>                      In addition to the annual report and Addendum to this Rider required above, the Company shall provide, on or before March 31st after each calendar year of the testing cycle, written notice to each affected customer of (a) the PIT Surcharge that will be applied during the</p>												

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>ensuing 12-month period from April 1st through March 31st, and (b) the effect the PIT Surcharge is expected to have on the average monthly bill for each affected customer class. The written notice shall be provided in both English and Spanish, shall be the only information contained on the piece of paper on which it is printed, and may be provided either by separate mailing or by insert included with the Company's monthly billing statements. The Company shall also file an affidavit annually with the Commission and the EPSA Cities certifying that notice has been provided to customers in this manner. The notice shall be presumed to be complete three calendar days after the date the separate mailing or billing statement is deposited in a postage-paid, properly addressed wrapper in a post office or official depository under care of the United States Postal Service. The initial notice shall be filed with, reviewed, and approved by the regulatory authority, and each subsequent notice shall follow the same format as that of the approved initial notice.</p> <p><b>FINAL REVIEW, RECONCILIATION, AND TERMINATION</b> After the end of the four-year recovery period, the Company shall file a final reconciliation with the regulatory authority identifying all PIT Expenses recovered to date under this Rider, as well as any interest on overrecoveries refunded or credited to customers and any interest on underrecoveries recovered from customers during that period. In the event the total amount recovered differs from the total amount that TGS is authorized to recover under this Rider, then the Company shall include a calculation of the final surcharge, refund, or credit required to eliminate any such difference and shall implement same over a period of not more than four months. This Rider shall cease to be operable upon collection in this manner of the Total Testing Expenses authorized for collection hereunder, plus or minus any interest accruing on underrecoveries and overrecoveries, or sooner if ordered by the Commission or agreed upon by the Company and the EPSA Cities.</p> <p><b>Initial Rate</b> Meters Read On and After February 29, 2012</p>
<p>PIT-Rider-EPSvcA-IS</p>	<p>El Paso Service Area - West Texas Region <b>RATE SCHEDULE PIT-RIDER PIPELINE INTEGRITY TESTING (PIT) SURCHARGE RIDER A. APPLICABILITY</b> The Pipeline Integrity Testing Surcharge (PIT) rate as set forth in Section (B) below is pursuant to Final Order in GUD 10049 and GUD 10142. This rate shall apply to the following rate schedules of Texas Gas Service Company in the incorporated and unincorporated areas of and adjacent to the El Paso Service Area (EPSA): 10, 20, 21, 25, 26, 27, 40, E5, SS, T-1, 1Z, 2Z, 2A, 2E, 2F, 2G, 4Z, SS-ENV AND T-1-ENV. The EPSA includes El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas. <b>B. PIT RATE Rate Schedule Customer Class Rate per CCF</b> 10 Residential (I/S EPSA) \$ 0.0034 20 Commercial (I/S EPSA) \$ 0.0033 21 Commercial A/C (I/S EPSA) \$ 0.0033 25 Public Authority (I/S EPSA) \$ 0.0057 26 Public Authority A/C (I/S EPSA) \$ 0.0057 27 Municipal Water Pumping (I/S EPSA) \$ 0.0015 40 Industrial (I/S EPSA) \$ 0.0027 E5 Fort Bliss (I/S EPSA) \$ 0.0067 SS Standby Service (I/S EPSA) \$ 0.0027 T-1 Commercial Transportation (I/S EPSA) \$ 0.0016 T-1 Industrial Transportation (I/S EPSA) \$ 0.0010 T-1 Public Authority Transportation (I/S EPSA) \$ 0.0025 1Z Residential (O/S EPSA) \$ 0.0034 2Z Commercial (O/S EPSA) \$ 0.0033 2A Commercial A/C (O/S EPSA) \$ 0.0033 2E Public Authority (O/S EPSA) \$ 0.0057 2F Public Authority A/C (O/S EPSA) \$ 0.0057 2G Municipal Water Pumping (O/S EPSA) \$ 0.0015 4Z Industrial (O/S EPSA) \$ 0.0027 SS-ENV Standby Service (O/S EPSA) \$ 0.0027 T-1-ENV Commercial Transportation (O/S EPSA) \$ 0.0016 T-1-ENV Industrial Transportation (O/S EPSA) \$ 0.0010 T-1-ENV Public Authority Transportation (O/S EPSA) \$ 0.0025 This rate will be in effect until all approved and expended pipeline integrity testing expenses are recovered under the applicable rate schedules. <b>C. OTHER ADJUSTMENTS</b> Taxes: Plus applicable taxes and fees (including franchises fees) related to above. <b>D. CONDITIONS</b> Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority. Meters Read On and After April 1, 2013 Supersedes Rate Schedule dated February 29, 2012</p>
<p>RCE-Rider-EPSvcA-IS</p>	<p><b>TEXAS GAS SERVICE COMPANY</b> <b>RATE SCHEDULE RCE RIDER</b> El Paso Service Area - Incorporated <b>RATE CASE EXPENSE (RCE) SURCHARGE</b></p> <p><b>A. APPLICABILITY</b> Pursuant to the Final Order in GUD No. 10016, the Rate Case Expense (RCE) Surcharge set forth in Section B. below shall apply to all gas sales customers (except special contract customers) located in that portion of the Company's El Paso Service Area (EPSA) that is within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas, including customers served under Rate Schedules 10, 20, 21, 25, 26, 27, 40, C-1, SS, and T-1.</p> <p><b>B. RCE SURCHARGE -</b> The initial RCE Surcharge per Ccf for each billing period shall be: \$0.0053 - The RCE Surcharge per Ccf for each billing period from April 2013 - March 2014 shall be: \$0.0054</p> <p>This rate, as adjusted pursuant to Section C. below, shall be designed to recover the approved level of Company and City rate case expenses of \$2,536,360.75 over a recovery period of three years. However, if the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, is collected in less than three years, then this Rider shall cease to be operable and the Company shall cease to apply the Rate Case Expense Surcharge. If the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, has not been collected by the end of the three-year recovery period, then this Rider shall remain in effect beyond the three-year recovery period only until all approved rate case expenses have been recovered under the applicable rate schedules, and any interest accruing on overrecoveries or underrecoveries has been recovered from or refunded or credited to the Company's customers.</p> <p><b>C. OTHER ADJUSTMENTS</b> The applicable RCE Surcharge shall be adjusted annually to reflect interest on any underrecoveries or overrecoveries calculated at the</p>

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GSD - 2 TARIFF REPORT

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	<p>Company's 6.21% cost of long-term debt as determined by the Railroad Commission of Texas in GUD No. 9988. In addition to the RCE Surcharge, applicable revenue-related taxes and fees, including franchise fees, shall also be recovered based on the revenue amounts collected hereunder.</p> <p>D. ANNUAL COMPLIANCE FILING On or before February 21st following each calendar year in which an RCE Surcharge was applied to recover rate case expenses under this Rider, the Company shall file a written report with the Commission and the EPSA Cities showing the total amount of rate case expenses (including any adjustments made to reflect interest on overrecoveries or underrecoveries accruing to the Company or its customers) that (a) were recovered during the preceding calendar year, (b) have been cumulatively recovered since the effective date of the Rider, and (c) still remain to be recovered through the Rider pursuant to the Commission's Final Order in GUD No. 10016. The report shall also include a calculation of the RCE Surcharge that is to be applied during the ensuing recovery period.</p> <p>E. CONDITIONS Service under this rate schedule shall be subject to all applicable laws and orders and to the Company's rules and regulations on file with the regulatory authority.</p> <p>Meters Read On and After April 1, 2013</p> <p>Supersedes Rate Schedule dated February 29, 2012</p>
T-GEN-EPSvcA-IS-S	<p>TEXAS GAS SERVICE COMPANY EL PASO SERVICE AREA - West Texas Region RATE SCHEDULE T-GEN GENERAL CHARGES AND PROVISIONS APPLICABILITY Applicable to Transportation Rate Schedules: T1-OTH. TERRITORY All areas served by the Company in the incorporated areas of its El Paso Service Area consisting of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas . ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Economic Development Rate (Rate Schedule EDR), if applicable, and the Company's Interim Cost Recovery and Rate Adjustment (Rate Schedule IRA-OTH), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: UPSTREAM PIPELINE SCHEDULING AND BALANCING PROVISIONS A proportional share of any upstream pipeline transportation service charges and penalties incurred by the Company that, in whole or in part, are the result of customer or customer's agent scheduling and/or managing the upstream transportation of the customer's gas to Company's interconnecting point(s) with the upstream pipeline(s). Proceeds from this charge will be credited to the Reconciliation Account. The Company will bill customer for these charges and penalties manually on a separate bill. Payment shall be required in accordance with the Company's Rules of Service. A transport customer may elect to have its supplier act as agent for resolution of these charges. The Company will allow aggregation in resolution of the upstream pipeline scheduling and balancing charges as long as the aggregated customers are supplied by the same supplier, and provided that the customers are physically located behind the same upstream pipeline balancing point, as determined by the Company. Plus: MONTHLY COMMODITY BALANCING PROVISIONS In addition to the Upstream Pipeline Scheduling and Balancing provisions described above, the Company will resolve monthly commodity imbalances in accordance with the provisions described below: 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23527

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23527

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>								
	<p>the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin, for the month in which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand-by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. Meters Read On and After: September 10, 2013 Supercedes Rate Schedules T-GEN and T-GEN-OTH: Dated June 18, 2013</p>								
T1-EPSvcA-IS-Std	<p>TEXAS GAS SERVICE COMPANY                      RATE SCHEDULE T-1                      El Paso Service Area - West Texas Region                      TRANSPORTATION SERVICE RATE</p> <p><b>APPLICABILITY</b>                      Service under this rate schedule is available to any customer for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with the customer's gas supplier to have its gas delivered to one of the Company's existing delivery points for transportation by the Company to the customer's facilities at the customer's service point.</p> <p><b>TERRITORY</b>                      El Paso Service Area consisting of the incorporated areas of El Paso, Texas.</p> <p><b>RATE</b>                      This rate shall be the sum of Part A and Part B as described below:</p> <p>Part A: During each monthly billing period, a customer charge per meter per month listed by customer class as follows:</p> <table border="0"> <tr> <td>Commercial</td> <td>\$759.53</td> </tr> <tr> <td>Public Authority</td> <td>\$771.95</td> </tr> <tr> <td>Industrial/Stand-by</td> <td>\$898.14</td> </tr> <tr> <td>Electrical Cogeneration and Energy Conservation</td> <td>\$898.14</td> </tr> </table> <p>Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at a rate calculated as follows:</p> <ol style="list-style-type: none"> <li>Determine the bill for the quantity of customer-owned gas metered and delivered to the customer at the Company's volumetric Cost of Service Rate on the gas sales tariff which would otherwise be applicable;</li> <li>Add a balancing service rate for any applicable portion of incremental cost of the Company's transportation reservation costs received from its upstream pipelines that is deemed at the Company's sole discretion to directly or indirectly benefit the transportation service</li> </ol>	Commercial	\$759.53	Public Authority	\$771.95	Industrial/Stand-by	\$898.14	Electrical Cogeneration and Energy Conservation	\$898.14
Commercial	\$759.53								
Public Authority	\$771.95								
Industrial/Stand-by	\$898.14								
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GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23527

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>customers through scheduling balancing flexibility. The balancing service rate will be recalculated annually in conjunction with the Cost of Gas annual reconciliation audit and/or as the upstream pipeline changes the rates being charged to the Company. In addition the Company will charge system sales customers as of the date of this Rate Schedule that become transportation customers after the effective date of this Rate Schedule, a rate representing the cost of stranded capacity, incurred by the Company for upstream transportation and reservation costs as determined by the Company. Proceeds from these rates will be credited to the Reconciliation Account.</p> <p>3. See the Additional Charges to Cost of Service Rate Pursuant to Rate Schedule T-GEN (General Charges and Provisions).</p> <p><b>SPECIAL PROVISIONS</b></p> <p>1. Transportation volumes delivered under this schedule shall be considered first through customer's meter for billing purposes.</p> <p>2. Gas transported under this schedule shall be for use only by the customer.</p> <p>3. See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges and Provisions).</p> <p>4. Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average at least five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder, except as may otherwise be provided in the Gas Transportation Service Agreement between the Company and customer, and provide service under the general service rate applicable to Customer.</p> <p>5. Customers that qualify for and elect service under this tariff must remain on transportation service for a minimum of twelve months. If a customer chooses to leave transportation service under this tariff after twelve months, the customer may not return to transportation service for at least twelve months. If a customer requests to leave transportation service under this tariff and return to the appropriate general service rate, the Company may at its sole discretion decline the request until adequate upstream pipeline capacity can be procured.</p> <p>6. Transportation of customer-owned natural gas under this tariff will require telemetry or electronic flow measurement that meets the Company's required specifications at the customer's point (s) of re-delivery. The Company may require the customer to reimburse the Company for the cost of telemetry at its sole discretion.</p> <p><b>CONDITIONS</b></p> <p>1. Transportation of customer-owned natural gas hereunder shall be subject in all respects to applicable laws, rules and regulations from time to time in effect.</p> <p>2. Transportation of customer-owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.</p> <p>3. Transportation of customer-owned natural gas hereunder is subject in all respects to terms and conditions of the Gas Transportation Service Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto.</p> <p>4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.</p> <p>Meters Read On and After: July 29, 2014</p> <p>Supersedes Rate Schedule T-1 Dated: September 10, 2013 (El Paso only eff Jul 18 2014)</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
74420	D	Mcf	\$.0000	02/15/2008	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	31912	**CONFIDENTIAL**			



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID: 6310</b>			<b>COMPANY NAME: TEXAS GAS SERVICE COMPANY</b>		
<b>TARIFF CODE: DT</b>		<b>RRC TARIFF NO: 23527</b>			
<b>TYPE SERVICE PROVIDED</b>					
<u><b>TYPE OF SERVICE</b></u>	<u><b>SERVICE DESCRIPTION</b></u>	<u><b>OTHER TYPE DESCRIPTION</b></u>			
H	Transportation				
M	Other(with detailed explanation)	Industrial Transportation customers in the Incorp. areas of Anthony, Clint, Horizon City, San Elizario, Socorro, and Vinton TX			
<b>TUC APPLICABILITY</b>					
<u><b>FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY</b></u>					

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310 COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT RRC TARIFF NO: 23528**

**DESCRIPTION:** Distribution Transportation **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 07/29/2014 **RECEIVED DATE:** 08/15/2014

**INITIAL SERVICE DATE:** **TERM OF CONTRACT DATE:**

**INACTIVE DATE:** **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N **RRC DOCKET NO:** 9988(R.Case),10016(RCE),100

**CITY ORDINANCE NO:** ORD-EPSvcA-IS(R.Case); Res. 3/

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New Cust Chg. rate eff. 7/29/14 per first Annual EPARR filing with City of El Paso and settlement via Resolution adopted by the City Council.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
31913	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23528
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
C-1-EPSvcA-IS-Coge	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE C-1 ELECTRICAL COGENERATION AND ENERGY CONSERVATION RATE</p> <p>APPLICABILITY Service under this rate schedule is available to any customer who enters into a contract with the Company to use natural gas for the purpose of cogeneration. Cogeneration is defined as the use of thermal energy to produce electricity with recapture of by-product heat in the form of steam, exhaust heat, etc. for industrial process use, space heating, food processing or other purposes. TERRITORY This rate shall be available throughout the Company's El Paso Service Area which includes El Paso, Anthony, Clint, Horizon City, Socorro and Vinton, Texas. COST OF SERVICE RATE During each monthly billing period: A Customer Charge of \$300.50 plus - Oct. - April May - Sept. Winter Summer The First 5,000 Ccf \$ .07108 per Ccf \$ .06107 per Ccf The Next 95,000 Ccf .06108 per Ccf .05106 per Ccf The Next 300,000 Ccf .05108 per Ccf .04107 per Ccf All Over 400,000 Ccf .04108 per Ccf .03106 per Ccf Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month. CONDITIONS 1. Gas taken under this rate shall be used exclusively for the purpose of cogeneration as defined in the Applicability section of this rate schedule and not for other purposes. The gas taken under this rate will be separately metered. 2. This rate will not be available for standby use. 3. For the purpose of this rate, the annual load factor must be 60 percent or greater. The annual load factor is defined as the customer's total annual consumption divided by the customer's peak month consumption times twelve. If less than 60 percent load factor occurs for a twelve-month period, the rate charged will revert back to the rate that the customer would have otherwise been served under. A continuous twelve-month period of 60 percent or better load factor must precede a return to the cogeneration rate. 4. To qualify for the summer discounts, the customers' peak summer months load must be at least 75 percent of the customers' peak winter months load. Failure to meet this requirement will result in an adjustment to the customers' October bill equal to the difference between the winter and summer rates times that year's total May through September consumption by that customer. 5. The curtailment priority of any customer served under this rate schedule shall be the same as the curtailment priority which would pertain if gas were used directly to provide energy for uses as defined and listed in paragraph 14.2 of the Company's Texas Rules of Service. 6. Subject in all respects to applicable laws, rules and regulations from time to time in effect. Meters Read On and After January 19, 2011 (Incorporated Areas Only) Supersedes Same Rate Schedule Dated February 15, 2008 (Incorporated Areas Only)</p>
EPARR-EIPaso-IS	<p>Texas Gas Service Company Rate Schedule EPARR El Paso Service Area - West Texas Region El Paso Annual Rate Review I. Purpose This mechanism is designed to provide annual earnings transparency. All rate calculations under this tariff shall be made on an El Paso Service Area wide basis. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. The rate adjustments implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. This Rider EPARR will be effective for the period commencing with the Company's first EPARR filing on or before April 15, 2014, and will remain in effect unless and until either the Company or the regulatory authority having original jurisdiction gives written notice to the contrary to the other by January 1 of the filing year. Upon receipt of such notice by either the Company or the regulatory authority having original jurisdiction, the Company shall prepare and file a Statement of Intent rate case with the regulatory authority within 180 days. Rates approved pursuant to this tariff shall remain in effect during the pendency of any Statement of Intent rate filing. II. Definitions a) The Filing Date shall occur on or before March 31 of each year with the exception of 2014, which shall have a Filing Date of April 15, 2014. The Annual Evaluation Date shall be the date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall, with the exception of 2014 be no earlier than March 1st nor later than March 31st of each year. This filing shall be made in electronic form where practicable. b) Audited Financial Data shall mean the Company's books and records related to the Company's El Paso Service Area and shared services operations. Audited Financial Data shall not require the schedules and information provided under this tariff to undergo a separate financial audit by an outside auditing firm similar to the Company's annual financial audit. c) The Company is defined as Texas Gas Service Company, a division of ONE Gas, Inc. d) The Test Period is defined as the twelve-month period ending December 31, of each preceding calendar year. The Company's April 2014 filing will be based on the twelve-month period ending December 31, 2013. e) The Rate Effective Period is defined as the twelve-month period commencing with the first billing cycle for August in each year and ending when subsequent rates are implemented under this tariff pursuant to a final order from a regulatory authority. f) Final Order is defined as the most recent general rate case final order establishing the Company's effective rates for customers within the City of El Paso. g) El Paso Service Area means the incorporated areas of El Paso, Anthony, Clint, Horizon City, San Elizario, Socorro, and Vinton, as well as the surrounding unincorporated areas served by the Company. III. Rate Review Mechanism The Company shall file with the City of El Paso the schedules specified below for the Test Period, with the filing to be made by the Annual Evaluation Date following the end of the Test Period. The schedules will be based upon the Company's Audited Financial Data, as adjusted, and will include the following: a) Test Period ending balances for actual gross plant in service, accumulated depreciation, accumulated deferred income taxes, inventory, and other rate base components, with the exception of working capital, will be used for the calculation of rates for the Rate Effective Period. The ratemaking treatments, principles, findings and adjustments included in the Final Order will apply except when a departure from those treatments, principles, findings or adjustments is justified by changed circumstances. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. In addition: (i) Cash working capital to be included in rate base will be zero 0; (ii) With respect to pension and other postemployment benefits, the Company will record a regulatory asset or liability for these costs until the amounts are included in the next annual rate adjustment implemented under this tariff. Each year, the Company's filing under this tariff will clearly state the level of pension and other postemployment benefits recovered in rates. In addition, the Company may maintain one or more reserve accounts as provided in Tex. Util. Code. Sec. 104.059, and treat any surplus or shortage in the reserve accounts in accordance with Tex. Util. Code. Sec. 104.059. (iii) For rate making purposes, the calculation of Accumulated Deferred Income Taxes (ADIT) will be based on the original book basis and tax basis for assets placed in service under the ownership of Southern Union and the original book basis and tax basis for assets placed in service subsequent to the acquisition of Southern Union's assets. Company-generated net operating losses may be considered in calculating the ADIT balance, if appropriate. b) Depreciation rates booked in the period will be those approved in the Final Order, or the depreciation rates most recently approved for the El Paso Service Area and for the Shared Services Division by the Railroad Commission of Texas, as applicable, if and only if the City of El Paso has the right to participate in a subsequent Railroad Commission of Texas proceeding with a full right to have its reasonable expenses reimbursed. All</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23528

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>calculation methodologies will be those approved in the Final Order except where noted or included in this tariff. c) Return on Equity (ROE) shall be maintained at 10.1%. d) The cost of long-term debt will be the weighted cost of long-term debt for ONE Gas, Inc. determined at the end of the Test Period. The capital structure will be the ratio of long-term debt and equity determined at the end of the Test Period. For purposes of the filing in April 2014, the long-term cost of debt will be determined at January 31, 2014. For purposes of the filing in April 2014, the Capital Structure for the filing in April 2014 shall be determined at January 31, 2014, but in no event shall the capital structure consist of more than 57% equity. e) All applicable accounting adjustments along with all supporting work papers. Such adjustments may include: 1) Pro-forma adjustments to update and annualize costs and revenue billing determinants as of the end of the Test Period. 2) Pro-forma or other adjustments required to properly account for atypical, unusual, or nonrecurring events recorded during the Test Period. f) Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Test Period, but the methodology used will be that approved in the Final Order. IV. Calculation of Rate Adjustment a) The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency calculations using the class classification and allocation methodology accepted in the Final Order. The result shall be reflected in the proposed new rates to be established for the Rate Effective Period. In calculating the required rate adjustments, such adjustments will be applied to the minimum charge or customer charge if the rate class has no minimum charge. b) All reasonable and necessary operation and maintenance expenses from the Test Period will be used for the calculation of rates for the Rate Effective Period. Such amounts shall be prepared consistent with the rate making treatments approved in the Final Order subject to an allowance that authorizes the inclusion of (1) reasonable cost of meals and travel incurred during the Test Period (as limited by Sec IX) and (2) 25% of the Company's long-term and short-term incentive compensation costs incurred during the Test Period. The Company may include in its operations and maintenance expense reasonable costs of Pipeline Integrity testing conducted after completion of the 2010-2014 test cycle. The Company may also adjust rates for the Rate Effective Period to include recovery of any known and measurable changes to operating and maintenance costs. Known and measurable adjustments shall be limited to those changes that have occurred prior to the Filing Date. c) Effective with the Company's 2014 filing under this tariff, the Company may include in its rate base calculation all prudently incurred, direct, incremental investment and costs associated with Commission Rule 8.209. d) The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall be deemed prudent and not subject to further review. In determining whether investment was prudently incurred, the regulatory authority shall base its decision on a review that examines as fair, just and reasonable. e) The Company shall provide a schedule demonstrating the proof of revenues relied upon to calculate the proposed rate for the Rate Effective Period. The proposed rates shall conform as closely as is practicable to the revenue allocation principles approved in the Final Order except that any required increase or decrease shall be apportioned to the customer charge. V. Attestation A sworn statement shall be filed by an Officer of the Company affirming that the filed schedules are in compliance with the provisions of this mechanism and are true and correct to the best of his/her knowledge, information and belief. No testimony shall be filed, but a brief narrative explanation shall be provided of any changes to corporate structure, accounting methodologies or allocation of common costs. VI. Evaluation Procedures The City of El Paso shall have a minimum of 125 days to review and render a decision on the Company's filed schedules and work papers. The Company will be prepared to provide all supplemental information as may be requested to ensure adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information, with the exception of information claimed to be confidential, highly sensitive or proprietary, and such information shall be provided within ten (10) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions. Information claimed to be confidential, highly sensitive or proprietary shall be furnished to representatives of the Regulatory Authority pursuant to a confidentiality agreement in accordance with Texas Law. During the 125 day period, the Company and the regulatory authority will work collaboratively and seek agreement on the proposed adjustments to the Company's schedule and proposed rates. If agreement has been reached by the Company and the regulatory authority, the regulatory authority shall authorize an increase or decrease to the Company's rates so as to achieve the revenue levels indicated for the Rate Effective Period. If, at the end of the 125 day period, the Company and the regulatory authority have not reached agreement on the proposed adjustments, the Company shall have the right to appeal the regulatory authority's action or inaction to the Railroad Commission of Texas. Upon the filing of an appeal of a city's order relating to an annual EPARR filing with the Railroad Commission of Texas, the regulatory authority shall not oppose the implementation of rates subject to refund or advocate the imposition of a third party surety bond by the Company. To defray the cost, if any, of regulatory authority review of the Company's annual filing, the Company shall reimburse the regulatory authority for its reasonable expenses incurred upon submission of invoices for such review. The Company shall further be allowed to recover its reasonable and necessary expenses it incurs for outside services above any amounts included in the Test Year provided in connection with the annual filing subject to the review of the regulatory authority. Costs contemplated hereunder shall be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made or the Company expense is incurred. A regulatory authority seeking reimbursement under this provision shall submit its request for reimbursement to the Company no later than September 1 of the year in which the annual filing is made and the Company shall reimburse the regulatory authority in accordance with this provision within 30 days of the submission. VII. Reconsideration and Appeal Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007). VIII. Notice Notice of this annual EPARR filing shall be provided by either: (1) including the notice, in conspicuous form, in the bill of each directly affected customer, or (2) sending the notice by email if the customer's bill is provided in this format no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information: a) a description of the proposed revision of rates and schedules; b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer; c) the service area or areas in which the proposed rate adjustment would apply; d) the date the proposed rate adjustment was filed with the regulatory authority; and e) the Company's address, telephone number and website where information concerning the proposed rate adjustment may be obtained. IX. EPARR Schedules and Information The following types of employee reimbursed expenses and directly incurred costs are to be removed from all expense and rate base amounts included within Rider EPARR filings for the Test Period and for the Rate Effective Period: Amounts incurred for travel, meals or entertainment of employee spouses, domestic partners, significant others, children and pets. Amounts for air travel that exceed published commercial coach air fares. Amounts incurred for excessive rates for</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23528

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
IRA-EPSvcA-IS-IRAd	<p>hotel rooms. Amounts for alcoholic beverages. Amounts paid for admission to entertainment, sports, art or cultural events, and all event sponsorship costs. Amounts for social club dues or fees. initial Rate Schedule Meters Read On and After March 25, 2014 (City of El Paso only)</p> <p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE IRA El Paso Service Area - West Texas Region INTERIM RATE ADJUSTMENT A. APPLICABILITY This Interim Rate Adjustment (IRA) applies to all general service rate schedules of Texas Gas Service Company (Company) currently in force in the incorporated areas of El Paso, Anthony, Clint, Vinton, Socorro, and Horizon City, Texas. Applicable rate schedules include 10, 20, 21, 25, 26, 27, 40, SS, and T-1. B. PURPOSE Section 104.301, Subchapter G of the Texas Utility Code, effective on September 1, 2003, provides for an interim adjustment in a gas utility's monthly customer charge or initial block usage rate to recover the cost of changes in the utility's infrastructure investment and related expenses and revenues for providing gas utility service. The filing date of the utility's most recent rate case establishing rates for the area in which the interim rate adjustment will apply shall be no more than two years prior to the date the utility files its initial interim rate adjustment application for that area. The interim adjustment shall be recalculated on an annual basis, unless the utility files a written request and obtains approval from the regulatory authority to suspend the operation of the interim adjustment rate schedule for any year. This rate schedule establishes the interim adjustment provisions consistent with Section 104.301, Subchapter G of the Texas Utility Code. C. COMPUTATION OF IRA RATE The amount the Company shall adjust its utility rates upward or downward under this rate schedule each calendar year is based on the difference between the value of the invested capital for the preceding calendar year and the value of the invested capital for the calendar year preceding that calendar year. The value of the invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment. Based on the difference between the values of the invested capital amounts as determined above, the Company may adjust only the following related components of its revenue requirement: return on investment, depreciation expense, ad valorem taxes, revenue related taxes and incremental federal income taxes. The factors for these components shall be the same as those established in the Company's most recent rate case for the service area in which this interim rate adjustment is to be implemented. The revenue requirement calculated pursuant to this rate schedule shall be allocated among the Company's customer classes for this service area in the same manner as the cost of service was allocated among customer classes in the Company's latest effective rates for this area. D. FILING WITH THE REGULATORY AUTHORITY 1. The Company shall file either the initial interim adjustment or the annual interim adjustment with the regulatory authority at least 60 days before the proposed implementation date. During the 60-day period, the regulatory authority may act to suspend implementation of the adjustment. 2. The Company shall provide notice to customers by bill insert or direct mail not later than the 45th day after the date of filing the interim adjustment. 3. The Company shall file with the regulatory authority an annual report describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year. The annual report shall also state the cost, need, and customers benefited by the change in investment. 4. In addition, the Company shall file with the regulatory authority an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year. Should the Company earn a return of more than 75 basis points above the return established in the latest effective rates implemented under this rate schedule, the Company shall file a statement stating the reasons why the rates are not unreasonable or in violation of the law. 5. After the issuance of a final order or decision by a regulatory authority in a rate case that is filed after the implementation of a tariff or rate schedule under this section, any change in investment that has been included in an approved interim adjustment shall no longer be subject to subsequent review for reasonableness or prudence. All amounts collected under this rate schedule are subject to refund until the issuance of a final decision in the next rate case filing for this service area. 6. The Company shall file a rate case no later than the 180th day after the fifth anniversary date its initial interim rate adjustment for this service area became effective. 7. The provisions under Section 104.301, Subchapter G of the Texas Utility Code for this interim adjustment do not limit the power of the regulatory authority under Section 104.151. Meters Read On and After: September 10, 2013 Supersedes Rate Schedule IRA and IRA-OTH: dated June 18, 2013</p>
ORD-EPSvcA-IS	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE ORD-ELP CITY ORDINANCE LISTING APPLICABILITY Applicable to all gas sales and standard transport customers. TERRITORY All customers in the incorporated area of El Paso, Anthony, Clint, Horizon City, Socorro and Vinton, Texas. DESCRIPTION Per TGS rate case filed 08/31/07, the following cities approved the same Cost of Gas Clause, Economic Development Rate, General Charges and Provisions for Transport Service (T-GEN), Quality of Service Rules and Cost of Service rates for gas sales and standard transport. City approvals are as follows: City Ordinance or Resolution # Date Ordinance Passed Effective Date of Gas Sales Rate Schedules Anthony 370 01/08/08 02/15/2008 Clint -- 01/15/08 02/15/2008 El Paso -- 02/05/08 02/15/2008 Horizon City -- 01/08/08 02/15/2008 Socorro 356 01/17/08 02/15/2008 Vinton 08-1-15 01/15/08 02/15/2008 Initial February 15, 2008</p>
PIT-EPSvcA-ISOS	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE PIT El Paso Service Area - West Texas Region PIPELINE INTEGRITY TESTING (PIT) RIDER</p> <p>PURPOSE The purpose of this Pipeline Integrity Testing Rider is to promote the public interest in pipeline safety by enabling the Company to recover over a four-year period the reasonable and necessary Pipeline Integrity Safety Testing expenses incurred by the Company during the four-year testing cycle from January 1, 2010, through December 31, 2013 (including contractor costs but excluding the labor cost of TGS employees), in the amount of \$2,197,846. These legally mandated operating and maintenance expenses shall be recovered through a separate monthly volumetric charge (the Pipeline Integrity Testing or PIT Surcharge) that shall be shown as a separate line item on the customer's monthly bill and calculated for each customer class as described below. Capital expenditures associated with the Pipeline Integrity Program shall continue to be recovered through base rates and any interim rate adjustments implemented pursuant to Section 104.301 of the Gas Utility Regulatory Act.</p> <p>APPLICABILITY This Rider shall be applied to all gas sales and transportation customers within the service territory designated below, except special</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23528**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	contract customers.
	<b>TERRITORY</b> This Rider shall apply throughout the Company's El Paso Service Area (EPSA), both within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas (collectively, the EPSA Cities), and in the unincorporated areas (environs) adjacent to the EPSA Cities.
	<b>QUALIFYING EXPENSES</b> This Rider applies only to the legally mandated safety testing of the Company's transmission lines in the EPSA under the Pipeline Integrity Safety Testing Program. The operating and maintenance expense items that qualify for recovery under this Rider shall include the contractor costs associated with land and leak survey, permitting, and job order preparation and completion; the clearing of right-of-way; any needed notifications to adjacent businesses and residences; traffic control equipment and personnel; Direct Current Voltage Gradient (DCVG), Close Interval (CI), and other surveys to ensure the integrity of the pipeline system; any required rigid bypasses; flushing of the lines and testing and disposal of the flush water; hydrostatic testing of the lines and analysis and disposal of the test water; any required pigging of the lines in connection with safety testing; any required x-ray welding; metallurgical testing of the pipeline or components thereof; site restoration, painting, and clean-up; expenses associated with providing a supply of compressed natural gas (CNG) to ensure uninterrupted service to customers during testing; and any other operating and maintenance expenses reasonably necessary to safely and effectively perform required safety testing of the Company's transmission pipelines in the EPSA. Neither capital expenditures by the Company, nor the labor cost of TGS employees, shall be recovered under this Rider.
	<b>CALCULATION OF PIT SURCHARGES</b> The Pipeline Integrity Testing Surcharges established under this Rider shall be designed so as to recover the Total Testing Expense of \$2,197,846 in Pipeline Integrity Safety Testing expenses incurred by the Company over the four-year testing cycle from January 1, 2010, through December 31, 2013, and shall be calculated as follows: First, the Total Testing Expense shall be allocated among the applicable customer classes in the same proportion that demand costs were assigned to those classes in the Class Cost of Service Study approved in the Company's most recent rate case in which rates were set by the Railroad Commission of Texas (the Commission) for customers in the EPSA Cities.
	$\begin{matrix} \text{Each Class' Total Allocated} & & \text{Total Testing} & & \text{Each Class' Demand} \\ \text{Testing Expense} & = & \text{Expense} & \times & \frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}} \end{matrix}$
	Second, the total dollar amount allocated to each customer class in the foregoing manner shall be divided by forty-eight (48) monthly billing cycles, so as to derive the amount that shall be ratably recovered from each class on a monthly basis during the four-year recovery period:
	$\text{Monthly Recovery from Each Class} = \frac{\text{Each Class' Total Allocated Testing Expense}}{48 \text{ Months}}$
	Third, the total amount that is to be recovered on a monthly basis from each class shall be divided by the estimated average monthly usage for each class to produce the monthly PIT Surcharge for each class.
	$\text{Each Class' PIT Surcharge} = \frac{\text{Monthly Recovery from Each Class}}{\text{Estimated Monthly Usage of Each Class}}$
	Based upon customer data for the prior calendar year and any other relevant factors, the estimated monthly usage for each class may be revised annually to account for customer growth, and the resulting revised PIT Surcharge shall be applied to each class for the ensuing 12-month recovery period.
	<b>ANNUAL RECONCILIATION</b> After completion of each of the first three annual recovery periods, the total revenues collected under this Rider for that year shall be reconciled against the revenues previously calculated to be collected for that year, and the PIT Surcharge for each class shall be adjusted upward or downward so that the Company recovers any underrecoveries or refunds any overrecoveries that may have accrued under the Rider, plus monthly interest on those underrecoveries or overrecoveries at the cost of long-term debt approved in the Company's most recent general rate case in which rates were set by the Commission for application to customers in the EPSA Cities. The reconciliation shall be filed with the regulatory authority on or before February 21st of each year, and the regulatory authority shall complete its review of the reconciliation on or before March 21st of each year, so that the Company can implement the reconciled PIT Surcharges beginning with the first billing cycle for April of each succeeding year of the four-year recovery period.
	<b>DEFERRED ACCOUNTING</b> The Company is authorized and directed to defer, as a regulatory asset, all Pipeline Integrity Safety Testing expenses incurred during the testing cycle starting on January 1, 2010, and ending on December 31, 2013, and all revenues specifically collected under this Rider shall be applied to the deferred expense account. The Company shall not earn a return on any regulatory asset created under this provision, and no such regulatory asset shall be included in the Company's invested capital (rate base) for ratemaking purposes.

ANNUAL REPORT & APPLICABLE PSCC

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23528**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>On or before February 21st after each calendar year of the testing cycle, the Company shall file a report with the Commission and the EPSA Cities showing all Pipeline Integrity Safety Testing expenses incurred during the previous calendar year and verifying the prior year's collections and any underrecoveries or overrecoveries accruing to date under this Rider. The report shall separately identify and list such expenses by account number and project number. Prior to the effective date of this Rider and on or before February 21st of each succeeding year while this Rider is in effect, the Company shall also file an Addendum to this Rider with the Commission and the EPSA Cities (a) identifying the PIT Surcharges that will be applied during the ensuing 12-month recovery period from April 1st through March 31st, and (b) providing the underlying data and calculations on which each PIT Surcharge for that period is based.</p> <p><b>NOTICE TO AFFECTED CUSTOMERS</b>                      In addition to the annual report and Addendum to this Rider required above, the Company shall provide, on or before March 31st after each calendar year of the testing cycle, written notice to each affected customer of (a) the PIT Surcharge that will be applied during the ensuing 12-month period from April 1st through March 31st, and (b) the effect the PIT Surcharge is expected to have on the average monthly bill for each affected customer class. The written notice shall be provided in both English and Spanish, shall be the only information contained on the piece of paper on which it is printed, and may be provided either by separate mailing or by insert included with the Company's monthly billing statements. The Company shall also file an affidavit annually with the Commission and the EPSA Cities certifying that notice has been provided to customers in this manner. The notice shall be presumed to be complete three calendar days after the date the separate mailing or billing statement is deposited in a postage-paid, properly addressed wrapper in a post office or official depository under care of the United States Postal Service. The initial notice shall be filed with, reviewed, and approved by the regulatory authority, and each subsequent notice shall follow the same format as that of the approved initial notice.</p> <p><b>FINAL REVIEW, RECONCILIATION, AND TERMINATION</b>                      After the end of the four-year recovery period, the Company shall file a final reconciliation with the regulatory authority identifying all PIT Expenses recovered to date under this Rider, as well as any interest on overrecoveries refunded or credited to customers and any interest on underrecoveries recovered from customers during that period. In the event the total amount recovered differs from the total amount that TGS is authorized to recover under this Rider, then the Company shall include a calculation of the final surcharge, refund, or credit required to eliminate any such difference and shall implement same over a period of not more than four months. This Rider shall cease to be operable upon collection in this manner of the Total Testing Expenses authorized for collection hereunder, plus or minus any interest accruing on underrecoveries and overrecoveries, or sooner if ordered by the Commission or agreed upon by the Company and the EPSA Cities.</p> <p><b>Initial Rate</b>                      Meters Read On and After February 29, 2012</p>
PIT-Rider-EPSvcA-IS	<p>El Paso Service Area - West Texas Region RATE SCHEDULE PIT-RIDER PIPELINE INTEGRITY TESTING (PIT) SURCHARGE RIDER A. APPLICABILITY The Pipeline Integrity Testing Surcharge (PIT) rate as set forth in Section (B) below is pursuant to Final Order in GUD 10049 and GUD 10142. This rate shall apply to the following rate schedules of Texas Gas Service Company in the incorporated and unincorporated areas of and adjacent to the El Paso Service Area (EPSA): 10, 20, 21, 25, 26, 27, 40, E5, SS, T-1, 1Z, 2Z, 2A, 2E, 2F, 2G, 4Z, SS-ENV AND T-1-ENV. The EPSA includes El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas. B. PIT RATE Rate Schedule Customer Class Rate per CCF 10 Residential (I/S EPSA) \$ 0.0034 20 Commercial (I/S EPSA) \$ 0.0033 21 Commercial A/C (I/S EPSA) \$ 0.0033 25 Public Authority (I/S EPSA) \$ 0.0057 26 Public Authority A/C (I/S EPSA) \$ 0.0057 27 Municipal Water Pumping (I/S EPSA) \$ 0.0015 40 Industrial (I/S EPSA) \$ 0.0027 E5 Fort Bliss (I/S EPSA) \$ 0.0067 SS Standby Service (I/S EPSA) \$ 0.0027 T-1 Commercial Transportation (I/S EPSA) \$ 0.0016 T-1 Industrial Transportation (I/S EPSA) \$ 0.0010 T-1 Public Authority Transportation (I/S EPSA) \$ 0.0025 1Z Residential (O/S EPSA) \$ 0.0034 2Z Commercial (O/S EPSA) \$ 0.0033 2A Commercial A/C (O/S EPSA) \$ 0.0033 2E Public Authority (O/S EPSA) \$ 0.0057 2F Public Authority A/C (O/S EPSA) \$ 0.0057 2G Municipal Water Pumping (O/S EPSA) \$ 0.0015 4Z Industrial (O/S EPSA) \$ 0.0027 SS-ENV Standby Service (O/S EPSA) \$ 0.0027 T-1-ENV Commercial Transportation (O/S EPSA) \$ 0.0016 T-1-ENV Industrial Transportation (O/S EPSA) \$ 0.0010 T-1-ENV Public Authority Transportation (O/S EPSA) \$ 0.0025 This rate will be in effect until all approved and expended pipeline integrity testing expenses are recovered under the applicable rate schedules. C. OTHER ADJUSTMENTS Taxes: Plus applicable taxes and fees (including franchises fees) related to above. D. CONDITIONS Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority. Meters Read On and After April 1, 2013 Supersedes Rate Schedule dated February 29, 2012</p>
RCE-Rider-EPSvcA-IS	<p>TEXAS GAS SERVICE COMPANY                      RATE SCHEDULE RCE RIDER                      El Paso Service Area - Incorporated                      RATE CASE EXPENSE (RCE) SURCHARGE</p> <p>A. APPLICABILITY                      Pursuant to the Final Order in GUD No. 10016, the Rate Case Expense (RCE) Surcharge set forth in Section B. below shall apply to all gas sales customers (except special contract customers) located in that portion of the Company's El Paso Service Area (EPSA) that is within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas, including customers served under Rate Schedules 10, 20, 21, 25, 26, 27, 40, C-1, SS, and T-1.</p> <p>B. RCE SURCHARGE -                      The initial RCE Surcharge per Ccf for each billing period shall be: \$0.0053 -                      The RCE Surcharge per Ccf for each billing period from April 2013 - March 2014 shall be: \$0.0054</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23528

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>This rate, as adjusted pursuant to Section C. below, shall be designed to recover the approved level of Company and City rate case expenses of \$2,536,360.75 over a recovery period of three years. However, if the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, is collected in less than three years, then this Rider shall cease to be operable and the Company shall cease to apply the Rate Case Expense Surcharge. If the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, has not been collected by the end of the three-year recovery period, then this Rider shall remain in effect beyond the three-year recovery period only until all approved rate case expenses have been recovered under the applicable rate schedules, and any interest accruing on overrecoveries or underrecoveries has been recovered from or refunded or credited to the Company's customers.</p> <p><b>C. OTHER ADJUSTMENTS</b> The applicable RCE Surcharge shall be adjusted annually to reflect interest on any underrecoveries or overrecoveries calculated at the Company's 6.21% cost of long-term debt as determined by the Railroad Commission of Texas in GUD No. 9988. In addition to the RCE Surcharge, applicable revenue-related taxes and fees, including franchise fees, shall also be recovered based on the revenue amounts collected hereunder.</p> <p><b>D. ANNUAL COMPLIANCE FILING</b> On or before February 21st following each calendar year in which an RCE Surcharge was applied to recover rate case expenses under this Rider, the Company shall file a written report with the Commission and the EPSCA Cities showing the total amount of rate case expenses (including any adjustments made to reflect interest on overrecoveries or underrecoveries accruing to the Company or its customers) that (a) were recovered during the preceding calendar year, (b) have been cumulatively recovered since the effective date of the Rider, and (c) still remain to be recovered through the Rider pursuant to the Commission's Final Order in GUD No. 10016. The report shall also include a calculation of the RCE Surcharge that is to be applied during the ensuing recovery period.</p> <p><b>E. CONDITIONS</b> Service under this rate schedule shall be subject to all applicable laws and orders and to the Company's rules and regulations on file with the regulatory authority.</p> <p>Meters Read On and After April 1, 2013</p> <p>Supersedes Rate Schedule dated February 29, 2012</p>
T-GEN-EPScvca-IS-S	<p>TEXAS GAS SERVICE COMPANY EL PASO SERVICE AREA - West Texas Region RATE SCHEDULE T-GEN GENERAL CHARGES AND PROVISIONS APPLICABILITY Applicable to Transportation Rate Schedules: T1-OTH. TERRITORY All areas served by the Company in the incorporated areas of its El Paso Service Area consisting of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas . ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Economic Development Rate (Rate Schedule EDR), if applicable, and the Company's Interim Cost Recovery and Rate Adjustment (Rate Schedule IRA-OTH), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: UPSTREAM PIPELINE SCHEDULING AND BALANCING PROVISIONS A proportional share of any upstream pipeline transportation service charges and penalties incurred by the Company that, in whole or in part, are the result of customer or customer's agent scheduling and/or managing the upstream transportation of the customer's gas to Company's interconnecting point(s) with the upstream pipeline(s). Proceeds from this charge will be credited to the Reconciliation Account. The Company will bill customer for these charges and penalties manually on a separate bill. Payment shall be required in accordance with the Company's Rules of Service. A transport customer may elect to have its supplier act as agent for resolution of these charges. The Company will allow aggregation in resolution of the upstream pipeline scheduling and balancing charges as long as the aggregated customers are supplied by the same supplier, and provided that the customers are physically located behind the same upstream pipeline balancing point, as determined by the Company. Plus: MONTHLY COMMODITY BALANCING PROVISIONS In addition to the Upstream Pipeline Scheduling and Balancing provisions described above, the Company will resolve monthly commodity imbalances in accordance with the provisions described below: 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23528

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA</p>

GAS SERVICES DIVISION

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**TARIFF CODE: DT**                      **RRC TARIFF NO: 23528**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T1-EPSvcA-IS-Std	<p>Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin, for the month in which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand-by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. Meters Read On and After: September 10, 2013 Supercedes Rate Schedules T-GEN and T-GEN-OTH: Dated June 18, 2013</p>
	<p>TEXAS GAS SERVICE COMPANY                      RATE SCHEDULE T-1                      El Paso Service Area - West Texas Region                      TRANSPORTATION SERVICE RATE</p> <p><b>APPLICABILITY</b>                      Service under this rate schedule is available to any customer for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with the customer's gas supplier to have its gas delivered to one of the Company's existing delivery points for transportation by the Company to the customer's facilities at the customer's service point.</p> <p><b>TERRITORY</b>                      El Paso Service Area consisting of the incorporated areas of El Paso, Texas.</p> <p><b>RATE</b>                      This rate shall be the sum of Part A and Part B as described below:</p> <p>Part A: During each monthly billing period, a customer charge per meter per month listed by customer class as follows:                      Commercial                                      \$759.53</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23528
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>	
	Public Authority	\$771.95
	Industrial/Stand-by	\$898.14
	Electrical Cogeneration and Energy Conservation	\$898.14

Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at a rate calculated as follows:

1. Determine the bill for the quantity of customer-owned gas metered and delivered to the customer at the Company's volumetric Cost of Service Rate on the gas sales tariff which would otherwise be applicable;
2. Add a balancing service rate for any applicable portion of incremental cost of the Company's transportation reservation costs received from its upstream pipelines that is deemed at the Company's sole discretion to directly or indirectly benefit the transportation service customers through scheduling balancing flexibility. The balancing service rate will be recalculated annually in conjunction with the Cost of Gas annual reconciliation audit and/or as the upstream pipeline changes the rates being charged to the Company. In addition the Company will charge system sales customers as of the date of this Rate Schedule that become transportation customers after the effective date of this Rate Schedule, a rate representing the cost of stranded capacity, incurred by the Company for upstream transportation and reservation costs as determined by the Company. Proceeds from these rates will be credited to the Reconciliation Account.
3. See the Additional Charges to Cost of Service Rate Pursuant to Rate Schedule T-GEN (General Charges and Provisions).

**SPECIAL PROVISIONS**

1. Transportation volumes delivered under this schedule shall be considered first through customer's meter for billing purposes.
2. Gas transported under this schedule shall be for use only by the customer.
3. See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges and Provisions).
4. Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average at least five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder, except as may otherwise be provided in the Gas Transportation Service Agreement between the Company and customer, and provide service under the general service rate applicable to Customer.
5. Customers that qualify for and elect service under this tariff must remain on transportation service for a minimum of twelve months. If a customer chooses to leave transportation service under this tariff after twelve months, the customer may not return to transportation service for at least twelve months. If a customer requests to leave transportation service under this tariff and return to the appropriate general service rate, the Company may at its sole discretion decline the request until adequate upstream pipeline capacity can be procured.
6. Transportation of customer-owned natural gas under this tariff will require telemetry or electronic flow measurement that meets the Company's required specifications at the customer's point (s) of re-delivery. The Company may require the customer to reimburse the Company for the cost of telemetry at its sole discretion.

**CONDITIONS**

1. Transportation of customer-owned natural gas hereunder shall be subject in all respects to applicable laws, rules and regulations from time to time in effect.
2. Transportation of customer-owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.
3. Transportation of customer-owned natural gas hereunder is subject in all respects to terms and conditions of the Gas Transportation Service Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto.
4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.

Meters Read On and After: July 29, 2014

Supersedes Rate Schedule T-1 Dated: September 10, 2013 (El Paso only eff Jul 18 2014)

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23528**

**RATE ADJUSTMENT PROVISIONS:**

See IRA-EPSvcA-IS-IRAdj (RATE SCHEDULE IRAInterim Rate Adjustment)

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
74420	D	Mcf	\$.0000	02/15/2008	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	31913	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	
M	Other(with detailed explanation)	Elec. CoGen transportation customers in the Incorp. areas of EL PASO, TX

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23553

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 08/20/2014      **RECEIVED DATE:** 09/11/2014

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** ORD-RGV-IS(RC);Stlmt Agrt(COSA)

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Per 2014 annual COSA filing, volumetric rates increased eff. 8/20/14. New rates were approved via settlement agreement and meetings of City Councils.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32478	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23553

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
COSA-RGV-IS-COSA	<p>TEXAS GAS SERVICE COMPANY                      RATE SCHEDULE COSA                      Rio Grande Valley Service Area</p>
	<p><b>COST OF SERVICE ADJUSTMENT CLAUSE</b></p>
	<p><b>A. APPLICABILITY</b></p>
	<p>This Cost of Service Adjustment Clause applies to all gas sales and standard transportation service rate schedules of Texas Gas Service Company (the Company) currently in force in the Company's Rio Grande Valley Service Area. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. This Rate Schedule is authorized for an implementation period of three (3) years commencing with the Company's filing under this rate schedule for the calendar year 2012, and shall automatically renew for successive single year periods unless either the Company or the regulatory authority having original jurisdiction gives written notice to the contrary to the other by February 1, 2015, or February 1 of each succeeding year after the three year implementation period. Both the cities and the Company retain their statutory right to initiate a rate proceeding at any time.</p>
	<p><b>B. EFFECTIVE DATE</b></p>
	<p>Rate adjustments shall be made in accordance with the procedures described below on an annual basis. The Company shall make its annual filing no later than May 1, with the rate adjustments to be effective with the first billing cycle of August 1st of each year. The first filing pursuant to this Rider shall be no later than May 1, 2013, and shall be based on the financial results for the calendar year ending December 31, 2012.</p>
	<p><b>C. COMPONENTS OF THE RATE ADJUSTMENT</b></p>
	<p>Calculation of the rate adjustment will be based on calendar year operating expenses, return on investment, and Federal Income Tax. The rate adjustment shall be included in the monthly Commodity Charge of the corresponding rate schedules. The actual percentage change in the Commodity Charge in any year shall not exceed five percent (5%), exclusive of those expenses identified in C.5. The Company shall file with each regulatory authority having original jurisdiction over the Company's rates the schedules specified below, by FERC Account, for the prior calendar year period. The schedules will be based upon the Company's audited financial data, as adjusted, and provided in a format that will allow for the same analysis as that undertaken of a Company Statement of Intent filing.</p>
	<p><b>C.1 Operating Expenses -</b> Operating expenses will be determined by the ending balances for the applicable calendar year. The applicable expenses are: Depreciation and Amortization Expense (Account Nos. 403-407)* Taxes Other Than FIT (Account No. 408) ** Operation and Maintenance Expenses (Account Nos. 850-894, excluding any cost of gas related expenses) Customer Related Expenses (Account Nos. 901-916) Administrative &amp; General Expenses (Account Nos. 920-932) Interest on Customer Deposits (Account No. 431) * Based on the last approved depreciation methods and lives. ** Excluding City Franchise Fees, Gross Receipts, and any other revenue-based tax. All shared expenses allocated to RGV must be supported by workpapers containing the allocation, methodology and factors. This information will be presented with supporting calculations. The Company shall provide additional information for all operating expenses upon request by the regulatory authority during the ninety (90) day review period specified in Section D.</p>
	<p><b>C.2 Return on Investment -</b> The return on investment is equal to the rate of return of 8.0845% multiplied by the rate base balance at the end of the applicable calendar year. The rate of return is composed of: Component Weighting Cost ROR Long-Term Debt 45.0000% 6.1100% 2.7495% Common Equity 55.0000% 9.7000% 5.3350% Total 100.0000% 8.0845% The rate base balance is composed of: Net Utility Plant in Service* Plus: ** Storage Gas Plus: ** Materials and Supplies Inventories Prepayments Cash Working Capital Less: Customer Deposits (Account No. 235) Customer Advances (Account No. 252) Deferred Federal Income Taxes * Net Utility Plant in Service as shown by FERC account. Gross utility plant in service and accumulated depreciation by account will be shown separately. ** These items will reflect the 13 month average materials and supplies inventories, storage gas inventories, and prepayments. Cash Working Capital shall be set to zero (\$0) absent a lead/lag study. Supporting information for all rate base items shall be provided to the regulatory authority during the ninety (90) day review period specified in Section D upon request by the regulatory authority.</p>
	<p><b>C.3 Federal Income Tax</b> Applicable calendar year federal income taxes will be calculated as follows: Net Taxable Income (applicable calendar-year end rate base multiplied by rate of return included in Section C.2.) Less: Interest on Long Term Debt (debt cost component of return as included in Section C.2 multiplied by the most recent calendar year end rate base) Multiplied by: Tax Factor (.35/(1-.35)) or .53846</p>
	<p><b>C.4 Cost of Service Adjustment</b> The amount to be collected through the Cost of Service Adjustment rate (Adjustment Amount) will be the sum of the amounts from Sections C.1, C.2, and C.3, less the calendar year normalized non-gas revenue (gas sales revenue excluding cost of gas revenue) and other revenue (i.e., transportation revenue and service charges). The difference shall be allocated among all customer classes in the same manner as approved in the most recent general rate case. For each customer class, the Adjustment Amount will be collected by adjusting the monthly Commodity Charges. This will be accomplished by dividing the Adjustment Amount by the normalized current year volumes* to determine a per ccf rate. This rate will be added to the Commodity Charge on the applicable rate schedule. *Normalized current year rate schedule T-2 volumes exclude volumes on which the Minimum Bill Charge is assessed.</p>
	<p><b>C.5 Cost of Service Adjustment Rate</b> Any change in the Cost of Service Adjustment shall not exceed an amount equal to five percent</p>

GAS SERVICES DIVISION

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**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23553**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>(5%) of the Commodity Charge effective for service in the Rio Grande Valley Service Area at the end of the calendar year immediately preceding the year in which the Cost of Service Adjustment is made, net of Annual Capital Investment costs*, the costs for the Company to provide public notice, comply with Integrity Assessment and Management expenses**, and reimburse reasonable rate case expenses. Annual Capital Investment costs shall include expenses related to Accounts 403-408, as well as all investment in plant in service. ** Integrity Assessment and Management expenses shall include expenses related to the Railroad Commission of Texas Pipeline Integrity Assessment and Management plan rule, 16 Tex. Admin. Code Ann. Section 8.101, Risk Based Leak Survey Program 16 Tex. Admin. Code Ann. Section 8.206, Leak Grading and Repair 16 Tex. Admin. Code Ann. Section 8.207, Mandatory Removal and Replacement Program 16 Tex. Admin. Code Ann. Section 8.208, and 49 CFR Part 192 Subpart O Gas Transmission Pipeline Integrity Management.</p> <p>C.6 Attestation A sworn statement shall be filed by the Company's Accounting Director, affirming that the filed schedules are in compliance with the provisions of this tariff and are true and correct to the best of his/her knowledge, information, and belief. No testimony shall be filed.</p> <p>C.7 Proof of Revenues The Company shall also provide a schedule demonstrating the proof of revenues relied upon to calculate the proposed Cost of Service Adjustment rate. The proposed rates shall conform as closely as practicable to the revenue allocation principles in effect prior to the adjustment.</p> <p>C.8 Notice Notice of the annual Cost of Service Adjustment shall be published in a form similar to that required under Section 104.103, TEX. UTIL. CODE ANN. no later than forty-five (45) days after the Company makes its annual filing pursuant to this rate schedule with the regulatory authority. The notice to customers shall include the following information: a) a description of the proposed revision of rates and schedules; b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer class; c) the service area or areas in which the proposed rate adjustment would apply; d) the date the proposed rate adjustment was filed with the regulatory authority; and e) the Company's address, telephone number, and website where information concerning the proposed Cost of Service Adjustment may be obtained.</p> <p><b>D. REGULATORY REVIEW OF ANNUAL RATE ADJUSTMENT</b>                      The regulatory authority with original jurisdiction will have a period of not less than ninety (90) days within which to review the proposed Cost of Service Adjustment. During the review period, Company shall provide additional information and supporting documents as requested by the regulatory authority and such information shall be provided within ten (10) working days of the original request. The rate adjustment shall take effect with the first billing cycle of August of each year. This Cost of Service Adjustment Rate Schedule does not limit the legal rights and duties of the regulatory authority. The Company's annual rate adjustment will be made in accordance with all applicable laws. If at the end of the ninety (90) day review period, the Company and the regulatory authority with original jurisdiction have not reached agreement on the proposed Cost of Service Adjustment Rate, the regulatory authority may take action to deny such adjustment, and the Company shall have the right to appeal the regulatory authority's action. Upon the filing of any appeal the Company shall have the right to implement the proposed Cost of Service Adjustment Rate, subject to refund. The Company will reimburse Cities for all reasonable and necessary legal and consulting expenses incurred to review this Cost of Service Adjustment. Any reimbursement of such costs will be recoverable through the Company's annual Cost of Service Adjustment rate.</p> <p>Meters Read On and After August 1, 2012                      Supersedes Same Sheet Dated: September 1, 2009</p> <p>T-1-RGV-IS-Firm                      TEXAS GAS SERVICE COMPANY                      Rio Grande Valley Service Area                      Rate Schedule T-1                      TRANSPORTATION SERVICE RATE</p> <p><b>APPLICABILITY</b>                      Service under this rate schedule is available to any customer of Texas Gas Service Company (Company) and to Qualified Suppliers or Producers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions) for the transportation of customer-owned natural gas through the Company's Rio Grande Valley distribution system for use by customers within the Company's Rio Grande Valley's Service Area or delivered to connecting pipelines. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system. Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage capability average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder except as provided in the Gas Transportation Service Agreement.</p> <p><b>TERRITORY</b>                      All areas served by the Company in its Rio Grande Valley Service Area.</p> <p><b>RATE</b>                      This rate shall be the sum of Part A, Part B, and Part C as described below.                      Part A:</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23553**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>A customer charge of \$127.82 per meter per month.</p> <p>Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the following Ccf charge: All Ccf @ \$0.20284 per Ccf</p> <p>Part C: Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).</p> <p>CONDITIONS See the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions)</p> <p>Meters Read On and After August 20, 2014 (Incorporated only)</p> <p>Supersedes Same Sheet Dated July 31, 2013 (Incorporated only)</p>
ORD-RGV-IS	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area RATE SCHEDULE ORD-RGV CITY ORDINANCE LISTING APPLICABILITY Applicable to all gas sales and standard transport customers. TERRITORY All customers in the incorporated areas of Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progresso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas. DESCRIPTION Per the TGS Statement of Intent filed 03/27/09, the following cities approved the same Cost of Gas Clause, Cost of Service Adjustment Clause, Weather Normalization Clause, T-GEN and Cost of Service rates for both gas sales and standard transport customers. These rates were approved per the Settlement agreement dated August 14, 2009. City approvals are as follows: City Ordinance # Date Ordinance Passed Effective Date of Gas Sales and Standard Transport Rate Schedules Alamo 18-08-09 08/18/09 09/01/09 Alton 2009-04 08/25/09 09/01/09 Brownsville 2009-1510 09/01/09 09/01/09 Combes 2009-3 09/24/09 09/01/09 Donna 2009-09-79 09/17/09 09/01/09 Edcouch 2009-14 08/18/09 09/01/09 Edinburg 09-3378 08/18/09 09/01/09 Elsa 09-14 08/18/09 09/01/09 Harlingen 26 09/02/09 09/01/09 Hidalgo 2009-06 08/25/09 09/01/09 La Feria 2009-11 08/25/09 09/01/09 La Joya 2009-08 09/14/09 09/01/09 La Villa Operation of Law 08/31/09 09/01/09 Laguna Vista 2009-25 09/08/09 09/01/09 Los Fresnos 398 08/25/09 09/01/09 Lyford 09-08-24 08/24/09 09/01/09 McAllen 2009-49 08/24/09 09/01/09 Mercedes 2009-11 08/01/09 09/01/09 Mission 3472 08/24/09 09/01/09 Palm Valley 2009-6 09/28/09 09/01/09 Palmhurst 08-25-09 08/25/09 09/01/09 Palmview 2009-05 08/18/09 09/01/09 Penitas 2009-12 08/17/09 09/01/09 Pharr 0-2009-27 08/18/09 09/01/09 Port Isabel 676 08/25/09 09/01/09 Primera 2009-04 08/18/09 09/01/09 Progresso Operation of Law 08/31/09 09/01/09 Rancho Viejo 183 08/27/09 09/01/09 Raymondville 1137 08/25/09 09/01/09 Rio Hondo 370 08/25/09 09/01/09 San Benito 2440 08/25/09 09/01/09 San Juan 40072 08/25/09 09/01/09 Santa Rosa 2009-02 9/10/2009 09/01/09 Weslaco 2009-22 09/01/09 09/01/09 Meters Read On and After September 1, 2009 Supersedes Same Sheet Dated July 31, 2006</p>
T-GEN-RGV-IS-GTC	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Rio Grande Valley Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve-month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1 for the incorporated areas or Rate Schedule 1-ENV for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding December. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. For customers or qualified suppliers shipping excess gas off the distribution system, PIK shall in no event exceed 1%. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to TEX. REV. CIV. STAT. ANN art. 6060, as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: Additional charges may be made at the Company's sole discretion for compression, treating, or similar services if the customer or qualified supplier is shipping excess gas off the distribution system. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23553

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each agreement. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. Upon receipt of notification of change of supplier, the Company will verify notification of termination of current supplier, verify all documentation of qualification of new supplier is executed, and establish an effective date for the change. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded, plus (ii) any applicable franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from applicable franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within thirty (30) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1 for the incorporated areas or Rate Schedule 1-ENV for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications -</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23553
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions:</p> <p>8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.</p> <p>8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.</p> <p>8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.</p> <p>9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:</p> <p>9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated.</p> <p>9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the month for which the final COI was calculated, plus (ii) any applicable franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.</p> <p>9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.</p> <p>9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.</p> <p>1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect.</p> <p>2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.</p> <p>3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto.</p> <p>4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer.</p> <p>5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.</p> <p>6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel.</p> <p>Meters Read On and After September 1, 2009 (Incorporated only) Supersedes Rate Schedules Dated July 31, 2006 (Incorporated only)</p>

**RATE ADJUSTMENT PROVISIONS:**

See COSA-RGV-IS-COSAdj (RATE SCHEDULE COSA) Cost of Service Adjustment Clause

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76827	D	Mcf	\$ .0000	09/01/2009	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23553**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23556**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 01/02/2003                      **RECEIVED DATE:** 12/06/2011

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 11/30/2010

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:** 9174, 10029

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** RCR-ENV-Rider-CTX-OS dated 11/30/10 is superseded eff. 11/04/11. The 11th RCR filing rate is now zero to prevent over-collection of the approved amt.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32163	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23556**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T02B-CTX-OS-LgCom	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T02B Central Texas Service Area LARGE VOLUME COMMERCIAL TRANSPORTATION SERVICE RATE APPLICABILITY Service under this rate schedule is available to any customer whose primary business activity at the location served is not provided for under any other rate schedule, and whose average usage exceeds 3,100 Ccf per monthly billing period, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system. TERRITORY All unincorporated areas served by the Company in its Central Texas Service Area. COST OF SERVICE RATE During each monthly billing period: A customer charge per meter per month of \$150.00 plus - All Ccf per monthly billing period @ \$ 0.1151 per Ccf Plus: See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). SPECIAL PROVISIONS AND CONDITIONS See the Special Provisions and Conditions pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). Meters Read On and After January 2, 2003 Supersedes Same Sheet Dated January 25, 2001</p>
RCR-ENV-CTXOSRel	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-ENV RELOCATION COST RECOVERY A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the unincorporated areas of the Central Texas Service Area: 1D, 1E, 1Z, 2A, 2B, 2C, 2D, 2E, 2Z, 3A, 3B, 3C, 3Z, 4A, 4B, 4C, 4D, 4H, 4Z, CNG-1, C-1, T02A, T02B, T02C, T02Z, T03A, T03B, T03C, T03Z, T04A, T04B, T04C, T04H, T04Z, T0C-1, CNGT. B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPCR / NV CPCR = Relocation costs for the current recovery period. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. All applicable fees and taxes will be added to the RCR rates. D. BILLING The RCR rate, pursuant to Rate Schedule RCR-ENV-RIDER, shall be included as a separate adjustment (per Ccf rate) to the base bill for rate schedules: 1D, 1E, 1Z, 2A, 2B, 2C, 2D, 2E, 2Z, 3A, 3B, 3C, 3Z, 4A, 4B, 4C, 4D, 4H, 4Z, CNG-1, C-1, T02A, T02B, T02C, T02Z, T03A, T03B, T03C, T03Z, T04A, T04B, T04C, T04H, T04Z, T0C-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty-five days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections. Supersedes Same Rate Sheet Dated Meters Read On and After January 25, 2001 June 23, 2004</p>
RCR-ENV-RiderCTX-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-ENV-RIDER RELOCATION COST RECOVERY RATE A. APPLICABILITY The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR-ENV, shall be limited to gas sales and standard transport volumes and apply to the following rate schedules for the unincorporated areas of the Central Texas Service Area: 1D-WLake-OS-Res 4Z-CTXnoWLak-OS-PubA 1E-CPark-OS-Res CNG-1-CTX-OS 1Z-Aus SunV-OS-Res C-1-CTX-IS-Cogen 2A-AusSunV-OS-SmCmAC C-1-CTX-OS-Cogen 2B-CTX-OS-LgCom T02A-CTX-OS-SmCom AC 2C-CTX-OS-LgCom AC T02B-CTX-OS-LgCom 2D-WLake-OS-Com T02C-CTX-OS-LgCom AC 2E-CPark-OS-Com T02Z-CTX-OS-Com 2Z-Aus SunV-OS-Com T03A-CTX-OS-Smlnd AC 3A-CTX-OS-Smlnd AC T03B-CTX-OS-LgInd 3B-CTX-OS-LgInd T03C-CTX-OS-LgInd AC 3C-CTX-OS-LgInd AC T03Z-CTX-OS-Ind 3Z-CTX-OS-Ind T04A-CTX-OS-SmPub AC 4A-CTX-OS-SmPub AC T04B-CTX-OS-LgPubA 4B-CTX-OS-LgPubA T04C-CTX-OS-LgPub AC 4C-CTX-OS-LgPubA AC T04H-CTX-OS-PSSpHt 4D-WLake-OS-PubA T04Z-CTX-OS-PubA 4H-CTX-OS-PubSchSpHt T0C-1-CTX-OS-Cogen CNGT-CTX-OS-CNG B. CURRENT RCR RATE Effective Date RCR Rate Meters Read On &amp; After November 4, 2011 (11th RCR Filing-Dck #10029) \$0.00000 per Ccf All applicable fees and taxes will be added to the above rate. Meters Read On and After November 4, 2011 Supersedes Same Sheet Dated November 30, 2010</p>
T-GEN-ENV-CTX-O	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN-ENV GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All unincorporated areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of Lost Unaccounted for Gas (LUG) volume within the Service Area. The customer's share of LUG will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its Lost Unaccounted for Gas obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23556
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23556

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. CONDITIONS 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23556**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel. 7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After                      January 2, 2003

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76822	D	Mcf	\$ .0000	01/02/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	32163	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23557

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 01/02/2003      **RECEIVED DATE:** 12/06/2011

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 11/30/2010

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:** 9174, 10029

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** RCR-ENV-Rider-CTX-OS dated 11/30/10 is superseded eff. 11/04/11. The 11th RCR filing rate is now zero to prevent over-collection of the approved amt.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32166	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23557**

**CURRENT RATE COMPONENT**

RATE COMP. ID	DESCRIPTION
T02Z-CTX-OS-Com01	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T02Z COMMERCIAL TRANSPORTATION SERVICE RATE APPLICABILITY Applicable to commercial customers and to customers not otherwise specifically provided for under any other rate schedule, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system. TERRITORY All unincorporated areas served by the Company in its Central Texas Service Area. COST OF SERVICE RATE During each monthly billing period: A customer charge per meter per month of \$75.00 plus - All Ccf per monthly billing period @ \$ 0.1564 per Ccf Plus: See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). SPECIAL PROVISIONS AND CONDITIONS See the Special Provisions and Conditions pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). Supersedes Same Sheet Dated Meters Read On and After January 25, 2001 January 2, 2003</p>
RCR-ENV-CTXOSRel	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-ENV RELOCATION COST RECOVERY A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the unincorporated areas of the Central Texas Service Area: 1D, 1E, 1Z, 2A, 2B, 2C, 2D, 2E, 2Z, 3A, 3B, 3C, 3Z, 4A, 4B, 4C, 4D, 4H, 4Z, CNG-1, C-1, T02A, T02B, T02C, T02Z, T03A, T03B, T03C, T03Z, T04A, T04B, T04C, T04H, T04Z, T0C-1, CNGT. B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPRC NV CPRC = Relocation costs for the current recovery period. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. All applicable fees and taxes will be added to the RCR rates. D. BILLING The RCR rate, pursuant to Rate Schedule RCR-ENV-RIDER, shall be included as a separate adjustment (per Ccf rate) to the base bill for rate schedules: 1D, 1E, 1Z, 2A, 2B, 2C, 2D, 2E, 2Z, 3A, 3B, 3C, 3Z, 4A, 4B, 4C, 4D, 4H, 4Z, CNG-1, C-1, T02A, T02B, T02C, T02Z, T03A, T03B, T03C, T03Z, T04A, T04B, T04C, T04H, T04Z, T0C-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty-five days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections. Supersedes Same Rate Sheet Dated Meters Read On and After January 25, 2001 June 23, 2004</p>
RCR-ENV-RiderCTX-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-ENV-RIDER RELOCATION COST RECOVERY RATE A. APPLICABILITY The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR-ENV, shall be limited to gas sales and standard transport volumes and apply to the following rate schedules for the unincorporated areas of the Central Texas Service Area: 1D-WLake-OS-Res 4Z-CTXnoWLak-OS-PubA 1E-CPark-OS-Res CNG-1-CTX-OS 1Z-Aus SunV-OS-Res C-1-CTX-IS-Cogen 2A-AusSunV-OS-SmCmAC C-1-CTX-OS-Cogen 2B-CTX-OS-LgCom T02A-CTX-OS-SmCom AC 2C-CTX-OS-LgCom AC T02B-CTX-OS-LgCom 2D-WLake-OS-Com T02C-CTX-OS-LgCom AC 2E-CPark-OS-Com T02Z-CTX-OS-Com 2Z-Aus SunV-OS-Com T03A-CTX-OS-SmInd AC 3A-CTX-OS-SmInd AC T03B-CTX-OS-LgInd 3B-CTX-OS-LgInd T03C-CTX-OS-LgInd AC 3C-CTX-OS-LgInd AC T03Z-CTX-OS-Ind 3Z-CTX-OS-Ind T04A-CTX-OS-SmPub AC 4A-CTX-OS-SmPub AC T04B-CTX-OS-LgPubA 4B-CTX-OS-LgPubA T04C-CTX-OS-LgPub AC 4C-CTX-OS-LgPubA AC T04H-CTX-OS-PSSpHt 4D-WLake-OS-PubA T04Z-CTX-OS-PubA 4H-CTX-OS-PubSchSpHt T0C-1-CTX-OS-Cogen CNGT-CTX-OS-CNG B. CURRENT RCR RATE Effective Date RCR Rate Meters Read On &amp; After November 4, 2011 (11th RCR Filing-Dck #10029) \$0.00000 per Ccf All applicable fees and taxes will be added to the above rate. Meters Read On and After November 4, 2011 Supersedes Same Sheet Dated November 30, 2010</p>
T-GEN-ENV-CTX-O	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN-ENV GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All unincorporated areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of Lost Unaccounted for Gas (LUG) volume within the Service Area. The customer's share of LUG will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its Lost Unaccounted for Gas obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23557

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23557
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. CONDITIONS 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23557**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel. 7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After                      January 2, 2003

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76822	D	Mcf	\$.0000	01/02/2003	Y

**DESCRIPTION:**    \*\*CONFIDENTIAL\*\*

<b>Customer</b>	32166	**CONFIDENTIAL**
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**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23558

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 01/02/2003      **RECEIVED DATE:** 12/06/2011

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 11/30/2010

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:** 9174, 10029

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** RCR-ENV-Rider-CTX-OS dated 11/30/10 is superseded eff. 11/04/11. The 11th RCR filing rate is now zero to prevent over-collection of the approved amt.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32162	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23558

**CURRENT RATE COMPONENT**

RATE COMP. ID	DESCRIPTION
T03Z-CTX-OS-Ind	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T03Z Central Texas Service Area INDUSTRIAL TRANSPORTATION SERVICE RATE APPLICABILITY Service under this rate schedule is available to any customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). Division B - Mining - All Major Groups Division D - Manufacturing - All Major Groups Division E and J - Utility and Government - facilities generating power for resale only This rate schedule is for those industrial customers whose consumption averages less than 10,000 Ccf per month. Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system. TERRITORY All unincorporated areas served by the Company in its Central Texas Service Area. COST OF SERVICE RATE During each monthly billing period: A customer charge per meter per month of \$ 80.00 plus - All Ccf per monthly billing period @ \$ 0.1170 per Ccf Plus: See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). SPECIAL PROVISIONS AND CONDITIONS See the Special Provisions and Conditions pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). Meters Read On and After January 2, 2003 Supersedes Same Sheet Dated January 25, 2001</p>
RCR-ENV-CTXOSRel	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-ENV RELOCATION COST RECOVERY A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the unincorporated areas of the Central Texas Service Area: 1D, 1E, 1Z, 2A, 2B, 2C, 2D, 2E, 2Z, 3A, 3B, 3C, 3Z, 4A, 4B, 4C, 4D, 4H, 4Z, CNG-1, C-1, T02A, T02B, T02C, T02Z, T03A, T03B, T03C, T03Z, T04A, T04B, T04C, T04H, T04Z, T0C-1, CNGT. B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPCR NV CPCR = Relocation costs for the current recovery period. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. All applicable fees and taxes will be added to the RCR rates. D. BILLING The RCR rate, pursuant to Rate Schedule RCR-ENV-RIDER, shall be included as a separate adjustment (per Ccf rate) to the base bill for rate schedules: 1D, 1E, 1Z, 2A, 2B, 2C, 2D, 2E, 2Z, 3A, 3B, 3C, 3Z, 4A, 4B, 4C, 4D, 4H, 4Z, CNG-1, C-1, T02A, T02B, T02C, T02Z, T03A, T03B, T03C, T03Z, T04A, T04B, T04C, T04H, T04Z, T0C-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty-five days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections. Supersedes Same Rate Sheet Dated Meters Read On and After January 25, 2001 June 23, 2004</p>
RCR-ENV-RiderCTX-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-ENV-RIDER RELOCATION COST RECOVERY RATE A. APPLICABILITY The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR-ENV, shall be limited to gas sales and standard transport volumes and apply to the following rate schedules for the unincorporated areas of the Central Texas Service Area: 1D-WLake-OS-Res 4Z-CTXnoWLak-OS-PubA 1E-CPark-OS-Res CNG-1-CTX-OS 1Z-Aus SunV-OS-Res C-1-CTX-IS-Cogen 2A-AusSunV-OS-SmCmAC C-1-CTX-OS-Cogen 2B-CTX-OS-LgCom T02A-CTX-OS-SmCom AC 2C-CTX-OS-LgCom AC T02B-CTX-OS-LgCom 2D-WLake-OS-Com T02C-CTX-OS-LgCom AC 2E-CPark-OS-Com T02Z-CTX-OS-Com 2Z-Aus SunV-OS-Com T03A-CTX-OS-SmInd AC 3A-CTX-OS-SmInd AC T03B-CTX-OS-LgInd 3B-CTX-OS-LgInd T03C-CTX-OS-LgInd AC 3C-CTX-OS-LgInd AC T03Z-CTX-OS-Ind 3Z-CTX-OS-Ind T04A-CTX-OS-SmPub AC 4A-CTX-OS-SmPubA AC T04B-CTX-OS-LgPubA 4B-CTX-OS-LgPubA T04C-CTX-OS-LgPub AC 4C-CTX-OS-LgPubA AC T04H-CTX-OS-PSSpHt 4D-WLake-OS-PubA T04Z-CTX-OS-PubA 4H-CTX-OS-PubSchSpHt T0C-1-CTX-OS-Cogen CNGT-CTX-OS-CNG B. CURRENT RCR RATE Effective Date RCR Rate Meters Read On &amp; After November 4, 2011 (11th RCR Filing-Dck #10029) \$0.00000 per Ccf All applicable fees and taxes will be added to the above rate. Meters Read On and After November 4, 2011 Supersedes Same Sheet Dated November 30, 2010</p>
T-GEN-ENV-CTX-O	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN-ENV GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All unincorporated areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of Lost Unaccounted for Gas (LUG) volume within the Service Area. The customer's share of LUG will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its Lost Unaccounted for Gas obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23558
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23558
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. CONDITIONS 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23558**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel. 7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After                      January 2, 2003

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76822	D	Mcf	\$.0000	01/02/2003	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	32162	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23559**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 01/02/2003                      **RECEIVED DATE:** 12/06/2011

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 11/30/2010

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:** 9174, 10029

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** RCR-ENV-Rider-CTX-OS dated 11/30/10 is superseded eff. 11/04/11. The 11th RCR filing rate is now zero to prevent over-collection of the approved amt.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32167	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23559

**CURRENT RATE COMPONENT**

RATE COMP. ID	DESCRIPTION
T04H-CTX-OS-PSSpH	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T04H Central Texas Service Area PUBLIC SCHOOLS SPACE HEATING TRANSPORTATION SERVICE RATE APPLICABILITY Applicable to public schools for space heating purposes, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system. TERRITORY All unincorporated areas served by the Company in its Central Texas Service Area. COST OF SERVICE RATE During each monthly billing period: A customer charge per meter per month of \$ 40.00 plus - All Ccf per monthly billing period @ \$ 0.1244 per Ccf Plus: See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). SPECIAL PROVISIONS AND CONDITIONS See the Special Provisions and Conditions pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). Meters Read On and After January 2, 2003 Supersedes Same Sheet Dated January 25, 2001</p>
RCR-ENV-CTXOSRel	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-ENV RELOCATION COST RECOVERY A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the unincorporated areas of the Central Texas Service Area: 1D, 1E, 1Z, 2A, 2B, 2C, 2D, 2E, 2Z, 3A, 3B, 3C, 3Z, 4A, 4B, 4C, 4D, 4H, 4Z, CNG-1, C-1, T02A, T02B, T02C, T02Z, T03A, T03B, T03C, T03Z, T04A, T04B, T04C, T04H, T04Z, T0C-1, CNGT. B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPRC NV CPRC = Relocation costs for the current recovery period. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. All applicable fees and taxes will be added to the RCR rates. D. BILLING The RCR rate, pursuant to Rate Schedule RCR-ENV-RIDER, shall be included as a separate adjustment (per Ccf rate) to the base bill for rate schedules: 1D, 1E, 1Z, 2A, 2B, 2C, 2D, 2E, 2Z, 3A, 3B, 3C, 3Z, 4A, 4B, 4C, 4D, 4H, 4Z, CNG-1, C-1, T02A, T02B, T02C, T02Z, T03A, T03B, T03C, T03Z, T04A, T04B, T04C, T04H, T04Z, T0C-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty-five days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections. Supersedes Same Rate Sheet Dated Meters Read On and After January 25, 2001 June 23, 2004</p>
RCR-ENV-RiderCTX-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-ENV-RIDER RELOCATION COST RECOVERY RATE A. APPLICABILITY The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR-ENV, shall be limited to gas sales and standard transport volumes and apply to the following rate schedules for the unincorporated areas of the Central Texas Service Area: 1D-WLake-OS-Res 4Z-CTXnoWLak-OS-PubA 1E-CPark-OS-Res CNG-1-CTX-OS 1Z-Aus SunV-OS-Res C-1-CTX-IS-Cogen 2A-AusSunV-OS-SmCmAC C-1-CTX-OS-Cogen 2B-CTX-OS-LgCom T02A-CTX-OS-SmCom AC 2C-CTX-OS-LgCom AC T02B-CTX-OS-LgCom 2D-WLake-OS-Com T02C-CTX-OS-LgCom AC 2E-CPark-OS-Com T02Z-CTX-OS-Com 2Z-Aus SunV-OS-Com T03A-CTX-OS-SmInd AC 3A-CTX-OS-SmInd AC T03B-CTX-OS-LgInd 3B-CTX-OS-LgInd T03C-CTX-OS-LgInd AC 3C-CTX-OS-LgInd AC T03Z-CTX-OS-Ind 3Z-CTX-OS-Ind T04A-CTX-OS-SmPub AC 4A-CTX-OS-SmPub AC T04B-CTX-OS-LgPubA 4B-CTX-OS-LgPubA T04C-CTX-OS-LgPub AC 4C-CTX-OS-LgPubA AC T04H-CTX-OS-PSSpHt 4D-WLake-OS-PubA T04Z-CTX-OS-PubA 4H-CTX-OS-PubSchSpHt T0C-1-CTX-OS-Cogen CNGT-CTX-OS-CNG B. CURRENT RCR RATE Effective Date RCR Rate Meters Read On &amp; After November 4, 2011 (11th RCR Filing-Dck #10029) \$0.00000 per Ccf All applicable fees and taxes will be added to the above rate. Meters Read On and After November 4, 2011 Supersedes Same Sheet Dated November 30, 2010</p>
T-GEN-ENV-CTX-O	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN-ENV GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All unincorporated areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of Lost Unaccounted for Gas (LUG) volume within the Service Area. The customer's share of LUG will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its Lost Unaccounted for Gas obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23559

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and</p>

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23559
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<b>CURRENT RATE COMPONENT</b>
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<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. CONDITIONS 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23559**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel. 7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After                      January 2, 2003

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76822	D	Mcf	\$.0000	01/02/2003	Y

**DESCRIPTION:**    \*\*CONFIDENTIAL\*\*

<b>Customer</b>	32167	**CONFIDENTIAL**
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**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23560

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 01/02/2003      **RECEIVED DATE:** 12/06/2011

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 11/30/2010

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:** 9174, 10029

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** RCR-ENV-Rider-CTX-OS dated 11/30/10 is superseded eff. 11/04/11. The 11th RCR filing rate is now zero to prevent over-collection of the approved amt.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32165	**CONFIDENTIAL**	Y	



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23560

**CURRENT RATE COMPONENT**

RATE COMP. ID	DESCRIPTION
T04Z-CTX-OS-PubA	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE T04Z Central Texas Service Area PUBLIC AUTHORITY TRANSPORTATION SERVICE RATE APPLICABILITY Applicable to all public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system. TERRITORY All unincorporated areas served by the Company in its Central Texas Service Area. COST OF SERVICE RATE During each monthly billing period: A customer charge per meter per month of \$10.00 plus - All Ccf per monthly billing period @ \$ 0.1448 per Ccf Plus: See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). SPECIAL PROVISIONS AND CONDITIONS See the Special Provisions and Conditions pursuant to Rate Schedule T-GEN-ENV (General Charges, Provisions and Conditions). Meters Read On and After January 2, 2003 Supersedes Same Sheet Dated January 25, 2001</p>
RCR-ENV-CTXOSRel	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-ENV RELOCATION COST RECOVERY A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the unincorporated areas of the Central Texas Service Area: 1D, 1E, 1Z, 2A, 2B, 2C, 2D, 2E, 2Z, 3A, 3B, 3C, 3Z, 4A, 4B, 4C, 4D, 4H, 4Z, CNG-1, C-1, T02A, T02B, T02C, T02Z, T03A, T03B, T03C, T03Z, T04A, T04B, T04C, T04H, T04Z, T0C-1, CNGT. B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPCR / NV CPCR = Relocation costs for the current recovery period. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. All applicable fees and taxes will be added to the RCR rates. D. BILLING The RCR rate, pursuant to Rate Schedule RCR-ENV-RIDER, shall be included as a separate adjustment (per Ccf rate) to the base bill for rate schedules: 1D, 1E, 1Z, 2A, 2B, 2C, 2D, 2E, 2Z, 3A, 3B, 3C, 3Z, 4A, 4B, 4C, 4D, 4H, 4Z, CNG-1, C-1, T02A, T02B, T02C, T02Z, T03A, T03B, T03C, T03Z, T04A, T04B, T04C, T04H, T04Z, T0C-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty-five days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections. Supersedes Same Rate Sheet Dated Meters Read On and After January 25, 2001 June 23, 2004</p>
RCR-ENV-RiderCTX-	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-ENV-RIDER RELOCATION COST RECOVERY RATE A. APPLICABILITY The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR-ENV, shall be limited to gas sales and standard transport volumes and apply to the following rate schedules for the unincorporated areas of the Central Texas Service Area: 1D-WLake-OS-Res 4Z-CTXnoWLak-OS-PubA 1E-CPark-OS-Res CNG-1-CTX-OS 1Z-Aus SunV-OS-Res C-1-CTX-IS-Cogen 2A-AusSunV-OS-SmCmAC C-1-CTX-OS-Cogen 2B-CTX-OS-LgCom T02A-CTX-OS-SmCom AC 2C-CTX-OS-LgCom AC T02B-CTX-OS-LgCom 2D-WLake-OS-Com T02C-CTX-OS-LgCom AC 2E-CPark-OS-Com T02Z-CTX-OS-Com 2Z-Aus SunV-OS-Com T03A-CTX-OS-SmInd AC 3A-CTX-OS-SmInd AC T03B-CTX-OS-LgInd 3B-CTX-OS-LgInd T03C-CTX-OS-LgInd AC 3C-CTX-OS-LgInd AC T03Z-CTX-OS-Ind 3Z-CTX-OS-Ind T04A-CTX-OS-SmPub AC 4A-CTX-OS-SmPub AC T04B-CTX-OS-LgPubA 4B-CTX-OS-LgPubA T04C-CTX-OS-LgPub AC 4C-CTX-OS-LgPubA AC T04H-CTX-OS-PSSpHt 4D-WLake-OS-PubA T04Z-CTX-OS-PubA 4H-CTX-OS-PubSchSpHt T0C-1-CTX-OS-Cogen CNGT-CTX-OS-CNG B. CURRENT RCR RATE Effective Date RCR Rate Meters Read On &amp; After November 4, 2011 (11th RCR Filing-Dck #10029) \$0.00000 per Ccf All applicable fees and taxes will be added to the above rate. Meters Read On and After November 4, 2011 Supersedes Same Sheet Dated November 30, 2010</p>
T-GEN-ENV-CTX-O	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN-ENV GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All unincorporated areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of Lost Unaccounted for Gas (LUG) volume within the Service Area. The customer's share of LUG will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its Lost Unaccounted for Gas obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23560

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23560

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>(iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. CONDITIONS 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23560**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel. 7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After                      January 2, 2003

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76822	D	Mcf	\$.0000	01/02/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	32165	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23561**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 08/20/2014                      **RECEIVED DATE:** 09/11/2014

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** ORD-RGV-IS(RC);Stlmt Agrt(COSA)

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Per 2014 annual COSA filing, volumetric rates increased eff. 8/20/14. New rates were approved via settlement agreement and meetings of City Councils.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32478	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23561

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GEN-RGV-IS-GTC	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Rio Grande Valley Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve-month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1 for the incorporated areas or Rate Schedule 1-ENV for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding December. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. For customers or qualified suppliers shipping excess gas off the distribution system, PIK shall in no event exceed 1%. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to TEX. REV. CIV. STAT. ANN art. 6060, as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: Additional charges may be made at the Company's sole discretion for compression, treating, or similar services if the customer or qualified supplier is shipping excess gas off the distribution system. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each agreement. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. Upon receipt of notification of change of supplier, the Company will verify notification of termination of current supplier, verify all documentation of qualification of new supplier is executed, and establish an effective date for the change. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23561

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded, plus (ii) any applicable franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from applicable franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within thirty (30) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1 for the incorporated areas or Rate Schedule 1-ENV for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the month for which the final COI was calculated, plus (ii) any applicable franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23561**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
COSA-RGV-IS-COSA	<p>customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel. Meters Read On and After September 1, 2009 (Incorporated only) Supersedes Rate Schedules Dated July 31, 2006 (Incorporated only)</p>
	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE COSA Rio Grande Valley Service Area</p>
	<p>COST OF SERVICE ADJUSTMENT CLAUSE</p>
	<p>A. APPLICABILITY</p>
	<p>This Cost of Service Adjustment Clause applies to all gas sales and standard transportation service rate schedules of Texas Gas Service Company (the Company) currently in force in the Company's Rio Grande Valley Service Area. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. This Rate Schedule is authorized for an implementation period of three (3) years commencing with the Company's filing under this rate schedule for the calendar year 2012, and shall automatically renew for successive single year periods unless either the Company or the regulatory authority having original jurisdiction gives written notice to the contrary to the other by February 1, 2015, or February 1 of each succeeding year after the three year implementation period. Both the cities and the Company retain their statutory right to initiate a rate proceeding at any time.</p>
	<p>B. EFFECTIVE DATE</p>
	<p>Rate adjustments shall be made in accordance with the procedures described below on an annual basis. The Company shall make its annual filing no later than May 1, with the rate adjustments to be effective with the first billing cycle of August 1st of each year. The first filing pursuant to this Rider shall be no later than May 1, 2013, and shall be based on the financial results for the calendar year ending December 31, 2012.</p>
	<p>C. COMPONENTS OF THE RATE ADJUSTMENT</p>
	<p>Calculation of the rate adjustment will be based on calendar year operating expenses, return on investment, and Federal Income Tax. The rate adjustment shall be included in the monthly Commodity Charge of the corresponding rate schedules. The actual percentage change in the Commodity Charge in any year shall not exceed five percent (5%), exclusive of those expenses identified in C.5. The Company shall file with each regulatory authority having original jurisdiction over the Company's rates the schedules specified below, by FERC Account, for the prior calendar year period. The schedules will be based upon the Company's audited financial data, as adjusted, and provided in a format that will allow for the same analysis as that undertaken of a Company Statement of Intent filing.</p>
	<p>C.1 Operating Expenses - Operating expenses will be determined by the ending balances for the applicable calendar year. The applicable expenses are: Depreciation and Amortization Expense (Account Nos. 403-407)* Taxes Other Than FIT (Account No. 408) ** Operation and Maintenance Expenses (Account Nos. 850-894, excluding any cost of gas related expenses) Customer Related Expenses (Account Nos. 901-916) Administrative &amp; General Expenses (Account Nos. 920-932) Interest on Customer Deposits (Account No. 431) * Based on the last approved depreciation methods and lives. ** Excluding City Franchise Fees, Gross Receipts, and any other revenue-based tax. All shared expenses allocated to RGV must be supported by workpapers containing the allocation, methodology and factors. This information will be presented with supporting calculations. The Company shall provide additional information for all operating expenses upon request by the regulatory authority during the ninety (90) day review period specified in Section</p>
	<p>D.</p>
	<p>C.2 Return on Investment - The return on investment is equal to the rate of return of 8.0845% multiplied by the rate base balance at the end of the applicable calendar year. The rate of return is composed of: Component Weighting Cost ROR Long-Term Debt 45.0000% 6.1100% 2.7495% Common Equity 55.0000% 9.7000% 5.3350% Total 100.0000% 8.0845% The rate base balance is composed of: Net Utility Plant in Service* Plus: ** Storage Gas Plus: ** Materials and Supplies Inventories Prepayments Cash Working</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23561**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Capital Less: Customer Deposits (Account No. 235) Customer Advances (Account No. 252) Deferred Federal Income Taxes * Net Utility Plant in Service as shown by FERC account. Gross utility plant in service and accumulated depreciation by account will be shown separately. ** These items will reflect the 13 month average materials and supplies inventories, storage gas inventories, and prepayments. Cash Working Capital shall be set to zero (\$0) absent a lead/lag study. Supporting information for all rate base items shall be provided to the regulatory authority during the ninety (90) day review period specified in Section D upon request by the regulatory authority.</p>
	<p>C.3 Federal Income Tax Applicable calendar year federal income taxes will be calculated as follows: Net Taxable Income (applicable calendar-year end rate base multiplied by rate of return included in Section C.2.) Less: Interest on Long Term Debt (debt cost component of return as included in Section C.2 multiplied by the most recent calendar year end rate base) Multiplied by: Tax Factor (.35/(1-.35)) or .53846</p>
	<p>C.4 Cost of Service Adjustment The amount to be collected through the Cost of Service Adjustment rate (Adjustment Amount) will be the sum of the amounts from Sections C.1, C.2, and C.3, less the calendar year normalized non-gas revenue (gas sales revenue excluding cost of gas revenue) and other revenue (i.e., transportation revenue and service charges). The difference shall be allocated among all customer classes in the same manner as approved in the most recent general rate case. For each customer class, the Adjustment Amount will be collected by adjusting the monthly Commodity Charges. This will be accomplished by dividing the Adjustment Amount by the normalized current year volumes* to determine a per ccf rate. This rate will be added to the Commodity Charge on the applicable rate schedule. *Normalized current year rate schedule T-2 volumes exclude volumes on which the Minimum Bill Charge is assessed.</p>
	<p>C.5 Cost of Service Adjustment Rate Any change in the Cost of Service Adjustment shall not exceed an amount equal to five percent (5%) of the Commodity Charge effective for service in the Rio Grande Valley Service Area at the end of the calendar year immediately preceding the year in which the Cost of Service Adjustment is made, net of Annual Capital Investment costs*, the costs for the Company to provide public notice, comply with Integrity Assessment and Management expenses**, and reimburse reasonable rate case expenses. Annual Capital Investment costs shall include expenses related to Accounts 403-408, as well as all investment in plant in service. ** Integrity Assessment and Management expenses shall include expenses related to the Railroad Commission of Texas Pipeline Integrity Assessment and Management plan rule, 16 Tex. Admin. Code Ann. Section 8.101, Risk Based Leak Survey Program 16 Tex. Admin. Code Ann. Section 8.206, Leak Grading and Repair 16 Tex. Admin. Code Ann. Section 8.207, Mandatory Removal and Replacement Program 16 Tex. Admin. Code Ann. Section 8.208, and 49 CFR Part 192 Subpart O Gas Transmission Pipeline Integrity Management.</p>
	<p>C.6 Attestation A sworn statement shall be filed by the Company's Accounting Director, affirming that the filed schedules are in compliance with the provisions of this tariff and are true and correct to the best of his/her knowledge, information, and belief. No testimony shall be filed.</p>
	<p>C.7 Proof of Revenues The Company shall also provide a schedule demonstrating the proof of revenues relied upon to calculate the proposed Cost of Service Adjustment rate. The proposed rates shall conform as closely as practicable to the revenue allocation principles in effect prior to the adjustment.</p>
	<p>C.8 Notice Notice of the annual Cost of Service Adjustment shall be published in a form similar to that required under Section 104.103, TEX. UTIL. CODE ANN. no later than forty-five (45) days after the Company makes its annual filing pursuant to this rate schedule with the regulatory authority. The notice to customers shall include the following information: a) a description of the proposed revision of rates and schedules; b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer class; c) the service area or areas in which the proposed rate adjustment would apply; d) the date the proposed rate adjustment was filed with the regulatory authority; and e) the Company's address, telephone number, and website where information concerning the proposed Cost of Service Adjustment may be obtained.</p>
	<p><b>D. REGULATORY REVIEW OF ANNUAL RATE ADJUSTMENT</b>                      The regulatory authority with original jurisdiction will have a period of not less than ninety (90) days within which to review the proposed Cost of Service Adjustment. During the review period, Company shall provide additional information and supporting documents as requested by the regulatory authority and such information shall be provided within ten (10) working days of the original request. The rate adjustment shall take effect with the first billing cycle of August of each year. This Cost of Service Adjustment Rate Schedule does not limit the legal rights and duties of the regulatory authority. The Company's annual rate adjustment will be made in accordance with all applicable laws. If at the end of the ninety (90) day review period, the Company and the regulatory authority with original jurisdiction have not reached agreement on the proposed Cost of Service Adjustment Rate, the regulatory authority may take action to deny such adjustment, and the Company shall have the right to appeal the regulatory authority's action. Upon the filing of any appeal the Company shall have the right to implement the proposed Cost of Service Adjustment Rate, subject to refund. The Company will reimburse Cities for all reasonable and necessary legal and consulting expenses incurred to review this Cost of Service Adjustment. Any reimbursement of such costs will be recoverable through the Company's annual Cost of Service Adjustment rate.</p>
	<p>Meters Read On and After August 1, 2012                      Supersedes Same Sheet Dated: September 1, 2009</p>
<p>ORD-RGV-IS</p>	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area RATE SCHEDULE ORD-RGV CITY ORDINANCE LISTING APPLICABILITY Applicable to all gas sales and standard transport customers. TERRITORY All customers in the incorporated areas of Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel,</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23561**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-2-RGV-IS-Firm	<p>Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas. DESCRIPTION Per the TGS Statement of Intent filed 03/27/09, the following cities approved the same Cost of Gas Clause, Cost of Service Adjustment Clause, Weather Normalization Clause, T-GEN and Cost of Service rates for both gas sales and standard transport customers. These rates were approved per the Settlement agreement dated August 14, 2009. City approvals are as follows: City Ordinance # Date Ordinance Passed Effective Date of Gas Sales and Standard Transport Rate Schedules Alamo 18-08-09 08/18/09 09/01/09 Alton 2009-04 08/25/09 09/01/09 Brownsville 2009-1510 09/01/09 09/01/09 Combes 2009-3 09/24/09 09/01/09 Donna 2009-09-79 09/17/09 09/01/09 Edcouch 2009-14 08/18/09 09/01/09 Edinburg 09-3378 08/18/09 09/01/09 Elsa 09-14 08/18/09 09/01/09 Harlingen 26 09/02/09 09/01/09 Hidalgo 2009-06 08/25/09 09/01/09 La Feria 2009-11 08/25/09 09/01/09 La Joya 2009-08 09/14/09 09/01/09 La Villa Operation of Law 08/31/09 09/01/09 Laguna Vista 2009-25 09/08/09 09/01/09 Los Fresnos 398 08/25/09 09/01/09 Lyford 09-08-24 08/24/09 09/01/09 McAllen 2009-49 08/24/09 09/01/09 Mercedes 2009-11 08/01/09 09/01/09 Mission 3472 08/24/09 09/01/09 Palm Valley 2009-6 09/28/09 09/01/09 Palmhurst 08-25-09 08/25/09 09/01/09 Palmview 2009-05 08/18/09 09/01/09 Penitas 2009-12 08/17/09 09/01/09 Pharr 0-2009-27 08/18/09 09/01/09 Port Isabel 676 08/25/09 09/01/09 Primera 2009-04 08/18/09 09/01/09 Progreso Operation of Law 08/31/09 09/01/09 Rancho Viejo 183 08/27/09 09/01/09 Raymondville 1137 08/25/09 09/01/09 Rio Hondo 370 08/25/09 09/01/09 San Benito 2440 08/25/09 09/01/09 San Juan 40072 08/25/09 09/01/09 Santa Rosa 2009-02 9/10/2009 09/01/09 Weslaco 2009-22 09/01/09 09/01/09 Meters Read On and After September 1, 2009 Supersedes Same Sheet Dated July 31, 2006</p> <p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area Rate Schedule T-2 TRANSPORTATION SERVICE RATE</p> <p>APPLICABILITY Service under this rate schedule is available to any customer of Texas Gas Service Company (Company) and to Qualified Suppliers or Producers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions) for the transportation of customer-owned natural gas through the Company's Rio Grande Valley distribution system for use by customers within the Company's Rio Grande Valley's Service Area or delivered to connecting pipelines. This rate schedule requires a one-year commitment for transportation service. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.</p> <p>TERRITORY All areas served by the Company in its Rio Grande Valley Service Area.</p> <p>RATE This rate shall be the sum of Part A, Part B, and Part C as described below. Part A: A customer charge of \$327.82 per meter per month.  Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the following Ccf charge: All Ccf @ \$0.05865 per Ccf  Part C: Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Minimum Monthly Bill of \$1,500 (from the sum of Part A and Part B)</p> <p>CONDITIONS See the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions)</p> <p>Meters Read On and After August 20, 2014 (Incorporated only) Supersedes Same Sheet Dated July 31, 2013 (Incorporated only)</p>

**RATE ADJUSTMENT PROVISIONS:**

See COSA-RGV-IS-COSAdj (RATE SCHEDULE COSA) Cost of Service Adjustment Clause

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76827	D	Mcf	\$ .0000	09/01/2009	Y
<b>DESCRIPTION: **CONFIDENTIAL**</b>					
Customer	32478	**CONFIDENTIAL**			

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23561**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23565**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 12/01/2010                      **RECEIVED DATE:** 02/11/2011

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** see ORD-CTX-IS

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New transportation delivery point.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32499	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23565

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
CT-T-30-IS-XAJ	<p>CT-T-30-IS-XAJ RATE COMPONENTS Monthly Cost of Service: \$0.25 per Mcf; effective December 1, 2011, and each December 1st thereafter during the term of this Agreement, Company shall have the right to adjust the cost of service charge with thirty (30) days advance notice to Shipper, not to exceed 5%. Monthly Meter Charge: \$1,500.00 Additional Charges: 1) a charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code; Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder. 2) a charge will be made each month to recover the cost of any applicable franchise fees paid to the cities. 3) in the event the company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the Central Texas Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.</p>
T-GTC-CTX-IS-Trans	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION ARTICLE 1 DEFINITIONS 1.1 Affiliate shall mean any person, entity, or business section, or division that directly or through one or more intermediaries' controls, is controlled by, or is under common control with the entity in question. 1.2 Agreement shall mean the agreement to which the General Terms and Conditions for Transportation apply. 1.3 Btu shall mean British thermal unit(s) and shall be computed on a temperature base of sixty degrees (60 degrees) Fahrenheit and a pressure base of fourteen and sixty-five hundredths (14.65) psia and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and MMBtu shall mean one million (1,000,000) Btu. 1.4 Commission shall mean the Railroad Commission of Texas. 1.5 Company shall mean Texas Gas Service, a division of ONEOK, Inc., when it is acting as Company on the Pipeline System. 1.6 Cumulative Tolerance Limit shall mean five percent (5%) of aggregate historical annual deliveries of a Qualified Supplier's pool of customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit to reflect changes to the pool of customers and other known changes to anticipated deliveries that the Company determines to be reasonably reliable and accurate. 1.7 Customer shall mean a consumer which subscribes to natural gas services provided by Texas Gas Service. 1.8 Dekatherm (Dth) shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis. 1.9 Day shall mean the 24-hour period commencing at 9:00 a.m. (central clock time) on one calendar day and ending at 9:00 a.m. (central clock time) the following calendar day. 1.10 Dry shall mean the heating value calculation being determined with no water vapor present. 1.11 Effective Date shall mean the date specified in the Agreement. 1.12 Gas or natural gas shall mean the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof. 1.13 Gas Transportation Order shall mean a completed Exhibit A relating to the applicable gas transportation service Agreement. 1.14 Gross Heating Value or Gross shall mean the amount of energy transferred as heat per mass or mole from the complete combustion of the gas with oxygen (from air), at a base temperature in which all water formed by the reaction condenses to liquid. 1.15 Mcf shall mean one thousand (1,000) cubic feet of Gas. 1.16 Month shall mean the period beginning at 9:00 a.m. central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month, except where references not involving Gas measurement volumes are involved, in which case the calendar month shall be deemed to be referred to. 1.17 Monthly Tolerance Limit shall mean ten percent (10%) of the aggregate deliveries for a Qualified Suppliers pool of customers for such month. 1.18 PDA shall mean a predetermined allocation method. 1.19 Pipeline System shall mean the current existing utility distribution facilities of Company located in the State of Texas. 1.20 Point of Delivery shall mean the point or points where Gas is delivered from the Pipeline System to or for the account of Customer and are shown on the applicable Gas Transportation Order. 1.21 Point Operator shall mean the person or entity that controls the Point of Receipt or Point of Delivery. 1.22 Point of Receipt shall mean the point or points where Company shall receive Gas into the Pipeline System from Customer, as described on the applicable Gas Transportation Order. 1.23 Psia shall mean pounds per square inch, absolute. 1.24 Psig shall mean pounds per square inch, gauge. 1.25 Qualified Supplier shall mean a supplier of natural gas for transportation to customers through the Company's pipeline system that meets the requirements of and has executed a Supplier Service Agreement. 1.26 Real shall mean the division of the ideal heating value by the compressibility of the gas. This creates an ideal Gross Heating Value per Real cubic foot. 1.27 Supplier Service Agreement shall mean a contract setting forth the requirements and terms upon which a supplier of natural gas may make deliveries of customer owned gas into the Company's pipeline system for delivery to one or more of the Company's customers receiving service under this tariff. 1.28 Tariff shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over Company or the services provided hereunder. 1.29 Week shall mean a period of seven (7) consecutive Days beginning at 9:00 a.m. central clock time on each Monday and ending at the same time on the next succeeding Monday. 1.30 Year shall mean a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29. ARTICLE 2 RESTRICTIONS AND RESERVATIONS 2.1 It is understood and agreed that Customer has only the right to transportation service in the Pipeline System and all equipment, including (but not in any way limited thereto) all pipe, valves, fittings, and meters comprising the Pipeline System and all other property and capacity rights and interests, shall at all times during the term of the Agreement remain the property of Company. Customer agrees not to cause or permit any liens or encumbrances to be filed with respect to the Pipeline System by reason of Customer's actions. Customer's Gas shall at all times remain the property of Customer, and Company shall have no right or property interest therein. 2.2 Company reserves the right in its sole discretion to remove, relocate, expand, or rebuild, without approval of Customer, any portion of the Pipeline System. Customer shall make no alterations, additions, or repairs to or on the Pipeline System, nor shall Customer bear any cost of any alterations, additions, repairs, maintenance or replacements made to or on said Pipeline System. 2.3 Customer agrees not to connect or cause the connection of any third party to the Pipeline System for any purpose without the express written approval and consent of Company to be granted in Company's sole discretion. Customer further agrees not to transport or cause to be transported any Gas for any third party. If either of these conditions is breached by Customer, Company shall have the right and option, notwithstanding any other provision of the Agreement or the General Terms and Conditions for Transportation, to terminate the Agreement including the Exhibits thereto immediately and without further obligation to Customer. 2.4 Company presently is transporting Gas to third parties on the Pipeline System and shall have the right in the future to transport additional Gas for such purposes and to transport Gas to additional third parties as it may desire, and Company shall have the right to make additional connections to the Pipeline System as may be required to serve presently existing and new customers, all of which is subject to the provisions of the Agreement. Company's transportation of Gas hereunder shall not obligate Company in any manner beyond the terms of the Agreement and the Exhibits attached thereto. 2.5 Company shall own any and all liquids which are recovered from the Pipeline System and may use, sell or transfer all</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23565

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>liquids without having to account in any manner, or pay any monies or other consideration to Customer. 2.6 The Company reserves the unilateral right from time to time to seek regulatory approval to make any changes to, or to supersede, the rates, charges and any terms stated in the tariffs, rate schedules, the agreements, and the General Terms and Conditions. ARTICLE 3 OPERATIONS 3.1 Customer shall deliver its Gas into the Pipeline System at the Points of Receipt described on the applicable Gas Transportation Order, as it now exists and as it may be amended. Customer shall have no right to require Gas to be received at any particular Point of Receipt and Company may delete such points or modify the capacity thereof from time to time and at any time in its sole discretion with no further obligation to Customer with respect to such Point of Receipt. All supplies of Gas delivered to the Pipeline System must comply with the terms and conditions of the Agreement and the exhibits attached thereto. In no event shall Company be required to expand, modify, construct, rearrange, or change the operations of the Pipeline System in order to receive Gas from or on behalf of Customer or in order to deliver Gas to Customer at any existing Points of Delivery. 3.2 Customer shall advise (in a method and format approved by Company in its sole discretion) Company with respect to each Day, Week and Month the name of each supplier with whom it has a contract (and the name of the individual with such supplier responsible for Customer's account), which source of supply is delivering to Company, how much Gas is nominated to be delivered to Company from each source of supply (i.e., each well, plant, or other desired Point of Receipt) and the anticipated deliveries at each Point of Delivery. Customer's nomination shall be in good faith, in balance between Points of Receipt and Points of Delivery, and shall be based on Customer's commercially reasonable best efforts to estimate usage for Hour, Day, Week, and Month. Customer will cause their Qualified Supplier to act as their agent in the nomination process. Qualified Supplier shall not intentionally nominate more or less Gas than is anticipated for consumption by Customer(s), except as may be needed for balancing purposes to the extent Company accepts such nomination. Qualified Supplier shall submit nominations to the Company's gas scheduling department in accordance with their currently effective nomination process which can be provided to the parties upon request. Customer and Qualified Supplier shall exercise commercially reasonable best efforts to deliver to the Pipeline System Dths of Gas that Company is to deliver from the Pipeline System to Customer during any particular Hour, Day, Week and Month, including but not limited to volumes needed for peak Day usage for Customer's facilities. 3.3 Before the start of the Gas Day, the Point Operator and Company shall establish a predetermined allocation (PDA) method to specify how Gas received or delivered by Company shall be allocated in accordance with confirmed nominations at such point. Only one PDA methodology shall be applied per allocation period. 3.4 Customer's Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery. To the extent that Customer's acts or omissions cause Company to incur, directly or indirectly, fees, charges, expenses, or penalties from a supplier or transporter for failure to satisfy such supplier's or transporter's balancing or nomination requirements, then Customer agrees to reimburse Company for such fees, charges, expenses, or penalties, and defend, indemnify, and hold Company harmless with respect thereto. Any fees, charges, expenses or penalties which were determined to be in error will be credited back to the Customer. 3.5 The Point of Receipt and Point of Delivery may be, or may later become points through which other quantities of Gas are being measured; therefore, the measurement of Gas under the Agreement may involve the allocation of Gas deliveries. In such event, each party hereto will furnish, or cause to be furnished, to the other all data required to accurately account for all Gas. 3.6 Except as may be set forth on a Gas Transportation Order, Company shall receive and deliver Gas hereunder as nearly as practicable at uniform hourly and daily rates of flow. It is recognized that it may be physically impracticable, because of measurement, Gas control limitations and other operating conditions, to stay in zero (0) imbalance each hour and each Day; therefore, the daily and hourly quantities received may, due to the aforementioned reasons, vary above or below the daily and hourly quantities delivered. If the quantities received and the quantities delivered hereunder should create an imbalance at the end of any hour, Day, Week, or Month, then Company and Customer shall adjust receipts and/or deliveries at any time to the end that the quantities received and delivered shall be kept as near to zero (0) imbalance as practicable. 3.7 Imbalances Customer must designate no more than one Qualified Supplier. The Qualified Supplier shall act on behalf of the Customer to procure gas supplies, deliver gas supplies to points of receipt designated in the Gas Transportation Order, and shall act as the Customer's agent with respect to nominations, operational notices required under the Gas Transportation Agreement or applicable tariffs and with respect to resolution of imbalances under this Rate Schedule. (A) The following cash out provisions shall be applied to the Qualified Supplier for its aggregate pool of Customers that are being provided service pursuant to a Rate Schedule or some other form of transportation service: 1) Qualified Supplier shall not deliver into the Pipeline System more Dths of Gas than Company delivers to the aggregate pool of Customers at the Points of Delivery during a Month. At the end of the Month in which an over-delivery occurred and exceeded the Monthly Tolerance Limit or the Cumulative Tolerance Limit, Qualified Supplier shall sell such excess Gas to Company at 95% of Inside FERC's FOM Houston Ship Channel index price. 2) If Company receives less Dths of Gas than are delivered to the aggregate pool of Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Month, then Qualified Supplier shall purchase such under-delivered volumes at 105% of Inside FERC's FOM Houston Ship Channel index price. The Company will provide monthly imbalance statements along with calculations of the cash out charges in accordance with the aforementioned cash out provisions to the Qualified Supplier each month. Payments for cash out charges will be due each month within 15 business days of the imbalance statement date. The Company may elect at its sole discretion to accrue the monthly cash out provisions each month and only require periodic settlement rather than monthly payments. The monthly transport payments shall not be abated with respect to a Month in which under-deliveries occurred except as provided in Article 9 and Article 10 hereof. 3.8 Customer and Company shall exercise their commercially reasonable best efforts to comply with all of the standards established by the North American Energy Standards Board, Inc. (NAESB), but in no event shall either party be required to comply with the NAESB standards if such compliance has a material adverse affect upon such party. 3.9 In the event Customer's source of gas supply is terminated by Customer's supplier due to non-payment or other reasons, or if customer is otherwise unable to continue as a transportation customer, Customer may, upon the giving of five (5) business days advance notice to Company, obtain service from Company under the general sales tariff applicable to Customer. Prior to commencing such service, Company may, in its sole discretion, require Customer to post a deposit or bond in accordance with the provisions of Article 5 hereof. ARTICLE 4 PRESSURE AND QUALITY OF GAS 4.1 Customer shall deliver (or cause to be delivered) the Gas to the Pipeline System at the Point of Receipt at a pressure sufficient to effect delivery into the Pipeline System at that point. If necessary, Customer shall provide additional compression to make such deliveries hereunder, and Company shall not have any cost or responsibility in that regard. 4.2 Subject to the provisions of Section 4.1 above, the Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery at pressures sufficient to effect deliveries to Customer's facilities, but not to exceed the maximum pressure that has existed for each Point of Delivery. 4.3 Gas delivered by and to Customer shall be commercially free of dust, gums, gum-forming constituents,</p>

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<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>gasoline, water, and any other substance that may become separated from the Gas during the handling hereof. All Gas received shall conform to the following additional specifications: (A) Contain not more than one-quarter (1/4) grain of hydrogen sulfide per 100 cubic feet, as determined by a method generally acceptable for use in the gas industry; (B) Contain not more than five (5) grains of total sulfur per 100 cubic feet; (C) Contain not more than two percent (2%) by volume of carbon dioxide; (D) Contain not more than four percent (4%) by volume of total inerts, including carbon dioxide and nitrogen; (E) Contain not more than two-tenths of one percent (.2%) by volume of oxygen; (F) Contain a gross heating value equivalent to at least 980 British Thermal Units per cubic foot and not to exceed 1080 British Thermal Units per cubic foot; (G) Have a temperature of not more than one hundred twenty degrees (120#) Fahrenheit and not less than forty degrees (40 #) Fahrenheit; (H) Contain no water or hydrocarbons in liquid form; (I) Contain not more than 7 pounds of water in vapor stage per 1,000 Mcf of gas; and (J) Be interchangeable with the Company's system Gas at the Point of Receipt or delivered to the nearest customer, city border station, or other pipeline interconnected with such receiving facility or downstream of the Point of Receipt. 4.4 The Company, at its option, may refuse to accept delivery of any gas not meeting the quality specifications set out above. Thereafter, Customer or Qualified Supplier shall have the right to conform or cause the gas to be conformed to the above specifications. If the Customer or Qualified Supplier does not elect to conform the gas to said specifications, then the Company at its sole option may accept or reject any such gas. 4.5 Notwithstanding anything to the contrary contained herein, the gas which the Company transports and delivers to the Customer shall be odorized by the Company. In the event Customer desires to remove the odorant, such removal shall be solely at Customer's risk and expense. ARTICLE 5 PAYMENT 5.1 Should Customer fail to pay or deliver any or all of the amount of the transportation payment and/or other fees due under any exhibit when such amount is due (which in no event shall be later than the last Day of the applicable Month), interest on the unpaid portion shall accrue at a rate (which in no event shall be higher than the maximum rate permitted by applicable law) equal to one and one-half percent (1 one-half%) per month from the due date until the date of payment. If such failure to pay continues for fifteen (15) Days after payment is due, Company, in addition to any other remedy it may have, may suspend further receipts and deliveries of Gas until such amount is paid; provided, however, that if Customer in good faith shall dispute in writing the amount of any such bill or part thereof and shall pay to Company such amounts as it concedes to be correct and, at any time thereafter within thirty (30) Days of the due date of such payment, shall furnish a good and sufficient surety bond in an amount and with surety satisfactory to Company, guaranteeing payment to Company of the amount ultimately found due upon such bills, including interest thereon, after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further receipts and withdrawals of Gas unless and until default be made in the conditions of such bond. As an alternative to posting a bond, Customer may pay the portion of any amount in dispute without waiving its rights to recoup any monies improperly billed. If the portion of any amount in dispute is ultimately determined to be incorrect, such amount shall be refunded by Company to Customer together with interest thereon at a rate (which in no event shall be higher than the maximum allowed by law) equal to one and one-half percent (One-half%) per Month for the period from the date of payment to Company to the date of refund by Company. 5.2 Customer agrees to pay any amounts due pursuant to the Agreement and the General Terms and Conditions for Transportation to Company within fifteen (15) Business Days after receipt of an invoice from Company. 5.3 Company reserves the right, prior to initiation of service, to require a cash deposit or bond in favor of Texas Gas Service in order to assure payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. In the event Customer's financial condition materially weakens or Customer fails to make timely payment in accordance with Article 5 after the execution of the Agreement, then upon written request from Company, Customer agrees to deposit cash with Texas Gas Service or secure a bond in favor of Texas Gas Service in order to assure the payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. Such deposit or bond shall be furnished to Texas Gas Service within fifteen (15) days after a request by Texas Gas Service is made for such deposit or bond and shall be made in a form and amount satisfactory to Texas Gas Service. If such deposit or bond is not furnished in a timely manner, or if a bond expires or is canceled prior to the end of the period specified below, or if the cash deposit or bond is not increased as specified below, then leasing of capacity and the rendering of all other services may be suspended by Texas Gas Service in its sole discretion until such deposit or bond is furnished, renewed or increased, as applicable. 5.4 Nothing in this Article 5 shall be deemed to supersede the respective rights and obligations of Company and Customer as provided by Texas statutes, rules, and/or regulation, as such statutes, rules, or regulations may be amended from time to time, with respect to adjustments to the amounts owed by Customer as a result of errors in Customer's meter or errors in reading Customer's meter. Customer shall be responsible for payment of the amounts owed Company for transportation service and gas supply provided to Customer during the applicable period for which it has been determined that Customer's meter was in error to the favor of Customer. ARTICLE 6 STATEMENTS AND RECORDS 6.1 On or about fifteen (15) days after the Company receives necessary volumetric information from other parties for each calendar month after commencement of Gas receipts and deliveries hereunder, Company shall render to the Qualified Supplier a statement for the preceding Month showing the total Dths of Gas received and delivered and each Point of Receipt and Point of Delivery. If information necessary for statement purposes is in the possession of Customer, Customer shall furnish such information to Company on or before the sixth (6th) Day of the Month in which the statement requiring such data is to be rendered. 6.2 Both parties hereto shall have the right at any and all reasonable times within twenty four (24) months from the time period in question, to examine the books and records of the other to the extent necessary to verify the accuracy of any statement, computation, or demand made hereunder. 6.3 Customer agrees to supply to Company, at Company's request at any time and from time to time, a sample of the liquids removed from the gas stream of the facilities which deliver gas to Company which sample is to be taken from a point upstream from the Point of Receipt. Said sample shall not contain any toxic, hazardous, or deleterious materials or any materials which Company, in its sole discretion, deems in any way harmful to its facilities, personnel or the environment, including, but not limited to, polychlorinated byphenyls (PCBs), and substances or materials considered hazardous or other similar terms, or requiring investigation, remediation or removal under any federal, state or local statute, regulation, rule or ordinance or any amendments thereof whether now in effect or as may be in effect in the future. If such samples contain any such materials or substances, Company shall have the right, in its sole discretion and in addition to other remedies available to it, to immediately cease receipt of Gas through the Point of Receipt until such time as all such materials or substances are eliminated from the Gas such that Company, in its sole discretion, elects to again receive such Gas through the Point of Receipt. Should Customer fail or refuse to eliminate all such materials or substances within a reasonable time, Company shall have the right, upon written notice, to terminate this Agreement. Customer hereby expressly agrees to indemnify and hold Company and Company's affiliates harmless from and against any and all liabilities, losses, claims, damages, actions, costs, fines, and expenses of whatever nature, including, but not</p>

GAS SERVICES DIVISION

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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23565
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-CTX-IS-Trans	<p>limited to, court costs, and attorney's fees arising out of or in any manner relating to the presence of PCBs and/or any other toxic, hazardous, deleterious, harmful, or unsafe materials as described above in Gas delivered by or on behalf of Customer into Company's system. ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT The measurement and tests for quality of Gas delivered and delivered by Customer hereunder shall be governed as follows: 7.1 The quantities of Gas received and delivered shall be measured by means of meters of standard type which conform to the American Gas Association Measurement Committee Reports and other industry standards as to construction and installation. 7.2 The unit of volume for purposes of measurement shall be one (1) cubic foot of Gas at a temperature base of sixty degrees (60 degrees) Fahrenheit and at a pressure base of fourteen and seventy-three hundredths (14.65) pounds per square inch absolute. Customer agrees that the Btu content per Mcf of the gas volumes delivered by the Company at the Point of Delivery shall be assumed to be equal to the Btu content per Mcf of the gas volumes delivered by Customer at the Point of Receipt, when corrected for differences in pressure base. 7.3 The temperature shall be adjusted to standard conditions by a compensation device included with the meter or such other method as the Company shall deem appropriate. Corrections shall be made in accordance with industry practice. 7.4 Specific gravity shall be determined with accuracy to the nearest one thousandth (.001) by use of an instrument that conforms to industry standards. 7.5 Whenever the conditions of pressure and temperature differ from the standards, conversion of the volumes from these conditions to the standard conditions shall be in accordance with the Ideal Gas Laws corrected for deviation from Boyle's Law, all to be in accordance with methods and tables set out in the American Gas Association Measurement Committee Reports, or by other accepted methods that may be used from time to time. 7.6 The gross heating value of the Gas shall be determined by means of a sampling method of general use in the Gas industry. The location of the sampling equipment shall be determined by Company in its sole discretion but shall be at a location where a representative sample of the Gas to which it applies may be taken. 7.7 Tests to determine total sulfur, hydrogen sulfide, oxygen, carbon dioxide, total inerts, and water vapor shall be made by approved standards methods in general use by the Gas industry. Such tests shall be made at the request of either party hereto. If a test is performed at Customer's request and shows that the quality specifications as set forth in Section 4.3 hereof have been satisfied, Customer shall pay all costs and expenses of Company related to such test. 7.8 Except as may be otherwise provided, all measuring and testing equipment, housing devices, and materials shall be standard manufacture and type and shall, with all related equipment, appliances, and buildings, be owned, installed, maintained and operated or caused to be installed, maintained and operated by Company at the Points of Receipt and Points of Delivery. Customer may install and operate check measuring and testing equipment, which equipment and the operation thereof shall not interfere with the operation of Company's equipment.</p> <p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GTC ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT (Continued) 7.9 The accuracy of the measuring and testing equipment shall be verified according to Company's standard for the device being used and at other reasonable times upon request of Customer or Company. Gas quality tests may be made at times of equipment testing or at other reasonable times. Unless a test is requested by Customer, notice of the time and nature of each test shall not be given by Company. If a test is requested by a Customer, then Company shall give Customer notice sufficiently in advance to permit Customer to have a representative present. Representatives of both Customer and Company may be present to observe such tests. The results of any such tests shall be considered accurate until the next tests are made. All tests of measuring equipment shall be made at Company's expense, except that Customer shall bear the expense of tests made at its request if the inaccuracy found is two percent (2%) or less. 7.10 If, at any time, any of the measuring or testing equipment is found to be out of service, or registering inaccurately of any percentage, it shall be adjusted at once to read accurately within the limits prescribed by the manufacturer. If such equipment is out of service or inaccurate by an amount exceeding two percent (2%) at a reading corresponding to the average rate of flow for the period since the last preceding test, the previous reading of such equipment shall be disregarded for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of time equal to one-half of the elapsed time since the last test. The volume of Gas delivered during such period shall be estimated (i) by using the data recorded by any check measuring equipment if installed and accurately registering, or if not installed or registering accurately, (ii) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither such method is feasible, (iii) by estimating the quantity or quality delivered based upon deliveries under similar conditions during a period when the equipment was registering accurately. No adjustment shall be made for recorded inaccuracies of two percent (2%) or less. 7.11 The parties hereto shall have the right to inspect equipment installed or furnished by the other or third-party operators and the charts and other measurement or testing data of all such parties at all times during business hours; but the reading, calibration, and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing the same. The parties hereto shall preserve all original test data, charts, and other similar records in such party's possession for a period of at least twenty-four (24) months. Measurement data corrections should be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. 7.12 At every Point of Receipt and every Point of Delivery, the party having control over such facility shall allow the other party immediate access to the receipt and delivery information as it is generated by the party having such control. With respect to all Points of Receipt and Points of Delivery that have electronic flow measurement, both parties shall have remote telephone and electronic access to the receipt and delivery information generated at such Point of Receipt and Point of Delivery. ARTICLE 8 TITLE TO AND RESPONSIBILITY FOR GAS 8.1 Customer and Company, respectively, warrant title to all Gas delivered by it into or from the Pipeline System hereunder, and each of Customer and Company, respectively, warrant and represent each has the right to deliver the Gas hereunder, and that such Gas is free from liens and adverse claims of every kind. Customer agrees to indemnify and save Company harmless from and against all loss, damage, claims, and expense of every character with respect to Gas delivered by it on account of royalties, taxes, payments, liens, or other charges or claims arising (i) before or created upon delivery of said Gas into the Pipeline System, and (ii) upon and after delivery of said Gas from the Pipeline System to Customer. 8.2 Subject to compliance with the provisions of Section 8.1 above, Company warrants that title to all Gas delivered hereunder by Customer is free from liens and adverse claims of every kind. Company agrees to indemnify and save Customer harmless from and against all loss, damage, claims, and expense of every character with respect to Gas to be delivered at the Point of Delivery on account of royalties, taxes, payments, liens, or other charges or claims arising after delivery of Gas to and before withdrawal thereof from the Pipeline System by Customer. 8.3 As between the parties hereto, Customer or its supplier shall be deemed to be in the exclusive control and possession of the Gas until such Gas has been delivered to Company at the Point of Receipt, and after its withdrawal by Customer at the Point of Delivery. After Customer's or Customer's suppliers' delivery of such Gas at the Point of Receipt, Company shall thereafter</p>



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GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23565
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>be deemed to be in the exclusive control and possession of such Gas until its withdrawal by Customer at the Point of Delivery. The party which shall be in the exclusive control and possession of such Gas shall be responsible for all in injury or damage caused thereby and shall be responsible for any loss of Gas while in its possession, except with regard to injury, damage or loss caused by or arising out of the negligence of the nonpossessory party. 8.4 The Pipeline System shall at all times remain the property of Company, and Customer shall have no right or property interest therein but only the right for the transportation of Gas. ARTICLE 9 FORCE MAJEURE AND CASUALTY 9.1 If either Company or Customer is rendered unable, wholly or in part, by reason of force majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended. Any force majeure event (other than labor disputes, strikes, or lockouts) shall be remedied so far as possible with reasonable dispatch. Settlement of strikes, lockouts, and labor disputes shall be wholly within the discretion of the party having the difficulty. The term force majeure shall include, but is not limited to, the following: acts of God and the public enemy; the elements; fire, accidents, breakdowns, strikes; any industrial, civil, or public disturbance; inability to obtain or delay in obtaining rights-of-way, material, supplies, permits, or labor; any act or omission by parties not subject to control by the party hereunder having the difficulty; and any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military. If pursuant to the foregoing Company curtails or temporarily discontinues the receipt or delivery of Gas hereunder, Customer agrees to hold Company harmless from any loss, claim, damage, or expense that Customer may incur by reason of such curtailment or discontinuance. 9.2 If a portion of the Pipeline System required to make the transportation service available is partially damaged by fire or other casualty, the damage may be repaired by Company, at its option and in its sole discretion, as speedily as practicable, due allowance being made for the time taken for the settlement of insurance claims. Until such repairs are made, the payments shall be apportioned in proportion to the portion of the capacity of the Pipeline System which is still available for the purposes hereof, such determination to be made in the sole discretion of Company. If the damage is so extensive as to render the Pipeline System wholly unusable, in Company's sole opinion, the payments, if any, shall cease until such time as the Pipeline System is again useable. In case the damage shall, in Company's sole opinion, amount substantially to a destruction of the portion of the Pipeline System available for the transportation of Gas and Company shall elect not to repair the damage, then the Agreement shall terminate at the time of such damage, and Company shall not be liable to Customer for any liability, damage, or claim which arises out of any failure to make repairs. ARTICLE 10 GOVERNMENTAL RULES, REGULATIONS, AND AUTHORIZATIONS; INTERPRETATION OF AGREEMENT 10.1 The Agreement is subject to all valid orders, laws, rules, and regulations of duly constituted municipal, State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or Gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies. 10.2 The Agreement shall be interpreted under the laws of the State of Texas, excluding any law thereof directing the application of the laws of another jurisdiction. ARTICLE 11 MISCELLANEOUS 11.1 Any modification of terms, or amendment of any provisions hereof, shall become effective only by supplemental written agreement between the parties. 11.2 (A) Any of the following events or conditions shall constitute a default of Customer under the Agreement: (1) Default in the delivery of any payment or any sums hereunder for a period of sixty (60) Days after the same becomes due; (2) Any other breach of the material terms and conditions of the Agreement and the failure of Customer to cure such breach within thirty (30) Days after written demand by Company or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Customer shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured; (3) Customer shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Customer; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Customer (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; or (5) If any certificate, statement, representation, or warranty furnished by Customer proves to be false or incomplete in any material respect. (B) Upon the happening of any event of default as set forth in subparagraph 11.2(A) above, Company shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Customer the sum of all transportation payments and all other amounts due and owing under the Agreement plus the sum of all transportation payments and other amounts to become payable during the balance of the term of the Agreement; (2) Retake possession of the entire capacity of the Pipeline System without any court order or other process of law and without any rights of Company being thereupon terminated; (3) Terminate the Agreement and the Exhibits; (4) Pursue any other remedy at law or in equity. (C) Any of the following events or conditions shall constitute an Event of Default with respect to Company under the Agreement: (1) Default in the crediting of any sums due to Customer or in the payment of any other sums due to Customer under the Agreement for a period of ninety (90) Days after the same is established by Company to have become due; (2) Company's breach of any material term or condition of the Agreement and the failure of Company to cure such breach within thirty (30) Days after written demand by Customer or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Company shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured. (3) Company shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Company; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Company, (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially</p>

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

RRC COID: 6310

COMPANY NAME: TEXAS GAS SERVICE COMPANY

TARIFF CODE: DT

RRC TARIFF NO: 23565

## CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; (D) Upon the happening of any event of default as set forth in subparagraph 11.2(C) above, Customer shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Company the sum of all outstanding credits and other amounts due and owing under the Agreement; (2) Terminate the Agreement and the Exhibits; (3) Pursue any other remedy at law or in equity. (E) The rights granted to Company and Customer hereunder shall be cumulative as to each and action on one shall not be deemed to constitute an election or waiver of any other right to which Company or Customer may be entitled. (F) Upon the termination of the Agreement, whether by lapse or time or otherwise, Customer will surrender any and all rights in the Pipeline System immediately. 11.3 Company shall not be liable for damages resulting from interruption of service, when such interruption is necessary to make repairs, changes, or adjustments in Company's equipment and facilities. 11.4 No waiver by Company or Customer of any default or the other under the Agreement shall operate as a waiver of any future default, whether of a like or different character. 11.5 The Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. In the event Customer sells, leases or otherwise transfers its distribution system to a third party, whether voluntarily or involuntarily, then Customer agrees, as a part of such sale, lease or transfer, to assign to such third party and to require such third party to accept the assignment of the Agreement and the Exhibits included therein, subject to the provisions of the following sentence. Neither the Agreement nor the Exhibits attached thereto nor the rights and obligations of Customer hereunder may be assigned without the consent of Company, which consent shall not be unreasonably withheld. 11.6 Customer will not mortgage, create a security interest in, or encumber the Agreement, or sublet the rights granted hereby, or permit its use by others, or pledge, loan, sublet, create a security interest in, or in any other manner attempt to dispose of such rights, or permit its use by others, or suffer any liens or legal process to be incurred or levied thereon; provided, however, that Customer may grant a security interest or similar encumbrance in connection with any existing financing arrangement associated with Customer's facility. 11.7 Except as provided below, Customer shall pay all fees, taxes, charges, and assessments imposed by or on behalf of any governmental entity in connection with the Agreement or in connection with the purchase, transportation, and disposition of Gas by or on behalf of Customer pursuant to the Agreement including but not limited to municipal and/or supplemental fees, franchise fees and any supplements thereto and taxes; provided that Company shall pay all ad valorem taxes and assessments levied on the Pipeline System and all appurtenant facilities. Company shall file all returns required for the Pipeline System and all appurtenant facilities. Customer will furnish Company with any information available to Customer in connection with Company's obligations under this section. 11.8 Company and Customer agree to exercise and take reasonable steps necessary to safeguard and cause their officers, directors, employees, agents, advisers, and representatives to safeguard the confidentiality of the Agreement and the terms and conditions thereof (as contrasted with the existence and effectiveness of the Agreement which are not confidential) and not to disclose any part of it or any information derived there from or any negotiations relating thereto to any party or person except that limited number of people within Company's and Customer's organizations, and their advisers, lenders and potential investors, as may need to know the terms and conditions hereof in order to evaluate, understand, execute and perform the Agreement. Company and Customer agree not to copy or permit the copying of the Agreement, except as may be necessary for their operations. In the event Customer or Company or any of their officers, directors, employees, agents, or representatives, is requested or required (by oral or written question or request for information or documents in legal proceedings, interrogatories, subpoena, Civil Investigative Demand or similar process) to disclose any information concerning the Agreement or the terms and conditions thereof or any negotiations relating thereto, it is agreed that the party receiving such question or request will provide the other parties with prompt notice thereof so that such other parties may seek a protective order or other appropriate relief or a release from the other parties. It is further agreed that if, in the absence of a protective order or receipt of a release, the other party is compelled to disclose such information or else stand liable for contempt or suffer other censure or penalty or adverse effect, then such party may disclose such information. The parties hereto are further authorized to make disclosure of the Agreement as may be required by Federal, state, or local regulation or agency or as may be required by auditors or accountants in connection with the preparation of financial statements or tax returns. Disclosure hereunder shall not constitute a basis for defense, termination, or modification of the Agreement. ARTICLE 12 DISPUTE RESOLUTION 12.1 Any dispute arising out of or relating to this Agreement for which a claim or demand is asserted that is equal to or exceeds a value of \$25,000 shall be resolved in accordance with the procedures specified in this Article 12, which shall be the sole and exclusive procedures for the resolution of any such disputes. The cost of conducting the dispute resolution process, including the fees and expenses of any arbitrators, shall be shared equally by the parties, and each party shall bear its own costs, including any attorneys' fees or other expenses incurred in the process. Each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances. 12.2 Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between management level personnel who have authority to settle the controversy. Any person may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. Within thirty (30) days after delivery of the initial notice, the designated managing personnel of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. 12.3 Arbitration. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation as provided above within sixty (60) days after initiation of negotiations shall be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect by (i) a sole arbitrator agreed upon by the parties if the dispute is between \$25,000 and \$250,000, or (ii) three independent and impartial arbitrators, of whom each party shall designate one, if the dispute is in excess of \$250,000. All arbitrators shall be knowledgeable in the natural gas industry. The arbitrator(s) shall have no authority to award consequential, punitive or exemplary damages. Provided, however, if one party fails to participate in the negotiation as agreed herein, the other party can commence arbitration prior to the expiration of the time periods set forth. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. Unless otherwise agreed, the place of arbitration shall be Austin, Texas. Initial Rate Schedule Meters Read On and After June 30, 2009 (Other Cities) July 17, 2009 (City of Cedar Park)

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23565

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76856	D	Mcf	\$.0000	12/01/2010	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	32499	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.  
 NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23567**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 08/24/2001                      **RECEIVED DATE:** 09/06/2013

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 06/28/2012

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New volumetric rate on 20-Galv-IS-Com eff 6/28/12 per COSA filing appvd via op-law.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32485	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23567
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
20-Galv-IS-Com	<p>TEXAS GAS SERVICE COMPANY Galveston Service Area - Gulf Coast Region RATE SCHEDULE 20                      COMMERCIAL SERVICE RATE APPLICABILITY Service under this rate schedule is available to any customer whose primary business activity at the location served is not provided for under any other rate schedule. TERRITORY All customers in the incorporated area of Galveston, Texas. COST OF SERVICE RATE During each monthly billing period: A Customer Charge of \$15.00 plus - All Ccf per monthly billing @ \$ 0.3719 per Ccf Other Applicable Schedules: In addition to the Cost of Service set forth above, each customer's bill shall include: 1. The Cost of Gas for the billing month as determined in accordance with Rate Schedule 1-INC. 2. Adjustments in accordance with provisions of the Weather Normalization Clause, Rate Schedule WNC. 3. Adjustments in accordance with provisions of the Hurricane Ike Surcharge Rider, Rate Schedule IKE-RIDER. CURTAILABILITY Service under this rate schedule may be curtailed to protect service to residential customers in accordance with the Company's rules. Commercial customers using more than 15,000 Ccf in any month may be curtailed first in this class. OTHER CONDITIONS 1. Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority. 2. The rate schedule may be used for special unmetered service such as gas street lights. The total hourly rated consumption of all gas burning appliances included, expressed in Ccf, at the location, shall be multiplied by 731 to determine the average monthly consumption of the service. The result, rounded to the next highest Ccf shall then be billed the rates provided in this rate. Meters Read On and After June 28, 2012 Supersedes Same Rate Sheet Dated June 28, 2011</p>
T1-GalvSvcA-IS-Tran	<p>TEXAS GAS SERVICE COMPANY Galveston Service Area RATE SCHEDULE T-1 TRANSPORTATION SERVICE                      RATEAPPLICABILITYService under this rate schedule is available to any customer for the transportation of customer owned natural gas through the Company's Galveston distribution system for use by customers within all incorporated areas in the Company's Galveston Service Area.TERRITORYAll incorporated areas served by the Company in its Galveston Service Area.RATE This rate shall be the sum of Part A, Part B, Part C, Part D and Part E as described below.Part A: A customer charge of \$100.00 per meter per month.Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the Ccf charge specified in the Company's Rate Schedule currently in effect for such month under which natural gas service would otherwise be available to such customer.Part C: A charge will be made each month to recover the cost of lost and unaccounted for gas associated with the volumes of natural gas transported for the customer. This charge will be calculated by multiplying the volume delivered to the customer by the purchase/sales ratio minus one for the Company's Galveston Service Area as calculated for the twelve-month period ended in the previous June based on actual purchase and actual sales as reported to the regulatory bodies. The resultant calculated lost and unaccounted for volume will then be multiplied by the Company's cost of purchased gas for the Galveston Service Area applicable to the billing period for which service is rendered, plus related fees and taxes, to calculate an amount to be billed to the customer each month. The lost and unaccounted for factor as determined above shall in no event exceed .0526 i.e. [1/1 - .05]-1 and must fall within the range of zero (0) to 5.26%.Part D: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT. as such may be amended from time-to-time which are attributable to the transportation service performed hereunder. Part E: A charge will be made each month to recover the cost of any applicable franchise fees.CONDITIONS1. Subject in all respects to applicable laws, rules and regulations from time-to-time in effect. 2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto. 4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Supersedes Same Sheet Dated Meters Read On and After June 19, 1986 August 24, 2001</p>

<b>RATE ADJUSTMENT PROVISIONS:</b>
None

<b>DELIVERY POINTS</b>					
<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76824	D	Mcf	\$ .0000	02/15/2008	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	32485	**CONFIDENTIAL**			

<b>TYPE SERVICE PROVIDED</b>		
<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23568

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 08/24/2001      **RECEIVED DATE:** 09/06/2013

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:** 06/28/2012

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New volumetric rate on 30-Galv-IS-Ind eff 6/28/12 per COSA filing appvd via op-law.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32485	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
30-Galv-IS-Ind	<p>TEXAS GAS SERVICE COMPANY Galveston Service Area - Gulf Coast Region      RATE SCHEDULE 30    INDUSTRIAL SERVICE RATE    APPLICABILITY Service under this rate schedule is available to any customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Manual of the U.S. Government: Division B - Mining, All Major Groups    Division D - Manufacturing, All Major Groups    TERRITORY All customers in the incorporated area of Galveston, Texas.    COST OF SERVICE RATE During each monthly billing period: A Customer Charge of \$50.00 plus - All Ccf per monthly billing @ \$ 0.3727 per Ccf    Other Applicable Schedules: In addition to the Cost of Service set forth above, each customer's bill shall include: 1. The Cost of Gas for the billing month as determined in accordance with Rate Schedule 1-INC. 2. Adjustments in accordance with provisions of the Hurricane Ike Surcharge Rider, Rate Schedule IKE-RIDER.    CURTAILABILITY Service under this rate schedule may be curtailed to protect service to residential and commercial customers in accordance with the Company's rules. Industrial customers using gas for firing boilers and for other uses of more than 15,000 Ccf in any month may be curtailed first in this class.    OTHER CONDITIONS 1. Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.    Meters Read On and After June 28, 2012    Supersedes Same Rate Sheet Dated June 28, 2011</p>
T1-GalvSvcA-IS-Tran	<p>TEXAS GAS SERVICE COMPANY Galveston Service Area    RATE SCHEDULE T-1    TRANSPORTATION SERVICE    RATEAPPLICABILITYService under this rate schedule is available to any customer for the transportation of customer owned natural gas through the Company's Galveston distribution system for use by customers within all incorporated areas in the Company's Galveston Service Area.TERRITORYAll incorporated areas served by the Company in its Galveston Service Area.RATE This rate shall be the sum of Part A, Part B, Part C, Part D and Part E as described below.Part A: A customer charge of \$100.00 per meter per month.Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the Ccf charge specified in the Company's Rate Schedule currently in effect for such month under which natural gas service would otherwise be available to such customer.Part C: A charge will be made each month to recover the cost of lost and unaccounted for gas associated with the volumes of natural gas transported for the customer. This charge will be calculated by multiplying the volume delivered to the customer by the purchase/sales ratio minus one for the Company's Galveston Service Area as calculated for the twelve-month period ended in the previous June based on actual purchase and actual sales as reported to the regulatory bodies. The resultant calculated lost and unaccounted for volume will then be multiplied by the Company's cost of purchased gas for the Galveston Service Area applicable to the billing period for which service is rendered, plus related fees and taxes, to calculate an amount to be billed to the customer each month. The lost and unaccounted for factor as determined above shall in no event exceed .0526 i.e. [1/1 - .05]-1 and must fall within the range of zero (0) to 5.26%.Part D: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT. as such may be amended from time-to-time which are attributable to the transportation service performed hereunder. Part E: A charge will be made each month to recover the cost of any applicable franchise fees.CONDITIONS1. Subject in all respects to applicable laws, rules and regulations from time-to-time in effect. 2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto. 4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.    Supersedes Same Sheet Dated Meters Read On and After June 19, 1986 August 24, 2001</p>

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23568**

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76824	D	Mcf	\$.0000	06/28/2010	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	32485	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23571**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 04/30/2008                      **RECEIVED DATE:** 02/18/2011

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:** 9174

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Firm gas transportation service on Rate Schedule TO2Z for the Unincorporated areas of Kyle/Buda Service Area.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32486	**CONFIDENTIAL**	Y	



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23571

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GEN-KyBud-OS-G	<p>TEXAS GAS SERVICE COMPANY Kyle/Buda Service Area - Central Texas Region RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Kyle/Buda Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LUG) gas volume within the Service Area. The customer's share of LUG gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LUG factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LUG gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23571
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23571

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T02Z-KyBud-OS-Com	<p>regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.</p> <p>CONDITIONS 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.</p> <p>Initial Rate Meters Read On and After                      April 30, 2008 (Unincorporated Areas)</p> <p>TEXAS GAS SERVICE COMPANY                      Kyle/Buda Service Area - Central Texas Region                      RATE SCHEDULE T02Z                      COMMERCIAL TRANSPORTATION SERVICE RATE</p> <p><b>APPLICABILITY</b>                      Applicable to commercial customers and to consumers not otherwise specifically provided for under any other rate schedule, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions). Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.</p> <p><b>TERRITORY</b> All unincorporated areas served by the Company in its Kyle/Buda Service Area.</p> <p><b>COST OF SERVICE RATE</b>                      During each monthly billing period:                      A customer charge per meter per month of \$75.00 plus -                      All Ccf per monthly billing period @ \$ 0.14545 per Ccf</p> <p>Plus: See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).</p> <p><b>SPECIAL PROVISIONS AND CONDITIONS</b> See the Special Provisions and Conditions pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).</p> <p>Initial Rate                      Meters Read On and After                      April 30, 2008</p>

**RATE ADJUSTMENT PROVISIONS:**  
 None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76825	D	Mcf	\$ .0000	02/15/2008	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	32486	**CONFIDENTIAL**			

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23571**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23608**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 04/01/2013                      **RECEIVED DATE:** 03/26/2014

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 04/01/2013

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** See:ORD-SJC-IS

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Rate Case Expense Rider is withdrawn eff. 2/26/2014, the approved RCE amount has been fully collected.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32488	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23608**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
ORD-SJC-IS	<p>TEXAS GAS SERVICE COMPANY                      South Jefferson County Service Area - Gulf Coast Region                      RATE SCHEDULE ORD-SJC                      CITY ORDINANCE LISTING</p>
	<p><b>APPLICABILITY</b>                      Applicable to all gas sales and transportation customers.</p>
	<p><b>TERRITORY</b>                      Incorporated areas served in Jefferson County, Texas including Port Arthur, Nederland, Groves and Port Neches, Texas.</p>
	<p><b>DESCRIPTION</b>                      Per our rate case filed 11/20/2012, the cities approved changes to Rate Schedules 1-1-INC, 10, 20 and 40 for Gas Sales Customers and Rate Schedule T-4 and T-GTC for Transportation Customers.                      In addition, the cities approved a new Interim Rate Adjustment (IRA). City approvals are as follows:                      City Ordinance # Date Ordinance Passed Effective Date of Gas Sales Rate Schedules Effective Date of Transport Rate Schedules Port Arthur 13-15 03/19/2013 04/01/2013 04/01/2013 Port Neches 2013-04 03/21/2013 04/01/2013 04/01/2013 Nederland 2013-04 03/25/2013 04/01/2013 04/01/2013 Groves 2013-05 03/11/2013 04/01/2013 04/01/2013 Meters Read On or After April 1, 2013 Supersedes Same Rate Schedule dated October 30, 2007</p>
T-GTC-SJC-IS-Trans	<p>TEXAS GAS SERVICE COMPANY South Jefferson County Service Area                      RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION    ARTICLE 1 DEFINITIONS 1.1 Affiliate shall mean any person, entity, or business section, or division that directly or through one or more intermediaries' controls, is controlled by, or is under common control with the entity in question. 1.2 Agreement shall mean the agreement to which the General Terms and Conditions for Transportation apply. 1.3 Btu shall mean British thermal unit(s) and shall be computed on a temperature base of sixty degrees (60 degrees) Fahrenheit and a pressure base of fourteen and sixty-five hundredths (14.65) psia and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and MMBtu shall mean one million (1,000,000) Btu. 1.4 Commission shall mean the Railroad Commission of Texas. 1.5 Company shall mean Texas Gas Service when it is acting as Company on the Pipeline System. 1.6 Cumulative Tolerance Limit shall mean five percent (5%) of aggregate historical annual deliveries of a Qualified Supplier's pool of customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit to reflect changes to the pool of customers and other known changes to anticipated deliveries that the Company determines to be reasonably reliable and accurate. 1.7 Customer shall mean a consumer which subscribes to natural gas services provided by Texas Gas Service. 1.8 Dekatherm (Dth) shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis. 1.9 Day shall mean the 24-hour period commencing at 9:00 a.m. (central clock time) on one calendar day and ending at 9:00 a.m. (central clock time) the following calendar day. 1.10 Dry shall mean the heating value calculation being determined with no water vapor present. 1.11 Effective Date shall mean the date specified in the Agreement. 1.12 Gas or natural gas shall mean the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof. 1.13 Gas Transportation Order shall mean a completed Exhibit A relating to the applicable gas transportation service Agreement. 1.14 Gross Heating Value or Gross shall mean the amount of energy transferred as heat per mass or mole from the complete combustion of the gas with oxygen (from air), at a base temperature in which all water formed by the reaction condenses to liquid. 1.15 Mcf shall mean one thousand (1,000) cubic feet of Gas. 1.16 Month shall mean the period beginning at 9:00 a.m. central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month, except where references not involving Gas measurement volumes are involved, in which case the calendar month shall be deemed to be referred to. 1.17 Monthly Tolerance Limit shall mean ten percent (10%) of the aggregate deliveries for a Qualified Suppliers pool of customers for such month. 1.18 PDA shall mean a predetermined allocation method. 1.19 Pipeline System shall mean the current existing utility distribution facilities of Company located in the State of Texas. 1.20 Point of Delivery shall mean the point or points where Gas is delivered from the Pipeline System to or for the account of Customer and are shown on the applicable Gas Transportation Order. 1.21 Point Operator shall mean the person or entity that controls the Point of Receipt or Point of Delivery. 1.22 Point of Receipt shall mean the point or points where Company shall receive Gas into the Pipeline System from Customer, as described on the applicable Gas Transportation Order. 1.23 Psig shall mean pounds per square inch, absolute. 1.24 Psig shall mean pounds per square inch, gauge. 1.25 Qualified Supplier shall mean a supplier of natural gas for transportation to customers through the Company's pipeline system that meets the requirements of and has executed a Supplier Service Agreement. 1.26 Real shall mean the division of the ideal heating value by the compressibility of the gas. This creates an ideal Gross Heating Value per Real cubic foot. 1.27 Supplier Service Agreement shall mean a contract setting forth the requirements and terms upon which a supplier of natural gas may make deliveries of customer owned gas into the Company's pipeline system for delivery to one or more of the Company's customers receiving service under this tariff. 1.28 Tariff shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over Company or the services provided hereunder. 1.29 Week shall mean a period of seven (7) consecutive Days beginning at 9:00 a.m. central clock time on each Monday and ending at the same time on the next succeeding Monday. 1.30 Year shall mean a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29.    ARTICLE 2 RESTRICTIONS AND RESERVATIONS 2.1 It is understood and agreed that Customer has only the right to transportation service in the Pipeline System and all equipment, including (but not in any way limited thereto) all pipe, valves, fittings, and meters comprising the Pipeline System and all other property and capacity rights and interests, shall at all times during the term of the Agreement remain the property of Company. Customer agrees not to cause or permit any liens or encumbrances to be filed with respect to the Pipeline System by reason of Customer's actions. Customer's Gas shall at all times remain the property of Customer, and Company shall have no right or property interest therein. 2.2 Company reserves the right in its sole discretion to remove, relocate, expand, or rebuild, without approval of Customer, any portion of the Pipeline System. Customer shall make no alterations, additions, or repairs to or on the Pipeline System, nor shall Customer bear any</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23608

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>cost of any alterations, additions, repairs, maintenance or replacements made to or on said Pipeline System. 2.3 Customer agrees not to connect or cause the connection of any third party to the Pipeline System for any purpose without the express written approval and consent of Company to be granted in Company's sole discretion. Customer further agrees not to transport or cause to be transported any Gas for any third party. If either of these conditions is breached by Customer, Company shall have the right and option, notwithstanding any other provision of the Agreement or the General Terms and Conditions for Transportation, to terminate the Agreement including the Exhibits thereto immediately and without further obligation to Customer. 2.4 Company presently is transporting Gas to third parties on the Pipeline System and shall have the right in the future to transport additional Gas for such purposes and to transport Gas to additional third parties as it may desire, and Company shall have the right to make additional connections to the Pipeline System as may be required to serve presently existing and new customers, all of which is subject to the provisions of the Agreement. Company's transportation of Gas hereunder shall not obligate Company in any manner beyond the terms of the Agreement and the Exhibits attached thereto. 2.5 Company shall own any and all liquids which are recovered from the Pipeline System and may use, sell or transfer all liquids without having to account in any manner, or pay any monies or other consideration to Customer. 2.6 The Company reserves the unilateral right from time to time to seek regulatory approval to make any changes to, or to supersede, the rates, charges and any terms stated in the tariffs, rate schedules, the agreements, and the General Terms and Conditions. ARTICLE 3 OPERATIONS 3.1 Customer shall deliver its Gas into the Pipeline System at the Points of Receipt described on the applicable Gas Transportation Order, as it now exists and as it may be amended. Customer shall have no right to require Gas to be received at any particular Point of Receipt and Company may delete such points or modify the capacity thereof from time to time and at any time in its sole discretion with no further obligation to Customer with respect to such Point of Receipt. All supplies of Gas delivered to the Pipeline System must comply with the terms and conditions of the Agreement and the exhibits attached thereto. In no event shall Company be required to expand, modify, construct, rearrange, or change the operations of the Pipeline System in order to receive Gas from or on behalf of Customer or in order to deliver Gas to Customer at any existing Points of Delivery. 3.2 Customer shall advise (in a method and format approved by Company in its sole discretion) Company with respect to each Day, Week and Month the name of each supplier with whom it has a contract (and the name of the individual with such supplier responsible for Customer's account), which source of supply is delivering to Company, how much Gas is nominated to be delivered to Company from each source of supply (i.e., each well, plant, or other desired Point of Receipt) and the anticipated deliveries at each Point of Delivery. Customer's nomination shall be in good faith, in balance between Points of Receipt and Points of Delivery, and shall be based on Customer's commercially reasonable best efforts to estimate usage for Hour, Day, Week, and Month. Customer will cause their Qualified Supplier to act as their agent in the nomination process. Qualified Supplier shall not intentionally nominate more or less Gas than is anticipated for consumption by Customer(s), except as may be needed for balancing purposes to the extent Company accepts such nomination. Qualified Supplier shall submit nominations to the Company's gas scheduling department in accordance with their currently effective nomination process which can be provided to the parties upon request. Customer and Qualified Supplier shall exercise commercially reasonable best efforts to deliver to the Pipeline System Dths of Gas that Company is to deliver from the Pipeline System to Customer during any particular Hour, Day, Week and Month, including but not limited to volumes needed for peak Day usage for Customer's facilities. 3.3 Before the start of the Gas Day, the Point Operator and Company shall establish a predetermined allocation (PDA) method to specify how Gas received or delivered by Company shall be allocated in accordance with confirmed nominations at such point. Only one PDA methodology shall be applied per allocation period. 3.4 Customer's Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery. To the extent that Customer's acts or omissions cause Company to incur, directly or indirectly, fees, charges, expenses, or penalties from a supplier or transporter for failure to satisfy such supplier's or transporter's balancing or nomination requirements, then Customer agrees to reimburse Company for such fees, charges, expenses, or penalties, and defend, indemnify, and hold Company harmless with respect thereto. Any fees, charges, expenses or penalties which were determined to be in error will be credited back to the Customer. 3.5 The Point of Receipt and Point of Delivery may be, or may later become points through which other quantities of Gas are being measured; therefore, the measurement of Gas under the Agreement may involve the allocation of Gas deliveries. In such event, each party hereto will furnish, or cause to be furnished, to the other all data required to accurately account for all Gas. 3.6 Except as may be set forth on a Gas Transportation Order, Company shall receive and deliver Gas hereunder as nearly as practicable at uniform hourly and daily rates of flow. It is recognized that it may be physically impracticable, because of measurement, Gas control limitations and other operating conditions, to stay in zero (0) imbalance each hour and each Day; therefore, the daily and hourly quantities received may, due to the aforementioned reasons, vary above or below the daily and hourly quantities delivered. If the quantities received and the quantities delivered hereunder should create an imbalance at the end of any hour, Day, Week, or Month, then Company and Customer shall adjust receipts and/or deliveries at any time to the end that the quantities received and delivered shall be kept as near to zero (0) imbalance as practicable. 3.7 Imbalances Customer must designate no more than one Qualified Supplier. The Qualified Supplier shall act on behalf of the Customer to procure gas supplies, deliver gas supplies to points of receipt designated in the Gas Transportation Order, and shall act as the Customer's agent with respect to nominations, operational notices required under the Gas Transportation Agreement or applicable tariffs and with respect to resolution of imbalances under this Rate Schedule. (A) The following cash out provisions shall be applied to the Qualified Supplier for its aggregate pool of Customers that are being provided service pursuant to a Rate Schedule or some other form of transportation service: 1) Qualified Supplier shall not deliver into the Pipeline System more Dths of Gas than Company delivers to the aggregate pool of Customers at the Points of Delivery during a Month. At the end of the Month in which an over-delivery occurred and exceeded the Monthly Tolerance Limit or the Cumulative Tolerance Limit, Qualified Supplier shall sell such excess Gas to Company at 95% of Inside FERC's FOM Houston Ship Channel index price. 2) If Company receives less Dths of Gas than are delivered to the aggregate pool of Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Month, then Qualified Supplier shall purchase such under-delivered volumes at 105% of Inside FERC's FOM Houston Ship Channel index price. The Company will provide monthly imbalance statements along with calculations of the cash out charges in accordance with the aforementioned cash out provisions to the Qualified Supplier each month. Payments for cash out charges will be due each month within 15 business days of the imbalance statement date. The Company may elect at its sole discretion to accrue the monthly cash out provisions each month and only require periodic settlement rather than monthly payments. The monthly transport payments shall not be abated with respect to a Month in which under-deliveries occurred except as provided in Article 9 and Article 10 hereof. 3.8 Customer and Company shall exercise their commercially reasonable best efforts to comply with all of the standards established by the North American Energy Standards Board, Inc. (NAESB), but in no event shall either</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23608

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>party be required to comply with the NAESB standards if such compliance has a material adverse affect upon such party. 3.9 In the event Customer's source of gas supply is terminated by Customer's supplier due to non-payment or other reasons, or if customer is otherwise unable to continue as a transportation customer, Customer may, upon the giving of five (5) business days advance notice to Company, obtain service from Company under the general sales tariff applicable to Customer. Prior to commencing such service, Company may, in its sole discretion, require Customer to post a deposit or bond in accordance with the provisions of Article 5 hereof.</p> <p><b>ARTICLE 4 PRESSURE AND QUALITY OF GAS</b> 4.1 Customer shall deliver (or cause to be delivered) the Gas to the Pipeline System at the Point of Receipt at a pressure sufficient to effect delivery into the Pipeline System at that point. If necessary, Customer shall provide additional compression to make such deliveries hereunder, and Company shall not have any cost or responsibility in that regard. 4.2 Subject to the provisions of Section 4.1 above, the Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery at pressures sufficient to effect deliveries to Customer's facilities, but not to exceed the maximum pressure that has existed for each Point of Delivery. 4.3 Gas delivered by and to Customer shall be commercially free of dust, gums, gum-forming constituents, gasoline, water, and any other substance that may become separated from the Gas during the handling hereof. All Gas received shall conform to the following additional specifications: (A) Contain not more than one-quarter (1/4) grain of hydrogen sulfide per 100 cubic feet, as determined by a method generally acceptable for use in the gas industry; (B) Contain not more than five (5) grains of total sulfur per 100 cubic feet; (C) Contain not more than two percent (2%) by volume of carbon dioxide; (D) Contain not more than four percent (4%) by volume of total inerts, including carbon dioxide and nitrogen; (E) Contain not more than two-tenths of one percent (.2%) by volume of oxygen; (F) Contain a gross heating value equivalent to at least 980 British Thermal Units per cubic foot and not to exceed 1080 British Thermal Units per cubic foot; (G) Have a temperature of not more than one hundred twenty degrees (120#) Fahrenheit and not less than forty degrees (40 #) Fahrenheit; (H) Contain no water or hydrocarbons in liquid form; (I) Contain not more than 7 pounds of water in vapor stage per 1,000 Mcf of gas; and (J) Be interchangeable with the Company's system Gas at the Point of Receipt or delivered to the nearest customer, city border station, or other pipeline interconnected with such receiving facility or downstream of the Point of Receipt. 4.4 The Company, at its option, may refuse to accept delivery of any gas not meeting the quality specifications set out above. Thereafter, Customer or Qualified Supplier shall have the right to conform or cause the gas to be conformed to the above specifications. If the Customer or Qualified Supplier does not elect to conform the gas to said specifications, then the Company at its sole option may accept or reject any such gas. 4.5 Notwithstanding anything to the contrary contained herein, the gas which the Company transports and delivers to the Customer shall be odorized by the Company. In the event Customer desires to remove the odorant, such removal shall be solely at Customer's risk and expense. <b>ARTICLE 5 PAYMENT</b> 5.1 Should Customer fail to pay or deliver any or all of the amount of the transportation payment and/or other fees due under any exhibit when such amount is due (which in no event shall be later than the last Day of the applicable Month), interest on the unpaid portion shall accrue at a rate (which in no event shall be higher than the maximum rate permitted by applicable law) equal to one and one-half percent (1 one-half%) per month from the due date until the date of payment. If such failure to pay continues for fifteen (15) Days after payment is due, Company, in addition to any other remedy it may have, may suspend further receipts and deliveries of Gas until such amount is paid; provided, however, that if Customer in good faith shall dispute in writing the amount of any such bill or part thereof and shall pay to Company such amounts as it concedes to be correct and, at any time thereafter within thirty (30) Days of the due date of such payment, shall furnish a good and sufficient surety bond in an amount and with surety satisfactory to Company, guaranteeing payment to Company of the amount ultimately found due upon such bills, including interest thereon, after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further receipts and withdrawals of Gas unless and until default be made in the conditions of such bond. As an alternative to posting a bond, Customer may pay the portion of any amount in dispute without waiving its rights to recoup any monies improperly billed. If the portion of any amount in dispute is ultimately determined to be incorrect, such amount shall be refunded by Company to Customer together with interest thereon at a rate (which in no event shall be higher than the maximum allowed by law) equal to one and one-half percent (One-half%) per Month for the period from the date of payment to Company to the date of refund by Company. 5.2 Customer agrees to pay any amounts due pursuant to the Agreement and the General Terms and Conditions for Transportation to Company within fifteen (15) Business Days after receipt of an invoice from Company. 5.3 Company reserves the right, prior to initiation of service, to require a cash deposit or bond in favor of Texas Gas Service in order to assure payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. In the event Customer's financial condition materially weakens or Customer fails to make timely payment in accordance with Article 5 after the execution of the Agreement, then upon written request from Company, Customer agrees to deposit cash with Texas Gas Service or secure a bond in favor of Texas Gas Service in order to assure the payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. Such deposit or bond shall be furnished to Texas Gas Service within fifteen (15) days after a request by Texas Gas Service is made for such deposit or bond and shall be made in a form and amount satisfactory to Texas Gas Service. If such deposit or bond is not furnished in a timely manner, or if a bond expires or is canceled prior to the end of the period specified below, or if the cash deposit or bond is not increased as specified below, then leasing of capacity and the rendering of all other services may be suspended by Texas Gas Service in its sole discretion until such deposit or bond is furnished, renewed or increased, as applicable. 5.4 Nothing in this Article 5 shall be deemed to supersede the respective rights and obligations of Company and Customer as provided by Texas statutes, rules, and/or regulation, as such statutes, rules, or regulations may be amended from time to time, with respect to adjustments to the amounts owed by Customer as a result of errors in Customer's meter or errors in reading Customer's meter. Customer shall be responsible for payment of the amounts owed Company for transportation service and gas supply provided to Customer during the applicable period for which it has been determined that Customer's meter was in error to the favor of Customer. <b>ARTICLE 6 STATEMENTS AND RECORDS</b> 6.1 On or about fifteen (15) days after the Company receives necessary volumetric information from other parties for each calendar month after commencement of Gas receipts and deliveries hereunder, Company shall render to the Qualified Supplier a statement for the preceding Month showing the total Dths of Gas received and delivered and each Point of Receipt and Point of Delivery. If information necessary for statement purposes is in the possession of Customer, Customer shall furnish such information to Company on or before the sixth (6th) Day of the Month in which the statement requiring such data is to be rendered. 6.2 Both parties hereto shall have the right at any and all reasonable times within twenty four (24) months from the time period in question, to examine the books and records of the other to the extent necessary to verify the accuracy of any statement, computation, or demand made hereunder. 6.3 Customer agrees to supply to Company, at Company's request at any time and from time to time, a sample of the liquids removed from the gas stream of the facilities which deliver gas to Company which</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23608
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>				
T-4-SJC-IS-Transp	<p>sample is to be taken from a point upstream from the Point of Receipt. Said sample shall not contain any toxic, hazardous, or deleterious materials or any materials which Company, in its sole discretion, deems in any way harmful to its facilities, personnel or the environment, including, but not limited to, polychlorinated byphenyls (PCBs), and substances or materials considered hazardous or other similar terms, or requiring investigation, remediation or removal under any federal, state or local statute, regulation, rule or ordinance or any amendments thereof whether now in effect or as may be in effect in the future. If such samples contain any such materials or substances, Company shall have the right, in its sole discretion and in addition to other remedies available to it, to immediately cease receipt of Gas through the Point of Receipt until such time as all such materials or substances are eliminated from the Gas such that Company, in its sole discretion, elects to again receive such Gas through the Point of Receipt. Should Customer fail or refuse to eliminate all such materials or substances within a reasonable time, Company shall have the right, upon written notice, to terminate this Agreement. Customer hereby expressly agrees to indemnify and hold Company and Company's affiliates harmless from and against any and all liabilities, losses, claims, damages, actions, costs, fines, and expenses of whatever nature, including, but not limited to, court costs, and attorney's fees arising out of or in any manner relating to the presence of PCBs and/or any other toxic, hazardous, deleterious, harmful, or unsafe materials as described above in Gas delivered by or on behalf of Customer into Company's system.</p> <p>TEXAS GAS SERVICE COMPANY                      RATE SCHEDULE T-4                      South Jefferson County Service Area - Gulf Coast Region                      COMMERCIAL TRANSPORTATION SERVICE RATE</p> <p><b>APPLICABILITY</b> Applicable to commercial customers and to consumers not otherwise specifically provided for under any other rate schedule. Service under this rate schedule is for the transportation of customer owned natural gas through the Company's South Jefferson County distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.</p> <p><b>AVAILABILITY</b> Natural gas service under this rate schedule is available to any individually metered, commercial customer for the transportation of customer owned natural gas through the Company's South Texas distribution system. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion. Electronic flow measurement (EFM) may be required for Customers under this tariff at the Company's sole discretion. The customer may be required to reimburse the Company for any cost related to the installation of the EFM as well as provide for or reimburse the Company for any on going maintenance, repair, or communications costs. In the alternative, Customer may elect to discontinue service under this tariff and to receive service under the applicable sales tariff. Service is not available under this rate schedule for resale to others or for service for a term less than twelve (12) months. Under this tariff the Company shall perform or cause to be performed all functions necessary to transport the gas commodity from the Point of Receipt to the end use Customer. The Customer is responsible for acquiring the gas commodity from a third party supplier. Such gas supply must be delivered to the pipeline providing upstream services for the system from which the Customer is served. Customer shall deliver to Company each month, as reimbursement for lost and unaccounted for gas in the form of Payment in Kind (PIK), a volume of gas equal to the Purchase/Sales ratio authorized to be collected in the Cost of Gas clause times the volume of gas delivered by the Company for the account of Customer for transportation.</p> <p><b>CHARACTER OF SERVICE</b> Firm gas transportation service</p> <p><b>COST OF SERVICE RATE</b>                      During each monthly billing period:                      A customer charge of \$817.40 per meter per month</p> <p>Plus -- All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the following Ccf charge:</p> <table border="0"> <tr> <td>The First 250 Ccf @</td> <td>\$ 0.1303 per Ccf</td> </tr> <tr> <td>All Over 250 Ccf @</td> <td>\$ 0.1027 per Ccf</td> </tr> </table> <p><b>ADDITIONAL CHARGES</b></p> <ol style="list-style-type: none"> <li>1) A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060TEX&gt; REV. CIV.STAT. as such may be amended from time to time which are attributable to the transportation service performed hereunder.</li> <li>2) A charge will be made each month to recover any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder.</li> <li>3) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the South Texas Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.</li> <li>4) The basic rates for cost of service set forth above shall be adjusted to include the amount of the Interim Rate Adjustment in accordance with the provisions of Rate Schedule IRA.</li> </ol>	The First 250 Ccf @	\$ 0.1303 per Ccf	All Over 250 Ccf @	\$ 0.1027 per Ccf
The First 250 Ccf @	\$ 0.1303 per Ccf				
All Over 250 Ccf @	\$ 0.1027 per Ccf				

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23608

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-SJC-IS-Trans	<p>SUBJECT TO: Special Provisions      Tariff General Terms and Conditions for Transportation T-GTC Other Conditions                      Transportation of Customer owned natural gas hereunder is subject in all respects to the Transportation Agreement entered into between the Customer and Company prior to commencement of service and all amendments and modifications thereto. Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Payment Bills are to be paid within 10 days after the date of Company's bill to Customer.</p> <p>Meters Read On and After April 1, 2013</p> <p>Supersedes Same Rate Schedule dated July 30, 2012</p> <p>TEXAS GAS SERVICE COMPANY South Jefferson County Service Area                      RATE SCHEDULE T-GTC (continued)</p> <p><b>ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT</b> The measurement and tests for quality of Gas delivered and delivered by Customer hereunder shall be governed as follows: 7.1 The quantities of Gas received and delivered shall be measured by means of meters of standard type which conform to the American Gas Association Measurement Committee Reports and other industry standards as to construction and installation. 7.2 The unit of volume for purposes of measurement shall be one (1) cubic foot of Gas at a temperature base of sixty degrees (60 degrees) Fahrenheit and at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute. Customer agrees that the Btu content per Mcf of the gas volumes delivered by the Company at the Point of Delivery shall be assumed to be equal to the Btu content per Mcf of the gas volumes delivered by Customer at the Point of Receipt, when corrected for differences in pressure base. 7.3 The temperature shall be adjusted to standard conditions by a compensation device included with the meter or such other method as the Company shall deem appropriate. Corrections shall be made in accordance with industry practice. 7.4 Specific gravity shall be determined with accuracy to the nearest one thousandth (.001) by use of an instrument that conforms to industry standards. 7.5 Whenever the conditions of pressure and temperature differ from the standards, conversion of the volumes from these conditions to the standard conditions shall be in accordance with the Ideal Gas Laws corrected for deviation from Boyle's Law, all to be in accordance with methods and tables set out in the American Gas Association Measurement Committee Reports, or by other accepted methods that may be used from time to time. 7.6 The gross heating value of the Gas shall be determined by means of a sampling method of general use in the Gas industry. The location of the sampling equipment shall be determined by Company in its sole discretion but shall be at a location where a representative sample of the Gas to which it applies may be taken. 7.7 Tests to determine total sulfur, hydrogen sulfide, oxygen, carbon dioxide, total inerts, and water vapor shall be made by approved standards methods in general use by the Gas industry. Such tests shall be made at the request of either party hereto. If a test is performed at Customer's request and shows that the quality specifications as set forth in Section 4.3 hereof have been satisfied, Customer shall pay all costs and expenses of Company related to such test. 7.8 Except as may be otherwise provided, all measuring and testing equipment, housing devices, and materials shall be standard manufacture and type and shall, with all related equipment, appliances, and buildings, be owned, installed, maintained and operated or caused to be installed, maintained and operated by Company at the Points of Receipt and Points of Delivery. Customer may install and operate check measuring and testing equipment, which equipment and the operation thereof shall not interfere with the operation of Company's equipment. 7.9 The accuracy of the measuring and testing equipment shall be verified according to Company's standard for the device being used and at other reasonable times upon request of Customer or Company. Gas quality tests may be made at times of equipment testing or at other reasonable times. Unless a test is requested by Customer, notice of the time and nature of each test shall not be given by Company. If a test is requested by a Customer, then Company shall give Customer notice sufficiently in advance to permit Customer to have a representative present. Representatives of both Customer and Company may be present to observe such tests. The results of any such tests shall be considered accurate until the next tests are made. All tests of measuring equipment shall be made at Company's expense, except that Customer shall bear the expense of tests made at its request if the inaccuracy found is two percent (2%) or less. 7.10 If, at any time, any of the measuring or testing equipment is found to be out of service, or registering inaccurately of any percentage, it shall be adjusted at once to read accurately within the limits prescribed by the manufacturer. If such equipment is out of service or inaccurate by an amount exceeding two percent (2%) at a reading corresponding to the average rate of flow for the period since the last preceding test, the previous reading of such equipment shall be disregarded for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of time equal to one-half of the elapsed time since the last test. The volume of Gas delivered during such period shall be estimated (i) by using the data recorded by any check measuring equipment if installed and accurately registering, or if not installed or registering accurately, (ii) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither such method is feasible, (iii) by estimating the quantity or quality delivered based upon deliveries under similar conditions during a period when the equipment was registering accurately. No adjustment shall be made for recorded inaccuracies of two percent (2%) or less. 7.11 The parties hereto shall have the right to inspect equipment installed or furnished by the other or third-party operators and the charts and other measurement or testing data of all such parties at all times during business hours; but the reading, calibration, and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing the same. The parties hereto shall preserve all original test data, charts, and other similar records in such party's possession for a period of at least twenty-four (24) months. Measurement data corrections should be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. 7.12 At every Point of Receipt and every Point of Delivery, the party having control over such facility shall allow the other party immediate access to the receipt and delivery information as it is generated by the party having such control. With respect to all Points of Receipt and Points of Delivery that have electronic flow measurement, both parties shall have remote telephone and electronic access to the receipt and delivery information generated at such Point of Receipt and Point of Delivery.      <b>ARTICLE 8 TITLE TO AND RESPONSIBILITY FOR GAS</b> 8.1 Customer and Company, respectively, warrant title to all Gas delivered by it into or from the Pipeline System hereunder, and each of Customer and Company, respectively, warrant and represent each has the right to deliver the Gas hereunder, and that such Gas is free from liens and adverse claims of every kind. Customer agrees to indemnify and save Company harmless from and against all</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 23608

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>loss, damage, claims, and expense of every character with respect to Gas delivered by it on account of royalties, taxes, payments, liens, or other charges or claims arising (i) before or created upon delivery of said Gas into the Pipeline System, and (ii) upon and after delivery of said Gas from the Pipeline System to Customer. 8.2 Subject to compliance with the provisions of Section 8.1 above, Company warrants that title to all Gas delivered hereunder by Customer is free from liens and adverse claims of every kind. Company agrees to indemnify and save Customer harmless from and against all loss, damage, claims, and expense of every character with respect to Gas to be delivered at the Point of Delivery on account of royalties, taxes, payments, liens, or other charges or claims arising after delivery of Gas to and before withdrawal thereof from the Pipeline System by Customer. 8.3 As between the parties hereto, Customer or its supplier shall be deemed to be in the exclusive control and possession of the Gas until such Gas has been delivered to Company at the Point of Receipt, and after its withdrawal by Customer at the Point of Delivery. After Customer's or Customer's suppliers' delivery of such Gas at the Point of Receipt, Company shall thereafter be deemed to be in the exclusive control and possession of such Gas until its withdrawal by Customer at the Point of Delivery. The party which shall be in the exclusive control and possession of such Gas shall be responsible for all in injury or damage caused thereby and shall be responsible for any loss of Gas while in its possession, except with regard to injury, damage or loss caused by or arising out of the negligence of the nonpossessory party. 8.4 The Pipeline System shall at all times remain the property of Company, and Customer shall have no right or property interest therein but only the right for the transportation of Gas. <b>ARTICLE 9 FORCE MAJEURE AND CASUALTY</b> 9.1 If either Company or Customer is rendered unable, wholly or in part, by reason of force majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended. Any force majeure event (other than labor disputes, strikes, or lockouts) shall be remedied so far as possible with reasonable dispatch. Settlement of strikes, lockouts, and labor disputes shall be wholly within the discretion of the party having the difficulty. The term force majeure shall include, but is not limited to, the following: acts of God and the public enemy; the elements; fire, accidents, breakdowns, strikes; any industrial, civil, or public disturbance; inability to obtain or delay in obtaining rights-of-way, material, supplies, permits, or labor; any act or omission by parties not subject to control by the party hereunder having the difficulty; and any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military. If pursuant to the foregoing Company curtails or temporarily discontinues the receipt or delivery of Gas hereunder, Customer agrees to hold Company harmless from any loss, claim, damage, or expense that Customer may incur by reason of such curtailment or discontinuance. 9.2 If a portion of the Pipeline System required to make the transportation service available is partially damaged by fire or other casualty, the damage may be repaired by Company, at its option and in its sole discretion, as speedily as practicable, due allowance being made for the time taken for the settlement of insurance claims. Until such repairs are made, the payments shall be apportioned in proportion to the portion of the capacity of the Pipeline System which is still available for the purposes hereof, such determination to be made in the sole discretion of Company. If the damage is so extensive as to render the Pipeline System wholly unusable, in Company's sole opinion, the payments, if any, shall cease until such time as the Pipeline System is again useable. In case the damage shall, in Company's sole opinion, amount substantially to a destruction of the portion of the Pipeline System available for the transportation of Gas and Company shall elect not to repair the damage, then the Agreement shall terminate at the time of such damage, and Company shall not be liable to Customer for any liability, damage, or claim which arises out of any failure to make repairs. <b>ARTICLE 10 GOVERNMENTAL RULES, REGULATIONS, AND AUTHORIZATIONS; INTERPRETATION OF AGREEMENT</b> 10.1 The Agreement is subject to all valid orders, laws, rules, and regulations of duly constituted municipal, State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or Gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies. 10.2 The Agreement shall be interpreted under the laws of the State of Texas, excluding any law thereof directing the application of the laws of another jurisdiction. <b>ARTICLE 11 MISCELLANEOUS</b> 11.1 Any modification of terms, or amendment of any provisions hereof, shall become effective only by supplemental written agreement between the parties. 11.2 (A) Any of the following events or conditions shall constitute a default of Customer under the Agreement: (1) Default in the delivery of any payment or any sums hereunder for a period of sixty (60) Days after the same becomes due; (2) Any other breach of the material terms and conditions of the Agreement and the failure of Customer to cure such breach within thirty (30) Days after written demand by Company or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Customer shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured; (3) Customer shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Customer; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Customer (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; or (5) If any certificate, statement, representation, or warranty furnished by Customer proves to be false or incomplete in any material respect. (B) Upon the happening of any event of default as set forth in subparagraph 11.2(A) above, Company shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Customer the sum of all transportation payments and all other amounts due and owing under the Agreement plus the sum of all transportation payments and other amounts to become payable during the balance of the term of the Agreement; (2) Retake possession of the entire capacity of the Pipeline System without any court order or other process of law and without any rights of Company being thereupon terminated; (3) Terminate the Agreement and the Exhibits; (4) Pursue any other remedy at law or in equity. (C) Any of the following events or conditions shall constitute an Event of Default with respect to Company under the Agreement: (1) Default in the crediting of any sums due to Customer or in the payment of any other sums due to Customer under the Agreement for a period of ninety (90) Days after the same is established by Company to have become due; (2) Company's breach of any material term or condition of the Agreement and</p>

GAS SERVICES DIVISION  
 GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23608

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>the failure of Company to cure such breach within thirty (30) Days after written demand by Customer or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Company shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured. (3) Company shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Company; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Company, (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; (D) Upon the happening of any event of default as set forth in subparagraph 11.2(C) above, Customer shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Company the sum of all outstanding credits and other amounts due and owing under the Agreement; (2) Terminate the Agreement and the Exhibits; (3) Pursue any other remedy at law or in equity. (E) The rights granted to Company and Customer hereunder shall be cumulative as to each and action on one shall not be deemed to constitute an election or waiver of any other right to which Company or Customer may be entitled. (F) Upon the termination of the Agreement, whether by lapse or time or otherwise, Customer will surrender any and all rights in the Pipeline System immediately. 11.3 Company shall not be liable for damages resulting from interruption of service, when such interruption is necessary to make repairs, changes, or adjustments in Company's equipment and facilities. 11.4 No waiver by Company or Customer of any default or the other under the Agreement shall operate as a waiver of any future default, whether of a like or different character. 11.5 The Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. In the event Customer sells, leases or otherwise transfers its distribution system to a third party, whether voluntarily or involuntarily, then Customer agrees, as a part of such sale, lease or transfer, to assign to such third party and to require such third party to accept the assignment of the Agreement and the Exhibits included therein, subject to the provisions of the following sentence. Neither the Agreement nor the Exhibits attached thereto nor the rights and obligations of Customer hereunder may be assigned without the consent of Company, which consent shall not be unreasonably withheld. 11.6 Customer will not mortgage, create a security interest in, or encumber the Agreement, or sublet the rights granted hereby, or permit its use by others, or pledge, loan, sublet, create a security interest in, or in any other manner attempt to dispose of such rights, or permit its use by others, or suffer any liens or legal process to be incurred or levied thereon; provided, however, that Customer may grant a security interest or similar encumbrance in connection with any existing financing arrangement associated with Customer's facility. 11.7 Except as provided below, Customer shall pay all fees, taxes, charges, and assessments imposed by or on behalf of any governmental entity in connection with the Agreement or in connection with the purchase, transportation, and disposition of Gas by or on behalf of Customer pursuant to the Agreement including but not limited to municipal and/or supplemental fees, franchise fees and any supplements thereto and taxes; provided that Company shall pay all ad valorem taxes and assessments levied on the Pipeline System and all appurtenant facilities. Company shall file all returns required for the Pipeline System and all appurtenant facilities. Customer will furnish Company with any information available to Customer in connection with Company's obligations under this section. 11.8 Company and Customer agree to exercise and take reasonable steps necessary to safeguard and cause their officers, directors, employees, agents, advisers, and representatives to safeguard the confidentiality of the Agreement and the terms and conditions thereof (as contrasted with the existence and effectiveness of the Agreement which are not confidential) and not to disclose any part of it or any information derived there from or any negotiations relating thereto to any party or person except that limited number of people within Company's and Customer's organizations, and their advisers, lenders and potential investors, as may need to know the terms and conditions hereof in order to evaluate, understand, execute and perform the Agreement. Company and Customer agree not to copy or permit the copying of the Agreement, except as may be necessary for their operations. In the event Customer or Company or any of their officers, directors, employees, agents, or representatives, is requested or required (by oral or written question or request for information or documents in legal proceedings, interrogatories, subpoena, Civil Investigative Demand or similar process) to disclose any information concerning the Agreement or the terms and conditions thereof or any negotiations relating thereto, it is agreed that the party receiving such question or request will provide the other parties with prompt notice thereof so that such other parties may seek a protective order or other appropriate relief or a release from the other parties. It is further agreed that if, in the absence of a protective order or receipt of a release, the other party is compelled to disclose such information or else stand liable for contempt or suffer other censure or penalty or adverse effect, then such party may disclose such information. The parties hereto are further authorized to make disclosure of the Agreement as may be required by Federal, state, or local regulation or agency or as may be required by auditors or accountants in connection with the preparation of financial statements or tax returns. Disclosure hereunder shall not constitute a basis for defense, termination, or modification of the Agreement. ARTICLE 12 DISPUTE RESOLUTION 12.1 Any dispute arising out of or relating to this Agreement for which a claim or demand is asserted that is equal to or exceeds a value of \$25,000 shall be resolved in accordance with the procedures specified in this Article 12, which shall be the sole and exclusive procedures for the resolution of any such disputes. The cost of conducting the dispute resolution process, including the fees and expenses of any arbitrators, shall be shared equally by the parties, and each party shall bear its own costs, including any attorneys' fees or other expenses incurred in the process. Each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances. 12.2 Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between management level personnel who have authority to settle the controversy. Any person may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. Within thirty (30) days after delivery of the initial notice, the designated managing personnel of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. 12.3 Arbitration. Any dispute arising out of or</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23608**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation as provided above within sixty (60) days after initiation of negotiations shall be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect by (i) a sole arbitrator agreed upon by the parties if the dispute is between \$25,000 and \$250,000, or (ii) three independent and impartial arbitrators, of whom each party shall designate one, if the dispute is in excess of \$250,000. All arbitrators shall be knowledgeable in the natural gas industry. The arbitrator(s) shall have no authority to award consequential, punitive or exemplary damages. Provided, however, if one party fails to participate in the negotiation as agreed herein, the other party can commence arbitration prior to the expiration of the time periods set forth. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. Unless otherwise agreed, the place of arbitration shall be Austin, Texas. Meters Read On and After January 27, 2014 Supersedes: April 1, 2013

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76828	D	Mcf	\$ .0000	07/29/2010	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	32488	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23645

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 07/16/2014      **RECEIVED DATE:** 08/06/2014

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:** 10069(R.Case),10049(PIT Ride)

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Revised rate schedules 4Z-EPSvcA-OS-Ind, 2E-EPSvcA-OS-PubA & 2Z-EPSvcA-OS-Com per 2014 GRIP filing approved via GUD10347, eff. date 7/16/2014.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32481	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23645**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
2E-EPSvcA-OS-PubA	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE 2E PUBLIC AUTHORITY SERVICE RATE</p> <p><b>APPLICABILITY</b> Applicable to all public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts. This rate is only available to full requirements customers of Texas Gas Service Company.</p> <p><b>TERRITORY</b> Environs of the El Paso Service Area.</p> <p><b>COST OF SERVICE RATE</b> During each monthly billing period: A customer charge per meter per month of                      \$32.71 plus Interim Rate Adjustment (IRA)    \$39.20 (Footnote 1) Total Customer Charge    \$71.91</p> <p>All Ccf per monthly billing period @ The First 100 Ccf @ No Charge The Next 400 Ccf @ \$ 0.11409 per Ccf The Next 2500 Ccf @ \$ 0.09409 per Ccf All Over 3000 Ccf @ \$ 0.08409 per Ccf</p> <p>Prompt Payment Provision: None. Above rates are net.</p> <p><b>OTHER ADJUSTMENTS</b> Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1 multiplied by the total Ccf consumed during the billing month.</p> <p>Taxes: Plus applicable taxes and fees related to above.</p> <p><b>CONDITIONS</b> 1. Subject in all respects to applicable laws, rules and regulations from time to time in effect.  2. The applicability section of this rate notwithstanding, if a customer, other than a full requirements customer, pays a standby charge pursuant to Rate Schedule S.S., Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.</p> <p>Footnote 1: 2010 IRA - \$3.57; 2011 IRA - \$4.70; 2012 IRA - \$17.35; 2013 IRA - \$13.58</p> <p>Meters Read On and After July 16, 2014 Supersedes Same Sheet Dated June 18, 2013</p>
2Z-EPSvcA-OS-Com	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE 2Z COMMERCIAL SERVICE RATE</p> <p><b>APPLICABILITY</b> Applicable to commercial consumers and to consumers not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company.</p> <p><b>TERRITORY</b> Environs of the El Paso Service Area.</p> <p><b>COST OF SERVICE RATE</b> During each monthly billing period: A customer charge per meter per month of                      \$18.30 plus Interim Rate Adjustment (IRA)    \$11.29 (Footnote 1) Total Customer Charge    \$29.59</p> <p>All Ccf per monthly billing period @ The First 100 Ccf @ No Charge The Next 400 Ccf @ \$ 0.10901 per Ccf The Next 2500 Ccf @ \$ 0.08901 per Ccf</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23645**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
4Z-EPSvcA-OS-Ind	<p>All Over 3000 Ccf @ \$ 0.06901 per Ccf</p> <p>Prompt Payment Provision: None. Above rates are net.</p> <p><b>OTHER ADJUSTMENTS</b>                      Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1 multiplied by the total Ccf consumed during the billing month.</p> <p>Taxes: Plus applicable taxes and fees related to above.</p> <p><b>CONDITIONS</b>                      1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.</p> <p>2. The applicability section of this rate notwithstanding, if a customer, other than a full requirement customer, pays a standby charge pursuant to Rate Schedule S.S., Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.</p> <p>Footnote 1: 2010 IRA - \$1.00; 2011 IRA - \$1.33; 2012 IRA - \$5.01; 2013 IRA - \$3.95</p> <p>Meters Read On and After July 16, 2014                      Supersedes Same Sheet Dated June 18, 2013</p> <p>TEXAS GAS SERVICE COMPANY                      El Paso Service Area - West Texas Region                      RATE SCHEDULE 4Z                      INDUSTRIAL SERVICE RATE</p> <p><b>APPLICABILITY</b>                      Applicable to industrial consumers and to consumers not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company.</p> <p><b>TERRITORY</b>                      Environs of the El Paso Service Area.</p> <p><b>COST OF SERVICE RATE</b>                      During each monthly billing period:                      A customer charge per meter per month of                      \$84.01 plus                      Interim Rate Adjustment (IRA)    \$133.77 (Footnote 1)                      Total Customer Charge    \$217.78</p> <p>All Ccf per monthly billing period @                      The First 100 Ccf @ No Charge                      The Next 400 Ccf @ \$ 0.14528 per Ccf                      The Next 2500 Ccf @ \$ 0.13528 per Ccf                      All Over 3000 Ccf @ \$ 0.06528 per Ccf</p> <p>Prompt Payment Provision: None. Above rates are net.</p> <p><b>OTHER ADJUSTMENTS</b>                      Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1 multiplied by the total Ccf consumed during the billing month. Taxes: Plus applicable taxes and fees related to above.</p> <p><b>CONDITIONS</b>                      1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.</p> <p>2. The applicability section of this rate notwithstanding, if a customer, other than a full requirements customer, pays a standby charge pursuant to Rate Schedule S.S., Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.</p> <p>Footnote 1: 2010 IRA - \$11.84; 2011 IRA - \$15.69; 2012 IRA - \$57.35; 2013 IRA - \$48.89</p> <p>Meters Read On and After July 16, 2014                      Supersedes Same Sheet Dated June 18, 2013</p> <p>TEXAS GAS SERVICE COMPANY                      RATE SCHEDULE PIT</p>
PIT-EPSvcA-ISOS	<p>TEXAS GAS SERVICE COMPANY                      RATE SCHEDULE PIT</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23645**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>El Paso Service Area - West Texas Region                      PIPELINE INTEGRITY TESTING (PIT) RIDER</p> <p><b>PURPOSE</b>                      The purpose of this Pipeline Integrity Testing Rider is to promote the public interest in pipeline safety by enabling the Company to recover over a four-year period the reasonable and necessary Pipeline Integrity Safety Testing expenses incurred by the Company during the four-year testing cycle from January 1, 2010, through December 31, 2013 (including contractor costs but excluding the labor cost of TGS employees), in the amount of \$2,197,846. These legally mandated operating and maintenance expenses shall be recovered through a separate monthly volumetric charge (the Pipeline Integrity Testing or PIT Surcharge) that shall be shown as a separate line item on the customer's monthly bill and calculated for each customer class as described below. Capital expenditures associated with the Pipeline Integrity Program shall continue to be recovered through base rates and any interim rate adjustments implemented pursuant to Section 104.301 of the Gas Utility Regulatory Act.</p> <p><b>APPLICABILITY</b>                      This Rider shall be applied to all gas sales and transportation customers within the service territory designated below, except special contract customers.</p> <p><b>TERRITORY</b>                      This Rider shall apply throughout the Company's El Paso Service Area (EPSA), both within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas (collectively, the EPSA Cities), and in the unincorporated areas (environs) adjacent to the EPSA Cities.</p> <p><b>QUALIFYING EXPENSES</b>                      This Rider applies only to the legally mandated safety testing of the Company's transmission lines in the EPSA under the Pipeline Integrity Safety Testing Program. The operating and maintenance expense items that qualify for recovery under this Rider shall include the contractor costs associated with land and leak survey, permitting, and job order preparation and completion; the clearing of right-of-way; any needed notifications to adjacent businesses and residences; traffic control equipment and personnel; Direct Current Voltage Gradient (DCVG), Close Interval (CI), and other surveys to ensure the integrity of the pipeline system; any required rigid bypasses; flushing of the lines and testing and disposal of the flush water; hydrostatic testing of the lines and analysis and disposal of the test water; any required pigging of the lines in connection with safety testing; any required x-ray welding; metallurgical testing of the pipeline or components thereof; site restoration, painting, and clean-up; expenses associated with providing a supply of compressed natural gas (CNG) to ensure uninterrupted service to customers during testing; and any other operating and maintenance expenses reasonably necessary to safely and effectively perform required safety testing of the Company's transmission pipelines in the EPSA. Neither capital expenditures by the Company, nor the labor cost of TGS employees, shall be recovered under this Rider.</p> <p><b>CALCULATION OF PIT SURCHARGES</b>                      The Pipeline Integrity Testing Surcharges established under this Rider shall be designed so as to recover the Total Testing Expense of \$2,197,846 in Pipeline Integrity Safety Testing expenses incurred by the Company over the four-year testing cycle from January 1, 2010, through December 31, 2013, and shall be calculated as follows: First, the Total Testing Expense shall be allocated among the applicable customer classes in the same proportion that demand costs were assigned to those classes in the Class Cost of Service Study approved in the Company's most recent rate case in which rates were set by the Railroad Commission of Texas (the Commission) for customers in the EPSA Cities.</p> $\text{Each Class' Total Allocated} \quad \text{Total Testing} \quad \text{Each Class' Demand}$ $\text{Testing Expense} \quad = \quad \text{Expense} \quad \times \quad \frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}}$ <p>Second, the total dollar amount allocated to each customer class in the foregoing manner shall be divided by forty-eight (48) monthly billing cycles, so as to derive the amount that shall be ratably recovered from each class on a monthly basis during the four-year recovery period:</p> $\text{Monthly Recovery from Each Class} \quad = \quad \frac{\text{Each Class' Total Allocated Testing Expense}}{48 \text{ Months}}$ <p>Third, the total amount that is to be recovered on a monthly basis from each class shall be divided by the estimated average monthly usage for each class to produce the monthly PIT Surcharge for each class.</p> $\text{Each Class' PIT Surcharge} \quad = \quad \frac{\text{Monthly Recovery from Each Class}}{\text{Estimated Monthly Usage of Each Class}}$ <p>Based upon customer data for the prior calendar year and any other relevant factors, the estimated monthly usage for each class may be revised annually to account for customer growth, and the resulting revised PIT Surcharge shall be applied to each class for the ensuing 12-month recovery period.</p> <p><b>ANNUAL RECONCILIATION</b>                      After completion of each of the first three annual recovery periods, the total revenues collected under this Rider for that year shall be</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 23645**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>reconciled against the revenues previously calculated to be collected for that year, and the PIT Surcharge for each class shall be adjusted upward or downward so that the Company recovers any underrecoveries or refunds any overrecoveries that may have accrued under the Rider, plus monthly interest on those underrecoveries or overrecoveries at the cost of long-term debt approved in the Company's most recent general rate case in which rates were set by the Commission for application to customers in the EPSA Cities. The reconciliation shall be filed with the regulatory authority on or before February 21st of each year, and the regulatory authority shall complete its review of the reconciliation on or before March 21st of each year, so that the Company can implement the reconciled PIT Surcharges beginning with the first billing cycle for April of each succeeding year of the four-year recovery period.</p> <p><b>DEFERRED ACCOUNTING</b> The Company is authorized and directed to defer, as a regulatory asset, all Pipeline Integrity Safety Testing expenses incurred during the testing cycle starting on January 1, 2010, and ending on December 31, 2013, and all revenues specifically collected under this Rider shall be applied to the deferred expense account. The Company shall not earn a return on any regulatory asset created under this provision, and no such regulatory asset shall be included in the Company's invested capital (rate base) for ratemaking purposes.</p> <p><b>ANNUAL REPORT &amp; APPLICABLE PSCC</b> On or before February 21st after each calendar year of the testing cycle, the Company shall file a report with the Commission and the EPSA Cities showing all Pipeline Integrity Safety Testing expenses incurred during the previous calendar year and verifying the prior year's collections and any underrecoveries or overrecoveries accruing to date under this Rider. The report shall separately identify and list such expenses by account number and project number. Prior to the effective date of this Rider and on or before February 21st of each succeeding year while this Rider is in effect, the Company shall also file an Addendum to this Rider with the Commission and the EPSA Cities (a) identifying the PIT Surcharges that will be applied during the ensuing 12-month recovery period from April 1st through March 31st, and (b) providing the underlying data and calculations on which each PIT Surcharge for that period is based.</p> <p><b>NOTICE TO AFFECTED CUSTOMERS</b> In addition to the annual report and Addendum to this Rider required above, the Company shall provide, on or before March 31st after each calendar year of the testing cycle, written notice to each affected customer of (a) the PIT Surcharge that will be applied during the ensuing 12-month period from April 1st through March 31st, and (b) the effect the PIT Surcharge is expected to have on the average monthly bill for each affected customer class. The written notice shall be provided in both English and Spanish, shall be the only information contained on the piece of paper on which it is printed, and may be provided either by separate mailing or by insert included with the Company's monthly billing statements. The Company shall also file an affidavit annually with the Commission and the EPSA Cities certifying that notice has been provided to customers in this manner. The notice shall be presumed to be complete three calendar days after the date the separate mailing or billing statement is deposited in a postage-paid, properly addressed wrapper in a post office or official depository under care of the United States Postal Service. The initial notice shall be filed with, reviewed, and approved by the regulatory authority, and each subsequent notice shall follow the same format as that of the approved initial notice.</p> <p><b>FINAL REVIEW, RECONCILIATION, AND TERMINATION</b> After the end of the four-year recovery period, the Company shall file a final reconciliation with the regulatory authority identifying all PIT Expenses recovered to date under this Rider, as well as any interest on overrecoveries refunded or credited to customers and any interest on underrecoveries recovered from customers during that period. In the event the total amount recovered differs from the total amount that TGS is authorized to recover under this Rider, then the Company shall include a calculation of the final surcharge, refund, or credit required to eliminate any such difference and shall implement same over a period of not more than four months. This Rider shall cease to be operable upon collection in this manner of the Total Testing Expenses authorized for collection hereunder, plus or minus any interest accruing on underrecoveries and overrecoveries, or sooner if ordered by the Commission or agreed upon by the Company and the EPSA Cities.</p> <p><b>Initial Rate</b> Meters Read On and After February 29, 2012</p> <p>PIT-Rider-EPSvcA-IS      El Paso Service Area - West Texas Region RATE SCHEDULE PIT-RIDER PIPELINE INTEGRITY TESTING (PIT) SURCHARGE RIDER    A. APPLICABILITY The Pipeline Integrity Testing Surcharge (PIT) rate as set forth in Section (B) below is pursuant to Final Order in GUD 10049 and GUD 10142. This rate shall apply to the following rate schedules of Texas Gas Service Company in the incorporated and unincorporated areas of and adjacent to the El Paso Service Area (EPSA): 10, 20, 21, 25, 26, 27, 40, E5, SS, T-1, 1Z, 2Z, 2A, 2E, 2F, 2G, 4Z, SS-ENV AND T-1-ENV.                      The EPSA includes El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas.    B. PIT RATE                      Rate Schedule                      Customer Class                      Rate per CCF    10 Residential (I/S EPSA) \$    0.0034    20 Commercial (I/S EPSA) \$    0.0033    21 Commercial A/C (I/S EPSA) \$    0.0033    25 Public Authority (I/S EPSA) \$    0.0057    26 Public Authority A/C (I/S EPSA) \$    0.0057    27 Municipal Water Pumping (I/S EPSA) \$    0.0015    40 Industrial (I/S EPSA) \$    0.0027    E5 Fort Bliss (I/S EPSA) \$    0.0067    SS Standby Service (I/S EPSA) \$    0.0027    T-1 Commercial Transportation (I/S EPSA) \$    0.0016    T-1 Industrial Transportation (I/S EPSA) \$    0.0010    T-1 Public Authority Transportation (I/S EPSA) \$    0.0025    1Z Residential (O/S EPSA) \$    0.0034    2Z Commercial (O/S EPSA) \$    0.0033    2A Commercial A/C (O/S EPSA) \$    0.0033    2E Public Authority (O/S EPSA) \$    0.0057    2F Public Authority A/C (O/S EPSA) \$    0.0057    2G Municipal Water Pumping (O/S EPSA) \$    0.0015    4Z Industrial (O/S EPSA) \$    0.0027    SS-ENV Standby Service (O/S EPSA) \$    0.0027    T-1-ENV Commercial Transportation (O/S EPSA) \$    0.0016    T-1-ENV Industrial Transportation (O/S EPSA) \$    0.0010    T-1-ENV Public Authority Transportation (O/S EPSA) \$    0.0025    This rate will be in effect until all approved and expended pipeline integrity testing expenses are recovered under the applicable rate schedules.    C. OTHER ADJUSTMENTS Taxes: Plus applicable taxes and fees (including franchises fees) related to above.    D. CONDITIONS Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.                      Meters Read On and After April 1, 2013    Supersedes Rate Schedule dated February 29, 2012</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23645
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCE-Env-Rider-EPSv	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - Environs RATE SCHEDULE RC-ENV-RIDER ENVIRONS RATE CASE EXPENSE SURCHARGE A. <b>APPLICABILITY</b> The Rate Case Expense Surcharge (RCE) rate as set forth in Section (B) below is pursuant to Final Order in GUD 10142. This rate shall apply to the following rate schedules of Texas Gas Service Company in the unincorporated areas of the El Paso Service Area including El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton Texas: 1Z, 2A, 2E, 2F, 2G, 2Z, 4Z, C-1, SS-Env, and T-1-Env. B. <b>RCE RATE</b> Per bill for each billing period: \$0.25 This rate will be in effect for approximately 12 months from the date of the Final Order in GUD No. 10142 until all approved and expended rate case expense are recovered under the applicable rate schedules. Not to exceed \$36,256.89. C. <b>OTHER ADJUSTMENTS</b> Taxes: Plus applicable taxes and fees related to above. D. <b>CONDITIONS</b> Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority. E. <b>COMPLIANCE REPORT</b> Within 45 days the final collection month, TGS shall file a reconciliation report. TGS shall file the report with the Commission, addressed to the Director of the Gas Services Division and referencing Gas Utilities Docket No. 10142, Rate Case Expense Recovery Report. The report shall include: - the meters billed by month by customer class during the applicable period, - the amount of Rate Case Expense recovered, by month, - the outstanding balance, by month Meters Read On and After January 14, 2014 Initial Rate Schedule</p>
T-GEN-ENV-EPSvcA	<p>TEXAS GAS SERVICE COMPANY                      El Paso Service Area - West Texas Region                      RATE SCHEDULE T-GEN-ENV                      GENERAL CHARGES AND PROVISIONS</p> <p><b>APPLICABILITY</b>                      Applicable to Transportation Rate Schedules: T1-ENV.</p> <p><b>TERRITORY</b>                      All areas served by the Company in the unincorporated areas of its El Paso Service Area consisting of El Paso, Anthony, Clint, Vinton, Socorro and Horizon City, Texas.</p> <p><b>ADDITIONAL CHARGES TO COST OF SERVICE RATE</b>                      During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule:</p> <p>Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October.</p> <p>The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%.</p> <p>The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below.</p> <p>Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder.</p> <p>Plus: Adjustments in accordance with the provisions of the Company's Economic Development Rate (Rate Schedule EDR), if applicable, and the Company's Interim Cost Recovery and Rate Adjustment (Rate Schedule ICR), if applicable.</p> <p>Plus: Any street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any governmental entity wherein the customer receives gas delivered hereunder.</p> <p>Plus: <b>UPSTREAM PIPELINE SCHEDULING AND BALANCING PROVISIONS</b>                      A proportional share of any upstream pipeline transportation service charges and penalties incurred by the Company that, in whole or in part, are the result of customer or customer's agent scheduling and/or managing the upstream transportation of the customer's gas to Company's interconnecting point(s) with the upstream pipeline(s). Proceeds from this charge will be credited to the Reconciliation Account.</p> <p>The Company will bill customer for these charges and penalties manually on a separate bill. Payment shall be required in accordance with the Company's Rules of Service.</p> <p>A transport customer may elect to have its supplier act as agent for resolution of these charges. The Company will allow aggregation in resolution of the upstream pipeline scheduling and balancing charges as long as the aggregated customers are supplied by the same supplier, and provided that the customers are physically located behind the same upstream pipeline balancing point, as determined by the Company.</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23645
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Plus: MONTHLY COMMODITY BALANCING PROVISIONS                      In addition to the Upstream Pipeline Scheduling and Balancing provisions described above, the Company will resolve monthly commodity imbalances in accordance with the provisions described below:</p> <p>1. Definitions: As used in this tariff, the following terms will have the meanings indicated:</p> <p>Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below.</p> <p>Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate.</p> <p>The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate.</p> <p>Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff.</p> <p>Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period.</p> <p>Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month.</p> <p>PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation.</p> <p>Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff.</p> <p>Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company.</p> <p>Supplier Service Agreement - a contract in setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff.</p> <p>Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system.</p> <p>2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier.</p> <p>2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier.</p> <p>3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below.</p> <p>4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below.</p>

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 23645
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
5.	<p>Imbalances</p> <p>5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI.</p> <p>5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof.</p> <p>5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance.</p> <p>6. Cashout Procedure</p> <p>6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded.</p> <p>6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.</p> <p>6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments.</p> <p>6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date.</p> <p>6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas.</p> <p>6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer.</p> <p>7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier.</p> <p>8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions:</p> <p>8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.</p> <p>8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23645**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>						
	<p>insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.</p> <p>8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.</p> <p>9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:</p> <p>9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated.</p> <p>9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin, for the month in which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above.</p> <p>9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.</p> <p>Meters Read On and After July 29, 2011</p> <p>Initial Rate TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE T-1-ENV TRANSPORTATION SERVICE RATE</p> <p>APPLICABILITY Service under this rate schedule is available to any customer for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with the customer's gas supplier to have its gas delivered to one of the Company's existing delivery points for transportation by the Company to the customer's facilities at the customer's service point.</p> <p>TERRITORY El Paso Service Area consisting of the unincorporated areas of El Paso, Anthony, Clint, Horizon City, Socorro and Vinton, Texas.</p> <p>RATE This rate shall be the sum of Part A and Part B as described below:</p> <table border="0"> <tr> <td>Part A: A customer charge per month of</td> <td>\$300.50</td> </tr> <tr> <td>Interim Rate Adjustment (IRA)</td> <td>\$673.39 (Footnote 1)</td> </tr> <tr> <td>Total Customer Charge</td> <td>\$973.89</td> </tr> </table> <p>Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at a rate calculated as follows:</p> <p>1. Determine the bill for the quantity of customer-owned gas metered and delivered to the customer at the Company's volumetric Cost of Service Rate on the gas sales tariff which would otherwise be applicable;</p>	Part A: A customer charge per month of	\$300.50	Interim Rate Adjustment (IRA)	\$673.39 (Footnote 1)	Total Customer Charge	\$973.89
Part A: A customer charge per month of	\$300.50						
Interim Rate Adjustment (IRA)	\$673.39 (Footnote 1)						
Total Customer Charge	\$973.89						
T1-ENV-EPSvcA-OS-							

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 23645

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>2. Add a balancing service rate for any applicable portion of incremental cost of the Company's transportation reservation costs received from its upstream pipelines that is deemed at the Company's sole discretion to directly or indirectly benefit the transportation service customers through scheduling balancing flexibility. The balancing service rate will be recalculated annually in conjunction with the Cost of Gas annual reconciliation audit and/or as the upstream pipeline changes the rates being charged to the Company.</p> <p>3. See the Additional Charges to Cost of Service Rate Pursuant to Rate Schedule T-GEN-ENV (General Charges and Provisions).</p> <p><b>SPECIAL PROVISIONS</b></p> <p>1. Transportation volumes delivered under this schedule shall be considered first through customer's meter for billing purposes.</p> <p>2. Gas transported under this schedule shall be for use only by the customer.</p> <p>3. See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN-ENV (General Charges and Provisions).</p> <p>Footnote 1: 2010 IRA - \$59.29; 2011 IRA - \$77.01; 2012 IRA - \$318.61; 2013 IRA - \$218.48</p> <p>4. Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average at least five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder, except as may otherwise be provided in the Gas Transportation Service Agreement between the Company and customer, and provide service under the general service rate applicable to Customer.</p> <p>5. Customers that qualify for and elect service under this tariff must remain on transportation service for a minimum of twelve months. If a customer chooses to leave transportation service under this tariff after twelve months, the customer may not return to transportation service for at least twelve months. If a customer requests to leave transportation service under this tariff and return to the appropriate general service rate, the Company may at its sole discretion decline the request until adequate upstream pipeline capacity can be procured.</p> <p>6. Transportation of customer-owned natural gas under this tariff will require telemetry or electronic flow measurement that meets the Company's required specifications at the customer's point (s) of re-delivery. The Company may require the customer to reimburse the Company for the cost of telemetry at its sole discretion.</p> <p><b>CONDITIONS</b></p> <p>1. Transportation of customer-owned natural gas hereunder shall be subject in all respects to applicable laws, rules and regulations from time to time in effect.</p> <p>2. Transportation of customer-owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.</p> <p>3. Transportation of customer-owned natural gas hereunder is subject in all respects to terms and conditions of the Gas Transportation Service Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto.</p> <p>4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.</p> <p>Meters Read On and After: July 16, 2014 Supersedes Same Rate Schedule dated: June 18, 2013</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76823	D	Mcf	\$ .0000	07/29/2011	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	32481	**CONFIDENTIAL**			

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 23645**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 24497**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 07/01/2011                      **RECEIVED DATE:** 01/19/2012

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New custom transportation agreement

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
33154	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 24497
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
BU-T-01-OS-XSVP	<p>BU-T-01-OS-XSVP RATE COMPONENTS Monthly Meter Charge: \$150.00 Monthly Cost of Service: \$0.60 per Mcf; effective July 1, 2012, and each July 1st thereafter during the term of this Agreement, Company shall have the right to adjust the cost of service charge with thirty (30) days advance notice to Shipper, not to exceed 5%. Additional Charges: 1) a charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code; Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder. 2) A charge will be made each month to recover the cost of any applicable franchise fees paid to the cities. 3) in the event the company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the Central Texas Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer. 4) Customer shall deliver to Company each month, as reimbursement for lost and unaccounted for gas in the form of Payment in Kind (PIK), a volume gas equal to a fixed rate of 1.5% times the volume of gas delivered by the Company for the account of Customer.</p>
T-GEN-KyBud-OS-G	<p>TEXAS GAS SERVICE COMPANY Kyle/Buda Service Area - Central Texas Region RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Kyle/Buda Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LUG) gas volume within the Service Area. The customer's share of LUG gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LUG factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LUG gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area,</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 24497
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below.</p> <p>4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below.</p> <p>5. Imbalances</p> <p>5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI.</p> <p>5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof.</p> <p>5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance.</p> <p>6. Cashout Procedure</p> <p>6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded.</p> <p>6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.</p> <p>6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments.</p> <p>6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date.</p> <p>6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas.</p> <p>6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer.</p> <p>7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier.</p> <p>8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions:</p> <p>8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request.</p> <p>8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards.</p> <p>8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.</p> <p>9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:</p> <p>9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated.</p> <p>9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 24497

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.</p> <p>CONDITIONS 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion.</p> <p>Initial Rate Meters Read On and After                      April 30, 2008 (Unincorporated Areas)</p>

**RATE ADJUSTMENT PROVISIONS:**  
None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
78038	D	Mcf	\$ .0000	07/01/2011	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	33154	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.  
 NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 24498**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 06/01/2011                      **RECEIVED DATE:** 01/19/2012

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New custom transportation agreement

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
33155	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 24498

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RGV-T-36-OS-MB	<p>RGV-T-36-OS-MB RATE COMPONENTS Rate: \$0.23 per MMBtu for volumes of 0 to 12,000 MMBtu/day \$0.17 per MMBtu for volumes 12,001 to 24,000 MMBtu/day \$0.11 per MMBtu for volumes 24,001 MMBtu/day and up Rate Schedule (s): T-Gen; plus additional PIK as mutually agreed upon and revised from time to time.</p>
T-GEN-RGV-0S-GTC	<p>TEXAS GAS SERVICE COMPANY Rio Grande Valley Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its Rio Grande Valley Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1 for the incorporated areas or Rate Schedule 1-ENV for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. For customers or qualified suppliers shipping excess gas off the distribution system, PIK shall in no event exceed 1%. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: Additional charges may be made at the Company's sole discretion for compression, treating, or similar services if the customer or qualified supplier is shipping excess gas off the distribution system. Plus: Notwithstanding anything herein to the contrary, in addition to the Rates set forth above, the Company shall bill each transportation customer, in the incorporated area of McAllen only, a surcharge of \$0.12 per Mcf during the billing period in accordance with the Settlement Agreement dated March 10, 2003 and Amendment dated May 5, 2003 between the Company and the City of McAllen, Texas. The surcharge shall be effective only until the settlement payment allocated to transportation customers pursuant to the Settlement Agreement and Amendment is collected by the Company. Plus: Notwithstanding anything herein to the contrary, in addition to the Cost of Gas, the Company shall bill each transportation customer, in the incorporated areas of the Rio Grande Valley Service Area a rate case expense surcharge of \$0.00511 per Ccf during the billing period in accordance with the Settlement Agreement and Term Sheet dated July 10, 2006 and the applicable city ordinance by and among the Company and the Cities in regard to the Company's Statement of Intent to Increase rates filed on March 30, 2006. The rate case expense surcharge shall be effective only until the rate case expenses are collected. Plus: Interim Rate Adjustment: The basic rates for cost of service shall include the amount of the Interim Rate Adjustment in accordance with the provisions of Rate Schedule IRA-ENV. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each agreement. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 24498
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. Upon receipt of notification of change of supplier, the Company will verify notification of termination of current supplier, verify all documentation of qualification of new supplier is executed, and establish an effective date for the change. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded, plus (ii) any applicable franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from applicable franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within thirty (30) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1 for the incorporated areas or Rate Schedule 1-ENV for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 24498
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 110% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the month for which the final COI was calculated, plus (ii) any applicable franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. CONDITIONS 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel. Eff. Meters Read On and After July 31, 2006 (Incorporated) July 15, 2009(Unincorporated) Initial - Supersedes Sheet Dated October 1, 1993 T-1 and T-2 (General Terms and Conditions for Firm Transportation)</p>

<b>RATE ADJUSTMENT PROVISIONS:</b>
None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
78039	D	Mcf	\$ .0000	06/01/2011	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	33155	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	



## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 24498**

**TUC APPLICABILITY****FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.

NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 24601**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 02/27/2009                      **RECEIVED DATE:** 02/09/2012

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** Settlmnt Agmt dated 2/11/2009

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Currently no TGS transportation customers in the Permian Svc Area - upload to file rate scheds

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32487	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 24601

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-3-Perm-IS-Std	<p>TEXAS GAS SERVICE COMPANY Permian Service Area - West Texas Region RATE SCHEDULE T-3 TRANSPORTATION SERVICE RATE APPLICABILITY Service under this rate schedule is available to any customer for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with the customer's gas supplier to have its gas delivered to one of the Company's existing delivery points for transportation by the Company to the customer's facilities at the customer's service point. TERRITORY Permian Service Area consisting of the incorporated areas of Andrews, Barstow, Crane, McCamey, Monahans, Pecos, Pyote, Thorntonville, Wickett and Wink, Texas. RATE This rate shall be the sum of Part A and Part B as described below: Part A: A customer charge of \$100.00 per meter per month. Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at a rate calculated as follows: 1. Determine the bill for the quantity of customer-owned gas metered and delivered to the customer at the Company's volumetric Cost of Service Rate on the gas sales tariff which would otherwise be applicable; 2. Add a balancing service rate for any applicable portion of incremental cost of the Company's transportation reservation costs received from its upstream pipelines that is deemed at the Company's sole discretion to directly or indirectly benefit the transportation service customers through scheduling balancing flexibility. The balancing service rate will be recalculated annually in conjunction with the Cost of Gas annual reconciliation audit and/or as the upstream pipeline changes the rates being charged to the Company. In addition the Company will charge system sales customers as of the date of this Rate Schedule that become transportation customers after the effective date of this Rate Schedule, a rate representing the cost of stranded capacity, incurred by the Company for upstream transportation and reservation costs as determined by the Company. Proceeds from these rates will be credited to the Reconciliation Account. 3. See the Additional Charges to Cost of Service Rate Pursuant to Rate Schedule T-GEN (General Charges and Provisions). SPECIAL PROVISIONS 1. Transportation volumes delivered under this schedule shall be considered first through customer's meter for billing purposes. 2. Gas transported under this schedule shall be for use only by the customer. 3. See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges and Provisions). 4. Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average at least five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder, except as may otherwise be provided in the Gas Transportation Service Agreement between the Company and customer, and provide service under the general service rate applicable to Customer. 5. Customers that qualify for and elect service under this tariff must remain on transportation service for a minimum of twelve months. If a customer chooses to leave transportation service under this tariff after twelve months, the customer may not return to transportation service for at least twelve months. If a customer requests to leave transportation service under this tariff and return to the appropriate general service rate, the Company may at its sole discretion decline the request until adequate upstream pipeline capacity can be procured. 6. Transportation of customer-owned natural gas under this tariff will require telemetry or electronic flow measurement that meets the Company's required specifications at the customer's point (s) of re-delivery. The Company may require the customer to reimburse the Company for the cost of telemetry at its sole discretion. CONDITIONS 1. Transportation of customer-owned natural gas hereunder shall be subject in all respects to applicable laws, rules and regulations from time to time in effect. 2. Transportation of customer-owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Transportation of customer-owned natural gas hereunder is subject in all respects to terms and conditions of the Gas Transportation Service Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto. 4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Meters Read On and After February 27, 2009 Initial Rate Schedule for City of Andrews Replaces Rate Schedule T-1 and T-2 Dated 8/24/01 for Pecos, Monahans, Pyote &amp; T-3 dated 11/4/08 for Barstow, Crane, McCamey, Thorntonville, Wickett, Wink</p>
T-GEN-Perm-IS-Std	<p>TEXAS GAS SERVICE COMPANY Permian Service Area - West Texas Region RATE SCHEDULE T-GEN GENERAL CHARGES AND PROVISIONS APPLICABILITY Applicable to Transportation Rate Schedule: T-3. TERRITORY Permian Service Area consisting of the incorporated areas of Andrews, Barstow, Crane, McCamey, Monahans, Pecos, Pyote, Thorntonville, Wickett and Wink, Texas. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Interim Cost Recovery and Rate Adjustment (Rate Schedule ICR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: UPSTREAM PIPELINE SCHEDULING AND BALANCING PROVISIONS A proportional share of any upstream pipeline transportation service charges and penalties incurred by the Company that, in whole or in part, are the result of customer or customer's agent scheduling and/or managing the upstream transportation of the customer's gas to Company's interconnecting point(s) with the upstream pipeline(s). Proceeds from this charge will be credited to the Reconciliation Account. The</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 24601**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Company will bill customer for these charges and penalties manually on a separate bill. Payment shall be required in accordance with the Company's Rules of Service. A transport customer may elect to have its supplier act as agent for resolution of these charges. The Company will allow aggregation in resolution of the upstream pipeline scheduling and balancing charges as long as the aggregated customers are supplied by the same supplier, and provided that the customers are physically located behind the same upstream pipeline balancing point, as determined by the Company. Plus: MONTHLY COMMODITY BALANCING PROVISIONS In addition to the Upstream Pipeline Scheduling and Balancing provisions described above, the Company will resolve monthly commodity imbalances in accordance with the provisions described below: 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110%</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 24601

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin, for the month in which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. Meters Read On and After February 27, 2009 Initial Rate Schedule for Andrews, Monahans, Pecos, &amp; Pyote Supersedes T-GEN dated November 4, 2008 for Barstow, Crane, McCamey, Thorntonville, Wickett, and Wink</p>

**RATE ADJUSTMENT PROVISIONS:**

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 24601**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76826	D	Mcf	\$.0000	02/15/2008	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	32487	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 25078

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 04/03/2014      **RECEIVED DATE:** 04/25/2014

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** S.Agmt 4/10/12; Op-Law 4/3/14

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Eff. 4/3/2014, new Customer Charge cost of service rates per GRIP filing (TYE Dec-2012) approved by STX Svc Area cities via operation of law.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
33832	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25078
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-STX-ISOS-b	<p>TEXAS GAS SERVICE COMPANY South Texas Service Area RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION (continued) ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT</p> <p>The measurement and tests for quality of Gas delivered and delivered by Customer hereunder shall be governed as follows: 7.1 The quantities of Gas received and delivered shall be measured by means of meters of standard type which conform to the American Gas Association Measurement Committee Reports and other industry standards as to construction and installation. 7.2 The unit of volume for purposes of measurement shall be one (1) cubic foot of Gas at a temperature base of sixty degrees (60 degrees) Fahrenheit and at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute. Customer agrees that the Btu content per Mcf of the gas volumes delivered by the Company at the Point of Delivery shall be assumed to be equal to the Btu content per Mcf of the gas volumes delivered by Customer at the Point of Receipt, when corrected for differences in pressure base. 7.3 The temperature shall be adjusted to standard conditions by a compensation device included with the meter or such other method as the Company shall deem appropriate. Corrections shall be made in accordance with industry practice. 7.4 Specific gravity shall be determined with accuracy to the nearest one thousandth (.001) by use of an instrument that conforms to industry standards. 7.5 Whenever the conditions of pressure and temperature differ from the standards, conversion of the volumes from these conditions to the standard conditions shall be in accordance with the Ideal Gas Laws corrected for deviation from Boyle's Law, all to be in accordance with methods and tables set out in the American Gas Association Measurement Committee Reports, or by other accepted methods that may be used from time to time. 7.6 The gross heating value of the Gas shall be determined by means of a sampling method of general use in the Gas industry. The location of the sampling equipment shall be determined by Company in its sole discretion but shall be at a location where a representative sample of the Gas to which it applies may be taken. 7.7 Tests to determine total sulfur, hydrogen sulfide, oxygen, carbon dioxide, total inerts, and water vapor shall be made by approved standards methods in general use by the Gas industry. Such tests shall be made at the request of either party hereto. If a test is performed at Customer's request and shows that the quality specifications as set forth in Section 4.3 hereof have been satisfied, Customer shall pay all costs and expenses of Company related to such test. 7.8 Except as may be otherwise provided, all measuring and testing equipment, housing devices, and materials shall be standard manufacture and type and shall, with all related equipment, appliances, and buildings, be owned, installed, maintained and operated or caused to be installed, maintained and operated by Company at the Points of Receipt and Points of Delivery. Customer may install and operate check measuring and testing equipment, which equipment and the operation thereof shall not interfere with the operation of Company's equipment. 7.9 The accuracy of the measuring and testing equipment shall be verified according to Company's standard for the device being used and at other reasonable times upon request of Customer or Company. Gas quality tests may be made at times of equipment testing or at other reasonable times. Unless a test is requested by Customer, notice of the time and nature of each test shall not be given by Company. If a test is requested by a Customer, then Company shall give Customer notice sufficiently in advance to permit Customer to have a representative present. Representatives of both Customer and Company may be present to observe such tests. The results of any such tests shall be considered accurate until the next tests are made. All tests of measuring equipment shall be made at Company's expense, except that Customer shall bear the expense of tests made at its request if the inaccuracy found is two percent (2%) or less. 7.10 If, at any time, any of the measuring or testing equipment is found to be out of service, or registering inaccurately of any percentage, it shall be adjusted at once to read accurately within the limits prescribed by the manufacturer. If such equipment is out of service or inaccurate by an amount exceeding two percent (2%) at a reading corresponding to the average rate of flow for the period since the last preceding test, the previous reading of such equipment shall be disregarded for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of time equal to one-half of the elapsed time since the last test. The volume of Gas delivered during such period shall be estimated (i) by using the data recorded by any check measuring equipment if installed and accurately registering, or if not installed or registering accurately, (ii) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither such method is feasible, (iii) by estimating the quantity or quality delivered based upon deliveries under similar conditions during a period when the equipment was registering accurately. No adjustment shall be made for recorded inaccuracies of two percent (2%) or less. 7.11 The parties hereto shall have the right to inspect equipment installed or furnished by the other or third-party operators and the charts and other measurement or testing data of all such parties at all times during business hours; but the reading, calibration, and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing the same. The parties hereto shall preserve all original test data, charts, and other similar records in such party's possession for a period of at least twenty-four (24) months. Measurement data corrections should be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. 7.12 At every Point of Receipt and every Point of Delivery, the party having control over such facility shall allow the other party immediate access to the receipt and delivery information as it is generated by the party having such control. With respect to all Points of Receipt and Points of Delivery that have electronic flow measurement, both parties shall have remote telephone and electronic access to the receipt and delivery information generated at such Point of Receipt and Point of Delivery. ARTICLE 8 TITLE TO AND RESPONSIBILITY FOR GAS 8.1 Customer and Company, respectively, warrant title to all Gas delivered by it into or from the Pipeline System hereunder, and each of Customer and Company, respectively, warrant and represent each has the right to deliver the Gas hereunder, and that such Gas is free from liens and adverse claims of every kind. Customer agrees to indemnify and save Company harmless from and against all loss, damage, claims, and expense of every character with respect to Gas delivered by it on account of royalties, taxes, payments, liens, or other charges or claims arising (i) before or created upon delivery of said Gas into the Pipeline System, and (ii) upon and after delivery of said Gas from the Pipeline System to Customer. 8.2 Subject to compliance with the provisions of Section 8.1 above, Company warrants that title to all Gas delivered hereunder by Customer is free from liens and adverse claims of every kind. Company agrees to indemnify and save Customer harmless from and against all loss, damage, claims, and expense of every character with respect to Gas to be delivered at the Point of Delivery on account of royalties, taxes, payments, liens, or other charges or claims arising after delivery of Gas to and before withdrawal thereof from the Pipeline System by Customer. 8.3 As between the parties hereto, Customer or its supplier shall be deemed to be in the exclusive control and possession of the Gas until such Gas has been delivered to Company at the Point of Receipt, and after its withdrawal by Customer at the Point of Delivery. After Customer's or Customer's suppliers' delivery of such Gas at the Point of Receipt, Company shall thereafter be deemed to be in the exclusive control and possession of such Gas until its withdrawal by Customer at the Point of Delivery. The party which shall be in the exclusive control and possession of such Gas shall be responsible for all in injury or damage caused thereby and shall be responsible for</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25078
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>any loss of Gas while in its possession, except with regard to injury, damage or loss caused by or arising out of the negligence of the nonpossessory party. 8.4 The Pipeline System shall at all times remain the property of Company, and Customer shall have no right or property interest therein but only the right for the transportation of Gas. ARTICLE 9 FORCE MAJEURE AND CASUALTY 9.1 If either Company or Customer is rendered unable, wholly or in part, by reason of force majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended. Any force majeure event (other than labor disputes, strikes, or lockouts) shall be remedied so far as possible with reasonable dispatch. Settlement of strikes, lockouts, and labor disputes shall be wholly within the discretion of the party having the difficulty. The term force majeure shall include, but is not limited to, the following: acts of God and the public enemy; the elements; fire, accidents, breakdowns, strikes; any industrial, civil, or public disturbance; inability to obtain or delay in obtaining rights-of-way, material, supplies, permits, or labor; any act or omission by parties not subject to control by the party hereunder having the difficulty; and any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military. If pursuant to the foregoing Company curtails or temporarily discontinues the receipt or delivery of Gas hereunder, Customer agrees to hold Company harmless from any loss, claim, damage, or expense that Customer may incur by reason of such curtailment or discontinuance. 9.2 If a portion of the Pipeline System required to make the transportation service available is partially damaged by fire or other casualty, the damage may be repaired by Company, at its option and in its sole discretion, as speedily as practicable, due allowance being made for the time taken for the settlement of insurance claims. Until such repairs are made, the payments shall be apportioned in proportion to the portion of the capacity of the Pipeline System which is still available for the purposes hereof, such determination to be made in the sole discretion of Company. If the damage is so extensive as to render the Pipeline System wholly unusable, in Company's sole opinion, the payments, if any, shall cease until such time as the Pipeline System is again useable. In case the damage shall, in Company's sole opinion, amount substantially to a destruction of the portion of the Pipeline System available for the transportation of Gas and Company shall elect not to repair the damage, then the Agreement shall terminate at the time of such damage, and Company shall not be liable to Customer for any liability, damage, or claim which arises out of any failure to make repairs. ARTICLE 10 GOVERNMENTAL RULES, REGULATIONS, AND AUTHORIZATIONS; INTERPRETATION OF AGREEMENT 10.1 The Agreement is subject to all valid orders, laws, rules, and regulations of duly constituted municipal, State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or Gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies. 10.2 The Agreement shall be interpreted under the laws of the State of Texas, excluding any law thereof directing the application of the laws of another jurisdiction. ARTICLE 11 MISCELLANEOUS 11.1 Any modification of terms, or amendment of any provisions hereof, shall become effective only by supplemental written agreement between the parties. 11.2 (A) Any of the following events or conditions shall constitute a default of Customer under the Agreement: (1) Default in the delivery of any payment or any sums hereunder for a period of sixty (60) Days after the same becomes due; (2) Any other breach of the material terms and conditions of the Agreement and the failure of Customer to cure such breach within thirty (30) Days after written demand by Company or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Customer shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured; (3) Customer shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Customer; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Customer (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; or (5) If any certificate, statement, representation, or warranty furnished by Customer proves to be false or incomplete in any material respect. (B) Upon the happening of any event of default as set forth in subparagraph 11.2(A) above, Company shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Customer the sum of all transportation payments and all other amounts due and owing under the Agreement plus the sum of all transportation payments and other amounts to become payable during the balance of the term of the Agreement; (2) Retake possession of the entire capacity of the Pipeline System without any court order or other process of law and without any rights of Company being thereupon terminated; (3) Terminate the Agreement and the Exhibits; (4) Pursue any other remedy at law or in equity. (C) Any of the following events or conditions shall constitute an Event of Default with respect to Company under the Agreement: (1) Default in the crediting of any sums due to Customer or in the payment of any other sums due to Customer under the Agreement for a period of ninety (90) Days after the same is established by Company to have become due; (2) Company's breach of any material term or condition of the Agreement and the failure of Company to cure such breach within thirty (30) Days after written demand by Customer or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Company shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured. (3) Company shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Company; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Company, (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25078
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCE-Rider-STX-IS	<p>period of ninety (90) Days; (D) Upon the happening of any event of default as set forth in subparagraph 11.2(C)above, Customer shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Company the sum of all outstanding credits and other amounts due and owing under the Agreement; (2) Terminate the Agreement and the Exhibits; (3) Pursue any other remedy at law or in equity. (E) The rights granted to Company and Customer hereunder shall be cumulative as to each and action on one shall not be deemed to constitute an election or waiver of any other right to which Company or Customer may be entitled. (F) Upon the termination of the Agreement, whether by lapse or time or otherwise, Customer will surrender any and all rights in the Pipeline System immediately. 11.3 Company shall not be liable for damages resulting from interruption of service, when such interruption is necessary to make repairs, changes, or adjustments in Company's equipment and facilities. 11.4 No waiver by Company or Customer of any default or the other under the Agreement shall operate as a waiver of any future default, whether of a like or different character. 11.5 The Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. In the event Customer sells, leases or otherwise transfers its distribution system to a third party, whether voluntarily or involuntarily, then Customer agrees, as a part of such sale, lease or transfer, to assign to such third party and to require such third party to accept the assignment of the Agreement and the Exhibits included therein, subject to the provisions of the following sentence. Neither the Agreement nor the Exhibits attached thereto nor the rights and obligations of Customer hereunder may be assigned without the consent of Company, which consent shall not be unreasonably withheld. 11.6 Customer will not mortgage, create a security interest in, or encumber the Agreement, or sublet the rights granted hereby, or permit its use by others, or pledge, loan, sublet, create a security interest in, or in any other manner attempt to dispose of such rights, or permit its use by others, or suffer any liens or legal process to be incurred or levied thereon; provided, however, that Customer may grant a security interest or similar encumbrance in connection with any existing financing arrangement associated with Customer's facility. 11.7 Except as provided below, Customer shall pay all fees, taxes, charges, and assessments imposed by or on behalf of any governmental entity in connection with the Agreement or in connection with the purchase, transportation, and disposition of Gas by or on behalf of Customer pursuant to the Agreement including but not limited to municipal and/or supplemental fees, franchise fees and any supplements thereto and taxes; provided that Company shall pay all ad valorem taxes and assessments levied on the Pipeline System and all appurtenant facilities. Company shall file all returns required for the Pipeline System and all appurtenant facilities. Customer will furnish Company with any information available to Customer in connection with Company's obligations under this section. 11.8 Company and Customer agree to exercise and take reasonable steps necessary to safeguard and cause their officers, directors, employees, agents, advisers, and representatives to safeguard the confidentiality of the Agreement and the terms and conditions thereof (as contrasted with the existence and effectiveness of the Agreement which are not confidential) and not to disclose any part of it or any information derived there from or any negotiations relating thereto to any party or person except that limited number of people within Company's and Customer's organizations, and their advisers, lenders and potential investors, as may need to know the terms and conditions hereof in order to evaluate, understand, execute and perform the Agreement. Company and Customer agree not to copy or permit the copying of the Agreement, except as may be necessary for their operations. In the event Customer or Company or any of their officers, directors, employees, agents, or representatives, is requested or required (by oral or written question or request for information or documents in legal proceedings, interrogatories, subpoena, Civil Investigative Demand or similar process) to disclose any information concerning the Agreement or the terms and conditions thereof or any negotiations relating thereto, it is agreed that the party receiving such question or request will provide the other parties with prompt notice thereof so that such other parties may seek a protective order or other appropriate relief or a release from the other parties. It is further agreed that if, in the absence of a protective order or receipt of a release, the other party is compelled to disclose such information or else stand liable for contempt or suffer other censure or penalty or adverse effect, then such party may disclose such information. The parties hereto are further authorized to make disclosure of the Agreement as may be required by Federal, state, or local regulation or agency or as may be required by auditors or accountants in connection with the preparation of financial statements or tax returns. Disclosure hereunder shall not constitute a basis for defense, termination, or modification of the Agreement. ARTICLE 12 DISPUTE RESOLUTION 12.1 Any dispute arising out of or relating to this Agreement for which a claim or demand is asserted that is equal to or exceeds a value of \$25,000 shall be resolved in accordance with the procedures specified in this Article 12, which shall be the sole and exclusive procedures for the resolution of any such disputes. The cost of conducting the dispute resolution process, including the fees and expenses of any arbitrators, shall be shared equally by the parties, and each party shall bear its own costs, including any attorneys' fees or other expenses incurred in the process. Each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances. 12.2 Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between management level personnel who have authority to settle the controversy. Any person may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. Within thirty (30) days after delivery of the initial notice, the designated managing personnel of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. 12.3 Arbitration. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation as provided above within sixty (60) days after initiation of negotiations shall be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect by (i) a sole arbitrator agreed upon by the parties if the dispute is between \$25,000 and \$250,000, or (ii) three independent and impartial arbitrators, of whom each party shall designate one, if the dispute is in excess of \$250,000. All arbitrators shall be knowledgeable in the natural gas industry. The arbitrator(s) shall have no authority to award consequential, punitive or exemplary damages. Provided, however, if one party fails to participate in the negotiation as agreed herein, the other party can commence arbitration prior to the expiration of the time periods set forth. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. Unless otherwise agreed, the place of arbitration shall be Austin, Texas. Meters Read On and After: January 27, 2014 Supersedes: April 27, 2012 (Incorporated Only) April 12, 2013 (Unincorporated)</p> <p>TEXAS GAS SERVICE COMPANY South Texas Service Area - Central Texas Region RATE SCHEDULE RCE-RIDER RATE CASE EXPENSE SURCHARGE A. APPLICABILITY The Rate Case Expense Surcharge (RCE) rate as set forth in Section (B)</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 25078**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-2-SoTx-IS-Com	<p>below is pursuant to ordinances or resolutions passed by the cities of Texas Gas Service's (TGS) South Texas Service Area, which includes the Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner and Yoakum, Texas (collectively, the Cities). The ordinances or resolutions were passed pursuant to a Settlement Agreement dated April 10, 2012 between TGS and the Cities. This rate shall apply to the following rate schedules of Texas Gas Service Company in the incorporated areas of the Cities served in TGS' South Texas Service Area: 15, 25, 35, T-2 and T-3.      B.    RCE RATE All Ccf during each billing period:                \$ 0.0050 per Ccf This rate will be in effect until all approved and expended rate case expenses are recovered under the applicable rate schedules.      C.    OTHER ADJUSTMENTS Taxes: Plus applicable taxes and fees (including franchises fees) related to above.      D.    CONDITIONS Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.      Meters Read On and After January 14, 2014 Supersedes same sheet dated: April 27, 2012</p> <p>TEXAS GAS SERVICE COMPANY South Texas Service Area - Central Texas Region RATE SCHEDULE T-2 COMMERCIAL TRANSPORTATION SERVICE RATE</p> <p><u>Applicability</u> Applicable to commercial customers and to consumers not otherwise specifically provided for under any other rate schedule. Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.</p> <p><u>Availability</u> Natural gas service under this rate schedule is available to any individually metered, commercial customer for the transportation of customer owned natural gas through the Company's South Texas distribution system. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.</p> <p>Electronic flow measurement (EFM) may be required for Customers under this tariff at the Company's sole discretion. The customer may be required to reimburse the Company for any cost related to the installation of the EFM as well as provide for or reimburse the Company for any on going maintenance, repair, or communications costs. In the alternative, Customer may elect to discontinue service under this tariff and to receive service under the applicable sales tariff.</p> <p>Service is not available under this rate schedule for resale to others or for service for a term less than twelve (12) months.</p> <p>Under this tariff the Company shall perform or cause to be performed all functions necessary to transport the gas commodity from the Point of Receipt to the end use Customer. The Customer is responsible for acquiring the gas commodity from a third party supplier. Such gas supply must be delivered to the pipeline providing upstream services for the system from which the Customer is served.</p> <p>Customer shall deliver to Company each month, as reimbursement for lost and unaccounted for gas in the form of Payment in Kind (PIK), a volume of gas equal to the Purchase/Sales ratio authorized to be collected in the Cost of Gas clause times the volume of gas delivered by the Company for the account of Customer for transportation.</p> <p><u>Character of Service</u> Firm gas transportation service</p> <p><u>Cost of Service Rate</u> During each monthly billing period: A customer charge per meter per month of \$ 250.00 plus Interim Rate Adjustments (IRA)                      \$ 139.94 per month (Footnote 1) Total Customer Charge                                      \$ 389.94</p> <p>All Ccf per monthly billing period @ \$ 0.3662 per Ccf</p> <p><u>Additional Charges</u> 1) A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060TEX&gt; REV. CIV.STAT. as such may be amended from time to time which are attributable to the transportation service performed hereunder. 2) A charge will be made each month to recover any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. 3) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the South Texas Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.</p> <p>Subject to: Special Provisions                      Tariff</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 25078

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>General Terms and Conditions for Transportation T-GTC</p> <p>Other Conditions Transportation of Customer owned natural gas hereunder is subject in all respects to the Transportation Agreement entered into between the Customer and Company prior to commencement of service and all amendments and modifications thereto. Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.</p> <p>Footnote 1: Initial 2012 IRA - \$139.94</p> <p>Meters Read On and After April 3, 2014 Supersedes Same Sheet Dated April 27, 2012</p>
T-GTC-STX-ISOS-a	<p>TEXAS GAS SERVICE COMPANY      South Texas Service Area      RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION Rate schedule T-GTC general charges, provisions and conditions applicable to: Transportation Rate Schedules T-2 and T-3 in the areas served by the Company in its South Texas Service Area. ARTICLE 1 DEFINITIONS 1.1 Affiliate shall mean any person, entity, or business section, or division that directly or through one or more intermediaries' controls, is controlled by, or is under common control with the entity in question. 1.2 Agreement shall mean the agreement to which the General Terms and Conditions for Transportation apply. 1.3 Btu shall mean British thermal unit(s) and shall be computed on a temperature base of sixty degrees (60 degrees) Fahrenheit and a pressure base of fourteen and sixty-five hundredths (14.65) psia and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and MMBtu shall mean one million (1,000,000) Btu. 1.4 Commission shall mean the Railroad Commission of Texas. 1.5 Company shall mean Texas Gas Service when it is acting as Company on the Pipeline System. 1.6 Cumulative Tolerance Limit shall mean five percent (5%) of aggregate historical annual deliveries of a Qualified Supplier's pool of customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit to reflect changes to the pool of customers and other known changes to anticipated deliveries that the Company determines to be reasonably reliable and accurate. 1.7 Customer shall mean a consumer which subscribes to natural gas services provided by Texas Gas Service. 1.8 Dekatherm (Dth) shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis. 1.9 Day shall mean the 24-hour period commencing at 9:00 a.m. (central clock time) on one calendar day and ending at 9:00 a.m. (central clock time) the following calendar day. 1.10 Dry shall mean the heating value calculation being determined with no water vapor present. 1.11 Effective Date shall mean the date specified in the Agreement. 1.12 Gas or natural gas shall mean the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof. 1.13 Gas Transportation Order shall mean a completed Exhibit A relating to the applicable gas transportation service Agreement. 1.14 Gross Heating Value or Gross shall mean the amount of energy transferred as heat per mass or mole from the complete combustion of the gas with oxygen (from air), at a base temperature in which all water formed by the reaction condenses to liquid. 1.15 Mcf shall mean one thousand (1,000) cubic feet of Gas. 1.16 Month shall mean the period beginning at 9:00 a.m. central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month, except where references not involving Gas measurement volumes are involved, in which case the calendar month shall be deemed to be referred to. 1.17 Monthly Tolerance Limit shall mean ten percent (10%) of the aggregate deliveries for a Qualified Suppliers pool of customers for such month. 1.18 PDA shall mean a predetermined allocation method. 1.19 Pipeline System shall mean the current existing utility distribution facilities of Company located in the State of Texas. 1.20 Point of Delivery shall mean the point or points where Gas is delivered from the Pipeline System to or for the account of Customer and are shown on the applicable Gas Transportation Order. 1.21 Point Operator shall mean the person or entity that controls the Point of Receipt or Point of Delivery. 1.22 Point of Receipt shall mean the point or points where Company shall receive Gas into the Pipeline System from Customer, as described on the applicable Gas Transportation Order. 1.23 Psia shall mean pounds per square inch, absolute. 1.24 Psig shall mean pounds per square inch, gauge. 1.25 Qualified Supplier shall mean a supplier of natural gas for transportation to customers through the Company's pipeline system that meets the requirements of and has executed a Supplier Service Agreement. 1.26 Real shall mean the division of the ideal heating value by the compressibility of the gas. This creates an ideal Gross Heating Value per Real cubic foot. 1.27 Supplier Service Agreement shall mean a contract setting forth the requirements and terms upon which a supplier of natural gas may make deliveries of customer owned gas into the Company's pipeline system for delivery to one or more of the Company's customers receiving service under this tariff. 1.28 Tariff shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over Company or the services provided hereunder. 1.29 Week shall mean a period of seven (7) consecutive Days beginning at 9:00 a.m. central clock time on each Monday and ending at the same time on the next succeeding Monday. 1.30 Year shall mean a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29. ARTICLE 2 RESTRICTIONS AND RESERVATIONS 2.1 It is understood and agreed that Customer has only the right to transportation service in the Pipeline System and all equipment, including (but not in any way limited thereto) all pipe, valves, fittings, and meters comprising the Pipeline System and all other property and capacity rights and interests, shall at all times during the term of the Agreement remain the property of Company. Customer agrees not to cause or permit any liens or encumbrances to be filed with respect to the Pipeline System by reason of Customer's actions. Customer's Gas shall at all times remain the property of Customer, and Company shall have no right or property interest therein. 2.2 Company reserves the right in its sole discretion to remove, relocate, expand, or rebuild, without approval of Customer, any portion of the Pipeline System. Customer shall make no alterations, additions, or repairs to or on the Pipeline System, nor shall Customer bear any cost of any alterations, additions, repairs, maintenance or replacements made to or on said Pipeline System. 2.3 Customer agrees not to connect or cause the connection of any third party to the Pipeline System for any purpose without the express written approval and consent of Company to be granted in Company's sole discretion. Customer further agrees not to transport or cause to be transported any Gas for any third party. If either of these conditions</p>

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

RRC COID: 6310

COMPANY NAME: TEXAS GAS SERVICE COMPANY

TARIFF CODE: DT

RRC TARIFF NO: 25078

## CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

is breached by Customer, Company shall have the right and option, notwithstanding any other provision of the Agreement or the General Terms and Conditions for Transportation, to terminate the Agreement including the Exhibits thereto immediately and without further obligation to Customer. 2.4 Company presently is transporting Gas to third parties on the Pipeline System and shall have the right in the future to transport additional Gas for such purposes and to transport Gas to additional third parties as it may desire, and Company shall have the right to make additional connections to the Pipeline System as may be required to serve presently existing and new customers, all of which is subject to the provisions of the Agreement. Company's transportation of Gas hereunder shall not obligate Company in any manner beyond the terms of the Agreement and the Exhibits attached thereto. 2.5 Company shall own any and all liquids which are recovered from the Pipeline System and may use, sell or transfer all liquids without having to account in any manner, or pay any monies or other consideration to Customer. 2.6 The Company reserves the unilateral right from time to time to seek regulatory approval to make any changes to, or to supersede, the rates, charges and any terms stated in the tariffs, rate schedules, the agreements, and the General Terms and Conditions. ARTICLE 3 OPERATIONS 3.1 Customer shall deliver its Gas into the Pipeline System at the Points of Receipt described on the applicable Gas Transportation Order, as it now exists and as it may be amended. Customer shall have no right to require Gas to be received at any particular Point of Receipt and Company may delete such points or modify the capacity thereof from time to time and at any time in its sole discretion with no further obligation to Customer with respect to such Point of Receipt. All supplies of Gas delivered to the Pipeline System must comply with the terms and conditions of the Agreement and the exhibits attached thereto. In no event shall Company be required to expand, modify, construct, rearrange, or change the operations of the Pipeline System in order to receive Gas from or on behalf of Customer or in order to deliver Gas to Customer at any existing Points of Delivery. 3.2 Customer shall advise (in a method and format approved by Company in its sole discretion) Company with respect to each Day, Week and Month the name of each supplier with whom it has a contract (and the name of the individual with such supplier responsible for Customer's account), which source of supply is delivering to Company, how much Gas is nominated to be delivered to Company from each source of supply (i.e., each well, plant, or other desired Point of Receipt) and the anticipated deliveries at each Point of Delivery. Customer's nomination shall be in good faith, in balance between Points of Receipt and Points of Delivery, and shall be based on Customer's commercially reasonable best efforts to estimate usage for Hour, Day, Week, and Month. Customer will cause their Qualified Supplier to act as their agent in the nomination process. Qualified Supplier shall not intentionally nominate more or less Gas than is anticipated for consumption by Customer(s), except as may be needed for balancing purposes to the extent Company accepts such nomination. Qualified Supplier shall submit nominations to the Company's gas scheduling department in accordance with their currently effective nomination process which can be provided to the parties upon request. Customer and Qualified Supplier shall exercise commercially reasonable best efforts to deliver to the Pipeline System Dths of Gas that Company is to deliver from the Pipeline System to Customer during any particular Hour, Day, Week and Month, including but not limited to volumes needed for peak Day usage for Customer's facilities. 3.3 Before the start of the Gas Day, the Point Operator and Company shall establish a predetermined allocation (PDA) method to specify how Gas received or delivered by Company shall be allocated in accordance with confirmed nominations at such point. Only one PDA methodology shall be applied per allocation period. 3.4 Customer's Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery. To the extent that Customer's acts or omissions cause Company to incur, directly or indirectly, fees, charges, expenses, or penalties from a supplier or transporter for failure to satisfy such supplier's or transporter's balancing or nomination requirements, then Customer agrees to reimburse Company for such fees, charges, expenses, or penalties, and defend, indemnify, and hold Company harmless with respect thereto. Any fees, charges, expenses or penalties which were determined to be in error will be credited back to the Customer. 3.5 The Point of Receipt and Point of Delivery may be, or may later become points through which other quantities of Gas are being measured; therefore, the measurement of Gas under the Agreement may involve the allocation of Gas deliveries. In such event, each party hereto will furnish, or cause to be furnished, to the other all data required to accurately account for all Gas. 3.6 Except as may be set forth on a Gas Transportation Order, Company shall receive and deliver Gas hereunder as nearly as practicable at uniform hourly and daily rates of flow. It is recognized that it may be physically impracticable, because of measurement, Gas control limitations and other operating conditions, to stay in zero (0) imbalance each hour and each Day; therefore, the daily and hourly quantities received may, due to the aforementioned reasons, vary above or below the daily and hourly quantities delivered. If the quantities received and the quantities delivered hereunder should create an imbalance at the end of any hour, Day, Week, or Month, then Company and Customer shall adjust receipts and/or deliveries at any time to the end that the quantities received and delivered shall be kept as near to zero (0) imbalance as practicable. 3.7 Imbalances Customer must designate no more than one Qualified Supplier. The Qualified Supplier shall act on behalf of the Customer to procure gas supplies, deliver gas supplies to points of receipt designated in the Gas Transportation Order, and shall act as the Customer's agent with respect to nominations, operational notices required under the Gas Transportation Agreement or applicable tariffs and with respect to resolution of imbalances under this Rate Schedule. (A) The following cash out provisions shall be applied to the Qualified Supplier for its aggregate pool of Customers that are being provided service pursuant to a Rate Schedule or some other form of transportation service: 1) Qualified Supplier shall not deliver into the Pipeline System more Dths of Gas than Company delivers to the aggregate pool of Customers at the Points of Delivery during a Month. At the end of the Month in which an over-delivery occurred and exceeded the Monthly Tolerance Limit or the Cumulative Tolerance Limit, Qualified Supplier shall sell such excess Gas to Company at 95% of Inside FERC's FOM Houston Ship Channel index price. 2) If Company receives less Dths of Gas than are delivered to the aggregate pool of Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Month, then Qualified Supplier shall purchase such under-delivered volumes at 105% of Inside FERC's FOM Houston Ship Channel index price. The Company will provide monthly imbalance statements along with calculations of the cash out charges in accordance with the aforementioned cash out provisions to the Qualified Supplier each month. Payments for cash out charges will be due each month within 15 business days of the imbalance statement date. The Company may elect at its sole discretion to accrue the monthly cash out provisions each month and only require periodic settlement rather than monthly payments. The monthly transport payments shall not be abated with respect to a Month in which under-deliveries occurred except as provided in Article 9 and Article 10 hereof. 3.8 Customer and Company shall exercise their commercially reasonable best efforts to comply with all of the standards established by the North American Energy Standards Board, Inc. (NAESB), but in no event shall either party be required to comply with the NAESB standards if such compliance has a material adverse affect upon such party. 3.9 In the event Customer's source of gas supply is terminated by Customer's supplier due to non-payment or other reasons, or if customer is otherwise unable to continue as a transportation customer, Customer may, upon the giving of five (5) business days advance notice to Company, obtain service from

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 25078

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Company under the general sales tariff applicable to Customer. Prior to commencing such service, Company may, in its sole discretion, require Customer to post a deposit or bond in accordance with the provisions of Article 5 hereof. <b>ARTICLE 4 PRESSURE AND QUALITY OF GAS</b> 4.1 Customer shall deliver (or cause to be delivered) the Gas to the Pipeline System at the Point of Receipt at a pressure sufficient to effect delivery into the Pipeline System at that point. If necessary, Customer shall provide additional compression to make such deliveries hereunder, and Company shall not have any cost or responsibility in that regard. 4.2 Subject to the provisions of Section 4.1 above, the Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery at pressures sufficient to effect deliveries to Customer's facilities, but not to exceed the maximum pressure that has existed for each Point of Delivery. 4.3 Gas delivered by and to Customer shall be commercially free of dust, gums, gum-forming constituents, gasoline, water, and any other substance that may become separated from the Gas during the handling hereof. All Gas received shall conform to the following additional specifications: (A) Contain not more than one-quarter (1/4) grain of hydrogen sulfide per 100 cubic feet, as determined by a method generally acceptable for use in the gas industry; (B) Contain not more than five (5) grains of total sulfur per 100 cubic feet; (C) Contain not more than two percent (2%) by volume of carbon dioxide; (D) Contain not more than four percent (4%) by volume of total inerts, including carbon dioxide and nitrogen; (E) Contain not more than two-tenths of one percent (.2%) by volume of oxygen; (F) Contain a gross heating value equivalent to at least 980 British Thermal Units per cubic foot and not to exceed 1080 British Thermal Units per cubic foot; (G) Have a temperature of not more than one hundred twenty degrees (120#) Fahrenheit and not less than forty degrees (40 #) Fahrenheit; (H) Contain no water or hydrocarbons in liquid form; (I) Contain not more than 7 pounds of water in vapor stage per 1,000 Mcf of gas; and (J) Be interchangeable with the Company's system Gas at the Point of Receipt or delivered to the nearest customer, city border station, or other pipeline interconnected with such receiving facility or downstream of the Point of Receipt. 4.4 The Company, at its option, may refuse to accept delivery of any gas not meeting the quality specifications set out above. Thereafter, Customer or Qualified Supplier shall have the right to conform or cause the gas to be conformed to the above specifications. If the Customer or Qualified Supplier does not elect to conform the gas to said specifications, then the Company at its sole option may accept or reject any such gas. 4.5 Notwithstanding anything to the contrary contained herein, the gas which the Company transports and delivers to the Customer shall be odorized by the Company. In the event Customer desires to remove the odorant, such removal shall be solely at Customer's risk and expense. <b>ARTICLE 5 PAYMENT</b> 5.1 Should Customer fail to pay or deliver any or all of the amount of the transportation payment and/or other fees due under any exhibit when such amount is due (which in no event shall be later than the last Day of the applicable Month), interest on the unpaid portion shall accrue at a rate (which in no event shall be higher than the maximum rate permitted by applicable law) equal to one and one-half percent (1 one-half%) per month from the due date until the date of payment. If such failure to pay continues for fifteen (15) Days after payment is due, Company, in addition to any other remedy it may have, may suspend further receipts and deliveries of Gas until such amount is paid; provided, however, that if Customer in good faith shall dispute in writing the amount of any such bill or part thereof and shall pay to Company such amounts as it concedes to be correct and, at any time thereafter within thirty (30) Days of the due date of such payment, shall furnish a good and sufficient surety bond in an amount and with surety satisfactory to Company, guaranteeing payment to Company of the amount ultimately found due upon such bills, including interest thereon, after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further receipts and withdrawals of Gas unless and until default be made in the conditions of such bond. As an alternative to posting a bond, Customer may pay the portion of any amount in dispute without waiving its rights to recoup any monies improperly billed. If the portion of any amount in dispute is ultimately determined to be incorrect, such amount shall be refunded by Company to Customer together with interest thereon at a rate (which in no event shall be higher than the maximum allowed by law) equal to one and one-half percent (1 one-half%) per Month for the period from the date of payment to Company to the date of refund by Company. 5.2 Customer agrees to pay any amounts due pursuant to the Agreement and the General Terms and Conditions for Transportation to Company within fifteen (15) Business Days after receipt of an invoice from Company. 5.3 Company reserves the right, prior to initiation of service, to require a cash deposit or bond in favor of Texas Gas Service in order to assure payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. In the event Customer's financial condition materially weakens or Customer fails to make timely payment in accordance with Article 5 after the execution of the Agreement, then upon written request from Company, Customer agrees to deposit cash with Texas Gas Service or secure a bond in favor of Texas Gas Service in order to assure the payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. Such deposit or bond shall be furnished to Texas Gas Service within fifteen (15) days after a request by Texas Gas Service is made for such deposit or bond and shall be made in a form and amount satisfactory to Texas Gas Service. If such deposit or bond is not furnished in a timely manner, or if a bond expires or is canceled prior to the end of the period specified below, or if the cash deposit or bond is not increased as specified below, then leasing of capacity and the rendering of all other services may be suspended by Texas Gas Service in its sole discretion until such deposit or bond is furnished, renewed or increased, as applicable. 5.4 Nothing in this Article 5 shall be deemed to supersede the respective rights and obligations of Company and Customer as provided by Texas statutes, rules, and/or regulation, as such statutes, rules, or regulations may be amended from time to time, with respect to adjustments to the amounts owed by Customer as a result of errors in Customer's meter or errors in reading Customer's meter. Customer shall be responsible for payment of the amounts owed Company for transportation service and gas supply provided to Customer during the applicable period for which it has been determined that Customer's meter was in error to the favor of Customer. <b>ARTICLE 6 STATEMENTS AND RECORDS</b> 6.1 On or about fifteen (15) days after the Company receives necessary volumetric information from other parties for each calendar month after commencement of Gas receipts and deliveries hereunder, Company shall render to the Qualified Supplier a statement for the preceding Month showing the total Dths of Gas received and delivered and each Point of Receipt and Point of Delivery. If information necessary for statement purposes is in the possession of Customer, Customer shall furnish such information to Company on or before the sixth (6th) Day of the Month in which the statement requiring such data is to be rendered. 6.2 Both parties hereto shall have the right at any and all reasonable times within twenty four (24) months from the time period in question, to examine the books and records of the other to the extent necessary to verify the accuracy of any statement, computation, or demand made hereunder. 6.3 Customer agrees to supply to Company, at Company's request at any time and from time to time, a sample of the liquids removed from the gas stream of the facilities which deliver gas to Company which sample is to be taken from a point upstream from the Point of Receipt. Said sample shall not contain any toxic, hazardous, or deleterious materials or any materials which Company, in its sole discretion, deems in any way harmful to its facilities, personnel or the environment, including, but not limited to, polychlorinated byphenyls (PCBs), and substances or materials considered hazardous or other similar terms, or</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 25078**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	requiring investigation, remediation or removal under any federal, state or local statute, regulation, rule or ordinance or any amendments thereof whether now in effect or as may be in effect in the future. If such samples contain any such materials or substances, Company shall have the right, in its sole discretion and in addition to other remedies available to it, to immediately cease receipt of Gas through the Point of Receipt until such time as all such materials or substances are eliminated from the Gas such that Company, in its sole discretion, elects to again receive such Gas through the Point of Receipt. Should Customer fail or refuse to eliminate all such materials or substances within a reasonable time, Company shall have the right, upon written notice, to terminate this Agreement. Customer hereby expressly agrees to indemnify and hold Company and Company's affiliates harmless from and against any and all liabilities, losses, claims, damages, actions, costs, fines, and expenses of whatever nature, including, but not limited to, court costs, and attorney's fees arising out of or in any manner relating to the presence of PCBs and/or any other toxic, hazardous, deleterious, harmful, or unsafe materials as described above in Gas delivered by or on behalf of Customer into Company's system.

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
79433	D	Mcf	\$.0000	04/27/2012	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	33832	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	
M	Other(with detailed explanation)	Firm Commercial transportation for Incorporated South TX Svc Area.

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 25088

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 04/08/2014      **RECEIVED DATE:** 04/21/2014

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:** 10217(RC), 10333(IRA)

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Per Initial South TX Svc Area Environs GRIP filing, new IRA rate schedule & service rates (customer charge) approved via GUD 10333 dated 4/8/2014.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
33833	**CONFIDENTIAL**	Y	



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25088
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-STX-ISOS-a	<p>TEXAS GAS SERVICE COMPANY South Texas Service Area RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION Rate schedule T-GTC general charges, provisions and conditions applicable to: Transportation Rate Schedules T-2 and T-3 in the areas served by the Company in its South Texas Service Area. <b>ARTICLE 1 DEFINITIONS</b> 1.1 Affiliate shall mean any person, entity, or business section, or division that directly or through one or more intermediaries' controls, is controlled by, or is under common control with the entity in question. 1.2 Agreement shall mean the agreement to which the General Terms and Conditions for Transportation apply. 1.3 Btu shall mean British thermal unit(s) and shall be computed on a temperature base of sixty degrees (60 degrees) Fahrenheit and a pressure base of fourteen and sixty-five hundredths (14.65) psia and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and MMBtu shall mean one million (1,000,000) Btu. 1.4 Commission shall mean the Railroad Commission of Texas. 1.5 Company shall mean Texas Gas Service when it is acting as Company on the Pipeline System. 1.6 Cumulative Tolerance Limit shall mean five percent (5%) of aggregate historical annual deliveries of a Qualified Supplier's pool of customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit to reflect changes to the pool of customers and other known changes to anticipated deliveries that the Company determines to be reasonably reliable and accurate. 1.7 Customer shall mean a consumer which subscribes to natural gas services provided by Texas Gas Service. 1.8 Dekatherm (Dth) shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis. 1.9 Day shall mean the 24-hour period commencing at 9:00 a.m. (central clock time) on one calendar day and ending at 9:00 a.m. (central clock time) the following calendar day. 1.10 Dry shall mean the heating value calculation being determined with no water vapor present. 1.11 Effective Date shall mean the date specified in the Agreement. 1.12 Gas or natural gas shall mean the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof. 1.13 Gas Transportation Order shall mean a completed Exhibit A relating to the applicable gas transportation service Agreement. 1.14 Gross Heating Value or Gross shall mean the amount of energy transferred as heat per mass or mole from the complete combustion of the gas with oxygen (from air), at a base temperature in which all water formed by the reaction condenses to liquid. 1.15 Mcf shall mean one thousand (1,000) cubic feet of Gas. 1.16 Month shall mean the period beginning at 9:00 a.m. central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month, except where references not involving Gas measurement volumes are involved, in which case the calendar month shall be deemed to be referred to. 1.17 Monthly Tolerance Limit shall mean ten percent (10%) of the aggregate deliveries for a Qualified Suppliers pool of customers for such month. 1.18 PDA shall mean a predetermined allocation method. 1.19 Pipeline System shall mean the current existing utility distribution facilities of Company located in the State of Texas. 1.20 Point of Delivery shall mean the point or points where Gas is delivered from the Pipeline System to or for the account of Customer and are shown on the applicable Gas Transportation Order. 1.21 Point Operator shall mean the person or entity that controls the Point of Receipt or Point of Delivery. 1.22 Point of Receipt shall mean the point or points where Company shall receive Gas into the Pipeline System from Customer, as described on the applicable Gas Transportation Order. 1.23 Psia shall mean pounds per square inch, absolute. 1.24 Psig shall mean pounds per square inch, gauge. 1.25 Qualified Supplier shall mean a supplier of natural gas for transportation to customers through the Company's pipeline system that meets the requirements of and has executed a Supplier Service Agreement. 1.26 Real shall mean the division of the ideal heating value by the compressibility of the gas. This creates an ideal Gross Heating Value per Real cubic foot. 1.27 Supplier Service Agreement shall mean a contract setting forth the requirements and terms upon which a supplier of natural gas may make deliveries of customer owned gas into the Company's pipeline system for delivery to one or more of the Company's customers receiving service under this tariff. 1.28 Tariff shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over Company or the services provided hereunder. 1.29 Week shall mean a period of seven (7) consecutive Days beginning at 9:00 a.m. central clock time on each Monday and ending at the same time on the next succeeding Monday. 1.30 Year shall mean a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29. <b>ARTICLE 2 RESTRICTIONS AND RESERVATIONS</b> 2.1 It is understood and agreed that Customer has only the right to transportation service in the Pipeline System and all equipment, including (but not in any way limited thereto) all pipe, valves, fittings, and meters comprising the Pipeline System and all other property and capacity rights and interests, shall at all times during the term of the Agreement remain the property of Company. Customer agrees not to cause or permit any liens or encumbrances to be filed with respect to the Pipeline System by reason of Customer's actions. Customer's Gas shall at all times remain the property of Customer, and Company shall have no right or property interest therein. 2.2 Company reserves the right in its sole discretion to remove, relocate, expand, or rebuild, without approval of Customer, any portion of the Pipeline System. Customer shall make no alterations, additions, or repairs to or on the Pipeline System, nor shall Customer bear any cost of any alterations, additions, repairs, maintenance or replacements made to or on said Pipeline System. 2.3 Customer agrees not to connect or cause the connection of any third party to the Pipeline System for any purpose without the express written approval and consent of Company to be granted in Company's sole discretion. Customer further agrees not to transport or cause to be transported any Gas for any third party. If either of these conditions is breached by Customer, Company shall have the right and option, notwithstanding any other provision of the Agreement or the General Terms and Conditions for Transportation, to terminate the Agreement including the Exhibits thereto immediately and without further obligation to Customer. 2.4 Company presently is transporting Gas to third parties on the Pipeline System and shall have the right in the future to transport additional Gas for such purposes and to transport Gas to additional third parties as it may desire, and Company shall have the right to make additional connections to the Pipeline System as may be required to serve presently existing and new customers, all of which is subject to the provisions of the Agreement. Company's transportation of Gas hereunder shall not obligate Company in any manner beyond the terms of the Agreement and the Exhibits attached thereto. 2.5 Company shall own any and all liquids which are recovered from the Pipeline System and may use, sell or transfer all liquids without having to account in any manner, or pay any monies or other consideration to Customer. 2.6 The Company reserves the unilateral right from time to time to seek regulatory approval to make any changes to, or to supersede, the rates, charges and any terms stated in the tariffs, rate schedules, the agreements, and the General Terms and Conditions. <b>ARTICLE 3 OPERATIONS</b> 3.1 Customer shall deliver its Gas into the Pipeline System at the Points of Receipt described on the applicable Gas Transportation Order, as it now exists and as it may be amended. Customer shall have no right to require Gas to be received at any particular Point of Receipt and Company may delete such points or modify the capacity thereof from time to time and at any time in its sole discretion with no further obligation to Customer with respect</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 25088

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>to such Point of Receipt. All supplies of Gas delivered to the Pipeline System must comply with the terms and conditions of the Agreement and the exhibits attached thereto. In no event shall Company be required to expand, modify, construct, rearrange, or change the operations of the Pipeline System in order to receive Gas from or on behalf of Customer or in order to deliver Gas to Customer at any existing Points of Delivery. 3.2 Customer shall advise (in a method and format approved by Company in its sole discretion) Company with respect to each Day, Week and Month the name of each supplier with whom it has a contract (and the name of the individual with such supplier responsible for Customer's account), which source of supply is delivering to Company, how much Gas is nominated to be delivered to Company from each source of supply (i.e., each well, plant, or other desired Point of Receipt) and the anticipated deliveries at each Point of Delivery. Customer's nomination shall be in good faith, in balance between Points of Receipt and Points of Delivery, and shall be based on Customer's commercially reasonable best efforts to estimate usage for Hour, Day, Week, and Month. Customer will cause their Qualified Supplier to act as their agent in the nomination process. Qualified Supplier shall not intentionally nominate more or less Gas than is anticipated for consumption by Customer(s), except as may be needed for balancing purposes to the extent Company accepts such nomination. Qualified Supplier shall submit nominations to the Company's gas scheduling department in accordance with their currently effective nomination process which can be provided to the parties upon request. Customer and Qualified Supplier shall exercise commercially reasonable best efforts to deliver to the Pipeline System Dths of Gas that Company is to deliver from the Pipeline System to Customer during any particular Hour, Day, Week and Month, including but not limited to volumes needed for peak Day usage for Customer's facilities. 3.3 Before the start of the Gas Day, the Point Operator and Company shall establish a predetermined allocation (PDA) method to specify how Gas received or delivered by Company shall be allocated in accordance with confirmed nominations at such point. Only one PDA methodology shall be applied per allocation period. 3.4 Customer's Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery. To the extent that Customer's acts or omissions cause Company to incur, directly or indirectly, fees, charges, expenses, or penalties from a supplier or transporter for failure to satisfy such supplier's or transporter's balancing or nomination requirements, then Customer agrees to reimburse Company for such fees, charges, expenses, or penalties, and defend, indemnify, and hold Company harmless with respect thereto. Any fees, charges, expenses or penalties which were determined to be in error will be credited back to the Customer. 3.5 The Point of Receipt and Point of Delivery may be, or may later become points through which other quantities of Gas are being measured; therefore, the measurement of Gas under the Agreement may involve the allocation of Gas deliveries. In such event, each party hereto will furnish, or cause to be furnished, to the other all data required to accurately account for all Gas. 3.6 Except as may be set forth on a Gas Transportation Order, Company shall receive and deliver Gas hereunder as nearly as practicable at uniform hourly and daily rates of flow. It is recognized that it may be physically impracticable, because of measurement, Gas control limitations and other operating conditions, to stay in zero (0) imbalance each hour and each Day; therefore, the daily and hourly quantities received may, due to the aforementioned reasons, vary above or below the daily and hourly quantities delivered. If the quantities received and the quantities delivered hereunder should create an imbalance at the end of any hour, Day, Week, or Month, then Company and Customer shall adjust receipts and/or deliveries at any time to the end that the quantities received and delivered shall be kept as near to zero (0) imbalance as practicable. 3.7 Imbalances Customer must designate no more than one Qualified Supplier. The Qualified Supplier shall act on behalf of the Customer to procure gas supplies, deliver gas supplies to points of receipt designated in the Gas Transportation Order, and shall act as the Customer's agent with respect to nominations, operational notices required under the Gas Transportation Agreement or applicable tariffs and with respect to resolution of imbalances under this Rate Schedule. (A) The following cash out provisions shall be applied to the Qualified Supplier for its aggregate pool of Customers that are being provided service pursuant to a Rate Schedule or some other form of transportation service: 1) Qualified Supplier shall not deliver into the Pipeline System more Dths of Gas than Company delivers to the aggregate pool of Customers at the Points of Delivery during a Month. At the end of the Month in which an over-delivery occurred and exceeded the Monthly Tolerance Limit or the Cumulative Tolerance Limit, Qualified Supplier shall sell such excess Gas to Company at 95% of Inside FERC's FOM Houston Ship Channel index price. 2) If Company receives less Dths of Gas than are delivered to the aggregate pool of Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Month, then Qualified Supplier shall purchase such under-delivered volumes at 105% of Inside FERC's FOM Houston Ship Channel index price. The Company will provide monthly imbalance statements along with calculations of the cash out charges in accordance with the aforementioned cash out provisions to the Qualified Supplier each month. Payments for cash out charges will be due each month within 15 business days of the imbalance statement date. The Company may elect at its sole discretion to accrue the monthly cash out provisions each month and only require periodic settlement rather than monthly payments. The monthly transport payments shall not be abated with respect to a Month in which under-deliveries occurred except as provided in Article 9 and Article 10 hereof. 3.8 Customer and Company shall exercise their commercially reasonable best efforts to comply with all of the standards established by the North American Energy Standards Board, Inc. (NAESB), but in no event shall either party be required to comply with the NAESB standards if such compliance has a material adverse affect upon such party. 3.9 In the event Customer's source of gas supply is terminated by Customer's supplier due to non-payment or other reasons, or if customer is otherwise unable to continue as a transportation customer, Customer may, upon the giving of five (5) business days advance notice to Company, obtain service from Company under the general sales tariff applicable to Customer. Prior to commencing such service, Company may, in its sole discretion, require Customer to post a deposit or bond in accordance with the provisions of Article 5 hereof. <b>ARTICLE 4 PRESSURE AND QUALITY OF GAS</b> 4.1 Customer shall deliver (or cause to be delivered) the Gas to the Pipeline System at the Point of Receipt at a pressure sufficient to effect delivery into the Pipeline System at that point. If necessary, Customer shall provide additional compression to make such deliveries hereunder, and Company shall not have any cost or responsibility in that regard. 4.2 Subject to the provisions of Section 4.1 above, the Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery at pressures sufficient to effect deliveries to Customer's facilities, but not to exceed the maximum pressure that has existed for each Point of Delivery. 4.3 Gas delivered by and to Customer shall be commercially free of dust, gums, gum-forming constituents, gasoline, water, and any other substance that may become separated from the Gas during the handling hereof. All Gas received shall conform to the following additional specifications: (A) Contain not more than one-quarter (1/4) grain of hydrogen sulfide per 100 cubic feet, as determined by a method generally acceptable for use in the gas industry; (B) Contain not more than five (5) grains of total sulfur per 100 cubic feet; (C) Contain not more than two percent (2%) by volume of carbon dioxide; (D) Contain not more than four percent (4%) by volume of total inerts, including carbon dioxide and nitrogen; (E) Contain not more than two-tenths of one percent (.2%) by volume of oxygen; (F) Contain a gross heating value equivalent to at least 980 British Thermal Units per cubic foot and not to exceed 1080 British Thermal</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 25088

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Units per cubic foot; (G) Have a temperature of not more than one hundred twenty degrees (120#) Fahrenheit and not less than forty degrees (40 #) Fahrenheit; (H) Contain no water or hydrocarbons in liquid form; (I) Contain not more than 7 pounds of water in vapor stage per 1,000 Mcf of gas; and (J) Be interchangeable with the Company's system Gas at the Point of Receipt or delivered to the nearest customer, city border station, or other pipeline interconnected with such receiving facility or downstream of the Point of Receipt.</p> <p>4.4 The Company, at its option, may refuse to accept delivery of any gas not meeting the quality specifications set out above. Thereafter, Customer or Qualified Supplier shall have the right to conform or cause the gas to be conformed to the above specifications. If the Customer or Qualified Supplier does not elect to conform to the gas to said specifications, then the Company at its sole option may accept or reject any such gas.</p> <p>4.5 Notwithstanding anything to the contrary contained herein, the gas which the Company transports and delivers to the Customer shall be odorized by the Company. In the event Customer desires to remove the odorant, such removal shall be solely at Customer's risk and expense.</p> <p><b>ARTICLE 5 PAYMENT</b></p> <p>5.1 Should Customer fail to pay or deliver any or all of the amount of the transportation payment and/or other fees due under any exhibit when such amount is due (which in no event shall be later than the last Day of the applicable Month), interest on the unpaid portion shall accrue at a rate (which in no event shall be higher than the maximum rate permitted by applicable law) equal to one and one-half percent (1 one-half%) per month from the due date until the date of payment. If such failure to pay continues for fifteen (15) Days after payment is due, Company, in addition to any other remedy it may have, may suspend further receipts and deliveries of Gas until such amount is paid; provided, however, that if Customer in good faith shall dispute in writing the amount of any such bill or part thereof and shall pay to Company such amounts as it concedes to be correct and, at any time thereafter within thirty (30) Days of the due date of such payment, shall furnish a good and sufficient surety bond in an amount and with surety satisfactory to Company, guaranteeing payment to Company of the amount ultimately found due upon such bills, including interest thereon, after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further receipts and withdrawals of Gas unless and until default be made in the conditions of such bond. As an alternative to posting a bond, Customer may pay the portion of any amount in dispute without waiving its rights to recoup any monies improperly billed. If the portion of any amount in dispute is ultimately determined to be incorrect, such amount shall be refunded by Company to Customer together with interest thereon at a rate (which in no event shall be higher than the maximum allowed by law) equal to one and one-half percent (1 one-half%) per Month for the period from the date of payment to Company to the date of refund by Company.</p> <p>5.2 Customer agrees to pay any amounts due pursuant to the Agreement and the General Terms and Conditions for Transportation to Company within fifteen (15) Business Days after receipt of an invoice from Company.</p> <p>5.3 Company reserves the right, prior to initiation of service, to require a cash deposit or bond in favor of Texas Gas Service in order to assure payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. In the event Customer's financial condition materially weakens or Customer fails to make timely payment in accordance with Article 5 after the execution of the Agreement, then upon written request from Company, Customer agrees to deposit cash with Texas Gas Service or secure a bond in favor of Texas Gas Service in order to assure the payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. Such deposit or bond shall be furnished to Texas Gas Service within fifteen (15) days after a request by Texas Gas Service is made for such deposit or bond and shall be made in a form and amount satisfactory to Texas Gas Service. If such deposit or bond is not furnished in a timely manner, or if a bond expires or is canceled prior to the end of the period specified below, or if the cash deposit or bond is not increased as specified below, then leasing of capacity and the rendering of all other services may be suspended by Texas Gas Service in its sole discretion until such deposit or bond is furnished, renewed or increased, as applicable.</p> <p>5.4 Nothing in this Article 5 shall be deemed to supersede the respective rights and obligations of Company and Customer as provided by Texas statutes, rules, and/or regulation, as such statutes, rules, or regulations may be amended from time to time, with respect to adjustments to the amounts owed by Customer as a result of errors in Customer's meter or errors in reading Customer's meter. Customer shall be responsible for payment of the amounts owed Company for transportation service and gas supply provided to Customer during the applicable period for which it has been determined that Customer's meter was in error to the favor of Customer.</p> <p><b>ARTICLE 6 STATEMENTS AND RECORDS</b></p> <p>6.1 On or about fifteen (15) days after the Company receives necessary volumetric information from other parties for each calendar month after commencement of Gas receipts and deliveries hereunder, Company shall render to the Qualified Supplier a statement for the preceding Month showing the total Dths of Gas received and delivered and each Point of Receipt and Point of Delivery. If information necessary for statement purposes is in the possession of Customer, Customer shall furnish such information to Company on or before the sixth (6th) Day of the Month in which the statement requiring such data is to be rendered.</p> <p>6.2 Both parties hereto shall have the right at any and all reasonable times within twenty four (24) months from the time period in question, to examine the books and records of the other to the extent necessary to verify the accuracy of any statement, computation, or demand made hereunder.</p> <p>6.3 Customer agrees to supply to Company, at Company's request at any time and from time to time, a sample of the liquids removed from the gas stream of the facilities which deliver gas to Company which sample is to be taken from a point upstream from the Point of Receipt. Said sample shall not contain any toxic, hazardous, or deleterious materials or any materials which Company, in its sole discretion, deems in any way harmful to its facilities, personnel or the environment, including, but not limited to, polychlorinated byphenyls (PCBs), and substances or materials considered hazardous or other similar terms, or requiring investigation, remediation or removal under any federal, state or local statute, regulation, rule or ordinance or any amendments thereof whether now in effect or as may be in effect in the future. If such samples contain any such materials or substances, Company shall have the right, in its sole discretion and in addition to other remedies available to it, to immediately cease receipt of Gas through the Point of Receipt until such time as all such materials or substances are eliminated from the Gas such that Company, in its sole discretion, elects to again receive such Gas through the Point of Receipt. Should Customer fail or refuse to eliminate all such materials or substances within a reasonable time, Company shall have the right, upon written notice, to terminate this Agreement. Customer hereby expressly agrees to indemnify and hold Company and Company's affiliates harmless from and against any and all liabilities, losses, claims, damages, actions, costs, fines, and expenses of whatever nature, including, but not limited to, court costs, and attorney's fees arising out of or in any manner relating to the presence of PCBs and/or any other toxic, hazardous, deleterious, harmful, or unsafe materials as described above in Gas delivered by or on behalf of Customer into Company's system.</p>
IRA-ENV-STX-OS-IR	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE IRA-ENV South Texas Service Area - Central Texas Region INTERIM RATE ADJUSTMENT</p> <p><b>A. APPLICABILITY</b> This Interim Rate Adjustment (IRA) applies to all general service rate schedules of Texas Gas Service Company (Company) currently in force in the unincorporated areas served by the Company in its South Service Area including Cuero, Gonzales, Luling, Lockhart, Nixon, Shiner and Yoakum, Texas. Applicable rate schedules include 1E, 2E, 3E, T-2 and</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 25088

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>T-3. B. PURPOSE Section 104.301, Subchapter G of the Texas Utility Code, effective on September 1, 2003, provides for an interim adjustment in a gas utility's monthly customer charge or initial block usage rate to recover the cost of changes in the utility's infrastructure investment and related expenses and revenues for providing gas utility service. The filing date of the utility's most recent rate case establishing rates for the area in which the interim rate adjustment will apply shall be no more than two years prior to the date the utility files its initial interim rate adjustment application for that area. The interim adjustment shall be recalculated on an annual basis, unless the utility files a written request and obtains approval from the regulatory authority to suspend the operation of the interim adjustment rate schedule for any year. This rate schedule establishes the interim adjustment provisions consistent with Section 104.301, Subchapter G of the Texas Utility Code. C. COMPUTATION OF IRA RATE The amount the Company shall adjust its utility rates upward or downward under this rate schedule each calendar year is based on the difference between the value of the invested capital for the preceding calendar year and the value of the invested capital for the calendar year preceding that calendar year. The value of the invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment. Based on the difference between the values of the invested capital amounts as determined above, the Company may adjust only the following related components of its revenue requirement: return on investment, depreciation expense, ad valorem taxes, revenue related taxes and incremental federal income taxes. The factors for these components shall be the same as those established in the Company's most recent rate case for the service area in which this interim rate adjustment is to be implemented. The revenue requirement calculated pursuant to this rate schedule shall be allocated among the Company's customer classes for this service area in the same manner as the cost of service was allocated among customer classes in the Company's latest effective rates for this area. D. FILING WITH THE REGULATORY AUTHORITY 1. The Company shall file either the initial interim adjustment or the annual interim adjustment with the regulatory authority at least 60 days before the proposed implementation date. During the 60-day period, the regulatory authority may act to suspend implementation of the adjustment. 2. The Company shall provide notice to customers by bill insert or direct mail not later than the 45th day after the date of filing the interim adjustment. 3. The Company shall file with the regulatory authority an annual report describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year. The annual report shall also state the cost, need, and customers benefited by the change in investment. 4. In addition, the Company shall file with the regulatory authority an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year. Should the Company earn a return of more than 75 basis points above the return established in the latest effective rates implemented under this rate schedule, the Company shall file a statement stating the reasons why the rates are not unreasonable or in violation of the law. 5. After the issuance of a final order or decision by a regulatory authority in a rate case that is filed after the implementation of a tariff or rate schedule under this section, any change in investment that has been included in an approved interim adjustment shall no longer be subject to subsequent review for reasonableness or prudence. All amounts collected under this rate schedule are subject to refund until the issuance of a final decision in the next rate case filing for this service area. 6. The Company shall file a rate case no later than the 180th day after the fifth anniversary date its initial interim rate adjustment for this service area became effective. 7. The provisions under Section 104.301, Subchapter G of the Texas Utility Code for this interim adjustment do not limit the power of the regulatory authority under Section 104.151. Initial Rate Schedule Meters Read On and After April 8, 2014</p>
T-GTC-STX-ISOS-b	<p>TEXAS GAS SERVICE COMPANY South Texas Service Area                      RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION (continued) ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT The measurement and tests for quality of Gas delivered and delivered by Customer hereunder shall be governed as follows: 7.1 The quantities of Gas received and delivered shall be measured by means of meters of standard type which conform to the American Gas Association Measurement Committee Reports and other industry standards as to construction and installation. 7.2 The unit of volume for purposes of measurement shall be one (1) cubic foot of Gas at a temperature base of sixty degrees (60 degrees) Fahrenheit and at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute. Customer agrees that the Btu content per Mcf of the gas volumes delivered by the Company at the Point of Delivery shall be assumed to be equal to the Btu content per Mcf of the gas volumes delivered by Customer at the Point of Receipt, when corrected for differences in pressure base. 7.3 The temperature shall be adjusted to standard conditions by a compensation device included with the meter or such other method as the Company shall deem appropriate. Corrections shall be made in accordance with industry practice. 7.4 Specific gravity shall be determined with accuracy to the nearest one thousandth (.001) by use of an instrument that conforms to industry standards. 7.5 Whenever the conditions of pressure and temperature differ from the standards, conversion of the volumes from these conditions to the standard conditions shall be in accordance with the Ideal Gas Laws corrected for deviation from Boyle's Law, all to be in accordance with methods and tables set out in the American Gas Association Measurement Committee Reports, or by other accepted methods that may be used from time to time. 7.6 The gross heating value of the Gas shall be determined by means of a sampling method of general use in the Gas industry. The location of the sampling equipment shall be determined by Company in its sole discretion but shall be at a location where a representative sample of the Gas to which it applies may be taken. 7.7 Tests to determine total sulfur, hydrogen sulfide, oxygen, carbon dioxide, total inerts, and water vapor shall be made by approved standards methods in general use by the Gas industry. Such tests shall be made at the request of either party hereto. If a test is performed at Customer's request and shows that the quality specifications as set forth in Section 4.3 hereof have been satisfied, Customer shall pay all costs and expenses of Company related to such test. 7.8 Except as may be otherwise provided, all measuring and testing equipment, housing devices, and materials shall be standard manufacture and type and shall, with all related equipment, appliances, and buildings, be owned, installed, maintained and operated or caused to be installed, maintained and operated by Company at the Points of Receipt and Points of Delivery. Customer may install and operate check measuring and testing equipment, which equipment and the operation thereof shall not interfere with the operation of Company's equipment. 7.9 The accuracy of the measuring and testing equipment shall be verified according to Company's standard for the device being used and at other reasonable times upon request of Customer or Company. Gas quality tests may be made at times of equipment testing or at other reasonable times. Unless a test is requested by Customer, notice of the time and nature of each test shall not be given by Company. If a test is requested by a Customer, then Company shall give Customer notice sufficiently in advance to permit Customer to have a representative present. Representatives of both Customer and Company may be present to observe such tests. The results of any such tests shall be considered accurate until the next tests are made. All tests of measuring equipment shall be made at Company's expense, except that Customer shall bear the expense of tests made at its request if the inaccuracy found is two percent (2%) or less. 7.10 If, at any time, any of the measuring or testing equipment is found to be out of service, or registering inaccurately of any</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25088
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>percentage, it shall be adjusted at once to read accurately within the limits prescribed by the manufacturer. If such equipment is out of service or inaccurate by an amount exceeding two percent (2%) at a reading corresponding to the average rate of flow for the period since the last preceding test, the previous reading of such equipment shall be disregarded for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of time equal to one-half of the elapsed time since the last test. The volume of Gas delivered during such period shall be estimated (i) by using the data recorded by any check measuring equipment if installed and accurately registering, or if not installed or registering accurately, (ii) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither such method is feasible, (iii) by estimating the quantity or quality delivered based upon deliveries under similar conditions during a period when the equipment was registering accurately. No adjustment shall be made for recorded inaccuracies of two percent (2%) or less. 7.11 The parties hereto shall have the right to inspect equipment installed or furnished by the other or third-party operators and the charts and other measurement or testing data of all such parties at all times during business hours; but the reading, calibration, and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing the same. The parties hereto shall preserve all original test data, charts, and other similar records in such party's possession for a period of at least twenty-four (24) months. Measurement data corrections should be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. 7.12 At every Point of Receipt and every Point of Delivery, the party having control over such facility shall allow the other party immediate access to the receipt and delivery information as it is generated by the party having such control. With respect to all Points of Receipt and Points of Delivery that have electronic flow measurement, both parties shall have remote telephone and electronic access to the receipt and delivery information generated at such Point of Receipt and Point of Delivery. ARTICLE 8 TITLE TO AND RESPONSIBILITY FOR GAS 8.1 Customer and Company, respectively, warrant title to all Gas delivered by it into or from the Pipeline System hereunder, and each of Customer and Company, respectively, warrant and represent each has the right to deliver the Gas hereunder, and that such Gas is free from liens and adverse claims of every kind. Customer agrees to indemnify and save Company harmless from and against all loss, damage, claims, and expense of every character with respect to Gas delivered by it on account of royalties, taxes, payments, liens, or other charges or claims arising (i) before or created upon delivery of said Gas into the Pipeline System, and (ii) upon and after delivery of said Gas from the Pipeline System to Customer. 8.2 Subject to compliance with the provisions of Section 8.1 above, Company warrants that title to all Gas delivered hereunder by Customer is free from liens and adverse claims of every kind. Company agrees to indemnify and save Customer harmless from and against all loss, damage, claims, and expense of every character with respect to Gas to be delivered at the Point of Delivery on account of royalties, taxes, payments, liens, or other charges or claims arising after delivery of Gas to and before withdrawal thereof from the Pipeline System by Customer. 8.3 As between the parties hereto, Customer or its supplier shall be deemed to be in the exclusive control and possession of the Gas until such Gas has been delivered to Company at the Point of Receipt, and after its withdrawal by Customer at the Point of Delivery. After Customer's or Customer's suppliers' delivery of such Gas at the Point of Receipt, Company shall thereafter be deemed to be in the exclusive control and possession of such Gas until its withdrawal by Customer at the Point of Delivery. The party which shall be in the exclusive control and possession of such Gas shall be responsible for all in injury or damage caused thereby and shall be responsible for any loss of Gas while in its possession, except with regard to injury, damage or loss caused by or arising out of the negligence of the nonpossessory party. 8.4 The Pipeline System shall at all times remain the property of Company, and Customer shall have no right or property interest therein but only the right for the transportation of Gas. ARTICLE 9 FORCE MAJEURE AND CASUALTY 9.1 If either Company or Customer is rendered unable, wholly or in part, by reason of force majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended. Any force majeure event (other than labor disputes, strikes, or lockouts) shall be remedied so far as possible with reasonable dispatch. Settlement of strikes, lockouts, and labor disputes shall be wholly within the discretion of the party having the difficulty. The term force majeure shall include, but is not limited to, the following: acts of God and the public enemy; the elements; fire, accidents, breakdowns, strikes; any industrial, civil, or public disturbance; inability to obtain or delay in obtaining rights-of-way, material, supplies, permits, or labor; any act or omission by parties not subject to control by the party hereunder having the difficulty; and any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military. If pursuant to the foregoing Company curtails or temporarily discontinues the receipt or delivery of Gas hereunder, Customer agrees to hold Company harmless from any loss, claim, damage, or expense that Customer may incur by reason of such curtailment or discontinuance. 9.2 If a portion of the Pipeline System required to make the transportation service available is partially damaged by fire or other casualty, the damage may be repaired by Company, at its option and in its sole discretion, as speedily as practicable, due allowance being made for the time taken for the settlement of insurance claims. Until such repairs are made, the payments shall be apportioned in proportion to the portion of the capacity of the Pipeline System which is still available for the purposes hereof, such determination to be made in the sole discretion of Company. If the damage is so extensive as to render the Pipeline System wholly unusable, in Company's sole opinion, the payments, if any, shall cease until such time as the Pipeline System is again useable. In case the damage shall, in Company's sole opinion, amount substantially to a destruction of the portion of the Pipeline System available for the transportation of Gas and Company shall elect not to repair the damage, then the Agreement shall terminate at the time of such damage, and Company shall not be liable to Customer for any liability, damage, or claim which arises out of any failure to make repairs. ARTICLE 10 GOVERNMENTAL RULES, REGULATIONS, AND AUTHORIZATIONS; INTERPRETATION OF AGREEMENT 10.1 The Agreement is subject to all valid orders, laws, rules, and regulations of duly constituted municipal, State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or Gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies. 10.2 The Agreement shall be interpreted under the laws of the State of Texas, excluding any law thereof directing the application of the laws of another jurisdiction. ARTICLE 11 MISCELLANEOUS 11.1 Any modification of terms, or amendment of any provisions hereof, shall become effective only by supplemental written agreement between the parties. 11.2 (A) Any of the following events or conditions shall constitute a default of Customer under the Agreement: (1) Default in the delivery of any payment or any sums hereunder for a period of sixty (60) Days after the same becomes due; (2) Any other breach of the material terms</p>

GAS SERVICES DIVISION  
 GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 25088

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>and conditions of the Agreement and the failure of Customer to cure such breach within thirty (30) Days after written demand by Company or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Customer shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured; (3) Customer shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Customer; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Customer (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; or (5) If any certificate, statement, representation, or warranty furnished by Customer proves to be false or incomplete in any material respect. (B) Upon the happening of any event of default as set forth in subparagraph 11.2(A) above, Company shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Customer the sum of all transportation payments and all other amounts due and owing under the Agreement plus the sum of all transportation payments and other amounts to become payable during the balance of the term of the Agreement; (2) Retake possession of the entire capacity of the Pipeline System without any court order or other process of law and without any rights of Company being thereupon terminated; (3) Terminate the Agreement and the Exhibits; (4) Pursue any other remedy at law or in equity. (C) Any of the following events or conditions shall constitute an Event of Default with respect to Company under the Agreement: (1) Default in the crediting of any sums due to Customer or in the payment of any other sums due to Customer under the Agreement for a period of ninety (90) Days after the same is established by Company to have become due; (2) Company's breach of any material term or condition of the Agreement and the failure of Company to cure such breach within thirty (30) Days after written demand by Customer or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Company shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured. (3) Company shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Company; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Company, (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; (D) Upon the happening of any event of default as set forth in subparagraph 11.2(C) above, Customer shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Company the sum of all outstanding credits and other amounts due and owing under the Agreement; (2) Terminate the Agreement and the Exhibits; (3) Pursue any other remedy at law or in equity. (E) The rights granted to Company and Customer hereunder shall be cumulative as to each and action on one shall not be deemed to constitute an election or waiver of any other right to which Company or Customer may be entitled. (F) Upon the termination of the Agreement, whether by lapse or time or otherwise, Customer will surrender any and all rights in the Pipeline System immediately. 11.3 Company shall not be liable for damages resulting from interruption of service, when such interruption is necessary to make repairs, changes, or adjustments in Company's equipment and facilities. 11.4 No waiver by Company or Customer of any default or the other under the Agreement shall operate as a waiver of any future default, whether of a like or different character. 11.5 The Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. In the event Customer sells, leases or otherwise transfers its distribution system to a third party, whether voluntarily or involuntarily, then Customer agrees, as a part of such sale, lease or transfer, to assign to such third party and to require such third party to accept the assignment of the Agreement and the Exhibits included therein, subject to the provisions of the following sentence. Neither the Agreement nor the Exhibits attached thereto nor the rights and obligations of Customer hereunder may be assigned without the consent of Company, which consent shall not be unreasonably withheld. 11.6 Customer will not mortgage, create a security interest in, or encumber the Agreement, or sublet the rights granted hereby, or permit its use by others, or pledge, loan, sublet, create a security interest in, or in any other manner attempt to dispose of such rights, or permit its use by others, or suffer any liens or legal process to be incurred or levied thereon; provided, however, that Customer may grant a security interest or similar encumbrance in connection with any existing financing arrangement associated with Customer's facility. 11.7 Except as provided below, Customer shall pay all fees, taxes, charges, and assessments imposed by or on behalf of any governmental entity in connection with the Agreement or in connection with the purchase, transportation, and disposition of Gas by or on behalf of Customer pursuant to the Agreement including but not limited to municipal and/or supplemental fees, franchise fees and any supplements thereto and taxes; provided that Company shall pay all ad valorem taxes and assessments levied on the Pipeline System and all appurtenant facilities. Company shall file all returns required for the Pipeline System and all appurtenant facilities. Customer will furnish Company with any information available to Customer in connection with Company's obligations under this section. 11.8 Company and Customer agree to exercise and take reasonable steps necessary to safeguard and cause their officers, directors, employees, agents, advisers, and representatives to safeguard the confidentiality of the Agreement and the terms and conditions thereof (as contrasted with the existence and effectiveness of the Agreement which are not confidential) and not to disclose any part of it or any information derived there from or any negotiations relating thereto to any party or person except that limited number of people within Company's and Customer's organizations, and their advisers, lenders and potential investors, as may need to know the terms and conditions hereof in order to evaluate, understand, execute and perform the Agreement. Company and Customer agree not to copy or permit the copying of the Agreement, except as may be necessary for their operations. In the event Customer or Company or any of their officers, directors, employees, agents, or representatives, is requested or required (by oral or written question or request for information or documents in legal proceedings,</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25088
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCE-Rider-STX-OS	<p>interrogatories, subpoena, Civil Investigative Demand or similar process) to disclose any information concerning the Agreement or the terms and conditions thereof or any negotiations relating thereto, it is agreed that the party receiving such question or request will provide the other parties with prompt notice thereof so that such other parties may seek a protective order or other appropriate relief or a release from the other parties. It is further agreed that if, in the absence of a protective order or receipt of a release, the other party is compelled to disclose such information or else stand liable for contempt or suffer other censure or penalty or adverse effect, then such party may disclose such information. The parties hereto are further authorized to make disclosure of the Agreement as may be required by Federal, state, or local regulation or agency or as may be required by auditors or accountants in connection with the preparation of financial statements or tax returns. Disclosure hereunder shall not constitute a basis for defense, termination, or modification of the Agreement. ARTICLE 12 DISPUTE RESOLUTION 12.1 Any dispute arising out of or relating to this Agreement for which a claim or demand is asserted that is equal to or exceeds a value of \$25,000 shall be resolved in accordance with the procedures specified in this Article 12, which shall be the sole and exclusive procedures for the resolution of any such disputes. The cost of conducting the dispute resolution process, including the fees and expenses of any arbitrators, shall be shared equally by the parties, and each party shall bear its own costs, including any attorneys' fees or other expenses incurred in the process. Each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances. 12.2 Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between management level personnel who have authority to settle the controversy. Any person may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. Within thirty (30) days after delivery of the initial notice, the designated managing personnel of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. 12.3 Arbitration. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation as provided above within sixty (60) days after initiation of negotiations shall be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect by (i) a sole arbitrator agreed upon by the parties if the dispute is between \$25,000 and \$250,000, or (ii) three independent and impartial arbitrators, of whom each party shall designate one, if the dispute is in excess of \$250,000. All arbitrators shall be knowledgeable in the natural gas industry. The arbitrator(s) shall have no authority to award consequential, punitive or exemplary damages. Provided, however, if one party fails to participate in the negotiation as agreed herein, the other party can commence arbitration prior to the expiration of the time periods set forth. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. Unless otherwise agreed, the place of arbitration shall be Austin, Texas. Meters Read On and After: January 27, 2014 Supersedes: April 27, 2012 (Incorporated Only) April 12, 2013 (Unincorporated)</p> <p>TEXAS GAS SERVICE COMPANY                      South Texas Service Area - Central Texas Region                      RATE SCHEDULE RCE-RIDER                      RATE CASE EXPENSE SURCHARGE</p> <p>A. APPLICABILITY The Rate Case Expense Surcharge (RCE) rate as set forth in Section (B) below is pursuant to the Final Order in GUD No. 10217. This rate shall apply to the following rate schedules of Texas Gas Service Company in the unincorporated areas served in TGS' South Texas Service Area: 1E, 2E, 3E, T-2 and T-3.</p> <p>B. RCE RATE                      All Ccf during each billing period: \$0.0422 per Ccf</p> <p>This rate will be in effect until all approved and expended rate case expenses are recovered under the applicable rate schedules.</p> <p>C. OTHER ADJUSTMENTS Taxes: Plus applicable taxes and fees (including franchises fees) related to above.</p> <p>D. CONDITIONS Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.</p> <p>E. COMPLIANCE This rate will begin in April, 2013 and be in effect for approximately 12 months. The Company will file a compliance report due on the 1st of December, 2013 and also at the conclusion of this tariff, a report with the RRC Gas Services Division. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance.</p> <p>Initial Rate Schedule</p> <p>Meters Read On and After April 12, 2013</p>
T-2-SoTx-OS-Com	<p>TEXAS GAS SERVICE COMPANY                      South Texas Service Area - Central Texas Region                      RATE SCHEDULE T-2                      COMMERCIAL TRANSPORTATION SERVICE RATE</p> <p>Applicability                      Applicable to commercial customers and to consumers not otherwise specifically provided for under any other rate schedule.</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 25088**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.</p> <p>Availability                      Natural gas service under this rate schedule is available to any individually metered, commercial customer for the transportation of customer owned natural gas through the Company's South Texas distribution system. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.</p> <p>Electronic flow measurement (EFM) may be required for Customers under this tariff at the Company's sole discretion. The customer may be required to reimburse the Company for any cost related to the installation of the EFM as well as provide for or reimburse the Company for any on going maintenance, repair, or communications costs. In the alternative, Customer may elect to discontinue service under this tariff and to receive service under the applicable sales tariff.</p> <p>Service is not available under this rate schedule for resale to others or for service for a term less than twelve (12) months.</p> <p>Under this tariff the Company shall perform or cause to be performed all functions necessary to transport the gas commodity from the Point of Receipt to the end use Customer. The Customer is responsible for acquiring the gas commodity from a third party supplier. Such gas supply must be delivered to the pipeline providing upstream services for the system from which the Customer is served.</p> <p>Customer shall deliver to Company each month, as reimbursement for lost and unaccounted for gas in the form of Payment in Kind (PIK), a volume of gas equal to the Purchase/Sales ratio authorized to be collected in the Cost of Gas clause times the volume of gas delivered by the Company for the account of Customer for transportation.</p> <p>Character of Service                      Firm gas transportation service</p> <p>Cost of Service Rate</p> <p>During each monthly billing period:                      A customer charge per meter per month of     \$ 250.00 plus                      Interim Rate Adjustments (IRA)                     \$ 139.94 per month (Footnote 1)                      Total Customer Charge                                     \$ 389.94</p> <p>All Ccf per monthly billing period @ \$ 0.3662 per Ccf</p> <p>Additional Charges                      1) A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060TEX&gt; REV. CIV.STAT. as such may be amended from time to time which are attributable to the transportation service performed hereunder.                      2) A charge will be made each month to recover any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder.                      3) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the South Texas Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.</p> <p>Subject to:                      Special Provisions     Tariff                      General Terms and Conditions for Transportation   T-GTC</p> <p>Other Conditions                      Transportation of Customer owned natural gas hereunder is subject in all respects to the Transportation Agreement entered into between the Customer and Company prior to commencement of service and all amendments and modifications thereto.</p> <p>Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.</p> <p>Payment                      Bills are to be paid within 10 days after the date of Company's bill to Customer.</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 25088**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	Footnote 1: Initial 2012 IRA - \$139.94
	Meters Read On and After April 8, 2014 (Environs only) Supersedes Rate Schedule Dated April 12, 2013

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
79434	D	Mcf	\$.0000	04/27/2012	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	33833	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	
M	Other(with detailed explanation)	Firm Commercial transportation for Unincorporated South TX Svc Area.

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 25089

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 04/03/2014      **RECEIVED DATE:** 04/25/2014

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** S.Agmt 4/10/12; Op-Law 4/3/14

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Eff. 4/3/2014, new Customer Charge cost of service rates per GRIP filing (TYE Dec-2012) approved by STX Svc Area cities via operation of law.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
33832	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 25089

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-STX-ISOS-b	<p>TEXAS GAS SERVICE COMPANY South Texas Service Area                      RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION (continued) ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT</p> <p>The measurement and tests for quality of Gas delivered and delivered by Customer hereunder shall be governed as follows: 7.1 The quantities of Gas received and delivered shall be measured by means of meters of standard type which conform to the American Gas Association Measurement Committee Reports and other industry standards as to construction and installation. 7.2 The unit of volume for purposes of measurement shall be one (1) cubic foot of Gas at a temperature base of sixty degrees (60 degrees) Fahrenheit and at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute. Customer agrees that the Btu content per Mcf of the gas volumes delivered by the Company at the Point of Delivery shall be assumed to be equal to the Btu content per Mcf of the gas volumes delivered by Customer at the Point of Receipt, when corrected for differences in pressure base. 7.3 The temperature shall be adjusted to standard conditions by a compensation device included with the meter or such other method as the Company shall deem appropriate. Corrections shall be made in accordance with industry practice. 7.4 Specific gravity shall be determined with accuracy to the nearest one thousandth (.001) by use of an instrument that conforms to industry standards. 7.5 Whenever the conditions of pressure and temperature differ from the standards, conversion of the volumes from these conditions to the standard conditions shall be in accordance with the Ideal Gas Laws corrected for deviation from Boyle's Law, all to be in accordance with methods and tables set out in the American Gas Association Measurement Committee Reports, or by other accepted methods that may be used from time to time. 7.6 The gross heating value of the Gas shall be determined by means of a sampling method of general use in the Gas industry. The location of the sampling equipment shall be determined by Company in its sole discretion but shall be at a location where a representative sample of the Gas to which it applies may be taken. 7.7 Tests to determine total sulfur, hydrogen sulfide, oxygen, carbon dioxide, total inerts, and water vapor shall be made by approved standards methods in general use by the Gas industry. Such tests shall be made at the request of either party hereto. If a test is performed at Customer's request and shows that the quality specifications as set forth in Section 4.3 hereof have been satisfied, Customer shall pay all costs and expenses of Company related to such test. 7.8 Except as may be otherwise provided, all measuring and testing equipment, housing devices, and materials shall be standard manufacture and type and shall, with all related equipment, appliances, and buildings, be owned, installed, maintained and operated or caused to be installed, maintained and operated by Company at the Points of Receipt and Points of Delivery. Customer may install and operate check measuring and testing equipment, which equipment and the operation thereof shall not interfere with the operation of Company's equipment. 7.9 The accuracy of the measuring and testing equipment shall be verified according to Company's standard for the device being used and at other reasonable times upon request of Customer or Company. Gas quality tests may be made at times of equipment testing or at other reasonable times. Unless a test is requested by Customer, notice of the time and nature of each test shall not be given by Company. If a test is requested by a Customer, then Company shall give Customer notice sufficiently in advance to permit Customer to have a representative present. Representatives of both Customer and Company may be present to observe such tests. The results of any such tests shall be considered accurate until the next tests are made. All tests of measuring equipment shall be made at Company's expense, except that Customer shall bear the expense of tests made at its request if the inaccuracy found is two percent (2%) or less. 7.10 If, at any time, any of the measuring or testing equipment is found to be out of service, or registering inaccurately of any percentage, it shall be adjusted at once to read accurately within the limits prescribed by the manufacturer. If such equipment is out of service or inaccurate by an amount exceeding two percent (2%) at a reading corresponding to the average rate of flow for the period since the last preceding test, the previous reading of such equipment shall be disregarded for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of time equal to one-half of the elapsed time since the last test. The volume of Gas delivered during such period shall be estimated (i) by using the data recorded by any check measuring equipment if installed and accurately registering, or if not installed or registering accurately, (ii) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither such method is feasible, (iii) by estimating the quantity or quality delivered based upon deliveries under similar conditions during a period when the equipment was registering accurately. No adjustment shall be made for recorded inaccuracies of two percent (2%) or less. 7.11 The parties hereto shall have the right to inspect equipment installed or furnished by the other or third-party operators and the charts and other measurement or testing data of all such parties at all times during business hours; but the reading, calibration, and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing the same. The parties hereto shall preserve all original test data, charts, and other similar records in such party's possession for a period of at least twenty-four (24) months. Measurement data corrections should be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. 7.12 At every Point of Receipt and every Point of Delivery, the party having control over such facility shall allow the other party immediate access to the receipt and delivery information as it is generated by the party having such control. With respect to all Points of Receipt and Points of Delivery that have electronic flow measurement, both parties shall have remote telephone and electronic access to the receipt and delivery information generated at such Point of Receipt and Point of Delivery. ARTICLE 8 TITLE TO AND RESPONSIBILITY FOR GAS 8.1 Customer and Company, respectively, warrant title to all Gas delivered by it into or from the Pipeline System hereunder, and each of Customer and Company, respectively, warrant and represent each has the right to deliver the Gas hereunder, and that such Gas is free from liens and adverse claims of every kind. Customer agrees to indemnify and save Company harmless from and against all loss, damage, claims, and expense of every character with respect to Gas delivered by it on account of royalties, taxes, payments, liens, or other charges or claims arising (i) before or created upon delivery of said Gas into the Pipeline System, and (ii) upon and after delivery of said Gas from the Pipeline System to Customer. 8.2 Subject to compliance with the provisions of Section 8.1 above, Company warrants that title to all Gas delivered hereunder by Customer is free from liens and adverse claims of every kind. Company agrees to indemnify and save Customer harmless from and against all loss, damage, claims, and expense of every character with respect to Gas to be delivered at the Point of Delivery on account of royalties, taxes, payments, liens, or other charges or claims arising after delivery of Gas to and before withdrawal thereof from the Pipeline System by Customer. 8.3 As between the parties hereto, Customer or its supplier shall be deemed to be in the exclusive control and possession of the Gas until such Gas has been delivered to Company at the Point of Receipt, and after its withdrawal by Customer at the Point of Delivery. After Customer's or Customer's suppliers' delivery of such Gas at the Point of Receipt, Company shall thereafter be deemed to be in the exclusive control and possession of such Gas until its withdrawal by Customer at the Point of Delivery. The party which shall be in the exclusive control and possession of such Gas shall be responsible for all in injury or damage caused thereby and shall be responsible for</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25089
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>any loss of Gas while in its possession, except with regard to injury, damage or loss caused by or arising out of the negligence of the nonpossessory party. 8.4 The Pipeline System shall at all times remain the property of Company, and Customer shall have no right or property interest therein but only the right for the transportation of Gas. ARTICLE 9 FORCE MAJEURE AND CASUALTY 9.1 If either Company or Customer is rendered unable, wholly or in part, by reason of force majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended. Any force majeure event (other than labor disputes, strikes, or lockouts) shall be remedied so far as possible with reasonable dispatch. Settlement of strikes, lockouts, and labor disputes shall be wholly within the discretion of the party having the difficulty. The term force majeure shall include, but is not limited to, the following: acts of God and the public enemy; the elements; fire, accidents, breakdowns, strikes; any industrial, civil, or public disturbance; inability to obtain or delay in obtaining rights-of-way, material, supplies, permits, or labor; any act or omission by parties not subject to control by the party hereunder having the difficulty; and any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military. If pursuant to the foregoing Company curtails or temporarily discontinues the receipt or delivery of Gas hereunder, Customer agrees to hold Company harmless from any loss, claim, damage, or expense that Customer may incur by reason of such curtailment or discontinuance. 9.2 If a portion of the Pipeline System required to make the transportation service available is partially damaged by fire or other casualty, the damage may be repaired by Company, at its option and in its sole discretion, as speedily as practicable, due allowance being made for the time taken for the settlement of insurance claims. Until such repairs are made, the payments shall be apportioned in proportion to the portion of the capacity of the Pipeline System which is still available for the purposes hereof, such determination to be made in the sole discretion of Company. If the damage is so extensive as to render the Pipeline System wholly unusable, in Company's sole opinion, the payments, if any, shall cease until such time as the Pipeline System is again useable. In case the damage shall, in Company's sole opinion, amount substantially to a destruction of the portion of the Pipeline System available for the transportation of Gas and Company shall elect not to repair the damage, then the Agreement shall terminate at the time of such damage, and Company shall not be liable to Customer for any liability, damage, or claim which arises out of any failure to make repairs. ARTICLE 10 GOVERNMENTAL RULES, REGULATIONS, AND AUTHORIZATIONS; INTERPRETATION OF AGREEMENT 10.1 The Agreement is subject to all valid orders, laws, rules, and regulations of duly constituted municipal, State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or Gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies. 10.2 The Agreement shall be interpreted under the laws of the State of Texas, excluding any law thereof directing the application of the laws of another jurisdiction. ARTICLE 11 MISCELLANEOUS 11.1 Any modification of terms, or amendment of any provisions hereof, shall become effective only by supplemental written agreement between the parties. 11.2 (A) Any of the following events or conditions shall constitute a default of Customer under the Agreement: (1) Default in the delivery of any payment or any sums hereunder for a period of sixty (60) Days after the same becomes due; (2) Any other breach of the material terms and conditions of the Agreement and the failure of Customer to cure such breach within thirty (30) Days after written demand by Company or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Customer shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured; (3) Customer shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Customer; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Customer (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; or (5) If any certificate, statement, representation, or warranty furnished by Customer proves to be false or incomplete in any material respect. (B) Upon the happening of any event of default as set forth in subparagraph 11.2(A) above, Company shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Customer the sum of all transportation payments and all other amounts due and owing under the Agreement plus the sum of all transportation payments and other amounts to become payable during the balance of the term of the Agreement; (2) Retake possession of the entire capacity of the Pipeline System without any court order or other process of law and without any rights of Company being thereupon terminated; (3) Terminate the Agreement and the Exhibits; (4) Pursue any other remedy at law or in equity. (C) Any of the following events or conditions shall constitute an Event of Default with respect to Company under the Agreement: (1) Default in the crediting of any sums due to Customer or in the payment of any other sums due to Customer under the Agreement for a period of ninety (90) Days after the same is established by Company to have become due; (2) Company's breach of any material term or condition of the Agreement and the failure of Company to cure such breach within thirty (30) Days after written demand by Customer or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Company shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured. (3) Company shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Company; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Company, (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25089
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCE-Rider-STX-IS	<p>period of ninety (90) Days; (D) Upon the happening of any event of default as set forth in subparagraph 11.2(C)above, Customer shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Company the sum of all outstanding credits and other amounts due and owing under the Agreement; (2) Terminate the Agreement and the Exhibits; (3) Pursue any other remedy at law or in equity. (E) The rights granted to Company and Customer hereunder shall be cumulative as to each and action on one shall not be deemed to constitute an election or waiver of any other right to which Company or Customer may be entitled. (F) Upon the termination of the Agreement, whether by lapse or time or otherwise, Customer will surrender any and all rights in the Pipeline System immediately. 11.3 Company shall not be liable for damages resulting from interruption of service, when such interruption is necessary to make repairs, changes, or adjustments in Company's equipment and facilities. 11.4 No waiver by Company or Customer of any default or the other under the Agreement shall operate as a waiver of any future default, whether of a like or different character. 11.5 The Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. In the event Customer sells, leases or otherwise transfers its distribution system to a third party, whether voluntarily or involuntarily, then Customer agrees, as a part of such sale, lease or transfer, to assign to such third party and to require such third party to accept the assignment of the Agreement and the Exhibits included therein, subject to the provisions of the following sentence. Neither the Agreement nor the Exhibits attached thereto nor the rights and obligations of Customer hereunder may be assigned without the consent of Company, which consent shall not be unreasonably withheld. 11.6 Customer will not mortgage, create a security interest in, or encumber the Agreement, or sublet the rights granted hereby, or permit its use by others, or pledge, loan, sublet, create a security interest in, or in any other manner attempt to dispose of such rights, or permit its use by others, or suffer any liens or legal process to be incurred or levied thereon; provided, however, that Customer may grant a security interest or similar encumbrance in connection with any existing financing arrangement associated with Customer's facility. 11.7 Except as provided below, Customer shall pay all fees, taxes, charges, and assessments imposed by or on behalf of any governmental entity in connection with the Agreement or in connection with the purchase, transportation, and disposition of Gas by or on behalf of Customer pursuant to the Agreement including but not limited to municipal and/or supplemental fees, franchise fees and any supplements thereto and taxes; provided that Company shall pay all ad valorem taxes and assessments levied on the Pipeline System and all appurtenant facilities. Company shall file all returns required for the Pipeline System and all appurtenant facilities. Customer will furnish Company with any information available to Customer in connection with Company's obligations under this section. 11.8 Company and Customer agree to exercise and take reasonable steps necessary to safeguard and cause their officers, directors, employees, agents, advisers, and representatives to safeguard the confidentiality of the Agreement and the terms and conditions thereof (as contrasted with the existence and effectiveness of the Agreement which are not confidential) and not to disclose any part of it or any information derived there from or any negotiations relating thereto to any party or person except that limited number of people within Company's and Customer's organizations, and their advisers, lenders and potential investors, as may need to know the terms and conditions hereof in order to evaluate, understand, execute and perform the Agreement. Company and Customer agree not to copy or permit the copying of the Agreement, except as may be necessary for their operations. In the event Customer or Company or any of their officers, directors, employees, agents, or representatives, is requested or required (by oral or written question or request for information or documents in legal proceedings, interrogatories, subpoena, Civil Investigative Demand or similar process) to disclose any information concerning the Agreement or the terms and conditions thereof or any negotiations relating thereto, it is agreed that the party receiving such question or request will provide the other parties with prompt notice thereof so that such other parties may seek a protective order or other appropriate relief or a release from the other parties. It is further agreed that if, in the absence of a protective order or receipt of a release, the other party is compelled to disclose such information or else stand liable for contempt or suffer other censure or penalty or adverse effect, then such party may disclose such information. The parties hereto are further authorized to make disclosure of the Agreement as may be required by Federal, state, or local regulation or agency or as may be required by auditors or accountants in connection with the preparation of financial statements or tax returns. Disclosure hereunder shall not constitute a basis for defense, termination, or modification of the Agreement. <b>ARTICLE 12 DISPUTE RESOLUTION</b> 12.1 Any dispute arising out of or relating to this Agreement for which a claim or demand is asserted that is equal to or exceeds a value of \$25,000 shall be resolved in accordance with the procedures specified in this Article 12, which shall be the sole and exclusive procedures for the resolution of any such disputes. The cost of conducting the dispute resolution process, including the fees and expenses of any arbitrators, shall be shared equally by the parties, and each party shall bear its own costs, including any attorneys' fees or other expenses incurred in the process. Each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances. 12.2 Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between management level personnel who have authority to settle the controversy. Any person may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. Within thirty (30) days after delivery of the initial notice, the designated managing personnel of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. 12.3 Arbitration. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation as provided above within sixty (60) days after initiation of negotiations shall be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect by (i) a sole arbitrator agreed upon by the parties if the dispute is between \$25,000 and \$250,000, or (ii) three independent and impartial arbitrators, of whom each party shall designate one, if the dispute is in excess of \$250,000. All arbitrators shall be knowledgeable in the natural gas industry. The arbitrator(s) shall have no authority to award consequential, punitive or exemplary damages. Provided, however, if one party fails to participate in the negotiation as agreed herein, the other party can commence arbitration prior to the expiration of the time periods set forth. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. Unless otherwise agreed, the place of arbitration shall be Austin, Texas. Meters Read On and After: January 27, 2014 Supersedes: April 27, 2012 (Incorporated Only) April 12, 2013 (Unincorporated)</p> <p>TEXAS GAS SERVICE COMPANY South Texas Service Area - Central Texas Region RATE SCHEDULE RCE-RIDER RATE CASE EXPENSE SURCHARGE A. APPLICABILITY The Rate Case Expense Surcharge (RCE) rate as set forth in Section (B)</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25089
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-3-SoTx-IS-Ind	<p>below is pursuant to ordinances or resolutions passed by the cities of Texas Gas Service's (TGS) South Texas Service Area, which includes the Cities of Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner and Yoakum, Texas (collectively, the Cities). The ordinances or resolutions were passed pursuant to a Settlement Agreement dated April 10, 2012 between TGS and the Cities. This rate shall apply to the following rate schedules of Texas Gas Service Company in the incorporated areas of the Cities served in TGS' South Texas Service Area: 15, 25, 35, T-2 and T-3. B. RCE RATE All Ccf during each billing period: \$ 0.0050 per Ccf This rate will be in effect until all approved and expended rate case expenses are recovered under the applicable rate schedules. C. OTHER ADJUSTMENTS Taxes: Plus applicable taxes and fees (including franchises fees) related to above. D. CONDITIONS Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority. Meters Read On and After January 14, 2014 Supersedes same sheet dated: April 27, 2012</p> <p>TEXAS GAS SERVICE COMPANY                      South Texas Service Area - Central Texas Region                      RATE SCHEDULE T-3                      INDUSTRIAL TRANSPORTATION SERVICE RATE</p> <p><u>Applicability</u>                      Service under this rate schedule is available to any customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government.</p> <p>Division B - Mining - all Major Groups                      Division D - Manufacturing - all Major Groups                      Divisions E and J - Utility and Government - facilities generating power for resale only</p> <p>Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.</p> <p><u>Availability</u>                      Natural gas service under this rate schedule is available to any individually metered, industrial customer for the transportation of customer owned natural gas through the Company's South Texas distribution system. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.</p> <p>Electronic flow measurement (EFM) may be required for Customers under this tariff at the Company's sole discretion. The customer may be required to reimburse the Company for any cost related to the installation of the EFM as well as provide for or reimburse the Company for any on- going maintenance, repair, or communications costs. In the alternative, Customer may elect to discontinue service under this tariff and to receive service under the applicable sales tariff.</p> <p>Service is not available under this rate schedule for resale to others or for service for a term less than twelve (12) months.</p> <p>Under this tariff the Company shall perform or cause to be performed all functions necessary to transport the gas commodity from the Point of Receipt to the end use Customer. The Customer is responsible for acquiring the gas commodity from a third party supplier. Such gas supply must be delivered to the pipeline providing upstream services for the system from which the Customer is served.</p> <p>Customer shall deliver to Company each month, as reimbursement for lost and unaccounted for gas in the form of Payment in Kind (PIK), a volume of gas equal to the Purchase/Sales ratio authorized to be collected in the Cost of Gas clause times the volume of gas delivered by the Company for the account of Customer for transportation.</p> <p>Character of Service Firm gas transportation service</p> <p><u>Cost of Service Rate</u>                      During each monthly billing period:                      A customer charge per meter per month of \$ 250.00 plus                      Interim Rate Adjustments (IRA) \$ 210.06 per month (Footnote 1)                      Total Customer Charge \$ 460.06</p> <p>The First 3,000 Ccf @ \$ 0.1236 per Ccf                      All Over 3,000 Ccf @ \$ 0.0967 per Ccf</p> <p><u>Additional Charges</u>                      1) A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060TEX&gt; REV. CIV.STAT. as such may be amended from time to time which are attributable to the transportation service performed hereunder.                      2) A charge will be made each month to recover any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder.</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25089
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-STX-ISOS-a	<p>3) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the South Texas Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.</p> <p>Subject to:                      Special Provisions Tariff                      General Terms and Conditions for Transportation T-GTC</p> <p>Other Conditions                      Transportation of Customer owned natural gas hereunder is subject in all respects to the Transportation Agreement entered into between the Customer and Company prior to commencement of service and all amendments and modifications thereto. Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.</p> <p>Footnote 1: Initial 2012 IRA - \$210.06</p> <p>Meters Read On and After April 3, 2014                      Supersedes Same Sheet Dated April 27, 2012</p> <p>TEXAS GAS SERVICE COMPANY South Texas Service Area RATE SCHEDULE T-GTC GENERAL                      TERMS AND CONDITIONS FOR TRANSPORTATION Rate schedule T-GTC general charges, provisions and conditions applicable to: Transportation Rate Schedules T-2 and T-3 in the areas served by the Company in its South Texas Service Area. ARTICLE 1 DEFINITIONS 1.1 Affiliate shall mean any person, entity, or business section, or division that directly or through one or more intermediaries' controls, is controlled by, or is under common control with the entity in question. 1.2 Agreement shall mean the agreement to which the General Terms and Conditions for Transportation apply. 1.3 Btu shall mean British thermal unit(s) and shall be computed on a temperature base of sixty degrees (60 degrees) Fahrenheit and a pressure base of fourteen and sixty-five hundredths (14.65) psia and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and MMBtu shall mean one million (1,000,000) Btu. 1.4 Commission shall mean the Railroad Commission of Texas. 1.5 Company shall mean Texas Gas Service when it is acting as Company on the Pipeline System. 1.6 Cumulative Tolerance Limit shall mean five percent (5%) of aggregate historical annual deliveries of a Qualified Supplier's pool of customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit to reflect changes to the pool of customers and other known changes to anticipated deliveries that the Company determines to be reasonably reliable and accurate. 1.7 Customer shall mean a consumer which subscribes to natural gas services provided by Texas Gas Service. 1.8 Dekatherm (Dth) shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis. 1.9 Day shall mean the 24-hour period commencing at 9:00 a.m. (central clock time) on one calendar day and ending at 9:00 a.m. (central clock time) the following calendar day. 1.10 Dry shall mean the heating value calculation being determined with no water vapor present. 1.11 Effective Date shall mean the date specified in the Agreement. 1.12 Gas or natural gas shall mean the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof. 1.13 Gas Transportation Order shall mean a completed Exhibit A relating to the applicable gas transportation service Agreement. 1.14 Gross Heating Value or Gross shall mean the amount of energy transferred as heat per mass or mole from the complete combustion of the gas with oxygen (from air), at a base temperature in which all water formed by the reaction condenses to liquid. 1.15 Mcf shall mean one thousand (1,000) cubic feet of Gas. 1.16 Month shall mean the period beginning at 9:00 a.m. central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month, except where references not involving Gas measurement volumes are involved, in which case the calendar month shall be deemed to be referred to. 1.17 Monthly Tolerance Limit shall mean ten percent (10%) of the aggregate deliveries for a Qualified Suppliers pool of customers for such month. 1.18 PDA shall mean a predetermined allocation method. 1.19 Pipeline System shall mean the current existing utility distribution facilities of Company located in the State of Texas. 1.20 Point of Delivery shall mean the point or points where Gas is delivered from the Pipeline System to or for the account of Customer and are shown on the applicable Gas Transportation Order. 1.21 Point Operator shall mean the person or entity that controls the Point of Receipt or Point of Delivery. 1.22 Point of Receipt shall mean the point or points where Company shall receive Gas into the Pipeline System from Customer, as described on the applicable Gas Transportation Order. 1.23 Psia shall mean pounds per square inch, absolute. 1.24 Psig shall mean pounds per square inch, gauge. 1.25 Qualified Supplier shall mean a supplier of natural gas for transportation to customers through the Company's pipeline system that meets the requirements of and has executed a Supplier Service Agreement. 1.26 Real shall mean the division of the ideal heating value by the compressibility of the gas. This creates an ideal Gross Heating Value per Real cubic foot. 1.27 Supplier Service Agreement shall mean a contract setting forth the requirements and terms upon which a supplier of natural gas may make deliveries of customer owned gas into the Company's pipeline system for delivery to one or more of the Company's customers receiving service under this tariff. 1.28 Tariff shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over Company or the services provided hereunder. 1.29 Week shall mean a period of seven (7) consecutive Days beginning at 9:00 a.m. central clock time on each Monday and ending at the same time on the next succeeding Monday. 1.30 Year shall mean a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29. ARTICLE 2 RESTRICTIONS AND RESERVATIONS 2.1 It is understood and agreed that Customer has only the right to transportation service in the Pipeline System and all equipment, including (but not in any way limited thereto) all pipe, valves, fittings, and meters comprising the Pipeline System and all other property and capacity rights and interests, shall at all times during the term of the Agreement remain the property of Company. Customer agrees not to cause or permit any liens or encumbrances to be filed with respect to the Pipeline System by reason of Customer's actions. Customer's Gas shall at all times remain the property of</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 25089**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Customer, and Company shall have no right or property interest therein. 2.2 Company reserves the right in its sole discretion to remove, relocate, expand, or rebuild, without approval of Customer, any portion of the Pipeline System. Customer shall make no alterations, additions, or repairs to or on the Pipeline System, nor shall Customer bear any cost of any alterations, additions, repairs, maintenance or replacements made to or on said Pipeline System. 2.3 Customer agrees not to connect or cause the connection of any third party to the Pipeline System for any purpose without the express written approval and consent of Company to be granted in Company's sole discretion. Customer further agrees not to transport or cause to be transported any Gas for any third party. If either of these conditions is breached by Customer, Company shall have the right and option, notwithstanding any other provision of the Agreement or the General Terms and Conditions for Transportation, to terminate the Agreement including the Exhibits thereto immediately and without further obligation to Customer. 2.4 Company presently is transporting Gas to third parties on the Pipeline System and shall have the right in the future to transport additional Gas for such purposes and to transport Gas to additional third parties as it may desire, and Company shall have the right to make additional connections to the Pipeline System as may be required to serve presently existing and new customers, all of which is subject to the provisions of the Agreement. Company's transportation of Gas hereunder shall not obligate Company in any manner beyond the terms of the Agreement and the Exhibits attached thereto. 2.5 Company shall own any and all liquids which are recovered from the Pipeline System and may use, sell or transfer all liquids without having to account in any manner, or pay any monies or other consideration to Customer. 2.6 The Company reserves the unilateral right from time to time to seek regulatory approval to make any changes to, or to supersede, the rates, charges and any terms stated in the tariffs, rate schedules, the agreements, and the General Terms and Conditions. <b>ARTICLE 3 OPERATIONS</b> 3.1 Customer shall deliver its Gas into the Pipeline System at the Points of Receipt described on the applicable Gas Transportation Order, as it now exists and as it may be amended. Customer shall have no right to require Gas to be received at any particular Point of Receipt and Company may delete such points or modify the capacity thereof from time to time and at any time in its sole discretion with no further obligation to Customer with respect to such Point of Receipt. All supplies of Gas delivered to the Pipeline System must comply with the terms and conditions of the Agreement and the exhibits attached thereto. In no event shall Company be required to expand, modify, construct, rearrange, or change the operations of the Pipeline System in order to receive Gas from or on behalf of Customer or in order to deliver Gas to Customer at any existing Points of Delivery. 3.2 Customer shall advise (in a method and format approved by Company in its sole discretion) Company with respect to each Day, Week and Month the name of each supplier with whom it has a contract (and the name of the individual with such supplier responsible for Customer's account), which source of supply is delivering to Company, how much Gas is nominated to be delivered to Company from each source of supply (i.e., each well, plant, or other desired Point of Receipt) and the anticipated deliveries at each Point of Delivery. Customer's nomination shall be in good faith, in balance between Points of Receipt and Points of Delivery, and shall be based on Customer's commercially reasonable best efforts to estimate usage for Hour, Day, Week, and Month. Customer will cause their Qualified Supplier to act as their agent in the nomination process. Qualified Supplier shall not intentionally nominate more or less Gas than is anticipated for consumption by Customer(s), except as may be needed for balancing purposes to the extent Company accepts such nomination. Qualified Supplier shall submit nominations to the Company's gas scheduling department in accordance with their currently effective nomination process which can be provided to the parties upon request. Customer and Qualified Supplier shall exercise commercially reasonable best efforts to deliver to the Pipeline System Dths of Gas that Company is to deliver from the Pipeline System to Customer during any particular Hour, Day, Week and Month, including but not limited to volumes needed for peak Day usage for Customer's facilities. 3.3 Before the start of the Gas Day, the Point Operator and Company shall establish a predetermined allocation (PDA) method to specify how Gas received or delivered by Company shall be allocated in accordance with confirmed nominations at such point. Only one PDA methodology shall be applied per allocation period. 3.4 Customer's Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery. To the extent that Customer's acts or omissions cause Company to incur, directly or indirectly, fees, charges, expenses, or penalties from a supplier or transporter for failure to satisfy such supplier's or transporter's balancing or nomination requirements, then Customer agrees to reimburse Company for such fees, charges, expenses, or penalties, and defend, indemnify, and hold Company harmless with respect thereto. Any fees, charges, expenses or penalties which were determined to be in error will be credited back to the Customer. 3.5 The Point of Receipt and Point of Delivery may be, or may later become points through which other quantities of Gas are being measured; therefore, the measurement of Gas under the Agreement may involve the allocation of Gas deliveries. In such event, each party hereto will furnish, or cause to be furnished, to the other all data required to accurately account for all Gas. 3.6 Except as may be set forth on a Gas Transportation Order, Company shall receive and deliver Gas hereunder as nearly as practicable at uniform hourly and daily rates of flow. It is recognized that it may be physically impracticable, because of measurement, Gas control limitations and other operating conditions, to stay in zero (0) imbalance each hour and each Day; therefore, the daily and hourly quantities received may, due to the aforementioned reasons, vary above or below the daily and hourly quantities delivered. If the quantities received and the quantities delivered hereunder should create an imbalance at the end of any hour, Day, Week, or Month, then Company and Customer shall adjust receipts and/or deliveries at any time to the end that the quantities received and delivered shall be kept as near to zero (0) imbalance as practicable. 3.7 Imbalances Customer must designate no more than one Qualified Supplier. The Qualified Supplier shall act on behalf of the Customer to procure gas supplies, deliver gas supplies to points of receipt designated in the Gas Transportation Order, and shall act as the Customer's agent with respect to nominations, operational notices required under the Gas Transportation Agreement or applicable tariffs and with respect to resolution of imbalances under this Rate Schedule. (A) The following cash out provisions shall be applied to the Qualified Supplier for its aggregate pool of Customers that are being provided service pursuant to a Rate Schedule or some other form of transportation service: 1) Qualified Supplier shall not deliver into the Pipeline System more Dths of Gas than Company delivers to the aggregate pool of Customers at the Points of Delivery during a Month. At the end of the Month in which an over-delivery occurred and exceeded the Monthly Tolerance Limit or the Cumulative Tolerance Limit, Qualified Supplier shall sell such excess Gas to Company at 95% of Inside FERC's FOM Houston Ship Channel index price. 2) If Company receives less Dths of Gas than are delivered to the aggregate pool of Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Month, then Qualified Supplier shall purchase such under-delivered volumes at 105% of Inside FERC's FOM Houston Ship Channel index price. The Company will provide monthly imbalance statements along with calculations of the cash out charges in accordance with the aforementioned cash out provisions to the Qualified Supplier each month. Payments for cash out charges will be due each month within 15 business days of the imbalance statement date. The Company may elect at its sole discretion to accrue the monthly cash out provisions each month and only require periodic settlement rather than monthly payments. The monthly transport payments</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25089
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>shall not be abated with respect to a Month in which under-deliveries occurred except as provided in Article 9 and Article 10 hereof.</p> <p>3.8 Customer and Company shall exercise their commercially reasonable best efforts to comply with all of the standards established by the North American Energy Standards Board, Inc. (NAESB), but in no event shall either party be required to comply with the NAESB standards if such compliance has a material adverse affect upon such party. 3.9 In the event Customer's source of gas supply is terminated by Customer's supplier due to non-payment or other reasons, or if customer is otherwise unable to continue as a transportation customer, Customer may, upon the giving of five (5) business days advance notice to Company, obtain service from Company under the general sales tariff applicable to Customer. Prior to commencing such service, Company may, in its sole discretion, require Customer to post a deposit or bond in accordance with the provisions of Article 5 hereof. <b>ARTICLE 4 PRESSURE AND QUALITY OF GAS</b> 4.1 Customer shall deliver (or cause to be delivered) the Gas to the Pipeline System at the Point of Receipt at a pressure sufficient to effect delivery into the Pipeline System at that point. If necessary, Customer shall provide additional compression to make such deliveries hereunder, and Company shall not have any cost or responsibility in that regard. 4.2 Subject to the provisions of Section 4.1 above, the Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery at pressures sufficient to effect deliveries to Customer's facilities, but not to exceed the maximum pressure that has existed for each Point of Delivery. 4.3 Gas delivered by and to Customer shall be commercially free of dust, gums, gum-forming constituents, gasoline, water, and any other substance that may become separated from the Gas during the handling hereof. All Gas received shall conform to the following additional specifications: (A) Contain not more than one-quarter (1/4) grain of hydrogen sulfide per 100 cubic feet, as determined by a method generally acceptable for use in the gas industry; (B) Contain not more than five (5) grains of total sulfur per 100 cubic feet; (C) Contain not more than two percent (2%) by volume of carbon dioxide; (D) Contain not more than four percent (4%) by volume of total inerts, including carbon dioxide and nitrogen; (E) Contain not more than two-tenths of one percent (.2%) by volume of oxygen; (F) Contain a gross heating value equivalent to at least 980 British Thermal Units per cubic foot and not to exceed 1080 British Thermal Units per cubic foot; (G) Have a temperature of not more than one hundred twenty degrees (120#) Fahrenheit and not less than forty degrees (40 #) Fahrenheit; (H) Contain no water or hydrocarbons in liquid form; (I) Contain not more than 7 pounds of water in vapor stage per 1,000 Mcf of gas; and (J) Be interchangeable with the Company's system Gas at the Point of Receipt or delivered to the nearest customer, city border station, or other pipeline interconnected with such receiving facility or downstream of the Point of Receipt.</p> <p>4.4 The Company, at its option, may refuse to accept delivery of any gas not meeting the quality specifications set out above. Thereafter, Customer or Qualified Supplier shall have the right to conform or cause the gas to be conformed to the above specifications. If the Customer or Qualified Supplier does not elect to conform the gas to said specifications, then the Company at its sole option may accept or reject any such gas. 4.5 Notwithstanding anything to the contrary contained herein, the gas which the Company transports and delivers to the Customer shall be odorized by the Company. In the event Customer desires to remove the odorant, such removal shall be solely at Customer's risk and expense. <b>ARTICLE 5 PAYMENT</b> 5.1 Should Customer fail to pay or deliver any or all of the amount of the transportation payment and/or other fees due under any exhibit when such amount is due (which in no event shall be later than the last Day of the applicable Month), interest on the unpaid portion shall accrue at a rate (which in no event shall be higher than the maximum rate permitted by applicable law) equal to one and one-half percent (1 one-half%) per month from the due date until the date of payment. If such failure to pay continues for fifteen (15) Days after payment is due, Company, in addition to any other remedy it may have, may suspend further receipts and deliveries of Gas until such amount is paid; provided, however, that if Customer in good faith shall dispute in writing the amount of any such bill or part thereof and shall pay to Company such amounts as it concedes to be correct and, at any time thereafter within thirty (30) Days of the due date of such payment, shall furnish a good and sufficient surety bond in an amount and with surety satisfactory to Company, guaranteeing payment to Company of the amount ultimately found due upon such bills, including interest thereon, after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further receipts and withdrawals of Gas unless and until default be made in the conditions of such bond. As an alternative to posting a bond, Customer may pay the portion of any amount in dispute without waiving its rights to recoup any monies improperly billed. If the portion of any amount in dispute is ultimately determined to be incorrect, such amount shall be refunded by Company to Customer together with interest thereon at a rate (which in no event shall be higher than the maximum allowed by law) equal to one and one-half percent (one-half%) per Month for the period from the date of payment to Company to the date of refund by Company. 5.2 Customer agrees to pay any amounts due pursuant to the Agreement and the General Terms and Conditions for Transportation to Company within fifteen (15) Business Days after receipt of an invoice from Company. 5.3 Company reserves the right, prior to initiation of service, to require a cash deposit or bond in favor of Texas Gas Service in order to assure payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. In the event Customer's financial condition materially weakens or Customer fails to make timely payment in accordance with Article 5 after the execution of the Agreement, then upon written request from Company, Customer agrees to deposit cash with Texas Gas Service or secure a bond in favor of Texas Gas Service in order to assure the payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. Such deposit or bond shall be furnished to Texas Gas Service within fifteen (15) days after a request by Texas Gas Service is made for such deposit or bond and shall be made in a form and amount satisfactory to Texas Gas Service. If such deposit or bond is not furnished in a timely manner, or if a bond expires or is canceled prior to the end of the period specified below, or if the cash deposit or bond is not increased as specified below, then leasing of capacity and the rendering of all other services may be suspended by Texas Gas Service in its sole discretion until such deposit or bond is furnished, renewed or increased, as applicable. 5.4 Nothing in this Article 5 shall be deemed to supersede the respective rights and obligations of Company and Customer as provided by Texas statutes, rules, and/or regulation, as such statutes, rules, or regulations may be amended from time to time, with respect to adjustments to the amounts owed by Customer as a result of errors in Customer's meter or errors in reading Customer's meter. Customer shall be responsible for payment of the amounts owed Company for transportation service and gas supply provided to Customer during the applicable period for which it has been determined that Customer's meter was in error to the favor of Customer. <b>ARTICLE 6 STATEMENTS AND RECORDS</b> 6.1 On or about fifteen (15) days after the Company receives necessary volumetric information from other parties for each calendar month after commencement of Gas receipts and deliveries hereunder, Company shall render to the Qualified Supplier a statement for the preceding Month showing the total Dths of Gas received and delivered and each Point of Receipt and Point of Delivery. If information necessary for statement purposes is in the possession of Customer, Customer shall furnish such information to Company on or before the sixth (6th) Day of the Month in which the statement requiring such data is to be rendered. 6.2 Both parties hereto shall have the right at any and all reasonable times within twenty four (24) months from the time</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 25089

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>period in question, to examine the books and records of the other to the extent necessary to verify the accuracy of any statement, computation, or demand made hereunder. 6.3 Customer agrees to supply to Company, at Company's request at any time and from time to time, a sample of the liquids removed from the gas stream of the facilities which deliver gas to Company which sample is to be taken from a point upstream from the Point of Receipt. Said sample shall not contain any toxic, hazardous, or deleterious materials or any materials which Company, in its sole discretion, deems in any way harmful to its facilities, personnel or the environment, including, but not limited to, polychlorinated byphenyls (PCBs), and substances or materials considered hazardous or other similar terms, or requiring investigation, remediation or removal under any federal, state or local statute, regulation, rule or ordinance or any amendments thereof whether now in effect or as may be in effect in the future. If such samples contain any such materials or substances, Company shall have the right, in its sole discretion and in addition to other remedies available to it, to immediately cease receipt of Gas through the Point of Receipt until such time as all such materials or substances are eliminated from the Gas such that Company, in its sole discretion, elects to again receive such Gas through the Point of Receipt. Should Customer fail or refuse to eliminate all such materials or substances within a reasonable time, Company shall have the right, upon written notice, to terminate this Agreement. Customer hereby expressly agrees to indemnify and hold Company and Company's affiliates harmless from and against any and all liabilities, losses, claims, damages, actions, costs, fines, and expenses of whatever nature, including, but not limited to, court costs, and attorney's fees arising out of or in any manner relating to the presence of PCBs and/or any other toxic, hazardous, deleterious, harmful, or unsafe materials as described above in Gas delivered by or on behalf of Customer into Company's system.</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
79433	D	Mcf	\$.0000	04/27/2012	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	33832	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	
M	Other(with detailed explanation)	Firm Industrial transportation for Incorporated South TX Svc Area.

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 25090

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 04/08/2014      **RECEIVED DATE:** 04/21/2014

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N      **RRC DOCKET NO:** 10217(RC), 10333(IRA)

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Per Initial South TX Svc Area Environs GRIP filing, new IRA rate schedule & service rates (customer charge) approved via GUD 10333 dated 4/8/2014.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
33833	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 25090

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-STX-ISOS-a	<p>TEXAS GAS SERVICE COMPANY      South Texas Service Area      RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION Rate schedule T-GTC general charges, provisions and conditions applicable to: Transportation Rate Schedules T-2 and T-3 in the areas served by the Company in its South Texas Service Area. <b>ARTICLE 1 DEFINITIONS</b> 1.1 Affiliate shall mean any person, entity, or business section, or division that directly or through one or more intermediaries' controls, is controlled by, or is under common control with the entity in question. 1.2 Agreement shall mean the agreement to which the General Terms and Conditions for Transportation apply. 1.3 Btu shall mean British thermal unit(s) and shall be computed on a temperature base of sixty degrees (60 degrees) Fahrenheit and a pressure base of fourteen and sixty-five hundredths (14.65) psia and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and MMBtu shall mean one million (1,000,000) Btu. 1.4 Commission shall mean the Railroad Commission of Texas. 1.5 Company shall mean Texas Gas Service when it is acting as Company on the Pipeline System. 1.6 Cumulative Tolerance Limit shall mean five percent (5%) of aggregate historical annual deliveries of a Qualified Supplier's pool of customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit to reflect changes to the pool of customers and other known changes to anticipated deliveries that the Company determines to be reasonably reliable and accurate. 1.7 Customer shall mean a consumer which subscribes to natural gas services provided by Texas Gas Service. 1.8 Dekatherm (Dth) shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis. 1.9 Day shall mean the 24-hour period commencing at 9:00 a.m. (central clock time) on one calendar day and ending at 9:00 a.m. (central clock time) the following calendar day. 1.10 Dry shall mean the heating value calculation being determined with no water vapor present. 1.11 Effective Date shall mean the date specified in the Agreement. 1.12 Gas or natural gas shall mean the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof. 1.13 Gas Transportation Order shall mean a completed Exhibit A relating to the applicable gas transportation service Agreement. 1.14 Gross Heating Value or Gross shall mean the amount of energy transferred as heat per mass or mole from the complete combustion of the gas with oxygen (from air), at a base temperature in which all water formed by the reaction condenses to liquid. 1.15 Mcf shall mean one thousand (1,000) cubic feet of Gas. 1.16 Month shall mean the period beginning at 9:00 a.m. central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month, except where references not involving Gas measurement volumes are involved, in which case the calendar month shall be deemed to be referred to. 1.17 Monthly Tolerance Limit shall mean ten percent (10%) of the aggregate deliveries for a Qualified Suppliers pool of customers for such month. 1.18 PDA shall mean a predetermined allocation method. 1.19 Pipeline System shall mean the current existing utility distribution facilities of Company located in the State of Texas. 1.20 Point of Delivery shall mean the point or points where Gas is delivered from the Pipeline System to or for the account of Customer and are shown on the applicable Gas Transportation Order. 1.21 Point Operator shall mean the person or entity that controls the Point of Receipt or Point of Delivery. 1.22 Point of Receipt shall mean the point or points where Company shall receive Gas into the Pipeline System from Customer, as described on the applicable Gas Transportation Order. 1.23 Psia shall mean pounds per square inch, absolute. 1.24 Psig shall mean pounds per square inch, gauge. 1.25 Qualified Supplier shall mean a supplier of natural gas for transportation to customers through the Company's pipeline system that meets the requirements of and has executed a Supplier Service Agreement. 1.26 Real shall mean the division of the ideal heating value by the compressibility of the gas. This creates an ideal Gross Heating Value per Real cubic foot. 1.27 Supplier Service Agreement shall mean a contract setting forth the requirements and terms upon which a supplier of natural gas may make deliveries of customer owned gas into the Company's pipeline system for delivery to one or more of the Company's customers receiving service under this tariff. 1.28 Tariff shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over Company or the services provided hereunder. 1.29 Week shall mean a period of seven (7) consecutive Days beginning at 9:00 a.m. central clock time on each Monday and ending at the same time on the next succeeding Monday. 1.30 Year shall mean a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29. <b>ARTICLE 2 RESTRICTIONS AND RESERVATIONS</b> 2.1 It is understood and agreed that Customer has only the right to transportation service in the Pipeline System and all equipment, including (but not in any way limited thereto) all pipe, valves, fittings, and meters comprising the Pipeline System and all other property and capacity rights and interests, shall at all times during the term of the Agreement remain the property of Company. Customer agrees not to cause or permit any liens or encumbrances to be filed with respect to the Pipeline System by reason of Customer's actions. Customer's Gas shall at all times remain the property of Customer, and Company shall have no right or property interest therein. 2.2 Company reserves the right in its sole discretion to remove, relocate, expand, or rebuild, without approval of Customer, any portion of the Pipeline System. Customer shall make no alterations, additions, or repairs to or on the Pipeline System, nor shall Customer bear any cost of any alterations, additions, repairs, maintenance or replacements made to or on said Pipeline System. 2.3 Customer agrees not to connect or cause the connection of any third party to the Pipeline System for any purpose without the express written approval and consent of Company to be granted in Company's sole discretion. Customer further agrees not to transport or cause to be transported any Gas for any third party. If either of these conditions is breached by Customer, Company shall have the right and option, notwithstanding any other provision of the Agreement or the General Terms and Conditions for Transportation, to terminate the Agreement including the Exhibits thereto immediately and without further obligation to Customer. 2.4 Company presently is transporting Gas to third parties on the Pipeline System and shall have the right in the future to transport additional Gas for such purposes and to transport Gas to additional third parties as it may desire, and Company shall have the right to make additional connections to the Pipeline System as may be required to serve presently existing and new customers, all of which is subject to the provisions of the Agreement. Company's transportation of Gas hereunder shall not obligate Company in any manner beyond the terms of the Agreement and the Exhibits attached thereto. 2.5 Company shall own any and all liquids which are recovered from the Pipeline System and may use, sell or transfer all liquids without having to account in any manner, or pay any monies or other consideration to Customer. 2.6 The Company reserves the unilateral right from time to time to seek regulatory approval to make any changes to, or to supersede, the rates, charges and any terms stated in the tariffs, rate schedules, the agreements, and the General Terms and Conditions. <b>ARTICLE 3 OPERATIONS</b> 3.1 Customer shall deliver its Gas into the Pipeline System at the Points of Receipt described on the applicable Gas Transportation Order, as it now exists and as it may be amended. Customer shall have no right to require Gas to be received at any particular Point of Receipt and Company may delete such points or modify the capacity thereof from time to time and at any time in its sole discretion with no further obligation to Customer with respect</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25090
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>to such Point of Receipt. All supplies of Gas delivered to the Pipeline System must comply with the terms and conditions of the Agreement and the exhibits attached thereto. In no event shall Company be required to expand, modify, construct, rearrange, or change the operations of the Pipeline System in order to receive Gas from or on behalf of Customer or in order to deliver Gas to Customer at any existing Points of Delivery. 3.2 Customer shall advise (in a method and format approved by Company in its sole discretion) Company with respect to each Day, Week and Month the name of each supplier with whom it has a contract (and the name of the individual with such supplier responsible for Customer's account), which source of supply is delivering to Company, how much Gas is nominated to be delivered to Company from each source of supply (i.e., each well, plant, or other desired Point of Receipt) and the anticipated deliveries at each Point of Delivery. Customer's nomination shall be in good faith, in balance between Points of Receipt and Points of Delivery, and shall be based on Customer's commercially reasonable best efforts to estimate usage for Hour, Day, Week, and Month. Customer will cause their Qualified Supplier to act as their agent in the nomination process. Qualified Supplier shall not intentionally nominate more or less Gas than is anticipated for consumption by Customer(s), except as may be needed for balancing purposes to the extent Company accepts such nomination. Qualified Supplier shall submit nominations to the Company's gas scheduling department in accordance with their currently effective nomination process which can be provided to the parties upon request. Customer and Qualified Supplier shall exercise commercially reasonable best efforts to deliver to the Pipeline System Dths of Gas that Company is to deliver from the Pipeline System to Customer during any particular Hour, Day, Week and Month, including but not limited to volumes needed for peak Day usage for Customer's facilities. 3.3 Before the start of the Gas Day, the Point Operator and Company shall establish a predetermined allocation (PDA) method to specify how Gas received or delivered by Company shall be allocated in accordance with confirmed nominations at such point. Only one PDA methodology shall be applied per allocation period. 3.4 Customer's Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery. To the extent that Customer's acts or omissions cause Company to incur, directly or indirectly, fees, charges, expenses, or penalties from a supplier or transporter for failure to satisfy such supplier's or transporter's balancing or nomination requirements, then Customer agrees to reimburse Company for such fees, charges, expenses, or penalties, and defend, indemnify, and hold Company harmless with respect thereto. Any fees, charges, expenses or penalties which were determined to be in error will be credited back to the Customer. 3.5 The Point of Receipt and Point of Delivery may be, or may later become points through which other quantities of Gas are being measured; therefore, the measurement of Gas under the Agreement may involve the allocation of Gas deliveries. In such event, each party hereto will furnish, or cause to be furnished, to the other all data required to accurately account for all Gas. 3.6 Except as may be set forth on a Gas Transportation Order, Company shall receive and deliver Gas hereunder as nearly as practicable at uniform hourly and daily rates of flow. It is recognized that it may be physically impracticable, because of measurement, Gas control limitations and other operating conditions, to stay in zero (0) imbalance each hour and each Day; therefore, the daily and hourly quantities received may, due to the aforementioned reasons, vary above or below the daily and hourly quantities delivered. If the quantities received and the quantities delivered hereunder should create an imbalance at the end of any hour, Day, Week, or Month, then Company and Customer shall adjust receipts and/or deliveries at any time to the end that the quantities received and delivered shall be kept as near to zero (0) imbalance as practicable. 3.7 Imbalances Customer must designate no more than one Qualified Supplier. The Qualified Supplier shall act on behalf of the Customer to procure gas supplies, deliver gas supplies to points of receipt designated in the Gas Transportation Order, and shall act as the Customer's agent with respect to nominations, operational notices required under the Gas Transportation Agreement or applicable tariffs and with respect to resolution of imbalances under this Rate Schedule. (A) The following cash out provisions shall be applied to the Qualified Supplier for its aggregate pool of Customers that are being provided service pursuant to a Rate Schedule or some other form of transportation service: 1) Qualified Supplier shall not deliver into the Pipeline System more Dths of Gas than Company delivers to the aggregate pool of Customers at the Points of Delivery during a Month. At the end of the Month in which an over-delivery occurred and exceeded the Monthly Tolerance Limit or the Cumulative Tolerance Limit, Qualified Supplier shall sell such excess Gas to Company at 95% of Inside FERC's FOM Houston Ship Channel index price. 2) If Company receives less Dths of Gas than are delivered to the aggregate pool of Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Month, then Qualified Supplier shall purchase such under-delivered volumes at 105% of Inside FERC's FOM Houston Ship Channel index price. The Company will provide monthly imbalance statements along with calculations of the cash out charges in accordance with the aforementioned cash out provisions to the Qualified Supplier each month. Payments for cash out charges will be due each month within 15 business days of the imbalance statement date. The Company may elect at its sole discretion to accrue the monthly cash out provisions each month and only require periodic settlement rather than monthly payments. The monthly transport payments shall not be abated with respect to a Month in which under-deliveries occurred except as provided in Article 9 and Article 10 hereof. 3.8 Customer and Company shall exercise their commercially reasonable best efforts to comply with all of the standards established by the North American Energy Standards Board, Inc. (NAESB), but in no event shall either party be required to comply with the NAESB standards if such compliance has a material adverse affect upon such party. 3.9 In the event Customer's source of gas supply is terminated by Customer's supplier due to non-payment or other reasons, or if customer is otherwise unable to continue as a transportation customer, Customer may, upon the giving of five (5) business days advance notice to Company, obtain service from Company under the general sales tariff applicable to Customer. Prior to commencing such service, Company may, in its sole discretion, require Customer to post a deposit or bond in accordance with the provisions of Article 5 hereof. <b>ARTICLE 4 PRESSURE AND QUALITY OF GAS</b> 4.1 Customer shall deliver (or cause to be delivered) the Gas to the Pipeline System at the Point of Receipt at a pressure sufficient to effect delivery into the Pipeline System at that point. If necessary, Customer shall provide additional compression to make such deliveries hereunder, and Company shall not have any cost or responsibility in that regard. 4.2 Subject to the provisions of Section 4.1 above, the Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery at pressures sufficient to effect deliveries to Customer's facilities, but not to exceed the maximum pressure that has existed for each Point of Delivery. 4.3 Gas delivered by and to Customer shall be commercially free of dust, gums, gum-forming constituents, gasoline, water, and any other substance that may become separated from the Gas during the handling hereof. All Gas received shall conform to the following additional specifications: (A) Contain not more than one-quarter (1/4) grain of hydrogen sulfide per 100 cubic feet, as determined by a method generally acceptable for use in the gas industry; (B) Contain not more than five (5) grains of total sulfur per 100 cubic feet; (C) Contain not more than two percent (2%) by volume of carbon dioxide; (D) Contain not more than four percent (4%) by volume of total inerts, including carbon dioxide and nitrogen; (E) Contain not more than two-tenths of one percent (.2%) by volume of oxygen; (F) Contain a gross heating value equivalent to at least 980 British Thermal Units per cubic foot and not to exceed 1080 British Thermal</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 25090

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-STX-ISOS-b	<p>Units per cubic foot; (G) Have a temperature of not more than one hundred twenty degrees (120#) Fahrenheit and not less than forty degrees (40 #) Fahrenheit; (H) Contain no water or hydrocarbons in liquid form; (I) Contain not more than 7 pounds of water in vapor stage per 1,000 Mcf of gas; and (J) Be interchangeable with the Company's system Gas at the Point of Receipt or delivered to the nearest customer, city border station, or other pipeline interconnected with such receiving facility or downstream of the Point of Receipt.</p> <p>4.4 The Company, at its option, may refuse to accept delivery of any gas not meeting the quality specifications set out above. Thereafter, Customer or Qualified Supplier shall have the right to conform or cause the gas to be conformed to the above specifications. If the Customer or Qualified Supplier does not elect to conform to the gas to said specifications, then the Company at its sole option may accept or reject any such gas. 4.5 Notwithstanding anything to the contrary contained herein, the gas which the Company transports and delivers to the Customer shall be odorized by the Company. In the event Customer desires to remove the odorant, such removal shall be solely at Customer's risk and expense. ARTICLE 5 PAYMENT 5.1 Should Customer fail to pay or deliver any or all of the amount of the transportation payment and/or other fees due under any exhibit when such amount is due (which in no event shall be later than the last Day of the applicable Month), interest on the unpaid portion shall accrue at a rate (which in no event shall be higher than the maximum rate permitted by applicable law) equal to one and one-half percent (1 one-half%) per month from the due date until the date of payment. If such failure to pay continues for fifteen (15) Days after payment is due, Company, in addition to any other remedy it may have, may suspend further receipts and deliveries of Gas until such amount is paid; provided, however, that if Customer in good faith shall dispute in writing the amount of any such bill or part thereof and shall pay to Company such amounts as it concedes to be correct and, at any time thereafter within thirty (30) Days of the due date of such payment, shall furnish a good and sufficient surety bond in an amount and with surety satisfactory to Company, guaranteeing payment to Company of the amount ultimately found due upon such bills, including interest thereon, after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further receipts and withdrawals of Gas unless and until default be made in the conditions of such bond. As an alternative to posting a bond, Customer may pay the portion of any amount in dispute without waiving its rights to recoup any monies improperly billed. If the portion of any amount in dispute is ultimately determined to be incorrect, such amount shall be refunded by Company to Customer together with interest thereon at a rate (which in no event shall be higher than the maximum allowed by law) equal to one and one-half percent (1one-half%) per Month for the period from the date of payment to Company to the date of refund by Company. 5.2 Customer agrees to pay any amounts due pursuant to the Agreement and the General Terms and Conditions for Transportation to Company within fifteen (15) Business Days after receipt of an invoice from the Company. 5.3 Company reserves the right, prior to initiation of service, to require a cash deposit or bond in favor of Texas Gas Service in order to assure payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. In the event Customer's financial condition materially weakens or Customer fails to make timely payment in accordance with Article 5 after the execution of the Agreement, then upon written request from Company, Customer agrees to deposit cash with Texas Gas Service or secure a bond in favor of Texas Gas Service in order to assure the payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. Such deposit or bond shall be furnished to Texas Gas Service within fifteen (15) days after a request by Texas Gas Service is made for such deposit or bond and shall be made in a form and amount satisfactory to Texas Gas Service. If such deposit or bond is not furnished in a timely manner, or if a bond expires or is canceled prior to the end of the period specified below, or if the cash deposit or bond is not increased as specified below, then leasing of capacity and the rendering of all other services may be suspended by Texas Gas Service in its sole discretion until such deposit or bond is furnished, renewed or increased, as applicable. 5.4 Nothing in this Article 5 shall be deemed to supersede the respective rights and obligations of Company and Customer as provided by Texas statutes, rules, and/or regulation, as such statutes, rules, or regulations may be amended from time to time, with respect to adjustments to the amounts owed by Customer as a result of errors in Customer's meter or errors in reading Customer's meter. Customer shall be responsible for payment of the amounts owed Company for transportation service and gas supply provided to Customer during the applicable period for which it has been determined that Customer's meter was in error to the favor of Customer. ARTICLE 6 STATEMENTS AND RECORDS 6.1 On or about fifteen (15) days after the Company receives necessary volumetric information from other parties for each calendar month after commencement of Gas receipts and deliveries hereunder, Company shall render to the Qualified Supplier a statement for the preceding Month showing the total Dths of Gas received and delivered and each Point of Receipt and Point of Delivery. If information necessary for statement purposes is in the possession of Customer, Customer shall furnish such information to Company on or before the sixth (6th) Day of the Month in which the statement requiring such data is to be rendered. 6.2 Both parties hereto shall have the right at any and all reasonable times within twenty four (24) months from the time period in question, to examine the books and records of the other to the extent necessary to verify the accuracy of any statement, computation, or demand made hereunder. 6.3 Customer agrees to supply to Company, at Company's request at any time and from time to time, a sample of the liquids removed from the gas stream of the facilities which deliver gas to Company which sample is to be taken from a point upstream from the Point of Receipt. Said sample shall not contain any toxic, hazardous, or deleterious materials or any materials which Company, in its sole discretion, deems in any way harmful to its facilities, personnel or the environment, including, but not limited to, polychlorinated byphenyls (PCBs), and substances or materials considered hazardous or other similar terms, or requiring investigation, remediation or removal under any federal, state or local statute, regulation, rule or ordinance or any amendments thereof whether now in effect or as may be in effect in the future. If such samples contain any such materials or substances, Company shall have the right, in its sole discretion and in addition to other remedies available to it, to immediately cease receipt of Gas through the Point of Receipt until such time as all such materials or substances are eliminated from the Gas such that Company, in its sole discretion, elects to again receive such Gas through the Point of Receipt. Should Customer fail or refuse to eliminate all such materials or substances within a reasonable time, Company shall have the right, upon written notice, to terminate this Agreement. Customer hereby expressly agrees to indemnify and hold Company and Company's affiliates harmless from and against any and all liabilities, losses, claims, damages, actions, costs, fines, and expenses of whatever nature, including, but not limited to, court costs, and attorney's fees arising out of or in any manner relating to the presence of PCBs and/or any other toxic, hazardous, deleterious, harmful, or unsafe materials as described above in Gas delivered by or on behalf of Customer into Company's system.</p>
	<p>TEXAS GAS SERVICE COMPANY South Texas Service Area                      RATE SCHEDULE T-GTC GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION (continued) ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT The measurement and tests for quality of Gas delivered and delivered by Customer hereunder shall be governed as follows: 7.1 The quantities of Gas received and delivered shall be measured by means of meters of standard type which conform to the American Gas</p>

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

RRC COID: 6310

COMPANY NAME: TEXAS GAS SERVICE COMPANY

TARIFF CODE: DT

RRC TARIFF NO: 25090

## CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

Association Measurement Committee Reports and other industry standards as to construction and installation. 7.2 The unit of volume for purposes of measurement shall be one (1) cubic foot of Gas at a temperature base of sixty degrees (60 degrees) Fahrenheit and at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute. Customer agrees that the Btu content per Mcf of the gas volumes delivered by the Company at the Point of Delivery shall be assumed to be equal to the Btu content per Mcf of the gas volumes delivered by Customer at the Point of Receipt, when corrected for differences in pressure base. 7.3 The temperature shall be adjusted to standard conditions by a compensation device included with the meter or such other method as the Company shall deem appropriate. Corrections shall be made in accordance with industry practice. 7.4 Specific gravity shall be determined with accuracy to the nearest one thousandth (.001) by use of an instrument that conforms to industry standards. 7.5 Whenever the conditions of pressure and temperature differ from the standards, conversion of the volumes from these conditions to the standard conditions shall be in accordance with the Ideal Gas Laws corrected for deviation from Boyle's Law, all to be in accordance with methods and tables set out in the American Gas Association Measurement Committee Reports, or by other accepted methods that may be used from time to time. 7.6 The gross heating value of the Gas shall be determined by means of a sampling method of general use in the Gas industry. The location of the sampling equipment shall be determined by Company in its sole discretion but shall be at a location where a representative sample of the Gas to which it applies may be taken. 7.7 Tests to determine total sulfur, hydrogen sulfide, oxygen, carbon dioxide, total inerts, and water vapor shall be made by approved standards methods in general use by the Gas industry. Such tests shall be made at the request of either party hereto. If a test is performed at Customer's request and shows that the quality specifications as set forth in Section 4.3 hereof have been satisfied, Customer shall pay all costs and expenses of Company related to such test. 7.8 Except as may be otherwise provided, all measuring and testing equipment, housing devices, and materials shall be standard manufacture and type and shall, with all related equipment, appliances, and buildings, be owned, installed, maintained and operated or caused to be installed, maintained and operated by Company at the Points of Receipt and Points of Delivery. Customer may install and operate check measuring and testing equipment, which equipment and the operation thereof shall not interfere with the operation of Company's equipment. 7.9 The accuracy of the measuring and testing equipment shall be verified according to Company's standard for the device being used and at other reasonable times upon request of Customer or Company. Gas quality tests may be made at times of equipment testing or at other reasonable times. Unless a test is requested by Customer, notice of the time and nature of each test shall not be given by Company. If a test is requested by a Customer, then Company shall give Customer notice sufficiently in advance to permit Customer to have a representative present. Representatives of both Customer and Company may be present to observe such tests. The results of any such tests shall be considered accurate until the next tests are made. All tests of measuring equipment shall be made at Company's expense, except that Customer shall bear the expense of tests made at its request if the inaccuracy found is two percent (2%) or less. 7.10 If, at any time, any of the measuring or testing equipment is found to be out of service, or registering inaccurately of any percentage, it shall be adjusted at once to read accurately within the limits prescribed by the manufacturer. If such equipment is out of service or inaccurate by an amount exceeding two percent (2%) at a reading corresponding to the average rate of flow for the period since the last preceding test, the previous reading of such equipment shall be disregarded for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of time equal to one-half of the elapsed time since the last test. The volume of Gas delivered during such period shall be estimated (i) by using the data recorded by any check measuring equipment if installed and accurately registering, or if not installed or registering accurately, (ii) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither such method is feasible, (iii) by estimating the quantity or quality delivered based upon deliveries under similar conditions during a period when the equipment was registering accurately. No adjustment shall be made for recorded inaccuracies of two percent (2%) or less. 7.11 The parties hereto shall have the right to inspect equipment installed or furnished by the other or third-party operators and the charts and other measurement or testing data of all such parties at all times during business hours; but the reading, calibration, and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing the same. The parties hereto shall preserve all original test data, charts, and other similar records in such party's possession for a period of at least twenty-four (24) months. Measurement data corrections should be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. 7.12 At every Point of Receipt and every Point of Delivery, the party having control over such facility shall allow the other party immediate access to the receipt and delivery information as it is generated by the party having such control. With respect to all Points of Receipt and Points of Delivery that have electronic flow measurement, both parties shall have remote telephone and electronic access to the receipt and delivery information generated at such Point of Receipt and Point of Delivery. ARTICLE 8 TITLE TO AND RESPONSIBILITY FOR GAS 8.1 Customer and Company, respectively, warrant title to all Gas delivered by it into or from the Pipeline System hereunder, and each of Customer and Company, respectively, warrant and represent each has the right to deliver the Gas hereunder, and that such Gas is free from liens and adverse claims of every kind. Customer agrees to indemnify and save Company harmless from and against all loss, damage, claims, and expense of every character with respect to Gas delivered by it on account of royalties, taxes, payments, liens, or other charges or claims arising (i) before or created upon delivery of said Gas into the Pipeline System, and (ii) upon and after delivery of said Gas from the Pipeline System to Customer. 8.2 Subject to compliance with the provisions of Section 8.1 above, Company warrants that title to all Gas delivered hereunder by Customer is free from liens and adverse claims of every kind. Company agrees to indemnify and save Customer harmless from and against all loss, damage, claims, and expense of every character with respect to Gas to be delivered at the Point of Delivery on account of royalties, taxes, payments, liens, or other charges or claims arising after delivery of Gas to and before withdrawal thereof from the Pipeline System by Customer. 8.3 As between the parties hereto, Customer or its supplier shall be deemed to be in the exclusive control and possession of the Gas until such Gas has been delivered to Company at the Point of Receipt, and after its withdrawal by Customer at the Point of Delivery. After Customer's or Customer's suppliers' delivery of such Gas at the Point of Receipt, Company shall thereafter be deemed to be in the exclusive control and possession of such Gas until its withdrawal by Customer at the Point of Delivery. The party which shall be in the exclusive control and possession of such Gas shall be responsible for all in injury or damage caused thereby and shall be responsible for any loss of Gas while in its possession, except with regard to injury, damage or loss caused by or arising out of the negligence of the nonpossessory party. 8.4 The Pipeline System shall at all times remain the property of Company, and Customer shall have no right or property interest therein but only the right for the transportation of Gas. ARTICLE 9 FORCE MAJEURE AND CASUALTY 9.1 If either Company or Customer is rendered unable, wholly or in part, by reason of force majeure or any other cause of any kind not

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended. Any force majeure event (other than labor disputes, strikes, or lockouts) shall be remedied so far as possible with reasonable dispatch. Settlement of strikes, lockouts, and labor disputes shall be wholly within the discretion of the party having the difficulty. The term force majeure shall include, but is not limited to, the following: acts of God and the public enemy; the elements; fire, accidents, breakdowns, strikes; any industrial, civil, or public disturbance; inability to obtain or delay in obtaining rights-of-way, material, supplies, permits, or labor; any act or omission by parties not subject to control by the party hereunder having the difficulty; and any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military. If pursuant to the foregoing Company curtails or temporarily discontinues the receipt or delivery of Gas hereunder, Customer agrees to hold Company harmless from any loss, claim, damage, or expense that Customer may incur by reason of such curtailment or discontinuance. 9.2 If a portion of the Pipeline System required to make the transportation service available is partially damaged by fire or other casualty, the damage may be repaired by Company, at its option and in its sole discretion, as speedily as practicable, due allowance being made for the time taken for the settlement of insurance claims. Until such repairs are made, the payments shall be apportioned in proportion to the portion of the capacity of the Pipeline System which is still available for the purposes hereof, such determination to be made in the sole discretion of Company. If the damage is so extensive as to render the Pipeline System wholly unusable, in Company's sole opinion, the payments, if any, shall cease until such time as the Pipeline System is again useable. In case the damage shall, in Company's sole opinion, amount substantially to a destruction of the portion of the Pipeline System available for the transportation of Gas and Company shall elect not to repair the damage, then the Agreement shall terminate at the time of such damage, and Company shall not be liable to Customer for any liability, damage, or claim which arises out of any failure to make repairs. ARTICLE 10 GOVERNMENTAL RULES, REGULATIONS, AND AUTHORIZATIONS; INTERPRETATION OF AGREEMENT 10.1 The Agreement is subject to all valid orders, laws, rules, and regulations of duly constituted municipal, State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or Gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies. 10.2 The Agreement shall be interpreted under the laws of the State of Texas, excluding any law thereof directing the application of the laws of another jurisdiction. ARTICLE 11 MISCELLANEOUS 11.1 Any modification of terms, or amendment of any provisions hereof, shall become effective only by supplemental written agreement between the parties. 11.2 (A) Any of the following events or conditions shall constitute a default of Customer under the Agreement: (1) Default in the delivery of any payment or any sums hereunder for a period of sixty (60) Days after the same becomes due; (2) Any other breach of the material terms and conditions of the Agreement and the failure of Customer to cure such breach within thirty (30) Days after written demand by Company or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Customer shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured; (3) Customer shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Customer; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Customer (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; or (5) If any certificate, statement, representation, or warranty furnished by Customer proves to be false or incomplete in any material respect. (B) Upon the happening of any event of default as set forth in subparagraph 11.2(A) above, Company shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Customer the sum of all transportation payments and all other amounts due and owing under the Agreement plus the sum of all transportation payments and other amounts to become payable during the balance of the term of the Agreement; (2) Retake possession of the entire capacity of the Pipeline System without any court order or other process of law and without any rights of Company being thereupon terminated; (3) Terminate the Agreement and the Exhibits; (4) Pursue any other remedy at law or in equity. (C) Any of the following events or conditions shall constitute an Event of Default with respect to Company under the Agreement: (1) Default in the crediting of any sums due to Customer or in the payment of any other sums due to Customer under the Agreement for a period of ninety (90) Days after the same is established by Company to have become due; (2) Company's breach of any material term or condition of the Agreement and the failure of Company to cure such breach within thirty (30) Days after written demand by Customer or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Company shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured. (3) Company shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Company; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Company, (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; (D) Upon the happening of any event of default as set forth in subparagraph 11.2(C) above, Customer shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Company the sum of all outstanding credits and other amounts due and owing under the Agreement; (2) Terminate the Agreement and the Exhibits; (3) Pursue any other remedy at law or in equity. (E) The rights granted to Company and Customer hereunder shall be</p>



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GSD - 2 TARIFF REPORT

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	<p>cumulative as to each and action on one shall not be deemed to constitute an election or waiver of any other right to which Company or Customer may be entitled. (F) Upon the termination of the Agreement, whether by lapse or time or otherwise, Customer will surrender any and all rights in the Pipeline System immediately. 11.3 Company shall not be liable for damages resulting from interruption of service, when such interruption is necessary to make repairs, changes, or adjustments in Company's equipment and facilities. 11.4 No waiver by Company or Customer of any default or the other under the Agreement shall operate as a waiver of any future default, whether of a like or different character. 11.5 The Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. In the event Customer sells, leases or otherwise transfers its distribution system to a third party, whether voluntarily or involuntarily, then Customer agrees, as a part of such sale, lease or transfer, to assign to such third party and to require such third party to accept the assignment of the Agreement and the Exhibits included therein, subject to the provisions of the following sentence. Neither the Agreement nor the Exhibits attached thereto nor the rights and obligations of Customer hereunder may be assigned without the consent of Company, which consent shall not be unreasonably withheld. 11.6 Customer will not mortgage, create a security interest in, or encumber the Agreement, or sublet the rights granted hereby, or permit its use by others, or pledge, loan, sublet, create a security interest in, or in any other manner attempt to dispose of such rights, or permit its use by others, or suffer any liens or legal process to be incurred or levied thereon; provided, however, that Customer may grant a security interest or similar encumbrance in connection with any existing financing arrangement associated with Customer's facility. 11.7 Except as provided below, Customer shall pay all fees, taxes, charges, and assessments imposed by or on behalf of any governmental entity in connection with the Agreement or in connection with the purchase, transportation, and disposition of Gas by or on behalf of Customer pursuant to the Agreement including but not limited to municipal and/or supplemental fees, franchise fees and any supplements thereto and taxes; provided that Company shall pay all ad valorem taxes and assessments levied on the Pipeline System and all appurtenant facilities. Company shall file all returns required for the Pipeline System and all appurtenant facilities. Customer will furnish Company with any information available to Customer in connection with Company's obligations under this section. 11.8 Company and Customer agree to exercise and take reasonable steps necessary to safeguard and cause their officers, directors, employees, agents, advisers, and representatives to safeguard the confidentiality of the Agreement and the terms and conditions thereof (as contrasted with the existence and effectiveness of the Agreement which are not confidential) and not to disclose any part of it or any information derived there from or any negotiations relating thereto to any party or person except that limited number of people within Company's and Customer's organizations, and their advisers, lenders and potential investors, as may need to know the terms and conditions hereof in order to evaluate, understand, execute and perform the Agreement. Company and Customer agree not to copy or permit the copying of the Agreement, except as may be necessary for their operations. In the event Customer or Company or any of their officers, directors, employees, agents, or representatives, is requested or required (by oral or written question or request for information or documents in legal proceedings, interrogatories, subpoena, Civil Investigative Demand or similar process) to disclose any information concerning the Agreement or the terms and conditions thereof or any negotiations relating thereto, it is agreed that the party receiving such question or request will provide the other parties with prompt notice thereof so that such other parties may seek a protective order or other appropriate relief or a release from the other parties. It is further agreed that if, in the absence of a protective order or receipt of a release, the other party is compelled to disclose such information or else stand liable for contempt or suffer other censure or penalty or adverse effect, then such party may disclose such information. The parties hereto are further authorized to make disclosure of the Agreement as may be required by Federal, state, or local regulation or agency or as may be required by auditors or accountants in connection with the preparation of financial statements or tax returns. Disclosure hereunder shall not constitute a basis for defense, termination, or modification of the Agreement. <b>ARTICLE 12 DISPUTE RESOLUTION</b> 12.1 Any dispute arising out of or relating to this Agreement for which a claim or demand is asserted that is equal to or exceeds a value of \$25,000 shall be resolved in accordance with the procedures specified in this Article 12, which shall be the sole and exclusive procedures for the resolution of any such disputes. The cost of conducting the dispute resolution process, including the fees and expenses of any arbitrators, shall be shared equally by the parties, and each party shall bear its own costs, including any attorneys' fees or other expenses incurred in the process. Each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances. 12.2 Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between management level personnel who have authority to settle the controversy. Any person may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. Within thirty (30) days after delivery of the initial notice, the designated managing personnel of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. 12.3 Arbitration. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation as provided above within sixty (60) days after initiation of negotiations shall be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect by (i) a sole arbitrator agreed upon by the parties if the dispute is between \$25,000 and \$250,000, or (ii) three independent and impartial arbitrators, of whom each party shall designate one, if the dispute is in excess of \$250,000. All arbitrators shall be knowledgeable in the natural gas industry. The arbitrator(s) shall have no authority to award consequential, punitive or exemplary damages. Provided, however, if one party fails to participate in the negotiation as agreed herein, the other party can commence arbitration prior to the expiration of the time periods set forth. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. Unless otherwise agreed, the place of arbitration shall be Austin, Texas. Meters Read On and After: January 27, 2014 Supersedes: April 27, 2012 (Incorporated Only) April 12, 2013 (Unincorporated)</p>
IRA-ENV-STX-OS-IR	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE IRA-ENV South Texas Service Area - Central Texas Region INTERIM RATE ADJUSTMENT A. APPLICABILITY This Interim Rate Adjustment (IRA) applies to all general service rate schedules of Texas Gas Service Company (Company) currently in force in the unincorporated areas served by the Company in its South Service Area including Cuero, Gonzales, Luling, Lockhart, Nixon, Shiner and Yoakum, Texas. Applicable rate schedules include 1E, 2E, 3E, T-2 and T-3. B. PURPOSE Section 104.301, Subchapter G of the Texas Utility Code, effective on September 1, 2003, provides for an interim adjustment in a gas utility's monthly customer charge or initial block usage rate to recover the cost of changes in the utility's</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25090
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>infrastructure investment and related expenses and revenues for providing gas utility service. The filing date of the utility's most recent rate case establishing rates for the area in which the interim rate adjustment will apply shall be no more than two years prior to the date the utility files its initial interim rate adjustment application for that area. The interim adjustment shall be recalculated on an annual basis, unless the utility files a written request and obtains approval from the regulatory authority to suspend the operation of the interim adjustment rate schedule for any year. This rate schedule establishes the interim adjustment provisions consistent with Section 104.301, Subchapter G of the Texas Utility Code. C. COMPUTATION OF IRA RATE The amount the Company shall adjust its utility rates upward or downward under this rate schedule each calendar year is based on the difference between the value of the invested capital for the preceding calendar year and the value of the invested capital for the calendar year preceding that calendar year. The value of the invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment Based on the difference between the values of the invested capital amounts as determined above, the Company may adjust only the following related components of its revenue requirement: return on investment, depreciation expense, ad valorem taxes, revenue related taxes and incremental federal income taxes. The factors for these components shall be the same as those established in the Company's most recent rate case for the service area in which this interim rate adjustment is to be implemented. The revenue requirement calculated pursuant to this rate schedule shall be allocated among the Company's customer classes for this service area in the same manner as the cost of service was allocated among customer classes in the Company's latest effective rates for this area. D. FILING WITH THE REGULATORY AUTHORITY 1. The Company shall file either the initial interim adjustment or the annual interim adjustment with the regulatory authority at least 60 days before the proposed implementation date. During the 60-day period, the regulatory authority may act to suspend implementation of the adjustment. 2. The Company shall provide notice to customers by bill insert or direct mail not later than the 45th day after the date of filing the interim adjustment. 3. The Company shall file with the regulatory authority an annual report describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year. The annual report shall also state the cost, need, and customers benefited by the change in investment. 4. In addition, the Company shall file with the regulatory authority an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year. Should the Company earn a return of more than 75 basis points above the return established in the latest effective rates implemented under this rate schedule, the Company shall file a statement stating the reasons why the rates are not unreasonable or in violation of the law. 5. After the issuance of a final order or decision by a regulatory authority in a rate case that is filed after the implementation of a tariff or rate schedule under this section, any change in investment that has been included in an approved interim adjustment shall no longer be subject to subsequent review for reasonableness or prudence. All amounts collected under this rate schedule are subject to refund until the issuance of a final decision in the next rate case filing for this service area. 6. The Company shall file a rate case no later than the 180th day after the fifth anniversary date its initial interim rate adjustment for this service area became effective. 7. The provisions under Section 104.301, Subchapter G of the Texas Utility Code for this interim adjustment do not limit the power of the regulatory authority under Section 104.151. Initial Rate Schedule Meters Read On and After April 8, 2014</p>
RCE-Rider-STX-OS	<p>TEXAS GAS SERVICE COMPANY                      South Texas Service Area - Central Texas Region                      RATE SCHEDULE RCE-RIDER                      RATE CASE EXPENSE SURCHARGE</p> <p>A. APPLICABILITY The Rate Case Expense Surcharge (RCE) rate as set forth in Section (B) below is pursuant to the Final Order in GUD No. 10217. This rate shall apply to the following rate schedules of Texas Gas Service Company in the unincorporated areas served in TGS' South Texas Service Area: 1E, 2E, 3E, T-2 and T-3.</p> <p>B. RCE RATE                      All Ccf during each billing period: \$0.0422 per Ccf</p> <p>This rate will be in effect until all approved and expended rate case expenses are recovered under the applicable rate schedules.</p> <p>C. OTHER ADJUSTMENTS Taxes: Plus applicable taxes and fees (including franchises fees) related to above.</p> <p>D. CONDITIONS Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.</p> <p>E. COMPLIANCE This rate will begin in April, 2013 and be in effect for approximately 12 months. The Company will file a compliance report due on the 1st of December, 2013 and also at the conclusion of this tariff, a report with the RRC Gas Services Division. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance.</p> <p>Initial Rate Schedule                      Meters Read On and After April 12, 2013</p>
T-3-SoTx-OS-Ind	<p>TEXAS GAS SERVICE COMPANY                      South Texas Service Area - Central Texas Region                      RATE SCHEDULE T-3 INDUSTRIAL TRANSPORTATION SERVICE RATE</p> <p>Applicability                      Service under this rate schedule is available to any customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government.</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 25090

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	Division B - Mining - all Major Groups Division D - Manufacturing - all Major Groups Divisions E and J - Utility and Government - facilities generating power for resale only
	<p>Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.</p> <p>Availability                      Natural gas service under this rate schedule is available to any individually metered, industrial customer for the transportation of customer owned natural gas through the Company's South Texas distribution system. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.</p> <p>Electronic flow measurement (EFM) may be required for Customers under this tariff at the Company's sole discretion. The customer may be required to reimburse the Company for any cost related to the installation of the EFM as well as provide for or reimburse the Company for any on going maintenance, repair, or communications costs. In the alternative, Customer may elect to discontinue service under this tariff and to receive service under the applicable sales tariff.</p> <p>Service is not available under this rate schedule for resale to others or for service for a term less than twelve (12) months.</p> <p>Under this tariff the Company shall perform or cause to be performed all functions necessary to transport the gas commodity from the Point of Receipt to the end use Customer. The Customer is responsible for acquiring the gas commodity from a third party supplier. Such gas supply must be delivered to the pipeline providing upstream services for the system from which the Customer is served.</p> <p>Customer shall deliver to Company each month, as reimbursement for lost and unaccounted for gas in the form of Payment in Kind (PIK), a volume of gas equal to the Purchase/Sales ratio authorized to be collected in the Cost of Gas clause times the volume of gas delivered by the Company for the account of Customer for transportation.</p> <p>Character of Service                      Firm gas transportation service</p> <p>Cost of Service Rate</p> <p>During each monthly billing period:                      A customer charge per meter per month of     \$ 250.00 plus                      Interim Rate Adjustments (IRA)                 \$ 210.06 per month (Footnote 1)                      Total Customer Charge                                 \$ 460.06</p> <p>The First    3,000 Ccf @                                 \$ 0.1236 per Ccf                      All Over    3,000 Ccf @                                 \$ 0.0967 per Ccf</p> <p>Additional Charges</p> <p>1) A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060TEX&gt; REV. CIV.STAT. as such may be amended from time to time which are attributable to the transportation service performed hereunder.</p> <p>2) A charge will be made each month to recover any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder.</p> <p>3) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the South Texas Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.</p> <p>Subject to:                      Special Provisions                                         Tariff                      General Terms and Conditions for Transportation    T-GTC</p> <p>Other Conditions                      Transportation of Customer owned natural gas hereunder is subject in all respects to the Transportation Agreement entered into between the Customer and Company prior to commencement of service and all amendments and modifications thereto.</p> <p>Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 25090**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.
	Payment Bills are to be paid within 10 days after the date of Company's bill to Customer.
	Footnote 1: Initial 2012 IRA - \$210.06
	Meters Read On and After April 8, 2014 (Environs only) Supersedes Rate Schedule Dated April 12, 2013

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
79434	D	Mcf	\$.0000	04/27/2012	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	33833	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	
M	Other(with detailed explanation)	Firm Industrial transportation for Unincorporated South TX Svc Area.

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 25157**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 11/02/2011                      **RECEIVED DATE:** 02/06/2014

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 10/19/2012

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** N                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:** Op-Law & Initial Rate Filing

**AMENDMENT(EXPLAIN):** Cities of Bee Cave and Lakeway added 9/25/12 & 10/19/12 respectively

**OTHER(EXPLAIN):** Eff. 01/27/2014, remove 'ONEOK, Inc.' from the Tx Gas Service Company name from T-GTC-CTX-IS-Trans-a and b from rate schedule.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
33888	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 25157**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T0C-1-CTX-IS-Cogen	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area                      RATE SCHEDULE T0C-1-INC ELECTRICAL COGENERATION AND ENERGY CONSERVATION TRANSPORTATION SERVICE RATE Applicability Service under this rate schedule is available to any customer who enters into a contract with the Company to use natural gas for the purpose of cogeneration, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions) or Rate Schedule T-GTC, as appropriate. Cogeneration is defined as the use of thermal energy to produce electricity with recapture of by-product heat in the form of steam, exhaust heat, etc. for industrial process use, space heating, food processing or other purposes. Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system. Availability Natural gas service under this rate schedule is available to any individually metered, commercial customer for the transportation of customer owned natural gas through the Company's Central Texas distribution system which includes Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley and West Lake Hills, Texas. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion. Electronic flow measurement (EFM) may be required for Customers under this tariff at the Company's sole discretion. The customer may be required to reimburse the Company for any cost related to the installation of the EFM as well as provide for or reimburse the Company for any on going maintenance, repair, or communications costs. In the alternative, Customer may elect to discontinue service under this tariff and to receive service under the applicable sales tariff. Service is not available under this rate schedule for resale to others or for service for a term less than twelve (12) months. Under this tariff the Company shall perform or cause to be performed all functions necessary to transport the gas commodity from the Point of Receipt to the end use Customer. The Customer is responsible for acquiring the gas commodity from a third party supplier. Such gas supply must be delivered to the pipeline providing upstream services for the system from which the Customer is served. Customer shall deliver to Company each month, as reimbursement for lost and unaccounted for gas in the form of Payment in Kind (PIK), a volume of gas equal to the Purchase/Sales ratio authorized to be collected in the Cost of Gas clause times the volume of gas delivered by the Company for the account of Customer for transportation. Character of Service Firm gas transportation service Cost of Service Rate During each monthly billing period:                      Nov.-May June-Oct. Winter                      Summer A customer charge per meter per month of \$100.00 \$100.00 Plus - For the First 5,000 Ccf/month \$ 0.0950 per Ccf \$ 0.0760 per Ccf For the Next 35,000 Ccf/month \$ 0.0855 per Ccf \$ 0.0684 per Ccf For the Next 60,000 Ccf/month \$ 0.0727 per Ccf \$ 0.0545 per Ccf All Over 100,000 Ccf/month \$ 0.0570 per Ccf \$ 0.0399 per Ccf Plus: See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions) or Rate Schedule T-GTC, as appropriate. Additional Charges 1) A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder. 2) A charge will be made each month to recover the cost of any applicable franchise fees paid to the cities. 3) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the Central Texas Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer. Subject to: Special Provisions                      Tariff General Terms and Conditions for Transportation Service T-GTC or T-GEN, as appropriate Other Conditions Transportation of Customer owned natural gas hereunder is subject in all respects to General Terms and Conditions for Transportation Service (T-GTC or T-GEN, as applicable) and the Transportation Agreement entered into between the Customer and Company prior to commencement of service and all amendments and modifications thereto. Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Meters Read On and After October 11, 2011 (Incorp only City of Austin), November 2, 2011 (Incorp only Other CTX Cities), September 25, 2012 (City of Bee Cave - Initial Rate) and October 19, 2012 (City of Lakeway - Initial Rate) Initial Rate Schedule</p>
T-GTC-CTX-IS-Trans	<p>TEXAS GAS SERVICE COMPANY                      Central Texas Service Area                      RATE SCHEDULE T-GTC                      GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION                      ARTICLE 1</p> <p>DEFINITIONS</p> <p>1.1 Affiliate shall mean any person, entity, or business section, or division that directly or through one or more intermediaries' controls, is controlled by, or is under common control with the entity in question.</p> <p>1.2 Agreement shall mean the agreement to which the General Terms and Conditions for Transportation apply.</p> <p>1.3 Btu shall mean British thermal unit(s) and shall be computed on a temperature base of sixty degrees (60 degrees) Fahrenheit and a pressure base of fourteen and sixty-five hundredths (14.65) psia and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and MMBtu shall mean one million (1,000,000) Btu.</p> <p>1.4 Commission shall mean the Railroad Commission of Texas.</p> <p>1.5 Company shall mean Texas Gas Service when it is acting as Company on the Pipeline System.</p> <p>1.6 Cumulative Tolerance Limit shall mean five percent (5%) of aggregate historical annual deliveries of a Qualified Supplier's pool of</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 25157**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit to reflect changes to the pool of customers and other known changes to anticipated deliveries that the Company determines to be reasonably reliable and accurate.
	1.7 Customer shall mean a consumer which subscribes to natural gas services provided by Texas Gas Service.
	1.8 Dekatherm (Dth) shall mean 1,000,000 Btu's (1 MMBtu). This unit will be on a dry basis.
	1.9 Day shall mean the 24-hour period commencing at 9:00 a.m. (central clock time) on one calendar day and ending at 9:00 a.m. (central clock time) the following calendar day.
	1.10 Dry shall mean the heating value calculation being determined with no water vapor present.
	1.11 Effective Date shall mean the date specified in the Agreement.
	1.12 Gas or natural gas shall mean the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof.
	1.13 Gas Transportation Order shall mean a completed Exhibit A relating to the applicable gas transportation service Agreement.
	1.14 Gross Heating Value or Gross shall mean the amount of energy transferred as heat per mass or mole from the complete combustion of the gas with oxygen (from air), at a base temperature in which all water formed by the reaction condenses to liquid.
	1.15 Mcf shall mean one thousand (1,000) cubic feet of Gas.
	1.16 Month shall mean the period beginning at 9:00 a.m. central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month, except where references not involving Gas measurement volumes are involved, in which case the calendar month shall be deemed to be referred to. 1.17 Monthly Tolerance Limit shall mean ten percent (10%) of the aggregate deliveries for a Qualified Suppliers pool of customers for such month.
	1.18 PDA shall mean a predetermined allocation method.
	1.19 Pipeline System shall mean the current existing utility distribution facilities of Company located in the State of Texas.
	1.20 Point of Delivery shall mean the point or points where Gas is delivered from the Pipeline System to or for the account of Customer and are shown on the applicable Gas Transportation Order.
	1.21 Point Operator shall mean the person or entity that controls the Point of Receipt or Point of Delivery.
	1.22 Point of Receipt shall mean the point or points where Company shall receive Gas into the Pipeline System from Customer, as described on the applicable Gas Transportation Order.
	1.23 Psia shall mean pounds per square inch, absolute.
	1.24 Psig shall mean pounds per square inch, gauge.
	1.25 Qualified Supplier shall mean a supplier of natural gas for transportation to customers through the Company's pipeline system that meets the requirements of and has executed a Supplier Service Agreement.
	1.26 Real shall mean the division of the ideal heating value by the compressibility of the gas. This creates an ideal Gross Heating Value per Real cubic foot.
	1.27 Supplier Service Agreement shall mean a contract setting forth the requirements and terms upon which a supplier of natural gas may make deliveries of customer owned gas into the Company's pipeline system for delivery to one or more of the Company's customers receiving service under this tariff.
	1.28 Tariff shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over Company or the services provided hereunder.
	1.29 Week shall mean a period of seven (7) consecutive Days beginning at 9:00 a.m. central clock time on each Monday and ending at the same time on the next succeeding Monday. 1.30 Year shall mean a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29.
	<b>ARTICLE 2</b>
	<b>RESTRICTIONS AND RESERVATIONS</b>
	2.1 It is understood and agreed that Customer has only the right to transportation service in the Pipeline System and all equipment,

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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**CURRENT RATE COMPONENT****RATE COMP. ID****DESCRIPTION**

including (but not in any way limited thereto) all pipe, valves, fittings, and meters comprising the Pipeline System and all other property and capacity rights and interests, shall at all times during the term of the Agreement remain the property of Company. Customer agrees not to cause or permit any liens or encumbrances to be filed with respect to the Pipeline System by reason of Customer's actions. Customer's Gas shall at all times remain the property of Customer, and Company shall have no right or property interest therein.

2.2 Company reserves the right in its sole discretion to remove, relocate, expand, or rebuild, without approval of Customer, any portion of the Pipeline System. Customer shall make no alterations, additions, or repairs to or on the Pipeline System, nor shall Customer bear any cost of any alterations, additions, repairs, maintenance or replacements made to or on said Pipeline System.

2.3 Customer agrees not to connect or cause the connection of any third party to the Pipeline System for any purpose without the express written approval and consent of Company to be granted in Company's sole discretion. Customer further agrees not to transport or cause to be transported any Gas for any third party. If either of these conditions is breached by Customer, Company shall have the right and option, notwithstanding any other provision of the Agreement or the General Terms and Conditions for Transportation, to terminate the Agreement including the Exhibits thereto immediately and without further obligation to Customer.

2.4 Company presently is transporting Gas to third parties on the Pipeline System and shall have the right in the future to transport additional Gas for such purposes and to transport Gas to additional third parties as it may desire, and Company shall have the right to make additional connections to the Pipeline System as may be required to serve presently existing and new customers, all of which is subject to the provisions of the Agreement. Company's transportation of Gas hereunder shall not obligate Company in any manner beyond the terms of the Agreement and the Exhibits attached thereto.

2.5 Company shall own any and all liquids which are recovered from the Pipeline System and may use, sell or transfer all liquids without having to account in any manner, or pay any monies or other consideration to Customer.

2.6 The Company reserves the unilateral right from time to time to seek regulatory approval to make any changes to, or to supersede, the rates, charges and any terms stated in the tariffs, rate schedules, the agreements, and the General Terms and Conditions.

**ARTICLE 3  
OPERATIONS**

3.1 Customer shall deliver its Gas into the Pipeline System at the Points of Receipt described on the applicable Gas Transportation Order, as it now exists and as it may be amended. Customer shall have no right to require Gas to be received at any particular Point of Receipt and Company may delete such points or modify the capacity thereof from time to time and at any time in its sole discretion with no further obligation to Customer with respect to such Point of Receipt. All supplies of Gas delivered to the Pipeline System must comply with the terms and conditions of the Agreement and the exhibits attached thereto. In no event shall Company be required to expand, modify, construct, rearrange, or change the operations of the Pipeline System in order to receive Gas from or on behalf of Customer or in order to deliver Gas to Customer at any existing Points of Delivery.

3.2 Customer shall advise (in a method and format approved by Company in its sole discretion) Company with respect to each Day, Week and Month the name of each supplier with whom it has a contract (and the name of the individual with such supplier responsible for Customer's account), which source of supply is delivering to Company, how much Gas is nominated to be delivered to Company from each source of supply (i.e., each well, plant, or other desired Point of Receipt) and the anticipated deliveries at each Point of Delivery. Customer's nomination shall be in good faith, in balance between Points of Receipt and Points of Delivery, and shall be based on Customer's commercially reasonable best efforts to estimate usage for Hour, Day, Week, and Month. Customer will cause their Qualified Supplier to act as their agent in the nomination process. Qualified Supplier shall not intentionally nominate more or less Gas than is anticipated for consumption by Customer(s), except as may be needed for balancing purposes to the extent Company accepts such nomination. Qualified Supplier shall submit nominations to the Company's gas scheduling department in accordance with their currently effective nomination process which can be provided to the parties upon request. Customer and Qualified Supplier shall exercise commercially reasonable best efforts to deliver to the Pipeline System Dths of Gas that Company is to deliver from the Pipeline System to Customer during any particular Hour, Day, Week and Month, including but not limited to volumes needed for peak Day usage for Customer's facilities.

3.3 Before the start of the Gas Day, the Point Operator and Company shall establish a predetermined allocation (PDA) method to specify how Gas received or delivered by Company shall be allocated in accordance with confirmed nominations at such point. Only one PDA methodology shall be applied per allocation period.

3.4 Customer's Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery. To the extent that Customer's acts or omissions cause Company to incur, directly or indirectly, fees, charges, expenses, or penalties from a supplier or transporter for failure to satisfy such supplier's or transporter's balancing or nomination requirements, then Customer agrees to reimburse Company for such fees, charges, expenses, or penalties, and defend, indemnify, and hold Company harmless with respect thereto. Any fees, charges, expenses or penalties which were determined to be in error will be credited back to the Customer.

3.5 The Point of Receipt and Point of Delivery may be, or may later become points through which other quantities of Gas are being measured; therefore, the measurement of Gas under the Agreement may involve the allocation of Gas deliveries. In such event, each party hereto will furnish, or cause to be furnished, to the other all data required to accurately account for all Gas.

3.6 Except as may be set forth on a Gas Transportation Order, Company shall receive and deliver Gas hereunder as nearly as practicable at uniform hourly and daily rates of flow. It is recognized that it may be physically impracticable, because of measurement, Gas control



## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25157
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**CURRENT RATE COMPONENT****RATE COMP. ID****DESCRIPTION**

limitations and other operating conditions, to stay in zero (0) imbalance each hour and each Day; therefore, the daily and hourly quantities received may, due to the aforementioned reasons, vary above or below the daily and hourly quantities delivered. If the quantities received and the quantities delivered hereunder should create an imbalance at the end of any hour, Day, Week, or Month, then Company and Customer shall adjust receipts and/or deliveries at any time to the end that the quantities received and delivered shall be kept as near to zero (0) imbalance as practicable.

3.7 Imbalances Customer must designate no more than one Qualified Supplier. The Qualified Supplier shall act on behalf of the Customer to procure gas supplies, deliver gas supplies to points of receipt designated in the Gas Transportation Order, and shall act as the Customer's agent with respect to nominations, operational notices required under the Gas Transportation Agreement or applicable tariffs and with respect to resolution of imbalances under this Rate Schedule. (A) The following cash out provisions shall be applied to the Qualified Supplier for its aggregate pool of Customers that are being provided service pursuant to a Rate Schedule or some other form of transportation service: 1) Qualified Supplier shall not deliver into the Pipeline System more Dths of Gas than Company delivers to the aggregate pool of Customers at the Points of Delivery during a Month. At the end of the Month in which an over-delivery occurred and exceeded the Monthly Tolerance Limit or the Cumulative Tolerance Limit, Qualified Supplier shall sell such excess Gas to Company at 95% of Inside FERC's FOM Houston Ship Channel index price. 2) If Company receives less Dths of Gas than are delivered to the aggregate pool of Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Month, then Qualified Supplier shall purchase such under-delivered volumes at 105% of Inside FERC's FOM Houston Ship Channel index price. The Company will provide monthly imbalance statements along with calculations of the cash out charges in accordance with the aforementioned cash out provisions to the Qualified Supplier each month. Payments for cash out charges will be due each month within 15 business days of the imbalance statement date. The Company may elect at its sole discretion to accrue the monthly cash out provisions each month and only require periodic settlement rather than monthly payments. The monthly transport payments shall not be abated with respect to a Month in which under-deliveries occurred except as provided in Article 9 and Article 10 hereof.

3.8 Customer and Company shall exercise their commercially reasonable best efforts to comply with all of the standards established by the North American Energy Standards Board, Inc. (NAESB), but in no event shall either party be required to comply with the NAESB standards if such compliance has a material adverse affect upon such party.

3.9 In the event Customer's source of gas supply is terminated by Customer's supplier due to non-payment or other reasons, or if customer is otherwise unable to continue as a transportation customer, Customer may, upon the giving of five (5) business days advance notice to Company, obtain service from Company under the general sales tariff applicable to Customer. Prior to commencing such service, Company may, in its sole discretion, require Customer to post a deposit or bond in accordance with the provisions of Article 5 hereof.

**ARTICLE 4****PRESSURE AND QUALITY OF GAS**

4.1 Customer shall deliver (or cause to be delivered) the Gas to the Pipeline System at the Point of Receipt at a pressure sufficient to effect delivery into the Pipeline System at that point. If necessary, Customer shall provide additional compression to make such deliveries hereunder, and Company shall not have any cost or responsibility in that regard.

4.2 Subject to the provisions of Section 4.1 above, the Gas shall be delivered to Customer from the Pipeline System at the Points of Delivery at pressures sufficient to effect deliveries to Customer's facilities, but not to exceed the maximum pressure that has existed for each Point of Delivery.

4.3 Gas delivered by and to Customer shall be commercially free of dust, gums, gum-forming constituents, gasoline, water, and any other substance that may become separated from the Gas during the handling hereof. All Gas received shall conform to the following additional specifications: (A) Contain not more than one-quarter (1/4) grain of hydrogen sulfide per 100 cubic feet, as determined by a method generally acceptable for use in the gas industry; (B) Contain not more than five (5) grains of total sulfur per 100 cubic feet; (C) Contain not more than two percent (2%) by volume of carbon dioxide; (D) Contain not more than four percent (4%) by volume of total inerts, including carbon dioxide and nitrogen; (E) Contain not more than two-tenths of one percent (.2%) by volume of oxygen; (F) Contain a gross heating value equivalent to at least 980 British Thermal Units per cubic foot and not to exceed 1080 British Thermal Units per cubic foot; (G) Have a temperature of not more than one hundred twenty degrees (120#) Fahrenheit and not less than forty degrees (40 #) Fahrenheit; (H) Contain no water or hydrocarbons in liquid form; (I) Contain not more than 7 pounds of water in vapor stage per 1,000 Mcf of gas; and (J) Be interchangeable with the Company's system Gas at the Point of Receipt or delivered to the nearest customer, city border station, or other pipeline interconnected with such receiving facility or downstream of the Point of Receipt.

4.4 The Company, at its option, may refuse to accept delivery of any gas not meeting the quality specifications set out above. Thereafter, Customer or Qualified Supplier shall have the right to conform or cause the gas to be conformed to the above specifications. If the Customer or Qualified Supplier does not elect to conform the gas to said specifications, then the Company at its sole option may accept or reject any such gas.

4.5 Notwithstanding anything to the contrary contained herein, the gas which the Company transports and delivers to the Customer shall be odorized by the Company. In the event Customer desires to remove the odorant, such removal shall be solely at Customer's risk and expense.

**ARTICLE 5**

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25157
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**CURRENT RATE COMPONENT****RATE COMP. ID****DESCRIPTION****PAYMENT**

5.1 Should Customer fail to pay or deliver any or all of the amount of the transportation payment and/or other fees due under any exhibit when such amount is due (which in no event shall be later than the last Day of the applicable Month), interest on the unpaid portion shall accrue at a rate (which in no event shall be higher than the maximum rate permitted by applicable law) equal to one and one-half percent (1 one-half%) per month from the due date until the date of payment. If such failure to pay continues for fifteen (15) Days after payment is due, Company, in addition to any other remedy it may have, may suspend further receipts and deliveries of Gas until such amount is paid; provided, however, that if Customer in good faith shall dispute in writing the amount of any such bill or part thereof and shall pay to Company such amounts as it concedes to be correct and, at any time thereafter within thirty (30) Days of the due date of such payment, shall furnish a good and sufficient surety bond in an amount and with surety satisfactory to Company, guaranteeing payment to Company of the amount ultimately found due upon such bills, including interest thereon, after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further receipts and withdrawals of Gas unless and until default be made in the conditions of such bond. As an alternative to posting a bond, Customer may pay the portion of any amount in dispute without waiving its rights to recoup any monies improperly billed. If the portion of any amount in dispute is ultimately determined to be incorrect, such amount shall be refunded by Company to Customer together with interest thereon at a rate (which in no event shall be higher than the maximum allowed by law) equal to one and one-half percent (1 one-half%) per Month for the period from the date of payment to Company to the date of refund by Company.

5.2 Customer agrees to pay any amounts due pursuant to the Agreement and the General Terms and Conditions for Transportation to Company within fifteen (15) Business Days after receipt of an invoice from Company.

5.3 Company reserves the right, prior to initiation of service, to require a cash deposit or bond in favor of Texas Gas Service in order to assure payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. In the event Customer's financial condition materially weakens or Customer fails to make timely payment in accordance with Article 5 after the execution of the Agreement, then upon written request from Company, Customer agrees to deposit cash with Texas Gas Service or secure a bond in favor of Texas Gas Service in order to assure the payment of amounts that may become due pursuant to the Agreement and the exhibits attached thereto. Such deposit or bond shall be furnished to Texas Gas Service within fifteen (15) days after a request by Texas Gas Service is made for such deposit or bond and shall be made in a form and amount satisfactory to Texas Gas Service. If such deposit or bond is not furnished in a timely manner, or if a bond expires or is canceled prior to the end of the period specified below, or if the cash deposit or bond is not increased as specified below, then leasing of capacity and the rendering of all other services may be suspended by Texas Gas Service in its sole discretion until such deposit or bond is furnished, renewed or increased, as applicable.

5.4 Nothing in this Article 5 shall be deemed to supersede the respective rights and obligations of Company and Customer as provided by Texas statutes, rules, and/or regulation, as such statutes, rules, or regulations may be amended from time to time, with respect to adjustments to the amounts owed by Customer as a result of errors in Customer's meter or errors in reading Customer's meter. Customer shall be responsible for payment of the amounts owed Company for transportation service and gas supply provided to Customer during the applicable period for which it has been determined that Customer's meter was in error to the favor of Customer.

**ARTICLE 6****STATEMENTS AND RECORDS**

6.1 On or about fifteen (15) days after the Company receives necessary volumetric information from other parties for each calendar month after commencement of Gas receipts and deliveries hereunder, Company shall render to the Qualified Supplier a statement for the preceding Month showing the total Dths of Gas received and delivered and each Point of Receipt and Point of Delivery. If information necessary for statement purposes is in the possession of Customer, Customer shall furnish such information to Company on or before the sixth (6th) Day of the Month in which the statement requiring such data is to be rendered.

6.2 Both parties hereto shall have the right at any and all reasonable times within twenty four (24) months from the time period in question, to examine the books and records of the other to the extent necessary to verify the accuracy of any statement, computation, or demand made hereunder.

6.3 Customer agrees to supply to Company, at Company's request at any time and from time to time, a sample of the liquids removed from the gas stream of the facilities which deliver gas to Company which sample is to be taken from a point upstream from the Point of Receipt. Said sample shall not contain any toxic, hazardous, or deleterious materials or any materials which Company, in its sole discretion, deems in any way harmful to its facilities, personnel or the environment, including, but not limited to, polychlorinated byphenyls (PCBs), and substances or materials considered hazardous or other similar terms, or requiring investigation, remediation or removal under any federal, state or local statute, regulation, rule or ordinance or any amendments thereof whether now in effect or as may be in effect in the future. If such samples contain any such materials or substances, Company shall have the right, in its sole discretion and in addition to other remedies available to it, to immediately cease receipt of Gas through the Point of Receipt until such time as all such materials or substances are eliminated from the Gas such that Company, in its sole discretion, elects to again receive such Gas through the Point of Receipt. Should Customer fail or refuse to eliminate all such materials or substances within a reasonable time, Company shall have the right, upon written notice, to terminate this Agreement. Customer hereby expressly agrees to indemnify and hold Company and Company's affiliates harmless from and against any and all liabilities, losses, claims, damages, actions, costs, fines, and expenses of whatever nature, including, but not limited to, court costs, and attorney's fees arising out of or in any manner relating to the presence of PCBs and/or any other toxic, hazardous, deleterious, harmful, or unsafe materials as described above in Gas delivered by or on behalf of Customer into Company's system.

**ARTICLE 7****MEASUREMENT AND TESTS OF GAS AND EQUIPMENT**

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GTC-CTX-IS-Trans	<p>The measurement and tests for quality of Gas delivered and delivered by Customer hereunder shall be governed as follows:</p> <p>7.1 The quantities of Gas received and delivered shall be measured by means of meters of standard type which conform to the American Gas Association Measurement Committee Reports and other industry standards as to construction and installation.</p> <p>7.2 The unit of volume for purposes of measurement shall be one (1) cubic foot of Gas at a temperature base of sixty degrees (60 degrees) Fahrenheit and at a pressure base of fourteen and seventy-three hundredths (14.65) pounds per square inch absolute. Customer agrees that the Btu content per Mcf of the gas volumes delivered by the Company at the Point of Delivery shall be assumed to be equal to the Btu content per Mcf of the gas volumes delivered by Customer at the Point of Receipt, when corrected for differences in pressure base.</p> <p>7.3 The temperature shall be adjusted to standard conditions by a compensation device included with the meter or such other method as the Company shall deem appropriate. Corrections shall be made in accordance with industry practice.</p> <p>7.4 Specific gravity shall be determined with accuracy to the nearest one thousandth (.001) by use of an instrument that conforms to industry standards. 7.5 Whenever the conditions of pressure and temperature differ from the standards, conversion of the volumes from these conditions to the standard conditions shall be in accordance with the Ideal Gas Laws corrected for deviation from Boyle's Law, all to be in accordance with methods and tables set out in the American Gas Association Measurement Committee Reports, or by other accepted methods that may be used from time to time.</p> <p>7.6 The gross heating value of the Gas shall be determined by means of a sampling method of general use in the Gas industry. The location of the sampling equipment shall be determined by Company in its sole discretion but shall be at a location where a representative sample of the Gas to which it applies may be taken.</p> <p>7.7 Tests to determine total sulfur, hydrogen sulfide, oxygen, carbon dioxide, total inerts, and water vapor shall be made by approved standards methods in general use by the Gas industry. Such tests shall be made at the request of either party hereto. If a test is performed at Customer's request and shows that the quality specifications as set forth in Section 4.3 hereof have been satisfied, Customer shall pay all costs and expenses of Company related to such test.</p> <p>7.8 Except as may be otherwise provided, all measuring and testing equipment, housing devices, and materials shall be standard manufacture and type and shall, with all related equipment, appliances, and buildings, be owned, installed, maintained and operated or caused to be installed, maintained and operated by Company at the Points of Receipt and Points of Delivery. Customer may install and operate check measuring and testing equipment, which equipment and the operation thereof shall not interfere with the operation of Company's equipment.</p> <p>TEXAS GAS SERVICE COMPANY Central Texas Service Area      RATE SCHEDULE T-GTC ARTICLE 7 MEASUREMENT AND TESTS OF GAS AND EQUIPMENT (Continued) 7.9 The accuracy of the measuring and testing equipment shall be verified according to Company's standard for the device being used and at other reasonable times upon request of Customer or Company. Gas quality tests may be made at times of equipment testing or at other reasonable times. Unless a test is requested by Customer, notice of the time and nature of each test shall not be given by Company. If a test is requested by a Customer, then Company shall give Customer notice sufficiently in advance to permit Customer to have a representative present. Representatives of both Customer and Company may be present to observe such tests. The results of any such tests shall be considered accurate until the next tests are made. All tests of measuring equipment shall be made at Company's expense, except that Customer shall bear the expense of tests made at its request if the inaccuracy found is two percent (2%) or less. 7.10 If, at any time, any of the measuring or testing equipment is found to be out of service, or registering inaccurately of any percentage, it shall be adjusted at once to read accurately within the limits prescribed by the manufacturer. If such equipment is out of service or inaccurate by an amount exceeding two percent (2%) at a reading corresponding to the average rate of flow for the period since the last preceding test, the previous reading of such equipment shall be disregarded for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of time equal to one-half of the elapsed time since the last test. The volume of Gas delivered during such period shall be estimated (i) by using the data recorded by any check measuring equipment if installed and accurately registering, or if not installed or registering accurately, (ii) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither such method is feasible, (iii) by estimating the quantity or quality delivered based upon deliveries under similar conditions during a period when the equipment was registering accurately. No adjustment shall be made for recorded inaccuracies of two percent (2%) or less. 7.11 The parties hereto shall have the right to inspect equipment installed or furnished by the other or third-party operators and the charts and other measurement or testing data of all such parties at all times during business hours; but the reading, calibration, and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing the same. The parties hereto shall preserve all original test data, charts, and other similar records in such party's possession for a period of at least twenty-four (24) months. Measurement data corrections should be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. 7.12 At every Point of Receipt and every Point of Delivery, the party having control over such facility shall allow the other party immediate access to the receipt and delivery information as it is generated by the party having such control. With respect to all Points of Receipt and Points of Delivery that have electronic flow measurement, both parties shall have remote telephone and electronic access to the receipt and delivery information generated at such Point of Receipt and Point of Delivery.      ARTICLE 8 TITLE TO AND RESPONSIBILITY FOR GAS 8.1 Customer and Company, respectively, warrant title to all Gas delivered by it into or from the Pipeline System hereunder, and each of Customer and Company, respectively, warrant and represent each has the right to deliver the Gas hereunder, and that such Gas is free from liens and adverse claims of every kind. Customer agrees to indemnify and save Company harmless from and against all loss, damage, claims, and expense of every character with respect to Gas delivered by it on account of royalties, taxes, payments, liens, or other charges or claims arising (i) before or created</p>

## GAS SERVICES DIVISION

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upon delivery of said Gas into the Pipeline System, and (ii) upon and after delivery of said Gas from the Pipeline System to Customer. 8.2 Subject to compliance with the provisions of Section 8.1 above, Company warrants that title to all Gas delivered hereunder by Customer is free from liens and adverse claims of every kind. Company agrees to indemnify and save Customer harmless from and against all loss, damage, claims, and expense of every character with respect to Gas to be delivered at the Point of Delivery on account of royalties, taxes, payments, liens, or other charges or claims arising after delivery of Gas to and before withdrawal thereof from the Pipeline System by Customer. 8.3 As between the parties hereto, Customer or its supplier shall be deemed to be in the exclusive control and possession of the Gas until such Gas has been delivered to Company at the Point of Receipt, and after its withdrawal by Customer at the Point of Delivery. After Customer's or Customer's suppliers' delivery of such Gas at the Point of Receipt, Company shall thereafter be deemed to be in the exclusive control and possession of such Gas until its withdrawal by Customer at the Point of Delivery. The party which shall be in the exclusive control and possession of such Gas shall be responsible for all in injury or damage caused thereby and shall be responsible for any loss of Gas while in its possession, except with regard to injury, damage or loss caused by or arising out of the negligence of the nonpossessory party. 8.4 The Pipeline System shall at all times remain the property of Company, and Customer shall have no right or property interest therein but only the right for the transportation of Gas. ARTICLE 9 FORCE MAJEURE AND CASUALTY 9.1 If either Company or Customer is rendered unable, wholly or in part, by reason of force majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended. Any force majeure event (other than labor disputes, strikes, or lockouts) shall be remedied so far as possible with reasonable dispatch. Settlement of strikes, lockouts, and labor disputes shall be wholly within the discretion of the party having the difficulty. The term force majeure shall include, but is not limited to, the following: acts of God and the public enemy; the elements; fire, accidents, breakdowns, strikes; any industrial, civil, or public disturbance; inability to obtain or delay in obtaining rights-of-way, material, supplies, permits, or labor; any act or omission by parties not subject to control by the party hereunder having the difficulty; and any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military. If pursuant to the foregoing Company curtails or temporarily discontinues the receipt or delivery of Gas hereunder, Customer agrees to hold Company harmless from any loss, claim, damage, or expense that Customer may incur by reason of such curtailment or discontinuance. 9.2 If a portion of the Pipeline System required to make the transportation service available is partially damaged by fire or other casualty, the damage may be repaired by Company, at its option and in its sole discretion, as speedily as practicable, due allowance being made for the time taken for the settlement of insurance claims. Until such repairs are made, the payments shall be apportioned in proportion to the portion of the capacity of the Pipeline System which is still available for the purposes hereof, such determination to be made in the sole discretion of Company. If the damage is so extensive as to render the Pipeline System wholly unusable, in Company's sole opinion, the payments, if any, shall cease until such time as the Pipeline System is again useable. In case the damage shall, in Company's sole opinion, amount substantially to a destruction of the portion of the Pipeline System available for the transportation of Gas and Company shall elect not to repair the damage, then the Agreement shall terminate at the time of such damage, and Company shall not be liable to Customer for any liability, damage, or claim which arises out of any failure to make repairs. ARTICLE 10 GOVERNMENTAL RULES, REGULATIONS, AND AUTHORIZATIONS; INTERPRETATION OF AGREEMENT 10.1 The Agreement is subject to all valid orders, laws, rules, and regulations of duly constituted municipal, State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or Gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies. 10.2 The Agreement shall be interpreted under the laws of the State of Texas, excluding any law thereof directing the application of the laws of another jurisdiction. ARTICLE 11 MISCELLANEOUS 11.1 Any modification of terms, or amendment of any provisions hereof, shall become effective only by supplemental written agreement between the parties. 11.2 (A) Any of the following events or conditions shall constitute a default of Customer under the Agreement: (1) Default in the delivery of any payment or any sums hereunder for a period of sixty (60) Days after the same becomes due; (2) Any other breach of the material terms and conditions of the Agreement and the failure of Customer to cure such breach within thirty (30) Days after written demand by Company or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable within such thirty (30) Day period, provided that Customer shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured; (3) Customer shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Customer; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Customer (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; or (5) If any certificate, statement, representation, or warranty furnished by Customer proves to be false or incomplete in any material respect. (B) Upon the happening of any event of default as set forth in subparagraph 11.2(A) above, Company shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Customer the sum of all transportation payments and all other amounts due and owing under the Agreement plus the sum of all transportation payments and other amounts to become payable during the balance of the term of the Agreement; (2) Retake possession of the entire capacity of the Pipeline System without any court order or other process of law and without any rights of Company being thereupon terminated; (3) Terminate the Agreement and the Exhibits; (4) Pursue any other remedy at law or in equity. (C) Any of the following events or conditions shall constitute an Event of Default with respect to Company under the Agreement: (1) Default in the crediting of any sums due to Customer or in the payment of any other sums due to Customer under the Agreement for a period of ninety (90) Days after the same is established by Company to have become due; (2) Company's breach of any material term or condition of the Agreement and the failure of Company to cure such breach within thirty (30) Days after written demand by Customer or such longer period of time after such notice as may be reasonably required to cure such breach if the breach is not reasonably curable

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within such thirty (30) Day period, provided that Company shall have commenced such cure within such thirty (30) Day period and thereafter diligently continues its efforts to cure such breach until such breach shall have been fully cured. (3) Company shall (i) apply for or consent to the appointment of or taking of possession by a receiver or liquidator of itself or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, or (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts of Company; (4) A proceeding or case shall be commenced, without the application or consent of the affected party, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of Company, (ii) the appointment of a trustee, receiver, liquidator or custodian of such party or of all or substantially all of its assets, or (iii) similar relief under any law relating to bankruptcy or insolvency, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed, for a period of ninety (90) Days; (D) Upon the happening of any event of default as set forth in subparagraph 11.2(C) above, Customer shall have the right to do any one or more of the following without demand or notice of any kind: (1) Declare due, sue for, and receive from Company the sum of all outstanding credits and other amounts due and owing under the Agreement; (2) Terminate the Agreement and the Exhibits; (3) Pursue any other remedy at law or in equity. (E) The rights granted to Company and Customer hereunder shall be cumulative as to each and action on one shall not be deemed to constitute an election or waiver of any other right to which Company or Customer may be entitled. (F) Upon the termination of the Agreement, whether by lapse or time or otherwise, Customer will surrender any and all rights in the Pipeline System immediately. 11.3 Company shall not be liable for damages resulting from interruption of service, when such interruption is necessary to make repairs, changes, or adjustments in Company's equipment and facilities. 11.4 No waiver by Company or Customer of any default or the other under the Agreement shall operate as a waiver of any future default, whether of a like or different character. 11.5 The Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. In the event Customer sells, leases or otherwise transfers its distribution system to a third party, whether voluntarily or involuntarily, then Customer agrees, as a part of such sale, lease or transfer, to assign to such third party and to require such third party to accept the assignment of the Agreement and the Exhibits included therein, subject to the provisions of the following sentence. Neither the Agreement nor the Exhibits attached thereto nor the rights and obligations of Customer hereunder may be assigned without the consent of Company, which consent shall not be unreasonably withheld. 11.6 Customer will not mortgage, create a security interest in, or encumber the Agreement, or sublet the rights granted hereby, or permit its use by others, or pledge, loan, sublet, create a security interest in, or in any other manner attempt to dispose of such rights, or permit its use by others, or suffer any liens or legal process to be incurred or levied thereon; provided, however, that Customer may grant a security interest or similar encumbrance in connection with any existing financing arrangement associated with Customer's facility. 11.7 Except as provided below, Customer shall pay all fees, taxes, charges, and assessments imposed by or on behalf of any governmental entity in connection with the Agreement or in connection with the purchase, transportation, and disposition of Gas by or on behalf of Customer pursuant to the Agreement including but not limited to municipal and/or supplemental fees, franchise fees and any supplements thereto and taxes; provided that Company shall pay all ad valorem taxes and assessments levied on the Pipeline System and all appurtenant facilities. Company shall file all returns required for the Pipeline System and all appurtenant facilities. Customer will furnish Company with any information available to Customer in connection with Company's obligations under this section. 11.8 Company and Customer agree to exercise and take reasonable steps necessary to safeguard and cause their officers, directors, employees, agents, advisers, and representatives to safeguard the confidentiality of the Agreement and the terms and conditions thereof (as contrasted with the existence and effectiveness of the Agreement which are not confidential) and not to disclose any part of it or any information derived there from or any negotiations relating thereto to any party or person except that limited number of people within Company's and Customer's organizations, and their advisers, lenders and potential investors, as may need to know the terms and conditions hereof in order to evaluate, understand, execute and perform the Agreement. Company and Customer agree not to copy or permit the copying of the Agreement, except as may be necessary for their operations. In the event Customer or Company or any of their officers, directors, employees, agents, or representatives, is requested or required (by oral or written question or request for information or documents in legal proceedings, interrogatories, subpoena, Civil Investigative Demand or similar process) to disclose any information concerning the Agreement or the terms and conditions thereof or any negotiations relating thereto, it is agreed that the party receiving such question or request will provide the other parties with prompt notice thereof so that such other parties may seek a protective order or other appropriate relief or a release from the other parties. It is further agreed that if, in the absence of a protective order or receipt of a release, the other party is compelled to disclose such information or else stand liable for contempt or suffer other censure or penalty or adverse effect, then such party may disclose such information. The parties hereto are further authorized to make disclosure of the Agreement as may be required by Federal, state, or local regulation or agency or as may be required by auditors or accountants in connection with the preparation of financial statements or tax returns. Disclosure hereunder shall not constitute a basis for defense, termination, or modification of the Agreement. ARTICLE 12 DISPUTE RESOLUTION 12.1 Any dispute arising out of or relating to this Agreement for which a claim or demand is asserted that is equal to or exceeds a value of \$25,000 shall be resolved in accordance with the procedures specified in this Article 12, which shall be the sole and exclusive procedures for the resolution of any such disputes. The cost of conducting the dispute resolution process, including the fees and expenses of any arbitrators, shall be shared equally by the parties, and each party shall bear its own costs, including any attorneys' fees or other expenses incurred in the process. Each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances. 12.2 Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between management level personnel who have authority to settle the controversy. Any person may give the other party written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. Within thirty (30) days after delivery of the initial notice, the designated managing personnel of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. 12.3 Arbitration. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by negotiation as provided above within sixty (60) days after initiation of negotiations shall be finally resolved by arbitration in accordance with the CPR Rules for

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 25157**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	Non-Administered Arbitration then currently in effect by (i) a sole arbitrator agreed upon by the parties if the dispute is between \$25,000 and \$250,000, or (ii) three independent and impartial arbitrators, of whom each party shall designate one, if the dispute is in excess of \$250,000. All arbitrators shall be knowledgeable in the natural gas industry. The arbitrator(s) shall have no authority to award consequential, punitive or exemplary damages. Provided, however, if one party fails to participate in the negotiation as agreed herein, the other party can commence arbitration prior to the expiration of the time periods set forth. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. Unless otherwise agreed, the place of arbitration shall be Austin, Texas. Meters Read On and After: January 27, 2014 Supersedes: June 30, 2009 (Other Cities) July 17, 2009 (City of Cedar Park), December 9, 2011 (City of Dripping Springs -Initial), September 25, 2012 (City of Bee Cave - Initial Rate) and October 19, 2012 (City of Lakeway - Initial Rate)

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
74236	D	Mcf	\$.0000	06/30/2009	Y
<b>DESCRIPTION:    **CONFIDENTIAL**</b>					
<b>Customer</b>	33888	<b>**CONFIDENTIAL**</b>			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
E	Electric Generation Sales	
H	Transportation	
M	Other(with detailed explanation)	Firm transportation Service on Rate Sched TOC-1-INC in Incorp Central Tx Svc Area

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 25158

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 01/02/2003      **RECEIVED DATE:** 06/14/2012

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y      **RRC DOCKET NO:** 9174, 10029(RCR Rider)

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Firm transportation Service on Rate Sched TOC-1 (Electrical CoGen) for Environs of Central TX Svc Area - filing for potential transport customers.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
33887	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25158
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-GEN-ENV-CTX-O	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN-ENV GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All unincorporated areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of Lost Unaccounted for Gas (LUG) volume within the Service Area. The customer's share of LUG will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its Lost Unaccounted for Gas obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 25158

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 25158

**CURRENT RATE COMPONENT**

RATE COMP. ID	DESCRIPTION
	<p>time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. CONDITIONS 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel. 7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule. Initial Rate Meters Read On and After January 2, 2003</p>
TOC-1-CTX-OS-Coge	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE TOC-1 Central Texas Service Area ELECTRICAL COGENERATION AND ENERGY CONSERVATION TRANSPORTATION SERVICE RATE APPLICABILITY Service under this rate schedule is available to any customer who enters into a contract with the Company to use natural gas for the purpose of cogeneration, and to Qualified Suppliers supplying natural gas to be transported, pursuant to Rate Schedules T-GEN or T-GEN-ENV (General Charges, Provisions and Conditions). Cogeneration is defined as the use of thermal energy to produce electricity with recapture of by-product heat in the form of steam, exhaust heat, etc. for industrial process use, space heating, food processing or other purposes. Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing delivery receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system. TERRITORY This rate shall be available throughout the Company's Central Texas Service Area. COST OF SERVICE RATE During each monthly billing period: Nov.-May June-Oct. Winter Summer A customer charge per meter per month of \$100.00 \$100.00 Plus - For the First 5,000 Ccf/month \$ 0.0950 per Ccf \$ 0.0760 per Ccf For the Next 35,000 Ccf/month \$ 0.0855 per Ccf \$ 0.0684 per Ccf For the Next 60,000 Ccf/month \$ 0.0727 per Ccf \$ 0.0545 per Ccf All Over 100,000 Ccf/month \$ 0.0570 per Ccf \$ 0.0399 per Ccf Plus: See the Additional Charges to Cost of Service Rate pursuant to Rate Schedules T-GEN or T-GEN-ENV (General Charges, Provisions and Conditions). SPECIAL PROVISIONS AND CONDITIONS 1. Gas taken under this rate shall be used exclusively for the purpose of cogeneration as defined in the Applicability section of this rate schedule and not for other purposes. The gas taken under this rate will be separately metered. 2. This rate will not be available for standby use. 3. For the purpose of this rate, the annual load factor must be 60% or greater. The annual load factor is defined as the customer's total annual consumption divided by the customer's peak month consumption times twelve. If less than a 60 percent load factor occurs for a twelve month period, the rate charged will be the rate that the customer would otherwise be served under for months in which the annual load factor did not equal 60%. 4. To qualify for the summer discounts, the customer's peak summer load must be at least 75% of the customer's peak winter load. Failure to meet this requirement will result in summer bills being issued at winter rates. 5. See the Special Provisions and Conditions pursuant to Rate Schedules T-GEN or T-GEN-ENV (General Charges, Provisions and Conditions). Meters Read On and After January 2, 2003 (Unincorp.) Supersedes Same Sheet Dated January 25, 2001 (Unincorp.)</p>
RCR-ENV-CTXOSRel	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE RCR-ENV RELOCATION COST RECOVERY A. APPLICABILITY This Relocation Cost Recovery (RCR) rate schedule shall apply to the following rate schedules for the unincorporated areas of the Central Texas Service Area: 1D, 1E, 1Z, 2A, 2B, 2C, 2D, 2E, 2Z, 3A, 3B, 3C, 3Z, 4A, 4B, 4C, 4D, 4H, 4Z, CNG-1, C-1, T02A, T02B, T02C, T02Z, T03A, T03B, T03C, T03Z, T04A, T04B, T04C, T04H, T04Z, TOC-1, CNGT. B. PURPOSE Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule. C. COMPUTATION OF RCR RATE The RCR rate for a given recovery period will be calculated according to the following formula: RCR Rate = CPCR / NV CPCR = Relocation costs for the current recovery period. NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules). Recovery Period = No less than one year or more than three years. All applicable fees and taxes will be added to the RCR rates. D. BILLING The RCR rate, pursuant to Rate Schedule RCR-ENV-RIDER, shall be included as a separate adjustment (per Ccf rate) to the base bill for rate schedules: 1D, 1E, 1Z, 2A, 2B, 2C, 2D, 2E, 2Z, 3A, 3B, 3C, 3Z, 4A, 4B, 4C, 4D, 4H, 4Z, CNG-1, C-1, T02A, T02B, T02C, T02Z, T03A, T03B, T03C, T03Z, T04A, T04B, T04C, T04H, T04Z, TOC-1, CNGT. E. FILING WITH THE REGULATORY AUTHORITY No less than thirty-five days before implementation of a RCR rate, the Company shall file an application with the appropriate regulatory authority that shall</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 25158

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCR-ENV-RiderCTX-	<p>include the following: 1. Documentation demonstrating the requirement of each relocation. 2. Documentation demonstrating the entity requesting each relocation. 3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities. 4. The RCR rate to be implemented with supporting calculations. 5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable. 6. A schedule showing RCR collections. Supersedes Same Rate Sheet Dated        Meters Read On and After January 25, 2001    June 23, 2004</p> <p>TEXAS GAS SERVICE COMPANY                      Central Texas Service Area    RATE SCHEDULE RCR-ENV-RIDER    RELOCATION COST RECOVERY RATE    A. APPLICABILITY    The Relocation Cost Recovery (RCR) rate, as set forth in Section (B) below and pursuant to rate schedule RCR-ENV, shall be limited to gas sales and standard transport volumes and apply to the following rate schedules for the unincorporated areas of the Central Texas Service Area: 1D-WLake-OS-Res 4Z-CTXnoWLak-OS-PubA 1E-CPark-OS-Res CNG-1-CTX-OS 1Z-Aus SunV-OS-Res C-1-CTX-IS-Cogen 2A-AusSunV-OS-SmCmAC C-1-CTX-OS-Cogen 2B-CTX-OS-LgCom T02A-CTX-OS-SmCom AC 2C-CTX-OS-LgCom AC T02B-CTX-OS-LgCom 2D-WLake-OS-Com T02C-CTX-OS-LgCom AC 2E-CPark-OS-Com T02Z-CTX-OS-Com 2Z-Aus SunV-OS-Com T03A-CTX-OS-SmInd AC 3A-CTX-OS-SmInd AC T03B-CTX-OS-LgInd 3B-CTX-OS-LgInd T03C-CTX-OS-LgInd AC 3C-CTX-OS-LgInd AC T03Z-CTX-OS-Ind 3Z-CTX-OS-Ind T04A-CTX-OS-SmPub AC 4A-CTX-OS-SmPubA AC T04B-CTX-OS-LgPubA 4B-CTX-OS-LgPubA T04C-CTX-OS-LgPub AC 4C-CTX-OS-LgPubA AC T04H-CTX-OS-PSSpHt 4D-WLake-OS-PubA T04Z-CTX-OS-PubA 4H-CTX-OS-PubSchSpHt T0C-1-CTX-OS-Cogen CNGT-CTX-OS-CNG B. CURRENT RCR RATE    Effective Date RCR Rate    Meters Read On &amp; After November 4, 2011 (11th RCR Filing-Dck #10029)    \$0.00000 per Ccf    All applicable fees and taxes will be added to the above rate.    Meters Read On and After November 4, 2011    Supersedes Same Sheet Dated November 30, 2010</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76822	D	Mcf	\$ .0000	01/02/2003	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	33887	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
E	Electric Generation Sales	
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 25535**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 12/04/2012

**INITIAL SERVICE DATE:** 07/01/2012                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** New custom transportation agreement delivery point.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
34137	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25535
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
CT-T-31-OS-XAF	CT-T-31-OS-XAF RATE COMPONENTS The transportation rate shall be: Monthly Customer Fee: \$80.00 monthly customer charge Monthly Delivery Fee: \$0.07 per Ccf
T-GEN-ENV-CTX-O	<p>TEXAS GAS SERVICE COMPANY Central Texas Service Area RATE SCHEDULE T-GEN-ENV GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All unincorporated areas served by the Company in its Central Texas Service Area. ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of Lost Unaccounted for Gas (LUG) volume within the Service Area. The customer's share of LUG will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its Lost Unaccounted for Gas obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Conservation Adjustment Clause (Rate Schedule CAC), if applicable, and the Company's Relocation Cost Recovery (Rate Schedule RCR), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 25535
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by the Company's Cost of Purchased Gas, stated in MMBtu, as defined by the Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas) for the Service Area and filed monthly with the appropriate regulatory authority for the month in which the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 25535

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. CONDITIONS 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel. 7. All gas provided pursuant to the Large Volume Air Conditioning rate schedules shall be used for air conditioning purposes and shall be separately metered. Gas provided for other, non-air conditioning uses, shall be billed under the otherwise applicable rate schedule.</p> <p>Initial Rate Meters Read On and After                      January 2, 2003</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
85255	D	Ccf	\$.0700	07/01/2012	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	34137	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Neither the gas utility nor the customer had an unfair advantage during the negotiations.  
 NOTE: (This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline.)

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

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

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 26350**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 08/24/2001                      **RECEIVED DATE:** 08/26/2013

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 04/01/2013

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:**

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Eff. 04/01/2013, sched T-GEN-SJC-OS is applicable to unincorporated SJC Svc Area only.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
32489	**CONFIDENTIAL**	Y	



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 26350**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T-3-SJC-OS-Transp	<p>TEXAS GAS SERVICE COMPANY South Jefferson County Service Area RATE SCHEDULE T-3 TRANSPORTATION SERVICE RATE APPLICABILITY Service under this rate schedule is available to any customer for the transportation of customer owned natural gas through the Company's South Jefferson County distribution system for use by customers within all areas in the Company's South Jefferson County Service Area. TERRITORY All areas served by the Company in its South Jefferson County Service Area. (ENVIRONS ONLY.) RATE This rate shall be the sum of Part A, Part B, Part C, Part D and Part E as described below. Part A: A customer charge of \$300.00 per meter per month. Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the Cof charge specified in the Company's Rate Schedule currently in effect for such month under which natural gas service would otherwise be available to such customer. Part C: Buyer shall be allowed to satisfy its lost and unaccounted for gas obligation by payment in kind. However, if lost and unaccounted for gas is not paid for in kind, a charge will be made each month to recover the cost of lost and unaccounted for gas associated with the volumes of natural gas transported for the customer. This charge will be calculated by multiplying the volume delivered to the customer by the purchase/sales ratio minus one for the Company's South Jefferson County Service Area as calculated for the twelve-month period ended in the previous June based on actual purchase and actual sales as reported to the regulatory bodies. The resultant calculated lost and unaccounted for volume will then be multiplied by the Company's cost of purchased gas for the South Jefferson County Service Area applicable to the billing period for which service is rendered, plus related fees and taxes, to calculate an amount to be billed to the customer each month. The lost and unaccounted for factor as determined above shall in no event exceed .0526 i.e. [1/1 - .05]-1 and must fall within the range of zero (0) to 5.26%. Part D: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT. as such may be amended from time-to-time which are attributable to the transportation service performed hereunder. Part E: A charge will be made each month to recover the cost of any applicable franchise fees. CONDITIONS 1. Subject in all respects to applicable laws, rules and regulations from time-to-time in effect. 2. Transportation of customer owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Transportation of customer owned natural gas hereunder is subject in all respects to terms and conditions of the Transportation Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto. 4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer. Meters Read On and After August 24, 2001 Supersedes Same Sheet Dated February 13, 1992</p>
T-GEN-SJC-OS-GTC	<p>TEXAS GAS SERVICE COMPANY South Jefferson County Service Area RATE SCHEDULE T-GEN GENERAL CHARGES, PROVISIONS AND CONDITIONS APPLICABILITY Applicable to Transportation Rate Schedules. TERRITORY All areas served by the Company in its South Jefferson County Service Area. (ENVIRONS ONLY) ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. SPECIAL PROVISIONS 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 26350

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) resolve operational imbalances on an aggregated basis in accordance with Special Provision 6 below. 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 105% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month in which the applicable tolerance limit was exceeded., plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 26350

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination.</p> <p>9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 105% of the Delivered Spot-Gas Prices Houston Ship Channel/Beaumont, Texas Index (large packages only) as published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month for which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. CONDITIONS 1. Services rendered under this tariff are subject in all respects to applicable laws, rules, and regulations from time-to-time in effect. 2. All volumes of gas transported pursuant to this tariff shall be natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered to the customer shall be deemed to be the same quality as that gas received by the Company for transportation. 3. Service under this tariff is conditioned upon the customer's execution of and subject in all respects to the terms and conditions of the Transportation Agreement and all amendments and modifications thereto. 4. Transportation of natural gas hereunder may be interrupted or curtailed to preserve the operational safety, reliability, or integrity of the distribution system or in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's applicable general service rate schedule which would otherwise be available to such customer. 5. The Company shall have the right to terminate service under this tariff in the event the customer is no longer served by a Qualified Supplier. Termination of service shall not relieve the customer of any liability accrued prior to the effective date of such termination. The Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. 6. If applicable, air conditioning equipment must be inspected and verified as safe and in service by qualified company personnel. Meters Read On and After October 30, 2007 (Unincorporated only eff. April 1, 2013 Supersedes Same Rate Schedule dated May 1, 2006</p>

**RATE ADJUSTMENT PROVISIONS:**  
None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
76829	D	Mcf	\$.0000	08/24/2001	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
Customer	32489	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 26350**

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 27029**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 07/18/2014                      **RECEIVED DATE:** 07/24/2014

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:** 9988(R.Case),10016(RCE),100

**CITY ORDINANCE NO:** ORD-EPSvcA-IS(R.Case); Res. 3/

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Eff 7/18/14, new T-1 OTH Rate Schedule applicable to the El Paso Svc Area cities (excluding City El Paso) as a result of 2014 GRIP filing.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
31912	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 27029

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
IRA-EPSvcA-IS-IRAd	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE IRA El Paso Service Area - West Texas Region INTERIM RATE ADJUSTMENT</p> <p><b>A. APPLICABILITY</b> This Interim Rate Adjustment (IRA) applies to all general service rate schedules of Texas Gas Service Company (Company) currently in force in the incorporated areas of El Paso, Anthony, Clint, Vinton, Socorro, and Horizon City, Texas. Applicable rate schedules include 10, 20, 21, 25, 26, 27, 40, SS, and T-1. <b>B. PURPOSE</b> Section 104.301, Subchapter G of the Texas Utility Code, effective on September 1, 2003, provides for an interim adjustment in a gas utility's monthly customer charge or initial block usage rate to recover the cost of changes in the utility's infrastructure investment and related expenses and revenues for providing gas utility service. The filing date of the utility's most recent rate case establishing rates for the area in which the interim rate adjustment will apply shall be no more than two years prior to the date the utility files its initial interim rate adjustment application for that area. The interim adjustment shall be recalculated on an annual basis, unless the utility files a written request and obtains approval from the regulatory authority to suspend the operation of the interim adjustment rate schedule for any year. This rate schedule establishes the interim adjustment provisions consistent with Section 104.301, Subchapter G of the Texas Utility Code. <b>C. COMPUTATION OF IRA RATE</b> The amount the Company shall adjust its utility rates upward or downward under this rate schedule each calendar year is based on the difference between the value of the invested capital for the preceding calendar year and the value of the invested capital for the calendar year preceding that calendar year. The value of the invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment. Based on the difference between the values of the invested capital amounts as determined above, the Company may adjust only the following related components of its revenue requirement: return on investment, depreciation expense, ad valorem taxes, revenue related taxes and incremental federal income taxes. The factors for these components shall be the same as those established in the Company's most recent rate case for the service area in which this interim rate adjustment is to be implemented. The revenue requirement calculated pursuant to this rate schedule shall be allocated among the Company's customer classes for this service area in the same manner as the cost of service was allocated among customer classes in the Company's latest effective rates for this area. <b>D. FILING WITH THE REGULATORY AUTHORITY</b> 1. The Company shall file either the initial interim adjustment or the annual interim adjustment with the regulatory authority at least 60 days before the proposed implementation date. During the 60-day period, the regulatory authority may act to suspend implementation of the adjustment. 2. The Company shall provide notice to customers by bill insert or direct mail not later than the 45th day after the date of filing the interim adjustment. 3. The Company shall file with the regulatory authority an annual report describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year. The annual report shall also state the cost, need, and customers benefited by the change in investment. 4. In addition, the Company shall file with the regulatory authority an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year. Should the Company earn a return of more than 75 basis points above the return established in the latest effective rates implemented under this rate schedule, the Company shall file a statement stating the reasons why the rates are not unreasonable or in violation of the law. 5. After the issuance of a final order or decision by a regulatory authority in a rate case that is filed after the implementation of a tariff or rate schedule under this section, any change in investment that has been included in an approved interim adjustment shall no longer be subject to subsequent review for reasonableness or prudence. All amounts collected under this rate schedule are subject to refund until the issuance of a final decision in the next rate case filing for this service area. 6. The Company shall file a rate case no later than the 180th day after the fifth anniversary date its initial interim rate adjustment for this service area became effective. 7. The provisions under Section 104.301, Subchapter G of the Texas Utility Code for this interim adjustment do not limit the power of the regulatory authority under Section 104.151. Meters Read On and After: September 10, 2013 Supersedes Rate Schedule IRA and IRA-OTH: dated June 18, 2013</p>
40-EPSvcA-IS-Ind	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE 40 INDUSTRIAL SERVICE RATE</p> <p><b>APPLICABILITY</b> Applicable to industrial consumers and to consumers not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company. <b>TERRITORY</b> The incorporated areas of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas <b>COST OF SERVICE RATE</b> During each monthly billing period: A Customer Charge of \$ 84.01 plus - The First 100 Ccf No charge The Next 400 Ccf \$ .14528 per Ccf The Next 2500 Ccf .13528 per Ccf All Over 3000 Ccf .06528 per Ccf <b>Prompt Payment Provision:</b> None. Above rates are net. <b>OTHER ADJUSTMENTS</b> Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month. <b>Taxes:</b> Plus applicable taxes and fees (including franchise fees) related to above. <b>CONDITIONS</b> 1. Subject in all respects to applicable laws, rules and regulations from time to time in effect. 2. The applicability section of this rate notwithstanding, if a customer, other than a full requirements customer, pays a standby charge pursuant to Rate Schedule S.S., Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate. Meters Read On and After: January 19, 2011 Supersedes Same Rate Schedule Dated February 15, 2008</p>
EPARR-EIPaso-IS	<p>Texas Gas Service Company Rate Schedule EPARR El Paso Service Area - West Texas Region El Paso Annual Rate Review I. Purpose This mechanism is designed to provide annual earnings transparency. All rate calculations under this tariff shall be made on an El Paso Service Area wide basis. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. The rate adjustments implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. This Rider EPARR will be effective for the period commencing with the Company's first EPARR filing on or before April 15, 2014, and will remain in effect unless and until either the Company or the regulatory authority having original jurisdiction gives written notice to the contrary to the other by January 1 of the filing year. Upon receipt of such notice by either the Company or the regulatory authority having original jurisdiction, the Company shall prepare and file a Statement of Intent rate case with the regulatory authority within 180 days. Rates approved pursuant to this tariff shall remain in effect during the pendency of any Statement of Intent rate filing. <b>II. Definitions</b> a) The Filing Date shall occur on or before March 31 of each year with the exception of 2014, which shall have a Filing Date of April 15, 2014. The Annual Evaluation Date shall be the date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall, with the exception of 2014 be no earlier than March 1st nor later than March 31st of each year. This filing shall be made in electronic form where practicable. b) Audited Financial Data shall mean the Company's books and records</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 27029

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>related to the Company's El Paso Service Area and shared services operations. Audited Financial Data shall not require the schedules and information provided under this tariff to undergo a separate financial audit by an outside auditing firm similar to the Company's annual financial audit. c) The Company is defined as Texas Gas Service Company, a division of ONE Gas, Inc. d) The Test Period is defined as the twelve-month period ending December 31, of each preceding calendar year. The Company's April 2014 filing will be based on the twelve-month period ending December 31, 2013. e) The Rate Effective Period is defined as the twelve-month period commencing with the first billing cycle for August in each year and ending when subsequent rates are implemented under this tariff pursuant to a final order from a regulatory authority. f) Final Order is defined as the most recent general rate case final order establishing the Company's effective rates for customers within the City of El Paso. g) El Paso Service Area means the incorporated areas of El Paso, Anthony, Clint, Horizon City, San Elizario, Socorro, and Vinton, as well as the surrounding unincorporated areas served by the Company. III. Rate Review Mechanism The Company shall file with the City of El Paso the schedules specified below for the Test Period, with the filing to be made by the Annual Evaluation Date following the end of the Test Period. The schedules will be based upon the Company's Audited Financial Data, as adjusted, and will include the following: a) Test Period ending balances for actual gross plant in service, accumulated depreciation, accumulated deferred income taxes, inventory, and other rate base components, with the exception of working capital, will be used for the calculation of rates for the Rate Effective Period. The ratemaking treatments, principles, findings and adjustments included in the Final Order will apply except when a departure from those treatments, principles, findings or adjustments is justified by changed circumstances. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. In addition: (i) Cash working capital to be included in rate base will be zero 0; (ii) With respect to pension and other postemployment benefits, the Company will record a regulatory asset or liability for these costs until the amounts are included in the next annual rate adjustment implemented under this tariff. Each year, the Company's filing under this tariff will clearly state the level of pension and other postemployment benefits recovered in rates. In addition, the Company may maintain one or more reserve accounts as provided in Tex. Util. Code. Sec. 104.059, and treat any surplus or shortage in the reserve accounts in accordance with Tex. Util. Code. Sec. 104.059. (iii) For rate making purposes, the calculation of Accumulated Deferred Income Taxes (ADIT) will be based on the original book basis and tax basis for assets placed in service under the ownership of Southern Union and the original book basis and tax basis for assets placed in service subsequent to the acquisition of Southern Union's assets. Company-generated net operating losses may be considered in calculating the ADIT balance, if appropriate. b) Depreciation rates booked in the period will be those approved in the Final Order, or the depreciation rates most recently approved for the El Paso Service Area and for the Shared Services Division by the Railroad Commission of Texas, as applicable, if and only if the City of El Paso has the right to participate in a subsequent Railroad Commission of Texas proceeding with a full right to have its reasonable expenses reimbursed. All calculation methodologies will be those approved in the Final Order except where noted or included in this tariff. c) Return on Equity (ROE) shall be maintained at 10.1%. d) The cost of long-term debt will be the weighted cost of long-term debt for ONE Gas, Inc. determined at the end of the Test Period. The capital structure will be the ratio of long-term debt and equity determined at the end of the Test Period. For purposes of the filing in April 2014, the long-term cost of debt will be determined at January 31, 2014. For purposes of the filing in April 2014, the Capital Structure for the filing in April 2014 shall be determined at January 31, 2014, but in no event shall the capital structure consist of more than 57% equity. e) All applicable accounting adjustments along with all supporting work papers. Such adjustments may include: 1) Pro-forma adjustments to update and annualize costs and revenue billing determinants as of the end of the Test Period. 2) Pro-forma or other adjustments required to properly account for atypical, unusual, or nonrecurring events recorded during the Test Period. f) Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Test Period, but the methodology used will be that approved in the Final Order. IV. Calculation of Rate Adjustment a) The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency calculations using the class classification and allocation methodology accepted in the Final Order. The result shall be reflected in the proposed new rates to be established for the Rate Effective Period. In calculating the required rate adjustments, such adjustments will be applied to the minimum charge or customer charge if the rate class has no minimum charge. b) All reasonable and necessary operation and maintenance expenses from the Test Period will be used for the calculation of rates for the Rate Effective Period. Such amounts shall be prepared consistent with the rate making treatments approved in the Final Order subject to an allowance that authorizes the inclusion of (1) reasonable cost of meals and travel incurred during the Test Period (as limited by Sec IX) and (2) 25% of the Company's long-term and short-term incentive compensation costs incurred during the Test Period. The Company may include in its operations and maintenance expense reasonable costs of Pipeline Integrity testing conducted after completion of the 2010-2014 test cycle. The Company may also adjust rates for the Rate Effective Period to include recovery of any known and measurable changes to operating and maintenance costs. Known and measurable adjustments shall be limited to those changes that have occurred prior to the Filing Date. c) Effective with the Company's 2014 filing under this tariff, the Company may include in its rate base calculation all prudently incurred, direct, incremental investment and costs associated with Commission Rule 8.209. d) The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall be deemed prudent and not subject to further review. In determining whether investment was prudently incurred, the regulatory authority shall base its decision on a review that examines as fair, just and reasonable. e) The Company shall provide a schedule demonstrating the proof of revenues relied upon to calculate the proposed rate for the Rate Effective Period. The proposed rates shall conform as closely as is practicable to the revenue allocation principles approved in the Final Order except that any required increase or decrease shall be apportioned to the customer charge. V. Attestation A sworn statement shall be filed by an Officer of the Company affirming that the filed schedules are in compliance with the provisions of this mechanism and are true and correct to the best of his/her knowledge, information and belief. No testimony shall be filed, but a brief narrative explanation shall be provided of any changes to corporate structure, accounting methodologies or allocation of common costs. VI. Evaluation Procedures The City of El Paso shall have a minimum of 125 days to review and render a decision on the Company's filed schedules and work papers. The Company will be prepared to provide all supplemental information as may be requested to ensure adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information, with the exception of information claimed to be confidential, highly sensitive or proprietary, and such information shall be provided within ten (10) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions. Information claimed to be confidential, highly sensitive or proprietary shall be furnished to representatives of the Regulatory Authority pursuant to a</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 27029

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>confidentiality agreement in accordance with Texas Law. During the 125 day period, the Company and the regulatory authority will work collaboratively and seek agreement on the proposed adjustments to the Company's schedule and proposed rates. If agreement has been reached by the Company and the regulatory authority, the regulatory authority shall authorize an increase or decrease to the Company's rates so as to achieve the revenue levels indicated for the Rate Effective Period. If, at the end of the 125 day period, the Company and the regulatory authority have not reached agreement on the proposed adjustments, the Company shall have the right to appeal the regulatory authority's action or inaction to the Railroad Commission of Texas. Upon the filing of an appeal of a city's order relating to an annual EPARR filing with the Railroad Commission of Texas, the regulatory authority shall not oppose the implementation of rates subject to refund or advocate the imposition of a third party surety bond by the Company. To defray the cost, if any, of regulatory authority review of the Company's annual filing, the Company shall reimburse the regulatory authority for its reasonable expenses incurred upon submission of invoices for such review. The Company shall further be allowed to recover its reasonable and necessary expenses it incurs for outside services above any amounts included in the Test Year provided in connection with the annual filing subject to the review of the regulatory authority. Costs contemplated hereunder shall be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made or the Company expense is incurred. A regulatory authority seeking reimbursement under this provision shall submit its request for reimbursement to the Company no later than September 1 of the year in which the annual filing is made and the Company shall reimburse the regulatory authority in accordance with this provision within 30 days of the submission. VII. Reconsideration and Appeal Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007). VIII. Notice Notice of this annual EPARR filing shall be provided by either: (1) including the notice, in conspicuous form, in the bill of each directly affected customer, or (2) sending the notice by email if the customer's bill is provided in this format no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information: a) a description of the proposed revision of rates and schedules; b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer; c) the service area or areas in which the proposed rate adjustment would apply; d) the date the proposed rate adjustment was filed with the regulatory authority; and e) the Company's address, telephone number and website where information concerning the proposed rate adjustment may be obtained. IX. EPARR Schedules and Information The following types of employee reimbursed expenses and directly incurred costs are to be removed from all expense and rate base amounts included within Rider EPARR filings for the Test Period and for the Rate Effective Period: Amounts incurred for travel, meals or entertainment of employee spouses, domestic partners, significant others, children and pets. Amounts for air travel that exceed published commercial coach air fares. Amounts incurred for excessive rates for hotel rooms. Amounts for alcoholic beverages. Amounts paid for admission to entertainment, sports, art or cultural events, and all event sponsorship costs. Amounts for social club dues or fees. initial Rate Schedule Meters Read On and After March 25, 2014 (City of El Paso only)</p>
ORD-EPSvcA-IS	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE ORD-ELP CITY ORDINANCE LISTING APPLICABILITY Applicable to all gas sales and standard transport customers. TERRITORY All customers in the incorporated area of El Paso, Anthony, Clint, Horizon City, Socorro and Vinton, Texas. DESCRIPTION Per TGS rate case filed 08/31/07, the following cities approved the same Cost of Gas Clause, Economic Development Rate, General Charges and Provisions for Transport Service (T-GEN), Quality of Service Rules and Cost of Service rates for gas sales and standard transport. City approvals are as follows: City Ordinance or Resolution # Date Ordinance Passed Effective Date of Gas Sales Rate Schedules Anthony 370 01/08/08 02/15/2008 Clint -- 01/15/08 02/15/2008 El Paso -- 02/05/08 02/15/2008 Horizon City -- 01/08/08 02/15/2008 Socorro 356 01/17/08 02/15/2008 Vinton 08-1-15 01/15/08 02/15/2008 Initial February 15, 2008</p>
PIT-EPSvcA-ISOS	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE PIT El Paso Service Area - West Texas Region PIPELINE INTEGRITY TESTING (PIT) RIDER</p> <p><b>PURPOSE</b> The purpose of this Pipeline Integrity Testing Rider is to promote the public interest in pipeline safety by enabling the Company to recover over a four-year period the reasonable and necessary Pipeline Integrity Safety Testing expenses incurred by the Company during the four-year testing cycle from January 1, 2010, through December 31, 2013 (including contractor costs but excluding the labor cost of TGS employees), in the amount of \$2,197,846. These legally mandated operating and maintenance expenses shall be recovered through a separate monthly volumetric charge (the Pipeline Integrity Testing or PIT Surcharge) that shall be shown as a separate line item on the customer's monthly bill and calculated for each customer class as described below. Capital expenditures associated with the Pipeline Integrity Program shall continue to be recovered through base rates and any interim rate adjustments implemented pursuant to Section 104.301 of the Gas Utility Regulatory Act.</p> <p><b>APPLICABILITY</b> This Rider shall be applied to all gas sales and transportation customers within the service territory designated below, except special contract customers.</p> <p><b>TERRITORY</b> This Rider shall apply throughout the Company's El Paso Service Area (EPSA), both within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas (collectively, the EPSA Cities), and in the unincorporated areas (environs) adjacent to the EPSA Cities.</p> <p><b>QUALIFYING EXPENSES</b> This Rider applies only to the legally mandated safety testing of the Company's transmission lines in the EPSA under the Pipeline Integrity Safety Testing Program. The operating and maintenance expense items that qualify for recovery under this Rider shall include</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 27029**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>the contractor costs associated with land and leak survey, permitting, and job order preparation and completion; the clearing of right-of-way; any needed notifications to adjacent businesses and residences; traffic control equipment and personnel; Direct Current Voltage Gradient (DCVG), Close Interval (CI), and other surveys to ensure the integrity of the pipeline system; any required rigid bypasses; flushing of the lines and testing and disposal of the flush water; hydrostatic testing of the lines and analysis and disposal of the test water; any required pigging of the lines in connection with safety testing; any required x-ray welding; metallurgical testing of the pipeline or components thereof; site restoration, painting, and clean-up; expenses associated with providing a supply of compressed natural gas (CNG) to ensure uninterrupted service to customers during testing; and any other operating and maintenance expenses reasonably necessary to safely and effectively perform required safety testing of the Company's transmission pipelines in the EPSA. Neither capital expenditures by the Company, nor the labor cost of TGS employees, shall be recovered under this Rider.</p> <p><b>CALCULATION OF PIT SURCHARGES</b>                      The Pipeline Integrity Testing Surcharges established under this Rider shall be designed so as to recover the Total Testing Expense of \$2,197,846 in Pipeline Integrity Safety Testing expenses incurred by the Company over the four-year testing cycle from January 1, 2010, through December 31, 2013, and shall be calculated as follows: First, the Total Testing Expense shall be allocated among the applicable customer classes in the same proportion that demand costs were assigned to those classes in the Class Cost of Service Study approved in the Company's most recent rate case in which rates were set by the Railroad Commission of Texas (the Commission) for customers in the EPSA Cities.</p> $\text{Each Class' Total Allocated} \quad \text{Total Testing} \quad \text{Each Class' Demand}$ $\text{Testing Expense} \quad = \quad \text{Expense} \quad \times \quad \frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}}$ <p>Second, the total dollar amount allocated to each customer class in the foregoing manner shall be divided by forty-eight (48) monthly billing cycles, so as to derive the amount that shall be ratably recovered from each class on a monthly basis during the four-year recovery period:</p> $\text{Monthly Recovery from Each Class} \quad = \quad \frac{\text{Each Class' Total Allocated Testing Expense}}{48 \text{ Months}}$ <p>Third, the total amount that is to be recovered on a monthly basis from each class shall be divided by the estimated average monthly usage for each class to produce the monthly PIT Surcharge for each class.</p> $\text{Each Class' PIT Surcharge} \quad = \quad \frac{\text{Monthly Recovery from Each Class}}{\text{Estimated Monthly Usage of Each Class}}$ <p>Based upon customer data for the prior calendar year and any other relevant factors, the estimated monthly usage for each class may be revised annually to account for customer growth, and the resulting revised PIT Surcharge shall be applied to each class for the ensuing 12-month recovery period.</p> <p><b>ANNUAL RECONCILIATION</b>                      After completion of each of the first three annual recovery periods, the total revenues collected under this Rider for that year shall be reconciled against the revenues previously calculated to be collected for that year, and the PIT Surcharge for each class shall be adjusted upward or downward so that the Company recovers any underrecoveries or refunds any overrecoveries that may have accrued under the Rider, plus monthly interest on those underrecoveries or overrecoveries at the cost of long-term debt approved in the Company's most recent general rate case in which rates were set by the Commission for application to customers in the EPSA Cities. The reconciliation shall be filed with the regulatory authority on or before February 21st of each year, and the regulatory authority shall complete its review of the reconciliation on or before March 21st of each year, so that the Company can implement the reconciled PIT Surcharges beginning with the first billing cycle for April of each succeeding year of the four-year recovery period.</p> <p><b>DEFERRED ACCOUNTING</b>                      The Company is authorized and directed to defer, as a regulatory asset, all Pipeline Integrity Safety Testing expenses incurred during the testing cycle starting on January 1, 2010, and ending on December 31, 2013, and all revenues specifically collected under this Rider shall be applied to the deferred expense account. The Company shall not earn a return on any regulatory asset created under this provision, and no such regulatory asset shall be included in the Company's invested capital (rate base) for ratemaking purposes.</p> <p><b>ANNUAL REPORT &amp; APPLICABLE PSCC</b>                      On or before February 21st after each calendar year of the testing cycle, the Company shall file a report with the Commission and the EPSA Cities showing all Pipeline Integrity Safety Testing expenses incurred during the previous calendar year and verifying the prior year's collections and any underrecoveries or overrecoveries accruing to date under this Rider. The report shall separately identify and list such expenses by account number and project number. Prior to the effective date of this Rider and on or before February 21st of each succeeding year while this Rider is in effect, the Company shall also file an Addendum to this Rider with the Commission and the EPSA Cities (a) identifying the PIT Surcharges that will be applied during the ensuing 12-month recovery period from April 1st through March 31st, and (b) providing the underlying data and calculations on which each PIT Surcharge for that period is based.</p> <p><b>NOTICE TO AFFECTED CUSTOMERS</b>                      In addition to the annual report and Addendum to this Rider required above, the Company shall provide, on or before March 31st after</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>each calendar year of the testing cycle, written notice to each affected customer of (a) the PIT Surcharge that will be applied during the ensuing 12-month period from April 1st through March 31st, and (b) the effect the PIT Surcharge is expected to have on the average monthly bill for each affected customer class. The written notice shall be provided in both English and Spanish, shall be the only information contained on the piece of paper on which it is printed, and may be provided either by separate mailing or by insert included with the Company's monthly billing statements. The Company shall also file an affidavit annually with the Commission and the EPSA Cities certifying that notice has been provided to customers in this manner. The notice shall be presumed to be complete three calendar days after the date the separate mailing or billing statement is deposited in a postage-paid, properly addressed wrapper in a post office or official depository under care of the United States Postal Service. The initial notice shall be filed with, reviewed, and approved by the regulatory authority, and each subsequent notice shall follow the same format as that of the approved initial notice.</p> <p><b>FINAL REVIEW, RECONCILIATION, AND TERMINATION</b> After the end of the four-year recovery period, the Company shall file a final reconciliation with the regulatory authority identifying all PIT Expenses recovered to date under this Rider, as well as any interest on overrecoveries refunded or credited to customers and any interest on underrecoveries recovered from customers during that period. In the event the total amount recovered differs from the total amount that TGS is authorized to recover under this Rider, then the Company shall include a calculation of the final surcharge, refund, or credit required to eliminate any such difference and shall implement same over a period of not more than four months. This Rider shall cease to be operable upon collection in this manner of the Total Testing Expenses authorized for collection hereunder, plus or minus any interest accruing on underrecoveries and overrecoveries, or sooner if ordered by the Commission or agreed upon by the Company and the EPSA Cities.</p> <p>Initial Rate Meters Read On and After February 29, 2012</p>
<p>PIT-Rider-EPSvcA-IS</p>	<p>El Paso Service Area - West Texas Region RATE SCHEDULE PIT-RIDER PIPELINE INTEGRITY TESTING (PIT) SURCHARGE RIDER A. APPLICABILITY The Pipeline Integrity Testing Surcharge (PIT) rate as set forth in Section (B) below is pursuant to Final Order in GUD 10049 and GUD 10142. This rate shall apply to the following rate schedules of Texas Gas Service Company in the incorporated and unincorporated areas of and adjacent to the El Paso Service Area (EPSA): 10, 20, 21, 25, 26, 27, 40, E5, SS, T-1, 1Z, 2Z, 2A, 2E, 2F, 2G, 4Z, SS-ENV AND T-1-ENV. The EPSA includes El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas. B. PIT RATE Rate Schedule Customer Class Rate per CCF 10 Residential (I/S EPSA) \$ 0.0034 20 Commercial (I/S EPSA) \$ 0.0033 21 Commercial A/C (I/S EPSA) \$ 0.0033 25 Public Authority (I/S EPSA) \$ 0.0057 26 Public Authority A/C (I/S EPSA) \$ 0.0057 27 Municipal Water Pumping (I/S EPSA) \$ 0.0015 40 Industrial (I/S EPSA) \$ 0.0027 E5 Fort Bliss (I/S EPSA) \$ 0.0067 SS Standby Service (I/S EPSA) \$ 0.0027 T-1 Commercial Transportation (I/S EPSA) \$ 0.0016 T-1 Industrial Transportation (I/S EPSA) \$ 0.0010 T-1 Public Authority Transportation (I/S EPSA) \$ 0.0025 1Z Residential (O/S EPSA) \$ 0.0034 2Z Commercial (O/S EPSA) \$ 0.0033 2A Commercial A/C (O/S EPSA) \$ 0.0033 2E Public Authority (O/S EPSA) \$ 0.0057 2F Public Authority A/C (O/S EPSA) \$ 0.0057 2G Municipal Water Pumping (O/S EPSA) \$ 0.0015 4Z Industrial (O/S EPSA) \$ 0.0027 SS-ENV Standby Service (O/S EPSA) \$ 0.0027 T-1-ENV Commercial Transportation (O/S EPSA) \$ 0.0016 T-1-ENV Industrial Transportation (O/S EPSA) \$ 0.0010 T-1-ENV Public Authority Transportation (O/S EPSA) \$ 0.0025 This rate will be in effect until all approved and expended pipeline integrity testing expenses are recovered under the applicable rate schedules. C. OTHER ADJUSTMENTS Taxes: Plus applicable taxes and fees (including franchises fees) related to above. D. CONDITIONS Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority. Meters Read On and After April 1, 2013 Supersedes Rate Schedule dated February 29, 2012</p>
<p>RCE-Rider-EPSvcA-IS</p>	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE RCE RIDER El Paso Service Area - Incorporated RATE CASE EXPENSE (RCE) SURCHARGE</p> <p>A. APPLICABILITY Pursuant to the Final Order in GUD No. 10016, the Rate Case Expense (RCE) Surcharge set forth in Section B. below shall apply to all gas sales customers (except special contract customers) located in that portion of the Company's El Paso Service Area (EPSA) that is within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas, including customers served under Rate Schedules 10, 20, 21, 25, 26, 27, 40, C-1, SS, and T-1.</p> <p>B. RCE SURCHARGE - The initial RCE Surcharge per Ccf for each billing period shall be: \$0.0053 - The RCE Surcharge per Ccf for each billing period from April 2013 - March 2014 shall be: \$0.0054</p> <p>This rate, as adjusted pursuant to Section C. below, shall be designed to recover the approved level of Company and City rate case expenses of \$2,536,360.75 over a recovery period of three years. However, if the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, is collected in less than three years, then this Rider shall cease to be operable and the Company shall cease to apply the Rate Case Expense Surcharge. If the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, has not been collected by the end of the three-year recovery period, then this Rider shall remain in effect beyond the three-year recovery period only until all approved rate case expenses have been recovered under the applicable rate schedules, and any interest accruing on overrecoveries or underrecoveries has been recovered from or refunded or credited to the Company's customers.</p> <p>C. OTHER ADJUSTMENTS</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>The applicable RCE Surcharge shall be adjusted annually to reflect interest on any underrecoveries or overrecoveries calculated at the Company's 6.21% cost of long-term debt as determined by the Railroad Commission of Texas in GUD No. 9988. In addition to the RCE Surcharge, applicable revenue-related taxes and fees, including franchise fees, shall also be recovered based on the revenue amounts collected hereunder.</p> <p>D. ANNUAL COMPLIANCE FILING On or before February 21st following each calendar year in which an RCE Surcharge was applied to recover rate case expenses under this Rider, the Company shall file a written report with the Commission and the EPSA Cities showing the total amount of rate case expenses (including any adjustments made to reflect interest on overrecoveries or underrecoveries accruing to the Company or its customers) that (a) were recovered during the preceding calendar year, (b) have been cumulatively recovered since the effective date of the Rider, and (c) still remain to be recovered through the Rider pursuant to the Commission's Final Order in GUD No. 10016. The report shall also include a calculation of the RCE Surcharge that is to be applied during the ensuing recovery period.</p> <p>E. CONDITIONS Service under this rate schedule shall be subject to all applicable laws and orders and to the Company's rules and regulations on file with the regulatory authority.</p> <p>Meters Read On and After April 1, 2013</p> <p>Supersedes Rate Schedule dated February 29, 2012</p>
T-GEN-EPSvcA-IS-S	<p>TEXAS GAS SERVICE COMPANY EL PASO SERVICE AREA - West Texas Region RATE SCHEDULE T-GEN GENERAL CHARGES AND PROVISIONS APPLICABILITY Applicable to Transportation Rate Schedules: T1-OTH. TERRITORY All areas served by the Company in the incorporated areas of its El Paso Service Area consisting of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas . ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Economic Development Rate (Rate Schedule EDR), if applicable, and the Company's Interim Cost Recovery and Rate Adjustment (Rate Schedule IRA-OTH), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: UPSTREAM PIPELINE SCHEDULING AND BALANCING PROVISIONS A proportional share of any upstream pipeline transportation service charges and penalties incurred by the Company that, in whole or in part, are the result of customer or customer's agent scheduling and/or managing the upstream transportation of the customer's gas to Company's interconnecting point(s) with the upstream pipeline(s). Proceeds from this charge will be credited to the Reconciliation Account. The Company will bill customer for these charges and penalties manually on a separate bill. Payment shall be required in accordance with the Company's Rules of Service. A transport customer may elect to have its supplier act as agent for resolution of these charges. The Company will allow aggregation in resolution of the upstream pipeline scheduling and balancing charges as long as the aggregated customers are supplied by the same supplier, and provided that the customers are physically located behind the same upstream pipeline balancing point, as determined by the Company. Plus: MONTHLY COMMODITY BALANCING PROVISIONS In addition to the Upstream Pipeline Scheduling and Balancing provisions described above, the Company will resolve monthly commodity imbalances in accordance with the provisions described below: 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI</p>

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GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 27029
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies,</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 27029

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>						
T1-EPSvcA-IS-Std	<p>subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows: 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin, for the month in which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand-by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. Meters Read On and After: September 10, 2013 Supercedes Rate Schedules T-GEN and T-GEN-OTH: Dated June 18, 2013</p>						
	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE T-1 TRANSPORTATION SERVICE RATE</p>						
	<p><b>APPLICABILITY</b></p>						
	<p>Service under this rate schedule is available to any customer for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with the customer's gas supplier to have its gas delivered to one of the Company's existing delivery points for transportation by the Company to the customer's facilities at the customer's service point.</p>						
	<p><b>TERRITORY</b></p>						
	<p>El Paso Service Area consisting of the incorporated areas of El Paso, Texas.</p>						
	<p><b>RATE</b> This rate shall be the sum of Part A and Part B as described below:</p>						
	<table border="0"> <tr> <td>Part A: A customer charge per month of</td> <td>\$300.50</td> </tr> <tr> <td>Interim Rate Adjustment (IRA)</td> <td>\$454.91 (Footnote 1)</td> </tr> <tr> <td>Total Customer Charge</td> <td>\$755.41</td> </tr> </table>	Part A: A customer charge per month of	\$300.50	Interim Rate Adjustment (IRA)	\$454.91 (Footnote 1)	Total Customer Charge	\$755.41
Part A: A customer charge per month of	\$300.50						
Interim Rate Adjustment (IRA)	\$454.91 (Footnote 1)						
Total Customer Charge	\$755.41						
	<p>Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at a rate calculated as follows: 1. Determine the bill for the quantity of customer-owned gas metered and delivered to the customer at the Company's volumetric Cost of Service Rate on the gas sales tariff which would otherwise be applicable; 2. Add a balancing service rate for any applicable portion of incremental cost of the Company's transportation reservation costs received from its upstream pipelines that is deemed at the Company's sole discretion to directly or indirectly benefit the transportation service customers through scheduling balancing flexibility. The balancing service rate will be recalculated annually in conjunction with the Cost of Gas annual reconciliation audit and/or as the upstream pipeline changes the rates being charged to the Company. In addition the Company will charge system sales customers as of the date of this Rate Schedule that become transportation customers after the effective date of this Rate Schedule, a rate representing the cost of stranded capacity, incurred by the Company for upstream transportation and reservation costs as determined</p>						

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 27029**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	by the Company. Proceeds from these rates will be credited to the Reconciliation Account. 3. See the Additional Charges to Cost of Service Rate Pursuant to Rate Schedule T-GEN (General Charges and Provisions).
	<b>SPECIAL PROVISIONS</b>
	1. Transportation volumes delivered under this schedule shall be considered first through customer's meter for billing purposes.
	2. Gas transported under this schedule shall be for use only by the customer.
	3. See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges and Provisions). Footnote 1: 2010 IRA - \$59.29; 2011 IRA - \$77.01; 2012 IRA - \$318.61
	4. Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average at least five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder, except as may otherwise be provided in the Gas Transportation Service Agreement between the Company and customer, and provide service under the general service rate applicable to Customer.
	5. Customers that qualify for and elect service under this tariff must remain on transportation service for a minimum of twelve months. If a customer chooses to leave transportation service under this tariff after twelve months, the customer may not return to transportation service for at least twelve months. If a customer requests to leave transportation service under this tariff and return to the appropriate general service rate, the Company may at its sole discretion decline the request until adequate upstream pipeline capacity can be procured.
	6. Transportation of customer-owned natural gas under this tariff will require telemetry or electronic flow measurement that meets the Company's required specifications at the customer's point (s) of re-delivery. The Company may require the customer to reimburse the Company for the cost of telemetry at its sole discretion.
	<b>CONDITIONS</b>
	1. Transportation of customer-owned natural gas hereunder shall be subject in all respects to applicable laws, rules and regulations from time to time in effect.
	2. Transportation of customer-owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.
	3. Transportation of customer-owned natural gas hereunder is subject in all respects to terms and conditions of the Gas Transportation Service Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto.
	4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.
	Meters Read On and After: September 10, 2013 (El Paso only eff Jul 18 2014)
	Supersedes Rate Schedules T-1 and T-1-OTH: Dated June 18, 2013

**RATE ADJUSTMENT PROVISIONS:**

See IRA-EPSvcA-IS-IRAdj (RATE SCHEDULE IRAInterim Rate Adjustment)

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
74420	D	Mcf	\$.0000	02/15/2008	Y
<b>DESCRIPTION: **CONFIDENTIAL**</b>					
<b>Customer</b>	31912	**CONFIDENTIAL**			

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 27029**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	
M	Other(with detailed explanation)	Industrial Transportation customers in the Incorp. areas of Anthony, Clint, Horizon City, San Elizario, Socorro, and Vinton TX

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 27030**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 07/18/2014                      **RECEIVED DATE:** 07/24/2014

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:** 9988(R.Case),10016(RCE),100

**CITY ORDINANCE NO:** ORD-EPSvcA-IS(R.Case); Res. 3/

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Eff 7/18/14, new T-1 OTH Rate Schedule applicable to the El Paso Svc Area cities (excluding City El Paso) as a result of 2014 GRIP filing.

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
31910	**CONFIDENTIAL**	Y	



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 27030**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
20-EPSvcA-IS-Com	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE 20</p> <p>COMMERCIAL SERVICE RATE APPLICABILITY</p> <p>Applicable to all commercial consumers and to consumers not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company.</p> <p>TERRITORY The incorporated areas of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas</p> <p>COST OF SERVICE RATE During each monthly billing period:</p> <p>A customer charge of \$ 18.30 plus The First 100 Ccf No Charge The Next 400 Ccf \$ .10901 per Ccf The Next 2500 Ccf .08901 per Ccf All Over 3000 Ccf .06901 per Ccf</p> <p>Prompt Payment Provision: None.</p> <p>Above rates are net.</p> <p>OTHER ADJUSTMENTS</p> <p>Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month. Taxes: Plus applicable taxes and fees (including franchise fees) related to above.</p> <p>CONDITIONS</p> <p>1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.</p> <p>2. The applicability section of this rate notwithstanding, if a customer, other than a full requirements customer, pays a standby charge pursuant to Rate Schedule S.S., Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.</p> <p>Meters Read On and After January 19, 2011</p> <p>Supersedes Same Rate Schedule Dated February 15, 2008</p> <p>EPARR-EIPaso-IS                      Texas Gas Service Company                      Rate Schedule EPARR El Paso Service Area - West Texas Region                      El Paso</p> <p>Annual Rate Review I. Purpose This mechanism is designed to provide annual earnings transparency. All rate calculations under this tariff shall be made on an El Paso Service Area wide basis. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. The rate adjustments implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. This Rider EPARR will be effective for the period commencing with the Company's first EPARR filing on or before April 15, 2014, and will remain in effect unless and until either the Company or the regulatory authority having original jurisdiction gives written notice to the contrary to the other by January 1 of the filing year. Upon receipt of such notice by either the Company or the regulatory authority having original jurisdiction, the Company shall prepare and file a Statement of Intent rate case with the regulatory authority within 180 days. Rates approved pursuant to this tariff shall remain in effect during the pendency of any Statement of Intent rate filing. II. Definitions a) The Filing Date shall occur on or before March 31 of each year with the exception of 2014, which shall have a Filing Date of April 15, 2014. The Annual Evaluation Date shall be the date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall, with the exception of 2014 be no earlier than March 1st nor later than March 31st of each year. This filing shall be made in electronic form where practicable. b) Audited Financial Data shall mean the Company's books and records related to the Company's El Paso Service Area and shared services operations. Audited Financial Data shall not require the schedules and information provided under this tariff to undergo a separate financial audit by an outside auditing firm similar to the Company's annual financial audit. c) The Company is defined as Texas Gas Service Company, a division of ONE Gas, Inc. d) The Test Period is defined as the twelve-month period ending December 31, of each preceding calendar year. The Company's April 2014 filing will be based on the twelve-month period ending December 31, 2013. e) The Rate Effective Period is defined as the twelve-month period commencing with the first billing cycle for August in each year and ending when subsequent rates are implemented under this tariff pursuant to a final order from a regulatory authority. f) Final Order is defined as the most recent general rate case final order establishing the Company's effective rates for customers within the City of El Paso. g) El Paso Service Area means the incorporated</p>

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 27030
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<b>CURRENT RATE COMPONENT</b>
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<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>areas of El Paso, Anthony, Clint, Horizon City, San Elizario, Socorro, and Vinton, as well as the surrounding unincorporated areas served by the Company. III. Rate Review Mechanism The Company shall file with the City of El Paso the schedules specified below for the Test Period, with the filing to be made by the Annual Evaluation Date following the end of the Test Period. The schedules will be based upon the Company's Audited Financial Data, as adjusted, and will include the following: a) Test Period ending balances for actual gross plant in service, accumulated depreciation, accumulated deferred income taxes, inventory, and other rate base components, with the exception of working capital, will be used for the calculation of rates for the Rate Effective Period. The ratemaking treatments, principles, findings and adjustments included in the Final Order will apply except when a departure from those treatments, principles, findings or adjustments is justified by changed circumstances. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. In addition: (i) Cash working capital to be included in rate base will be zero 0; (ii) With respect to pension and other postemployment benefits, the Company will record a regulatory asset or liability for these costs until the amounts are included in the next annual rate adjustment implemented under this tariff. Each year, the Company's filing under this tariff will clearly state the level of pension and other postemployment benefits recovered in rates. In addition, the Company may maintain one or more reserve accounts as provided in Tex. Util. Code. Sec. 104.059, and treat any surplus or shortage in the reserve accounts in accordance with Tex. Util. Code. Sec. 104.059. (iii) For rate making purposes, the calculation of Accumulated Deferred Income Taxes (ADIT) will be based on the original book basis and tax basis for assets placed in service under the ownership of Southern Union and the original book basis and tax basis for assets placed in service subsequent to the acquisition of Southern Union's assets. Company-generated net operating losses may be considered in calculating the ADIT balance, if appropriate. b) Depreciation rates booked in the period will be those approved in the Final Order, or the depreciation rates most recently approved for the El Paso Service Area and for the Shared Services Division by the Railroad Commission of Texas, as applicable, if and only if the City of El Paso has the right to participate in a subsequent Railroad Commission of Texas proceeding with a full right to have its reasonable expenses reimbursed. All calculation methodologies will be those approved in the Final Order except where noted or included in this tariff. c) Return on Equity (ROE) shall be maintained at 10.1%. d) The cost of long-term debt will be the weighted cost of long-term debt for ONE Gas, Inc. determined at the end of the Test Period. The capital structure will be the ratio of long-term debt and equity determined at the end of the Test Period. For purposes of the filing in April 2014, the long-term cost of debt will be determined at January 31, 2014. For purposes of the filing in April 2014, the Capital Structure for the filing in April 2014 shall be determined at January 31, 2014, but in no event shall the capital structure consist of more than 57% equity. e) All applicable accounting adjustments along with all supporting work papers. Such adjustments may include: 1) Pro-forma adjustments to update and annualize costs and revenue billing determinants as of the end of the Test Period. 2) Pro-forma or other adjustments required to properly account for atypical, unusual, or nonrecurring events recorded during the Test Period. f) Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Test Period, but the methodology used will be that approved in the Final Order. IV. Calculation of Rate Adjustment a) The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency calculations using the class classification and allocation methodology accepted in the Final Order. The result shall be reflected in the proposed new rates to be established for the Rate Effective Period. In calculating the required rate adjustments, such adjustments will be applied to the minimum charge or customer charge if the rate class has no minimum charge. b) All reasonable and necessary operation and maintenance expenses from the Test Period will be used for the calculation of rates for the Rate Effective Period. Such amounts shall be prepared consistent with the rate making treatments approved in the Final Order subject to an allowance that authorizes the inclusion of (1) reasonable cost of meals and travel incurred during the Test Period (as limited by Sec IX) and (2) 25% of the Company's long-term and short-term incentive compensation costs incurred during the Test Period. The Company may include in its operations and maintenance expense reasonable costs of Pipeline Integrity testing conducted after completion of the 2010-2014 test cycle. The Company may also adjust rates for the Rate Effective Period to include recovery of any known and measurable changes to operating and maintenance costs. Known and measurable adjustments shall be limited to those changes that have occurred prior to the Filing Date. c) Effective with the Company's 2014 filing under this tariff, the Company may include in its rate base calculation all prudently incurred, direct, incremental investment and costs associated with Commission Rule 8.209. d) The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall be deemed prudent and not subject to further review. In determining whether investment was prudently incurred, the regulatory authority shall base its decision on a review that examines as fair, just and reasonable. e) The Company shall provide a schedule demonstrating the proof of revenues relied upon to calculate the proposed rate for the Rate Effective Period. The proposed rates shall conform as closely as is practicable to the revenue allocation principles approved in the Final Order except that any required increase or decrease shall be apportioned to the customer charge. V. Attestation A sworn statement shall be filed by an Officer of the Company affirming that the filed schedules are in compliance with the provisions of this mechanism and are true and correct to the best of his/her knowledge, information and belief. No testimony shall be filed, but a brief narrative explanation shall be provided of any changes to corporate structure, accounting methodologies or allocation of common costs. VI. Evaluation Procedures The City of El Paso shall have a minimum of 125 days to review and render a decision on the Company's filed schedules and work papers. The Company will be prepared to provide all supplemental information as may be requested to ensure adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information, with the exception of information claimed to be confidential, highly sensitive or proprietary, and such information shall be provided within ten (10) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions. Information claimed to be confidential, highly sensitive or proprietary shall be furnished to representatives of the Regulatory Authority pursuant to a confidentiality agreement in accordance with Texas Law. During the 125 day period, the Company and the regulatory authority will work collaboratively and seek agreement on the proposed adjustments to the Company's schedule and proposed rates. If agreement has been reached by the Company and the regulatory authority, the regulatory authority shall authorize an increase or decrease to the Company's rates so as to achieve the revenue levels indicated for the Rate Effective Period. If, at the end of the 125 day period, the Company and the regulatory authority have not reached agreement on the proposed adjustments, the Company shall have the right to appeal the regulatory authority's action or inaction to the Railroad Commission of Texas. Upon the filing of an appeal of a city's order relating to an annual EPARR filing with the Railroad Commission of Texas, the regulatory authority shall not oppose the implementation of rates subject to refund or advocate the imposition of a third party surety bond by the Company. To defray the cost,</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 27030

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>if any, of regulatory authority review of the Company's annual filing, the Company shall reimburse the regulatory authority for its reasonable expenses incurred upon submission of invoices for such review. The Company shall further be allowed to recover its reasonable and necessary expenses it incurs for outside services above any amounts included in the Test Year provided in connection with the annual filing subject to the review of the regulatory authority. Costs contemplated hereunder shall be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made or the Company expense is incurred. A regulatory authority seeking reimbursement under this provision shall submit its request for reimbursement to the Company no later than September 1 of the year in which the annual filing is made and the Company shall reimburse the regulatory authority in accordance with this provision within 30 days of the submission. VII. Reconsideration and Appeal Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007). VIII. Notice Notice of this annual EPARR filing shall be provided by either: (1) including the notice, in conspicuous form, in the bill of each directly affected customer, or (2) sending the notice by email if the customer's bill is provided in this format no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information: a) a description of the proposed revision of rates and schedules; b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer; c) the service area or areas in which the proposed rate adjustment would apply; d) the date the proposed rate adjustment was filed with the regulatory authority; and e) the Company's address, telephone number and website where information concerning the proposed rate adjustment may be obtained. IX. EPARR Schedules and Information The following types of employee reimbursed expenses and directly incurred costs are to be removed from all expense and rate base amounts included within Rider EPARR filings for the Test Period and for the Rate Effective Period: Amounts incurred for travel, meals or entertainment of employee spouses, domestic partners, significant others, children and pets. Amounts for air travel that exceed published commercial coach air fares. Amounts incurred for excessive rates for hotel rooms. Amounts for alcoholic beverages. Amounts paid for admission to entertainment, sports, art or cultural events, and all event sponsorship costs. Amounts for social club dues or fees. initial Rate Schedule Meters Read On and After March 25, 2014 (City of El Paso only)</p>
IRA-EPSvcA-IS-IRAd	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE IRA El Paso Service Area - West Texas Region INTERIM RATE ADJUSTMENT A. APPLICABILITY This Interim Rate Adjustment (IRA) applies to all general service rate schedules of Texas Gas Service Company (Company) currently in force in the incorporated areas of El Paso, Anthony, Clint, Vinton, Socorro, and Horizon City, Texas. Applicable rate schedules include 10, 20, 21, 25, 26, 27, 40, SS, and T-1. B. PURPOSE Section 104.301, Subchapter G of the Texas Utility Code, effective on September 1, 2003, provides for an interim adjustment in a gas utility's monthly customer charge or initial block usage rate to recover the cost of changes in the utility's infrastructure investment and related expenses and revenues for providing gas utility service. The filing date of the utility's most recent rate case establishing rates for the area in which the interim rate adjustment will apply shall be no more than two years prior to the date the utility files its initial interim rate adjustment application for that area. The interim adjustment shall be recalculated on an annual basis, unless the utility files a written request and obtains approval from the regulatory authority to suspend the operation of the interim adjustment rate schedule for any year. This rate schedule establishes the interim adjustment provisions consistent with Section 104.301, Subchapter G of the Texas Utility Code. C. COMPUTATION OF IRA RATE The amount the Company shall adjust its utility rates upward or downward under this rate schedule each calendar year is based on the difference between the value of the invested capital for the preceding calendar year and the value of the invested capital for the calendar year preceding that calendar year. The value of the invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment. Based on the difference between the values of the invested capital amounts as determined above, the Company may adjust only the following related components of its revenue requirement: return on investment, depreciation expense, ad valorem taxes, revenue related taxes and incremental federal income taxes. The factors for these components shall be the same as those established in the Company's most recent rate case for the service area in which this interim rate adjustment is to be implemented. The revenue requirement calculated pursuant to this rate schedule shall be allocated among the Company's customer classes for this service area in the same manner as the cost of service was allocated among customer classes in the Company's latest effective rates for this area. D. FILING WITH THE REGULATORY AUTHORITY 1. The Company shall file either the initial interim adjustment or the annual interim adjustment with the regulatory authority at least 60 days before the proposed implementation date. During the 60-day period, the regulatory authority may act to suspend implementation of the adjustment. 2. The Company shall provide notice to customers by bill insert or direct mail not later than the 45th day after the date of filing the interim adjustment. 3. The Company shall file with the regulatory authority an annual report describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year. The annual report shall also state the cost, need, and customers benefited by the change in investment. 4. In addition, the Company shall file with the regulatory authority an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year. Should the Company earn a return of more than 75 basis points above the return established in the latest effective rates implemented under this rate schedule, the Company shall file a statement stating the reasons why the rates are not unreasonable or in violation of the law. 5. After the issuance of a final order or decision by a regulatory authority in a rate case that is filed after the implementation of a tariff or rate schedule under this section, any change in investment that has been included in an approved interim adjustment shall no longer be subject to subsequent review for reasonableness or prudence. All amounts collected under this rate schedule are subject to refund until the issuance of a final decision in the next rate case filing for this service area. 6. The Company shall file a rate case no later than the 180th day after the fifth anniversary date its initial interim rate adjustment for this service area became effective. 7. The provisions under Section 104.301, Subchapter G of the Texas Utility Code for this interim adjustment do not limit the power of the regulatory authority under Section 104.151. Meters Read On and After: September 10, 2013 Supersedes Rate Schedule IRA and IRA-OTH: dated June 18, 2013</p>
ORD-EPSvcA-IS	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE ORD-ELP CITY ORDINANCE LISTING APPLICABILITY Applicable to all gas sales and standard transport customers. TERRITORY All customers in the incorporated area of El Paso, Anthony, Clint, Horizon City, Socorro and Vinton, Texas. DESCRIPTION Per TGS rate case filed 08/31/07, the following cities approved the same Cost of Gas Clause, Economic Development Rate, General Charges and Provisions for Transport Service (T-GEN), Quality of Service Rules and Cost of Service rates for gas sales and standard transport.</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 27030**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PIT-EPSvcA-ISOS	<p>City approvals are as follows:    City Ordinance or Resolution #    Date Ordinance Passed    Effective Date of Gas Sales Rate Schedules                      Anthony 370    01/08/08 02/15/2008    Clint --                      01/15/08 02/15/2008    El Paso --                      02/05/08 02/15/2008    Horizon City --                      01/08/08 02/15/2008    Socorro 356    01/17/08 02/15/2008    Vinton 08-1-15    01/15/08 02/15/2008    Initial February 15, 2008</p> <p>TEXAS GAS SERVICE COMPANY                      RATE SCHEDULE PIT                      El Paso Service Area - West Texas Region                      PIPELINE INTEGRITY TESTING (PIT) RIDER</p> <p><b>PURPOSE</b>                      The purpose of this Pipeline Integrity Testing Rider is to promote the public interest in pipeline safety by enabling the Company to recover over a four-year period the reasonable and necessary Pipeline Integrity Safety Testing expenses incurred by the Company during the four-year testing cycle from January 1, 2010, through December 31, 2013 (including contractor costs but excluding the labor cost of TGS employees), in the amount of \$2,197,846. These legally mandated operating and maintenance expenses shall be recovered through a separate monthly volumetric charge (the Pipeline Integrity Testing or PIT Surcharge) that shall be shown as a separate line item on the customer's monthly bill and calculated for each customer class as described below. Capital expenditures associated with the Pipeline Integrity Program shall continue to be recovered through base rates and any interim rate adjustments implemented pursuant to Section 104.301 of the Gas Utility Regulatory Act.</p> <p><b>APPLICABILITY</b>                      This Rider shall be applied to all gas sales and transportation customers within the service territory designated below, except special contract customers.</p> <p><b>TERRITORY</b>                      This Rider shall apply throughout the Company's El Paso Service Area (EPSA), both within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas (collectively, the EPSA Cities), and in the unincorporated areas (environs) adjacent to the EPSA Cities.</p> <p><b>QUALIFYING EXPENSES</b>                      This Rider applies only to the legally mandated safety testing of the Company's transmission lines in the EPSA under the Pipeline Integrity Safety Testing Program. The operating and maintenance expense items that qualify for recovery under this Rider shall include the contractor costs associated with land and leak survey, permitting, and job order preparation and completion; the clearing of right-of-way; any needed notifications to adjacent businesses and residences; traffic control equipment and personnel; Direct Current Voltage Gradient (DCVG), Close Interval (CI), and other surveys to ensure the integrity of the pipeline system; any required rigid bypasses; flushing of the lines and testing and disposal of the flush water; hydrostatic testing of the lines and analysis and disposal of the test water; any required pigging of the lines in connection with safety testing; any required x-ray welding; metallurgical testing of the pipeline or components thereof; site restoration, painting, and clean-up; expenses associated with providing a supply of compressed natural gas (CNG) to ensure uninterrupted service to customers during testing; and any other operating and maintenance expenses reasonably necessary to safely and effectively perform required safety testing of the Company's transmission pipelines in the EPSA. Neither capital expenditures by the Company, nor the labor cost of TGS employees, shall be recovered under this Rider.</p> <p><b>CALCULATION OF PIT SURCHARGES</b>                      The Pipeline Integrity Testing Surcharges established under this Rider shall be designed so as to recover the Total Testing Expense of \$2,197,846 in Pipeline Integrity Safety Testing expenses incurred by the Company over the four-year testing cycle from January 1, 2010, through December 31, 2013, and shall be calculated as follows: First, the Total Testing Expense shall be allocated among the applicable customer classes in the same proportion that demand costs were assigned to those classes in the Class Cost of Service Study approved in the Company's most recent rate case in which rates were set by the Railroad Commission of Texas (the Commission) for customers in the EPSA Cities.</p> $\text{Each Class' Total Allocated} \quad \text{Total Testing} \quad \text{Each Class' Demand}$ $\text{Testing Expense} \quad = \quad \text{Expense} \quad \times \quad \frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}}$ <p>Second, the total dollar amount allocated to each customer class in the foregoing manner shall be divided by forty-eight (48) monthly billing cycles, so as to derive the amount that shall be ratably recovered from each class on a monthly basis during the four-year recovery period:</p> $\text{Monthly Recovery from Each Class} \quad = \quad \frac{\text{Each Class' Total Allocated Testing Expense}}{48 \text{ Months}}$ <p>Third, the total amount that is to be recovered on a monthly basis from each class shall be divided by the estimated average monthly usage for each class to produce the monthly PIT Surcharge for each class.</p> $\text{Each Class' PIT Surcharge} \quad = \quad \frac{\text{Monthly Recovery from Each Class}}{\text{Estimated Monthly Usage of Each Class}}$ <p>Based upon customer data for the prior calendar year and any other relevant factors, the estimated monthly usage for each class may be</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 27030

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>revised annually to account for customer growth, and the resulting revised PIT Surcharge shall be applied to each class for the ensuing 12-month recovery period.</p> <p><b>ANNUAL RECONCILIATION</b> After completion of each of the first three annual recovery periods, the total revenues collected under this Rider for that year shall be reconciled against the revenues previously calculated to be collected for that year, and the PIT Surcharge for each class shall be adjusted upward or downward so that the Company recovers any underrecoveries or refunds any overrecoveries that may have accrued under the Rider, plus monthly interest on those underrecoveries or overrecoveries at the cost of long-term debt approved in the Company's most recent general rate case in which rates were set by the Commission for application to customers in the EPSA Cities. The reconciliation shall be filed with the regulatory authority on or before February 21st of each year, and the regulatory authority shall complete its review of the reconciliation on or before March 21st of each year, so that the Company can implement the reconciled PIT Surcharges beginning with the first billing cycle for April of each succeeding year of the four-year recovery period.</p> <p><b>DEFERRED ACCOUNTING</b> The Company is authorized and directed to defer, as a regulatory asset, all Pipeline Integrity Safety Testing expenses incurred during the testing cycle starting on January 1, 2010, and ending on December 31, 2013, and all revenues specifically collected under this Rider shall be applied to the deferred expense account. The Company shall not earn a return on any regulatory asset created under this provision, and no such regulatory asset shall be included in the Company's invested capital (rate base) for ratemaking purposes.</p> <p><b>ANNUAL REPORT &amp; APPLICABLE PSCC</b> On or before February 21st after each calendar year of the testing cycle, the Company shall file a report with the Commission and the EPSA Cities showing all Pipeline Integrity Safety Testing expenses incurred during the previous calendar year and verifying the prior year's collections and any underrecoveries or overrecoveries accruing to date under this Rider. The report shall separately identify and list such expenses by account number and project number. Prior to the effective date of this Rider and on or before February 21st of each succeeding year while this Rider is in effect, the Company shall also file an Addendum to this Rider with the Commission and the EPSA Cities (a) identifying the PIT Surcharges that will be applied during the ensuing 12-month recovery period from April 1st through March 31st, and (b) providing the underlying data and calculations on which each PIT Surcharge for that period is based.</p> <p><b>NOTICE TO AFFECTED CUSTOMERS</b> In addition to the annual report and Addendum to this Rider required above, the Company shall provide, on or before March 31st after each calendar year of the testing cycle, written notice to each affected customer of (a) the PIT Surcharge that will be applied during the ensuing 12-month period from April 1st through March 31st, and (b) the effect the PIT Surcharge is expected to have on the average monthly bill for each affected customer class. The written notice shall be provided in both English and Spanish, shall be the only information contained on the piece of paper on which it is printed, and may be provided either by separate mailing or by insert included with the Company's monthly billing statements. The Company shall also file an affidavit annually with the Commission and the EPSA Cities certifying that notice has been provided to customers in this manner. The notice shall be presumed to be complete three calendar days after the date the separate mailing or billing statement is deposited in a postage-paid, properly addressed wrapper in a post office or official depository under care of the United States Postal Service. The initial notice shall be filed with, reviewed, and approved by the regulatory authority, and each subsequent notice shall follow the same format as that of the approved initial notice.</p> <p><b>FINAL REVIEW, RECONCILIATION, AND TERMINATION</b> After the end of the four-year recovery period, the Company shall file a final reconciliation with the regulatory authority identifying all PIT Expenses recovered to date under this Rider, as well as any interest on overrecoveries refunded or credited to customers and any interest on underrecoveries recovered from customers during that period. In the event the total amount recovered differs from the total amount that TGS is authorized to recover under this Rider, then the Company shall include a calculation of the final surcharge, refund, or credit required to eliminate any such difference and shall implement same over a period of not more than four months. This Rider shall cease to be operable upon collection in this manner of the Total Testing Expenses authorized for collection hereunder, plus or minus any interest accruing on underrecoveries and overrecoveries, or sooner if ordered by the Commission or agreed upon by the Company and the EPSA Cities.</p> <p>Initial Rate Meters Read On and After February 29, 2012</p> <p>PIT-Rider-EPSvcA-IS      El Paso Service Area - West Texas Region RATE SCHEDULE PIT-RIDER PIPELINE INTEGRITY TESTING (PIT) SURCHARGE RIDER A. APPLICABILITY The Pipeline Integrity Testing Surcharge (PIT) rate as set forth in Section (B) below is pursuant to Final Order in GUD 10049 and GUD 10142. This rate shall apply to the following rate schedules of Texas Gas Service Company in the incorporated and unincorporated areas of and adjacent to the El Paso Service Area (EPSA): 10, 20, 21, 25, 26, 27, 40, E5, SS, T-1, 1Z, 2Z, 2A, 2E, 2F, 2G, 4Z, SS-ENV AND T-1-ENV. The EPSA includes El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas. B. PIT RATE Rate Schedule Customer Class Rate per CCF 10 Residential (I/S EPSA) \$ 0.0034 20 Commercial (I/S EPSA) \$ 0.0033 21 Commercial A/C (I/S EPSA) \$ 0.0033 25 Public Authority (I/S EPSA) \$ 0.0057 26 Public Authority A/C (I/S EPSA) \$ 0.0057 27 Municipal Water Pumping (I/S EPSA) \$ 0.0015 40 Industrial (I/S EPSA) \$ 0.0027 E5 Fort Bliss (I/S EPSA) \$ 0.0067 SS Standby Service (I/S EPSA) \$ 0.0027 T-1 Commercial Transportation (I/S EPSA) \$ 0.0016 T-1 Industrial Transportation (I/S EPSA) \$ 0.0010 T-1 Public Authority Transportation (I/S EPSA) \$ 0.0025 1Z Residential (O/S EPSA) \$ 0.0034 2Z Commercial (O/S EPSA) \$ 0.0033 2A Commercial A/C (O/S EPSA) \$ 0.0033 2E Public Authority (O/S EPSA) \$ 0.0057 2F Public Authority A/C (O/S EPSA) \$ 0.0057 2G Municipal Water Pumping (O/S EPSA) \$ 0.0015 4Z Industrial (O/S EPSA) \$ 0.0027 SS-ENV Standby Service (O/S EPSA) \$ 0.0027 T-1-ENV Commercial Transportation (O/S EPSA) \$ 0.0016 T-1-ENV Industrial Transportation (O/S EPSA) \$ 0.0010 T-1-ENV Public Authority Transportation (O/S EPSA) \$ 0.0025 This rate will be in effect until all approved and expended pipeline</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 27030**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCE-Rider-EPSvcA-IS	<p>integrity testing expenses are recovered under the applicable rate schedules. C. OTHER ADJUSTMENTS Taxes: Plus applicable taxes and fees (including franchises fees) related to above. D. CONDITIONS Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority. Meters Read On and After April 1, 2013 Supersedes Rate Schedule dated February 29, 2012</p> <p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE RCE RIDER El Paso Service Area - Incorporated RATE CASE EXPENSE (RCE) SURCHARGE</p> <p><b>A. APPLICABILITY</b> Pursuant to the Final Order in GUD No. 10016, the Rate Case Expense (RCE) Surcharge set forth in Section B. below shall apply to all gas sales customers (except special contract customers) located in that portion of the Company's El Paso Service Area (EPSA) that is within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas, including customers served under Rate Schedules 10, 20, 21, 25, 26, 27, 40, C-1, SS, and T-1.</p> <p><b>B. RCE SURCHARGE -</b> The initial RCE Surcharge per Ccf for each billing period shall be: \$0.0053 - The RCE Surcharge per Ccf for each billing period from April 2013 - March 2014 shall be: \$0.0054</p> <p>This rate, as adjusted pursuant to Section C. below, shall be designed to recover the approved level of Company and City rate case expenses of \$2,536,360.75 over a recovery period of three years. However, if the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, is collected in less than three years, then this Rider shall cease to be operable and the Company shall cease to apply the Rate Case Expense Surcharge. If the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, has not been collected by the end of the three-year recovery period, then this Rider shall remain in effect beyond the three-year recovery period only until all approved rate case expenses have been recovered under the applicable rate schedules, and any interest accruing on overrecoveries or underrecoveries has been recovered from or refunded or credited to the Company's customers.</p> <p><b>C. OTHER ADJUSTMENTS</b> The applicable RCE Surcharge shall be adjusted annually to reflect interest on any underrecoveries or overrecoveries calculated at the Company's 6.21% cost of long-term debt as determined by the Railroad Commission of Texas in GUD No. 9988. In addition to the RCE Surcharge, applicable revenue-related taxes and fees, including franchise fees, shall also be recovered based on the revenue amounts collected hereunder.</p> <p><b>D. ANNUAL COMPLIANCE FILING</b> On or before February 21st following each calendar year in which an RCE Surcharge was applied to recover rate case expenses under this Rider, the Company shall file a written report with the Commission and the EPSA Cities showing the total amount of rate case expenses (including any adjustments made to reflect interest on overrecoveries or underrecoveries accruing to the Company or its customers) that (a) were recovered during the preceding calendar year, (b) have been cumulatively recovered since the effective date of the Rider, and (c) still remain to be recovered through the Rider pursuant to the Commission's Final Order in GUD No. 10016. The report shall also include a calculation of the RCE Surcharge that is to be applied during the ensuing recovery period.</p> <p><b>E. CONDITIONS</b> Service under this rate schedule shall be subject to all applicable laws and orders and to the Company's rules and regulations on file with the regulatory authority.</p> <p>Meters Read On and After April 1, 2013</p> <p>Supersedes Rate Schedule dated February 29, 2012</p>
T-GEN-EPSvcA-IS-S	<p>TEXAS GAS SERVICE COMPANY EL PASO SERVICE AREA - West Texas Region RATE SCHEDULE T-GEN GENERAL CHARGES AND PROVISIONS APPLICABILITY Applicable to Transportation Rate Schedules: T1-OTH. TERRITORY All areas served by the Company in the incorporated areas of its El Paso Service Area consisting of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas . ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Economic Development Rate (Rate Schedule EDR), if applicable, and the Company's Interim Cost Recovery and Rate Adjustment (Rate Schedule</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 27030
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>IRA-OTH), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: UPSTREAM PIPELINE SCHEDULING AND BALANCING PROVISIONS A proportional share of any upstream pipeline transportation service charges and penalties incurred by the Company that, in whole or in part, are the result of customer or customer's agent scheduling and/or managing the upstream transportation of the customer's gas to Company's interconnecting point(s) with the upstream pipeline(s). Proceeds from this charge will be credited to the Reconciliation Account. The Company will bill customer for these charges and penalties manually on a separate bill. Payment shall be required in accordance with the Company's Rules of Service. A transport customer may elect to have its supplier act as agent for resolution of these charges. The Company will allow aggregation in resolution of the upstream pipeline scheduling and balancing charges as long as the aggregated customers are supplied by the same supplier, and provided that the customers are physically located behind the same upstream pipeline balancing point, as determined by the Company. Plus: MONTHLY COMMODITY BALANCING PROVISIONS In addition to the Upstream Pipeline Scheduling and Balancing provisions described above, the Company will resolve monthly commodity imbalances in accordance with the provisions described below: 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 27030

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>90% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.</p> <p>6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions:</p> <p>8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:</p> <p>9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin, for the month in which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 27030
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T1-EPOther-IS-Std	<p>regarding curtailment and stand-by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. Meters Read On and After: September 10, 2013 Supercedes Rate Schedules T-GEN and T-GEN-OTH: Dated June 18, 2013</p> <p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE T-1 OTH TRANSPORTATION SERVICE RATE</p> <p><b>APPLICABILITY</b> Service under this rate schedule is available to any customer for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with the customer's gas supplier to have its gas delivered to one of the Company's existing delivery points for transportation by the Company to the customer's facilities at the customer's service point.</p> <p><b>TERRITORY</b> El Paso Service Area consisting of the incorporated areas of Anthony, Clint, Horizon City, San Elizario, Socorro and Vinton, Texas.</p> <p><b>RATE</b> This rate shall be the sum of Part A and Part B as described below:</p> <p>Part A: A customer charge per month of \$300.50 Interim Rate Adjustment (IRA) \$673.39 (Footnote 1) Total Customer Charge \$973.89</p> <p>Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at a rate calculated as follows: 1. Determine the bill for the quantity of customer-owned gas metered and delivered to the customer at the Company's volumetric Cost of Service Rate on the gas sales tariff which would otherwise be applicable; 2. Add a balancing service rate for any applicable portion of incremental cost of the Company's transportation reservation costs received from its upstream pipelines that is deemed at the Company's sole discretion to directly or indirectly benefit the transportation service customers through scheduling balancing flexibility. The balancing service rate will be recalculated annually in conjunction with the Cost of Gas annual reconciliation audit and/or as the upstream pipeline changes the rates being charged to the Company. In addition the Company will charge system sales customers as of the date of this Rate Schedule that become transportation customers after the effective date of this Rate Schedule, a rate representing the cost of stranded capacity, incurred by the Company for upstream transportation and reservation costs as determined by the Company. Proceeds from these rates will be credited to the Reconciliation Account. 3. See the Additional Charges to Cost of Service Rate Pursuant to Rate Schedule T-GEN (General Charges and Provisions).</p> <p><b>SPECIAL PROVISIONS</b> 1. Transportation volumes delivered under this schedule shall be considered first through customer's meter for billing purposes. 2. Gas transported under this schedule shall be for use only by the customer. 3. See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges and Provisions).</p> <p>Footnote 1: 2010 IRA - \$59.29; 2011 IRA - \$77.01; 2012 IRA - \$318.61; 2013 IRA - \$218.48</p> <p>4. Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average at least five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder, except as may otherwise be provided in the Gas Transportation Service Agreement between the Company and customer, and provide service under the general service rate applicable to Customer.</p> <p>5. Customers that qualify for and elect service under this tariff must remain on transportation service for a minimum of twelve months. If a customer chooses to leave transportation service under this tariff after twelve months, the customer may not return to transportation service for at least twelve months. If a customer requests to leave transportation service under this tariff and return to the appropriate general service rate, the Company may at its sole discretion decline the request until adequate upstream pipeline capacity can be procured.</p> <p>6. Transportation of customer-owned natural gas under this tariff will require telemetry or electronic flow measurement that meets the Company's required specifications at the customer's point (s) of re-delivery. The Company may require the customer to reimburse the Company for the cost of telemetry at its sole discretion.</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 27030**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>CONDITIONS</p> <p>1. Transportation of customer-owned natural gas hereunder shall be subject in all respects to applicable laws, rules and regulations from time to time in effect.</p> <p>2. Transportation of customer-owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.</p> <p>3. Transportation of customer-owned natural gas hereunder is subject in all respects to terms and conditions of the Gas Transportation Service Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto.</p> <p>4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.</p> <p>Meters Read On and After: July 18, 2014 (Cities of Anthony, Clint, Horizon City, San Elizario, Socorro and Vinton only):</p> <p>Supersedes Rate Schedules T-1 Dated: September 10, 2013</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
74420	D	Mcf	\$.0000	02/15/2008	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					
<b>Customer</b>	31910	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	
M	Other(with detailed explanation)	Commercial Transportation customers in the Incorp. areas of Anthony, Clint, Horizon City, San Elizario, Socorro, and Vinton TX

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 27031

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
25-EPSvcA-IS-PubA	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region      RATE SCHEDULE 25      PUBLIC                      AUTHORITY SERVICE RATE APPLICABILITY Applicable to all public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts. This rate is only available to full requirements customers of Texas Gas Service Company. TERRITORY The incorporated areas of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas COST OF SERVICE RATE During each monthly billing period: A customer charge of \$ 32.71 plus The First 100 Ccf No Charge The Next 400 Ccf \$ .11409 per Ccf The Next 2500 Ccf .09409 per Ccf All Over 3000 Ccf .08409 per Ccf Prompt Payment Provision: None. Above rates are net. OTHER ADJUSTMENTS Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month. Taxes: Plus applicable taxes and fees (including franchise fees) related to above. CONDITIONS 1. Subject in all respects to applicable laws, rules and regulations from time to time in effect. 2. The applicability section of this rate notwithstanding, if a customer, other than a full requirements customer, pays a standby charge pursuant to Rate Schedule S.S., Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate. Meters Read On and After January 19, 2011 Supersedes Same Rate Schedule Dated February 15, 2008</p>
EPARR-ElPaso-IS	<p>Texas Gas Service Company      Rate Schedule EPARR El Paso Service Area - West Texas Region      El Paso                      Annual Rate Review I. Purpose This mechanism is designed to provide annual earnings transparency. All rate calculations under this tariff shall be made on an El Paso Service Area wide basis. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. The rate adjustments implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. This Rider EPARR will be effective for the period commencing with the Company's first EPARR filing on or before April 15, 2014, and will remain in effect unless and until either the Company or the regulatory authority having original jurisdiction gives written notice to the contrary to the other by January 1 of the filing year. Upon receipt of such notice by either the Company or the regulatory authority having original jurisdiction, the Company shall prepare and file a Statement of Intent rate case with the regulatory authority within 180 days. Rates approved pursuant to this tariff shall remain in effect during the pendency of any Statement of Intent rate filing. II. Definitions a) The Filing Date shall occur on or before March 31 of each year with the exception of 2014, which shall have a Filing Date of April 15, 2014. The Annual Evaluation Date shall be the date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall, with the exception of 2014 be no earlier than March 1st nor later than March 31st of each year. This filing shall be made in electronic form where practicable. b) Audited Financial Data shall mean the Company's books and records related to the Company's El Paso Service Area and shared services operations. Audited Financial Data shall not require the schedules and information provided under this tariff to undergo a separate financial audit by an outside auditing firm similar to the Company's annual financial audit. c) The Company is defined as Texas Gas Service Company, a division of ONE Gas, Inc. d) The Test Period is defined as the twelve-month period ending December 31, of each preceding calendar year. The Company's April 2014 filing will be based on the twelve-month period ending December 31, 2013. e) The Rate Effective Period is defined as the twelve-month period commencing with the first billing cycle for August in each year and ending when subsequent rates are implemented under this tariff pursuant to a final order from a regulatory authority. f) Final Order is defined as the most recent general rate case final order establishing the Company's effective rates for customers within the City of El Paso. g) El Paso Service Area means the incorporated areas of El Paso, Anthony, Clint, Horizon City, San Elizario, Socorro, and Vinton, as well as the surrounding unincorporated areas served by the Company. III. Rate Review Mechanism The Company shall file with the City of El Paso the schedules specified below for the Test Period, with the filing to be made by the Annual Evaluation Date following the end of the Test Period. The schedules will be based upon the Company's Audited Financial Data, as adjusted, and will include the following: a) Test Period ending balances for actual gross plant in service, accumulated depreciation, accumulated deferred income taxes, inventory, and other rate base components, with the exception of working capital, will be used for the calculation of rates for the Rate Effective Period. The ratemaking treatments, principles, findings and adjustments included in the Final Order will apply except when a departure from those treatments, principles, findings or adjustments is justified by changed circumstances. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. In addition: (i) Cash working capital to be included in rate base will be zero 0; (ii) With respect to pension and other postemployment benefits, the Company will record a regulatory asset or liability for these costs until the amounts are included in the next annual rate adjustment implemented under this tariff. Each year, the Company's filing under this tariff will clearly state the level of pension and other postemployment benefits recovered in rates. In addition, the Company may maintain one or more reserve accounts as provided in Tex. Util. Code. Sec. 104.059, and treat any surplus or shortage in the reserve accounts in accordance with Tex. Util. Code. Sec. 104.059. (iii) For rate making purposes, the calculation of Accumulated Deferred Income Taxes (ADIT) will be based on the original book basis and tax basis for assets placed in service under the ownership of Southern Union and the original book basis and tax basis for assets placed in service subsequent to the acquisition of Southern Union's assets. Company-generated net operating losses may be considered in calculating the ADIT balance, if appropriate. b) Depreciation rates booked in the period will be those approved in the Final Order, or the depreciation rates most recently approved for the El Paso Service Area and for the Shared Services Division by the Railroad Commission of Texas, as applicable, if and only if the City of El Paso has the right to participate in a subsequent Railroad Commission of Texas proceeding with a full right to have its reasonable expenses reimbursed. All calculation methodologies will be those approved in the Final Order except where noted or included in this tariff. c) Return on Equity (ROE) shall be maintained at 10.1%. d) The cost of long-term debt will be the weighted cost of long-term debt for ONE Gas, Inc. determined at the end of the Test Period. The capital structure will be the ratio of long-term debt and equity determined at the end of the Test Period. For purposes of the filing in April 2014, the long-term cost of debt will be determined at January 31, 2014. For purposes of the filing in April 2014, the Capital Structure for the filing in April 2014 shall be determined at January 31, 2014, but in no event shall the capital structure consist of more than 57% equity. e) All applicable accounting adjustments along with all supporting work papers. Such adjustments may include: 1) Pro-forma adjustments to update and annualize costs and revenue billing determinants as of the end of the Test Period. 2) Pro-forma or other adjustments required to properly account for atypical, unusual, or nonrecurring events recorded during the Test Period. f) Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Test Period, but the methodology used will be that approved in the Final Order. IV. Calculation of Rate Adjustment a) The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 27031

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>calculations using the class classification and allocation methodology accepted in the Final Order. The result shall be reflected in the proposed new rates to be established for the Rate Effective Period. In calculating the required rate adjustments, such adjustments will be applied to the minimum charge or customer charge if the rate class has no minimum charge. b) All reasonable and necessary operation and maintenance expenses from the Test Period will be used for the calculation of rates for the Rate Effective Period. Such amounts shall be prepared consistent with the rate making treatments approved in the Final Order subject to an allowance that authorizes the inclusion of (1) reasonable cost of meals and travel incurred during the Test Period (as limited by Sec IX) and (2) 25% of the Company's long-term and short-term incentive compensation costs incurred during the Test Period. The Company may include in its operations and maintenance expense reasonable costs of Pipeline Integrity testing conducted after completion of the 2010-2014 test cycle. The Company may also adjust rates for the Rate Effective Period to include recovery of any known and measurable changes to operating and maintenance costs. Known and measurable adjustments shall be limited to those changes that have occurred prior to the Filing Date. c) Effective with the Company's 2014 filing under this tariff, the Company may include in its rate base calculation all prudently incurred, direct, incremental investment and costs associated with Commission Rule 8.209. d) The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall be deemed prudent and not subject to further review. In determining whether investment was prudently incurred, the regulatory authority shall base its decision on a review that examines as fair, just and reasonable. e) The Company shall provide a schedule demonstrating the proof of revenues relied upon to calculate the proposed rate for the Rate Effective Period. The proposed rates shall conform as closely as is practicable to the revenue allocation principles approved in the Final Order except that any required increase or decrease shall be apportioned to the customer charge. V. Attestation A sworn statement shall be filed by an Officer of the Company affirming that the filed schedules are in compliance with the provisions of this mechanism and are true and correct to the best of his/her knowledge, information and belief. No testimony shall be filed, but a brief narrative explanation shall be provided of any changes to corporate structure, accounting methodologies or allocation of common costs. VI. Evaluation Procedures The City of El Paso shall have a minimum of 125 days to review and render a decision on the Company's filed schedules and work papers. The Company will be prepared to provide all supplemental information as may be requested to ensure adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information, with the exception of information claimed to be confidential, highly sensitive or proprietary, and such information shall be provided within ten (10) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions. Information claimed to be confidential, highly sensitive or proprietary shall be furnished to representatives of the Regulatory Authority pursuant to a confidentiality agreement in accordance with Texas Law. During the 125 day period, the Company and the regulatory authority will work collaboratively and seek agreement on the proposed adjustments to the Company's schedule and proposed rates. If agreement has been reached by the Company and the regulatory authority, the regulatory authority shall authorize an increase or decrease to the Company's rates so as to achieve the revenue levels indicated for the Rate Effective Period. If, at the end of the 125 day period, the Company and the regulatory authority have not reached agreement on the proposed adjustments, the Company shall have the right to appeal the regulatory authority's action or inaction to the Railroad Commission of Texas. Upon the filing of an appeal of a city's order relating to an annual EPARR filing with the Railroad Commission of Texas, the regulatory authority shall not oppose the implementation of rates subject to refund or advocate the imposition of a third party surety bond by the Company. To defray the cost, if any, of regulatory authority review of the Company's annual filing, the Company shall reimburse the regulatory authority for its reasonable expenses incurred upon submission of invoices for such review. The Company shall further be allowed to recover its reasonable and necessary expenses it incurs for outside services above any amounts included in the Test Year provided in connection with the annual filing subject to the review of the regulatory authority. Costs contemplated hereunder shall be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made or the Company expense is incurred. A regulatory authority seeking reimbursement under this provision shall submit its request for reimbursement to the Company no later than September 1 of the year in which the annual filing is made and the Company shall reimburse the regulatory authority in accordance with this provision within 30 days of the submission. VII. Reconsideration and Appeal Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007). VIII. Notice Notice of this annual EPARR filing shall be provided by either: (1) including the notice, in conspicuous form, in the bill of each directly affected customer, or (2) sending the notice by email if the customer's bill is provided in this format no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information: a) a description of the proposed revision of rates and schedules; b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer; c) the service area or areas in which the proposed rate adjustment would apply; d) the date the proposed rate adjustment was filed with the regulatory authority; and e) the Company's address, telephone number and website where information concerning the proposed rate adjustment may be obtained. IX. EPARR Schedules and Information The following types of employee reimbursed expenses and directly incurred costs are to be removed from all expense and rate base amounts included within Rider EPARR filings for the Test Period and for the Rate Effective Period: Amounts incurred for travel, meals or entertainment of employee spouses, domestic partners, significant others, children and pets. Amounts for air travel that exceed published commercial coach air fares. Amounts incurred for excessive rates for hotel rooms. Amounts for alcoholic beverages. Amounts paid for admission to entertainment, sports, art or cultural events, and all event sponsorship costs. Amounts for social club dues or fees. initial Rate Schedule Meters Read On and After March 25, 2014 (City of El Paso only)</p>
IRA-EPSvcA-IS-IRAd	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE IRA El Paso Service Area - West Texas Region INTERIM RATE ADJUSTMENT A. APPLICABILITY This Interim Rate Adjustment (IRA) applies to all general service rate schedules of Texas Gas Service Company (Company) currently in force in the incorporated areas of El Paso, Anthony, Clint, Vinton, Socorro, and Horizon City, Texas. Applicable rate schedules include 10, 20, 21, 25, 26, 27, 40, SS, and T-1. B. PURPOSE Section 104.301, Subchapter G of the Texas Utility Code, effective on September 1, 2003, provides for an interim adjustment in a gas utility's monthly customer charge or initial block usage rate to recover the cost of changes in the utility's infrastructure investment and related expenses and revenues for providing gas utility service. The filing date of the utility's most recent rate case establishing rates for the area in which the interim rate adjustment will apply shall be no more than two years prior to the date the utility files its initial interim rate adjustment application for</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 27031

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>that area. The interim adjustment shall be recalculated on an annual basis, unless the utility files a written request and obtains approval from the regulatory authority to suspend the operation of the interim adjustment rate schedule for any year. This rate schedule establishes the interim adjustment provisions consistent with Section 104.301, Subchapter G of the Texas Utility Code. C. COMPUTATION OF IRA RATE The amount the Company shall adjust its utility rates upward or downward under this rate schedule each calendar year is based on the difference between the value of the invested capital for the preceding calendar year and the value of the invested capital for the calendar year preceding that calendar year. The value of the invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment. Based on the difference between the values of the invested capital amounts as determined above, the Company may adjust only the following related components of its revenue requirement: return on investment, depreciation expense, ad valorem taxes, revenue related taxes and incremental federal income taxes. The factors for these components shall be the same as those established in the Company's most recent rate case for the service area in which this interim rate adjustment is to be implemented. The revenue requirement calculated pursuant to this rate schedule shall be allocated among the Company's customer classes for this service area in the same manner as the cost of service was allocated among customer classes in the Company's latest effective rates for this area. D. FILING WITH THE REGULATORY AUTHORITY 1. The Company shall file either the initial interim adjustment or the annual interim adjustment with the regulatory authority at least 60 days before the proposed implementation date. During the 60-day period, the regulatory authority may act to suspend implementation of the adjustment. 2. The Company shall provide notice to customers by bill insert or direct mail not later than the 45th day after the date of filing the interim adjustment. 3. The Company shall file with the regulatory authority an annual report describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year. The annual report shall also state the cost, need, and customers benefited by the change in investment. 4. In addition, the Company shall file with the regulatory authority an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year. Should the Company earn a return of more than 75 basis points above the return established in the latest effective rates implemented under this rate schedule, the Company shall file a statement stating the reasons why the rates are not unreasonable or in violation of the law. 5. After the issuance of a final order or decision by a regulatory authority in a rate case that is filed after the implementation of a tariff or rate schedule under this section, any change in investment that has been included in an approved interim adjustment shall no longer be subject to subsequent review for reasonableness or prudence. All amounts collected under this rate schedule are subject to refund until the issuance of a final decision in the next rate case filing for this service area. 6. The Company shall file a rate case no later than the 180th day after the fifth anniversary date its initial interim rate adjustment for this service area became effective. 7. The provisions under Section 104.301, Subchapter G of the Texas Utility Code for this interim adjustment do not limit the power of the regulatory authority under Section 104.151. Meters Read On and After: September 10, 2013 Supersedes Rate Schedule IRA and IRA-OTH: dated June 18, 2013</p>
ORD-EPSvcA-IS	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE ORD-ELP CITY ORDINANCE LISTING APPLICABILITY Applicable to all gas sales and standard transport customers. TERRITORY All customers in the incorporated area of El Paso, Anthony, Clint, Horizon City, Socorro and Vinton, Texas. DESCRIPTION Per TGS rate case filed 08/31/07, the following cities approved the same Cost of Gas Clause, Economic Development Rate, General Charges and Provisions for Transport Service (T-GEN), Quality of Service Rules and Cost of Service rates for gas sales and standard transport. City approvals are as follows: City Ordinance or Resolution # Date Ordinance Passed Effective Date of Gas Sales Rate Schedules Anthony 370 01/08/08 02/15/2008 Clint -- 01/15/08 02/15/2008 El Paso -- 02/05/08 02/15/2008 Horizon City -- 01/08/08 02/15/2008 Socorro 356 01/17/08 02/15/2008 Vinton 08-1-15 01/15/08 02/15/2008 Initial February 15, 2008</p>
PIT-EPSvcA-ISOS	<p>TEXAS GAS SERVICE COMPANY            RATE SCHEDULE PIT            El Paso Service Area - West Texas Region            PIPELINE INTEGRITY TESTING (PIT) RIDER</p> <p><b>PURPOSE</b>            The purpose of this Pipeline Integrity Testing Rider is to promote the public interest in pipeline safety by enabling the Company to recover over a four-year period the reasonable and necessary Pipeline Integrity Safety Testing expenses incurred by the Company during the four-year testing cycle from January 1, 2010, through December 31, 2013 (including contractor costs but excluding the labor cost of TGS employees), in the amount of \$2,197,846. These legally mandated operating and maintenance expenses shall be recovered through a separate monthly volumetric charge (the Pipeline Integrity Testing or PIT Surcharge) that shall be shown as a separate line item on the customer's monthly bill and calculated for each customer class as described below. Capital expenditures associated with the Pipeline Integrity Program shall continue to be recovered through base rates and any interim rate adjustments implemented pursuant to Section 104.301 of the Gas Utility Regulatory Act.</p> <p><b>APPLICABILITY</b>            This Rider shall be applied to all gas sales and transportation customers within the service territory designated below, except special contract customers.</p> <p><b>TERRITORY</b>            This Rider shall apply throughout the Company's El Paso Service Area (EPSA), both within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas (collectively, the EPSA Cities), and in the unincorporated areas (environs) adjacent to the EPSA Cities.</p> <p><b>QUALIFYING EXPENSES</b>            This Rider applies only to the legally mandated safety testing of the Company's transmission lines in the EPSA under the Pipeline Integrity Safety Testing Program. The operating and maintenance expense items that qualify for recovery under this Rider shall include the contractor costs associated with land and leak survey, permitting, and job order preparation and completion; the clearing of right-</p>

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	<p>of-way; any needed notifications to adjacent businesses and residences; traffic control equipment and personnel; Direct Current Voltage Gradient (DCVG), Close Interval (CI), and other surveys to ensure the integrity of the pipeline system; any required rigid bypasses; flushing of the lines and testing and disposal of the flush water; hydrostatic testing of the lines and analysis and disposal of the test water; any required pigging of the lines in connection with safety testing; any required x-ray welding; metallurgical testing of the pipeline or components thereof; site restoration, painting, and clean-up; expenses associated with providing a supply of compressed natural gas (CNG) to ensure uninterrupted service to customers during testing; and any other operating and maintenance expenses reasonably necessary to safely and effectively perform required safety testing of the Company's transmission pipelines in the EPSA. Neither capital expenditures by the Company, nor the labor cost of TGS employees, shall be recovered under this Rider.</p>												
	<p><b>CALCULATION OF PIT SURCHARGES</b>                      The Pipeline Integrity Testing Surcharges established under this Rider shall be designed so as to recover the Total Testing Expense of \$2,197,846 in Pipeline Integrity Safety Testing expenses incurred by the Company over the four-year testing cycle from January 1, 2010, through December 31, 2013, and shall be calculated as follows: First, the Total Testing Expense shall be allocated among the applicable customer classes in the same proportion that demand costs were assigned to those classes in the Class Cost of Service Study approved in the Company's most recent rate case in which rates were set by the Railroad Commission of Texas (the Commission) for customers in the EPSA Cities.</p>												
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Each Class' Total Allocated</td> <td style="width: 10%;"></td> <td style="width: 10%;">Total Testing</td> <td style="width: 10%;"></td> <td style="width: 10%;">Each Class' Demand</td> <td style="width: 20%;"></td> </tr> <tr> <td>Testing Expense</td> <td>=</td> <td>Expense</td> <td>x</td> <td><math>\frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}}</math></td> <td></td> </tr> </table>	Each Class' Total Allocated		Total Testing		Each Class' Demand		Testing Expense	=	Expense	x	$\frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}}$	
Each Class' Total Allocated		Total Testing		Each Class' Demand									
Testing Expense	=	Expense	x	$\frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}}$									
	<p>Second, the total dollar amount allocated to each customer class in the foregoing manner shall be divided by forty-eight (48) monthly billing cycles, so as to derive the amount that shall be ratably recovered from each class on a monthly basis during the four-year recovery period:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Monthly Recovery from Each Class</td> <td style="width: 10%;"></td> <td style="width: 10%;">=</td> <td style="width: 10%;">Each Class' Total Allocated Testing Expense</td> <td style="width: 20%;"></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td><math>\frac{\text{48 Months}}</math></td> </tr> </table>	Monthly Recovery from Each Class		=	Each Class' Total Allocated Testing Expense						$\frac{\text{48 Months}}$		
Monthly Recovery from Each Class		=	Each Class' Total Allocated Testing Expense										
				$\frac{\text{48 Months}}$									
	<p>Third, the total amount that is to be recovered on a monthly basis from each class shall be divided by the estimated average monthly usage for each class to produce the monthly PIT Surcharge for each class.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Each Class' PIT Surcharge</td> <td style="width: 10%;"></td> <td style="width: 10%;">=</td> <td style="width: 10%;">Monthly Recovery from Each Class</td> <td style="width: 20%;"></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td><math>\frac{\text{Estimated Monthly Usage of Each Class}}</math></td> </tr> </table>	Each Class' PIT Surcharge		=	Monthly Recovery from Each Class						$\frac{\text{Estimated Monthly Usage of Each Class}}$		
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	<p>Based upon customer data for the prior calendar year and any other relevant factors, the estimated monthly usage for each class may be revised annually to account for customer growth, and the resulting revised PIT Surcharge shall be applied to each class for the ensuing 12-month recovery period.</p>												
	<p><b>ANNUAL RECONCILIATION</b>                      After completion of each of the first three annual recovery periods, the total revenues collected under this Rider for that year shall be reconciled against the revenues previously calculated to be collected for that year, and the PIT Surcharge for each class shall be adjusted upward or downward so that the Company recovers any underrecoveries or refunds any overrecoveries that may have accrued under the Rider, plus monthly interest on those underrecoveries or overrecoveries at the cost of long-term debt approved in the Company's most recent general rate case in which rates were set by the Commission for application to customers in the EPSA Cities. The reconciliation shall be filed with the regulatory authority on or before February 21st of each year, and the regulatory authority shall complete its review of the reconciliation on or before March 21st of each year, so that the Company can implement the reconciled PIT Surcharges beginning with the first billing cycle for April of each succeeding year of the four-year recovery period.</p>												
	<p><b>DEFERRED ACCOUNTING</b>                      The Company is authorized and directed to defer, as a regulatory asset, all Pipeline Integrity Safety Testing expenses incurred during the testing cycle starting on January 1, 2010, and ending on December 31, 2013, and all revenues specifically collected under this Rider shall be applied to the deferred expense account. The Company shall not earn a return on any regulatory asset created under this provision, and no such regulatory asset shall be included in the Company's invested capital (rate base) for ratemaking purposes.</p>												
	<p><b>ANNUAL REPORT &amp; APPLICABLE PSCC</b>                      On or before February 21st after each calendar year of the testing cycle, the Company shall file a report with the Commission and the EPSA Cities showing all Pipeline Integrity Safety Testing expenses incurred during the previous calendar year and verifying the prior year's collections and any underrecoveries or overrecoveries accruing to date under this Rider. The report shall separately identify and list such expenses by account number and project number. Prior to the effective date of this Rider and on or before February 21st of each succeeding year while this Rider is in effect, the Company shall also file an Addendum to this Rider with the Commission and the EPSA Cities (a) identifying the PIT Surcharges that will be applied during the ensuing 12-month recovery period from April 1st through March 31st, and (b) providing the underlying data and calculations on which each PIT Surcharge for that period is based.</p>												
	<p><b>NOTICE TO AFFECTED CUSTOMERS</b>                      In addition to the annual report and Addendum to this Rider required above, the Company shall provide, on or before March 31st after each calendar year of the testing cycle, written notice to each affected customer of (a) the PIT Surcharge that will be applied during the</p>												

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	<p>ensuing 12-month period from April 1st through March 31st, and (b) the effect the PIT Surcharge is expected to have on the average monthly bill for each affected customer class. The written notice shall be provided in both English and Spanish, shall be the only information contained on the piece of paper on which it is printed, and may be provided either by separate mailing or by insert included with the Company's monthly billing statements. The Company shall also file an affidavit annually with the Commission and the EPSA Cities certifying that notice has been provided to customers in this manner. The notice shall be presumed to be complete three calendar days after the date the separate mailing or billing statement is deposited in a postage-paid, properly addressed wrapper in a post office or official depository under care of the United States Postal Service. The initial notice shall be filed with, reviewed, and approved by the regulatory authority, and each subsequent notice shall follow the same format as that of the approved initial notice.</p> <p><b>FINAL REVIEW, RECONCILIATION, AND TERMINATION</b> After the end of the four-year recovery period, the Company shall file a final reconciliation with the regulatory authority identifying all PIT Expenses recovered to date under this Rider, as well as any interest on overrecoveries refunded or credited to customers and any interest on underrecoveries recovered from customers during that period. In the event the total amount recovered differs from the total amount that TGS is authorized to recover under this Rider, then the Company shall include a calculation of the final surcharge, refund, or credit required to eliminate any such difference and shall implement same over a period of not more than four months. This Rider shall cease to be operable upon collection in this manner of the Total Testing Expenses authorized for collection hereunder, plus or minus any interest accruing on underrecoveries and overrecoveries, or sooner if ordered by the Commission or agreed upon by the Company and the EPSA Cities.</p> <p><b>Initial Rate</b> Meters Read On and After February 29, 2012</p>
<p>PIT-Rider-EPSvcA-IS</p>	<p>El Paso Service Area - West Texas Region <b>RATE SCHEDULE PIT-RIDER PIPELINE INTEGRITY TESTING (PIT) SURCHARGE RIDER A. APPLICABILITY</b> The Pipeline Integrity Testing Surcharge (PIT) rate as set forth in Section (B) below is pursuant to Final Order in GUD 10049 and GUD 10142. This rate shall apply to the following rate schedules of Texas Gas Service Company in the incorporated and unincorporated areas of and adjacent to the El Paso Service Area (EPSA): 10, 20, 21, 25, 26, 27, 40, E5, SS, T-1, 1Z, 2Z, 2A, 2E, 2F, 2G, 4Z, SS-ENV AND T-1-ENV. The EPSA includes El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas. <b>B. PIT RATE Rate Schedule Customer Class Rate per CCF</b> 10 Residential (I/S EPSA) \$ 0.0034 20 Commercial (I/S EPSA) \$ 0.0033 21 Commercial A/C (I/S EPSA) \$ 0.0033 25 Public Authority (I/S EPSA) \$ 0.0057 26 Public Authority A/C (I/S EPSA) \$ 0.0057 27 Municipal Water Pumping (I/S EPSA) \$ 0.0015 40 Industrial (I/S EPSA) \$ 0.0027 E5 Fort Bliss (I/S EPSA) \$ 0.0067 SS Standby Service (I/S EPSA) \$ 0.0027 T-1 Commercial Transportation (I/S EPSA) \$ 0.0016 T-1 Industrial Transportation (I/S EPSA) \$ 0.0010 T-1 Public Authority Transportation (I/S EPSA) \$ 0.0025 1Z Residential (O/S EPSA) \$ 0.0034 2Z Commercial (O/S EPSA) \$ 0.0033 2A Commercial A/C (O/S EPSA) \$ 0.0033 2E Public Authority (O/S EPSA) \$ 0.0057 2F Public Authority A/C (O/S EPSA) \$ 0.0057 2G Municipal Water Pumping (O/S EPSA) \$ 0.0015 4Z Industrial (O/S EPSA) \$ 0.0027 SS-ENV Standby Service (O/S EPSA) \$ 0.0027 T-1-ENV Commercial Transportation (O/S EPSA) \$ 0.0016 T-1-ENV Industrial Transportation (O/S EPSA) \$ 0.0010 T-1-ENV Public Authority Transportation (O/S EPSA) \$ 0.0025 This rate will be in effect until all approved and expended pipeline integrity testing expenses are recovered under the applicable rate schedules. <b>C. OTHER ADJUSTMENTS Taxes:</b> Plus applicable taxes and fees (including franchises fees) related to above. <b>D. CONDITIONS</b> Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority. Meters Read On and After April 1, 2013 Supersedes Rate Schedule dated February 29, 2012</p>
<p>RCE-Rider-EPSvcA-IS</p>	<p><b>TEXAS GAS SERVICE COMPANY</b> <b>RATE SCHEDULE RCE RIDER</b> El Paso Service Area - Incorporated <b>RATE CASE EXPENSE (RCE) SURCHARGE</b></p> <p><b>A. APPLICABILITY</b> Pursuant to the Final Order in GUD No. 10016, the Rate Case Expense (RCE) Surcharge set forth in Section B. below shall apply to all gas sales customers (except special contract customers) located in that portion of the Company's El Paso Service Area (EPSA) that is within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas, including customers served under Rate Schedules 10, 20, 21, 25, 26, 27, 40, C-1, SS, and T-1.</p> <p><b>B. RCE SURCHARGE -</b> The initial RCE Surcharge per Ccf for each billing period shall be: \$0.0053 - The RCE Surcharge per Ccf for each billing period from April 2013 - March 2014 shall be: \$0.0054</p> <p>This rate, as adjusted pursuant to Section C. below, shall be designed to recover the approved level of Company and City rate case expenses of \$2,536,360.75 over a recovery period of three years. However, if the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, is collected in less than three years, then this Rider shall cease to be operable and the Company shall cease to apply the Rate Case Expense Surcharge. If the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, has not been collected by the end of the three-year recovery period, then this Rider shall remain in effect beyond the three-year recovery period only until all approved rate case expenses have been recovered under the applicable rate schedules, and any interest accruing on overrecoveries or underrecoveries has been recovered from or refunded or credited to the Company's customers.</p> <p><b>C. OTHER ADJUSTMENTS</b> The applicable RCE Surcharge shall be adjusted annually to reflect interest on any underrecoveries or overrecoveries calculated at the</p>



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	<p>Company's 6.21% cost of long-term debt as determined by the Railroad Commission of Texas in GUD No. 9988. In addition to the RCE Surcharge, applicable revenue-related taxes and fees, including franchise fees, shall also be recovered based on the revenue amounts collected hereunder.</p> <p>D. ANNUAL COMPLIANCE FILING On or before February 21st following each calendar year in which an RCE Surcharge was applied to recover rate case expenses under this Rider, the Company shall file a written report with the Commission and the EPSA Cities showing the total amount of rate case expenses (including any adjustments made to reflect interest on overrecoveries or underrecoveries accruing to the Company or its customers) that (a) were recovered during the preceding calendar year, (b) have been cumulatively recovered since the effective date of the Rider, and (c) still remain to be recovered through the Rider pursuant to the Commission's Final Order in GUD No. 10016. The report shall also include a calculation of the RCE Surcharge that is to be applied during the ensuing recovery period.</p> <p>E. CONDITIONS Service under this rate schedule shall be subject to all applicable laws and orders and to the Company's rules and regulations on file with the regulatory authority.</p> <p>Meters Read On and After April 1, 2013</p> <p>Supersedes Rate Schedule dated February 29, 2012</p>
T-GEN-EPSvcA-IS-S	<p>TEXAS GAS SERVICE COMPANY EL PASO SERVICE AREA - West Texas Region RATE SCHEDULE T-GEN GENERAL CHARGES AND PROVISIONS APPLICABILITY Applicable to Transportation Rate Schedules: T1-OTH. TERRITORY All areas served by the Company in the incorporated areas of its El Paso Service Area consisting of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas . ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Economic Development Rate (Rate Schedule EDR), if applicable, and the Company's Interim Cost Recovery and Rate Adjustment (Rate Schedule IRA-OTH), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: UPSTREAM PIPELINE SCHEDULING AND BALANCING PROVISIONS A proportional share of any upstream pipeline transportation service charges and penalties incurred by the Company that, in whole or in part, are the result of customer or customer's agent scheduling and/or managing the upstream transportation of the customer's gas to Company's interconnecting point(s) with the upstream pipeline(s). Proceeds from this charge will be credited to the Reconciliation Account. The Company will bill customer for these charges and penalties manually on a separate bill. Payment shall be required in accordance with the Company's Rules of Service. A transport customer may elect to have its supplier act as agent for resolution of these charges. The Company will allow aggregation in resolution of the upstream pipeline scheduling and balancing charges as long as the aggregated customers are supplied by the same supplier, and provided that the customers are physically located behind the same upstream pipeline balancing point, as determined by the Company. Plus: MONTHLY COMMODITY BALANCING PROVISIONS In addition to the Upstream Pipeline Scheduling and Balancing provisions described above, the Company will resolve monthly commodity imbalances in accordance with the provisions described below: 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect</p>

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	<p>to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any supplier who has failed to meet the following conditions: 8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 27031
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>from its upstream pipelines that is deemed at the Company's sole discretion to directly or indirectly benefit the transportation service customers through scheduling balancing flexibility. The balancing service rate will be recalculated annually in conjunction with the Cost of Gas annual reconciliation audit and/or as the upstream pipeline changes the rates being charged to the Company. In addition the Company will charge system sales customers as of the date of this Rate Schedule that become transportation customers after the effective date of this Rate Schedule, a rate representing the cost of stranded capacity, incurred by the Company for upstream transportation and reservation costs as determined by the Company. Proceeds from these rates will be credited to the Reconciliation Account.</p> <p>3. See the Additional Charges to Cost of Service Rate Pursuant to Rate Schedule T-GEN (General Charges and Provisions).</p> <p><b>SPECIAL PROVISIONS</b></p> <p>1. Transportation volumes delivered under this schedule shall be considered first through customer's meter for billing purposes.</p> <p>2. Gas transported under this schedule shall be for use only by the customer.</p> <p>3. See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges and Provisions).</p> <p>Footnote 1: 2010 IRA - \$59.29; 2011 IRA - \$77.01; 2012 IRA - \$318.61; 2013 IRA - \$218.48</p> <p>4. Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average at least five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder, except as may otherwise be provided in the Gas Transportation Service Agreement between the Company and customer, and provide service under the general service rate applicable to Customer.</p> <p>5. Customers that qualify for and elect service under this tariff must remain on transportation service for a minimum of twelve months. If a customer chooses to leave transportation service under this tariff after twelve months, the customer may not return to transportation service for at least twelve months. If a customer requests to leave transportation service under this tariff and return to the appropriate general service rate, the Company may at its sole discretion decline the request until adequate upstream pipeline capacity can be procured.</p> <p>6. Transportation of customer-owned natural gas under this tariff will require telemetry or electronic flow measurement that meets the Company's required specifications at the customer's point (s) of re-delivery. The Company may require the customer to reimburse the Company for the cost of telemetry at its sole discretion.</p> <p><b>CONDITIONS</b></p> <p>1. Transportation of customer-owned natural gas hereunder shall be subject in all respects to applicable laws, rules and regulations from time to time in effect.</p> <p>2. Transportation of customer-owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.</p> <p>3. Transportation of customer-owned natural gas hereunder is subject in all respects to terms and conditions of the Gas Transportation Service Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto.</p> <p>4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.</p> <p>Meters Read On and After: July 18, 2014 (Cities of Anthony, Clint, Horizon City, San Elizario, Socorro and Vinton only):</p> <p>Supersedes Rate Schedules T-1 Dated: September 10, 2013</p>

<b>RATE ADJUSTMENT PROVISIONS:</b>
None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
74420	D	Mcf	\$ .0000	02/15/2008	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 27031**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	
M	Other(with detailed explanation)	Public Auth. Transportation customers in the Incorp. areas of Anthony, Clint, Horizon City, San Elizario, Socorro, and Vinton TX

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 27032**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 07/18/2014                      **RECEIVED DATE:** 07/24/2014

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:**

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

**NEW FILING:** Y                      **RRC DOCKET NO:** 9988(R.Case),10016(RCE),100

**CITY ORDINANCE NO:** ORD-EPSvcA-IS(R.Case); Res. 3/

**AMENDMENT(EXPLAIN):** None

**OTHER(EXPLAIN):** Eff 7/18/14, new T-1 OTH Rate Schedule applicable to the El Paso Svc Area cities (excluding City El Paso) as a result of 2014 GRIP filing

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
31913	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT      **RRC TARIFF NO:** 27032

**CURRENT RATE COMPONENT**

RATE COMP. ID	DESCRIPTION
C-1-EPSvcA-IS-Coge	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region      RATE SCHEDULE C-1                      ELECTRICAL COGENERATION AND ENERGY CONSERVATION RATE</p> <p>APPLICABILITY Service under this rate schedule is available to any customer who enters into a contract with the Company to use natural gas for the purpose of cogeneration. Cogeneration is defined as the use of thermal energy to produce electricity with recapture of by-product heat in the form of steam, exhaust heat, etc. for industrial process use, space heating, food processing or other purposes. TERRITORY This rate shall be available throughout the Company's El Paso Service Area which includes El Paso, Anthony, Clint, Horizon City, Socorro and Vinton, Texas. COST OF SERVICE RATE During each monthly billing period: A Customer Charge of \$300.50 plus - Oct. - April      May - Sept.      Winter      Summer The First 5,000 Ccf \$ .07108 per Ccf \$ .06107 per Ccf The Next 95,000 Ccf .06108 per Ccf .05106 per Ccf The Next 300,000 Ccf .05108 per Ccf .04107 per Ccf All Over 400,000 Ccf .04108 per Ccf .03106 per Ccf Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month. CONDITIONS 1. Gas taken under this rate shall be used exclusively for the purpose of cogeneration as defined in the Applicability section of this rate schedule and not for other purposes. The gas taken under this rate will be separately metered. 2. This rate will not be available for standby use. 3. For the purpose of this rate, the annual load factor must be 60 percent or greater. The annual load factor is defined as the customer's total annual consumption divided by the customer's peak month consumption times twelve. If less than 60 percent load factor occurs for a twelve-month period, the rate charged will revert back to the rate that the customer would have otherwise been served under. A continuous twelve-month period of 60 percent or better load factor must precede a return to the cogeneration rate. 4. To qualify for the summer discounts, the customers' peak summer months load must be at least 75 percent of the customers' peak winter months load. Failure to meet this requirement will result in an adjustment to the customers' October bill equal to the difference between the winter and summer rates times that year's total May through September consumption by that customer. 5. The curtailment priority of any customer served under this rate schedule shall be the same as the curtailment priority which would pertain if gas were used directly to provide energy for uses as defined and listed in paragraph 14.2 of the Company's Texas Rules of Service. 6. Subject in all respects to applicable laws, rules and regulations from time to time in effect. Meters Read On and After January 19, 2011 (Incorporated Areas Only) Supersedes Same Rate Schedule Dated February 15, 2008 (Incorporated Areas Only)</p>
IRA-EPSvcA-IS-IRAd	<p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE IRA El Paso Service Area - West Texas Region INTERIM RATE ADJUSTMENT A. APPLICABILITY This Interim Rate Adjustment (IRA) applies to all general service rate schedules of Texas Gas Service Company (Company) currently in force in the incorporated areas of El Paso, Anthony, Clint, Vinton, Socorro, and Horizon City, Texas. Applicable rate schedules include 10, 20, 21, 25, 26, 27, 40, SS, and T-1. B. PURPOSE Section 104.301, Subchapter G of the Texas Utility Code, effective on September 1, 2003, provides for an interim adjustment in a gas utility's monthly customer charge or initial block usage rate to recover the cost of changes in the utility's infrastructure investment and related expenses and revenues for providing gas utility service. The filing date of the utility's most recent rate case establishing rates for the area in which the interim rate adjustment will apply shall be no more than two years prior to the date the utility files its initial interim rate adjustment application for that area. The interim adjustment shall be recalculated on an annual basis, unless the utility files a written request and obtains approval from the regulatory authority to suspend the operation of the interim adjustment rate schedule for any year. This rate schedule establishes the interim adjustment provisions consistent with Section 104.301, Subchapter G of the Texas Utility Code. C. COMPUTATION OF IRA RATE The amount the Company shall adjust its utility rates upward or downward under this rate schedule each calendar year is based on the difference between the value of the invested capital for the preceding calendar year and the value of the invested capital for the calendar year preceding that calendar year. The value of the invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment. Based on the difference between the values of the invested capital amounts as determined above, the Company may adjust only the following related components of its revenue requirement: return on investment, depreciation expense, ad valorem taxes, revenue related taxes and incremental federal income taxes. The factors for these components shall be the same as those established in the Company's most recent rate case for the service area in which this interim rate adjustment is to be implemented. The revenue requirement calculated pursuant to this rate schedule shall be allocated among the Company's customer classes for this service area in the same manner as the cost of service was allocated among customer classes in the Company's latest effective rates for this area. D. FILING WITH THE REGULATORY AUTHORITY 1. The Company shall file either the initial interim adjustment or the annual interim adjustment with the regulatory authority at least 60 days before the proposed implementation date. During the 60-day period, the regulatory authority may act to suspend implementation of the adjustment. 2. The Company shall provide notice to customers by bill insert or direct mail not later than the 45th day after the date of filing the interim adjustment. 3. The Company shall file with the regulatory authority an annual report describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year. The annual report shall also state the cost, need, and customers benefited by the change in investment. 4. In addition, the Company shall file with the regulatory authority an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year. Should the Company earn a return of more than 75 basis points above the return established in the latest effective rates implemented under this rate schedule, the Company shall file a statement stating the reasons why the rates are not unreasonable or in violation of the law. 5. After the issuance of a final order or decision by a regulatory authority in a rate case that is filed after the implementation of a tariff or rate schedule under this section, any change in investment that has been included in an approved interim adjustment shall no longer be subject to subsequent review for reasonableness or prudence. All amounts collected under this rate schedule are subject to refund until the issuance of a final decision in the next rate case filing for this service area. 6. The Company shall file a rate case no later than the 180th day after the fifth anniversary date its initial interim rate adjustment for this service area became effective. 7. The provisions under Section 104.301, Subchapter G of the Texas Utility Code for this interim adjustment do not limit the power of the regulatory authority under Section 104.151. Meters Read On and After: September 10, 2013 Supersedes Rate Schedule IRA and IRA-OTH: dated June 18, 2013</p>
ORD-EPSvcA-IS	<p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE ORD-ELP CITY ORDINANCE LISTING APPLICABILITY Applicable to all gas sales and standard transport customers. TERRITORY All customers in the incorporated area of El Paso, Anthony, Clint, Horizon City, Socorro and Vinton, Texas. DESCRIPTION Per TGS rate</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 27032**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PIT-EPSvcA-ISOS	<p>case filed 08/31/07, the following cities approved the same Cost of Gas Clause, Economic Development Rate, General Charges and Provisions for Transport Service (T-GEN), Quality of Service Rules and Cost of Service rates for gas sales and standard transport. City approvals are as follows: City Ordinance or Resolution # Date Ordinance Passed Effective Date of Gas Sales Rate Schedules Anthony 370 01/08/08 02/15/2008 Clint -- 01/15/08 02/15/2008 El Paso -- 02/05/08 02/15/2008 Horizon City -- 01/08/08 02/15/2008 Socorro 356 01/17/08 02/15/2008 Vinton 08-1-15 01/15/08 02/15/2008 Initial February 15, 2008</p> <p>TEXAS GAS SERVICE COMPANY                      RATE SCHEDULE PIT                      El Paso Service Area - West Texas Region                      PIPELINE INTEGRITY TESTING (PIT) RIDER</p> <p><b>PURPOSE</b>                      The purpose of this Pipeline Integrity Testing Rider is to promote the public interest in pipeline safety by enabling the Company to recover over a four-year period the reasonable and necessary Pipeline Integrity Safety Testing expenses incurred by the Company during the four-year testing cycle from January 1, 2010, through December 31, 2013 (including contractor costs but excluding the labor cost of TGS employees), in the amount of \$2,197,846. These legally mandated operating and maintenance expenses shall be recovered through a separate monthly volumetric charge (the Pipeline Integrity Testing or PIT Surcharge) that shall be shown as a separate line item on the customer's monthly bill and calculated for each customer class as described below. Capital expenditures associated with the Pipeline Integrity Program shall continue to be recovered through base rates and any interim rate adjustments implemented pursuant to Section 104.301 of the Gas Utility Regulatory Act.</p> <p><b>APPLICABILITY</b>                      This Rider shall be applied to all gas sales and transportation customers within the service territory designated below, except special contract customers.</p> <p><b>TERRITORY</b>                      This Rider shall apply throughout the Company's El Paso Service Area (EPSA), both within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas (collectively, the EPSA Cities), and in the unincorporated areas (environs) adjacent to the EPSA Cities.</p> <p><b>QUALIFYING EXPENSES</b>                      This Rider applies only to the legally mandated safety testing of the Company's transmission lines in the EPSA under the Pipeline Integrity Safety Testing Program. The operating and maintenance expense items that qualify for recovery under this Rider shall include the contractor costs associated with land and leak survey, permitting, and job order preparation and completion; the clearing of right-of-way; any needed notifications to adjacent businesses and residences; traffic control equipment and personnel; Direct Current Voltage Gradient (DCVG), Close Interval (CI), and other surveys to ensure the integrity of the pipeline system; any required rigid bypasses; flushing of the lines and testing and disposal of the flush water; hydrostatic testing of the lines and analysis and disposal of the test water; any required pigging of the lines in connection with safety testing; any required x-ray welding; metallurgical testing of the pipeline or components thereof; site restoration, painting, and clean-up; expenses associated with providing a supply of compressed natural gas (CNG) to ensure uninterrupted service to customers during testing; and any other operating and maintenance expenses reasonably necessary to safely and effectively perform required safety testing of the Company's transmission pipelines in the EPSA. Neither capital expenditures by the Company, nor the labor cost of TGS employees, shall be recovered under this Rider.</p> <p><b>CALCULATION OF PIT SURCHARGES</b>                      The Pipeline Integrity Testing Surcharges established under this Rider shall be designed so as to recover the Total Testing Expense of \$2,197,846 in Pipeline Integrity Safety Testing expenses incurred by the Company over the four-year testing cycle from January 1, 2010, through December 31, 2013, and shall be calculated as follows: First, the Total Testing Expense shall be allocated among the applicable customer classes in the same proportion that demand costs were assigned to those classes in the Class Cost of Service Study approved in the Company's most recent rate case in which rates were set by the Railroad Commission of Texas (the Commission) for customers in the EPSA Cities.</p> <p style="margin-left: 40px;">                     Each Class' Total Allocated            Total Testing            Each Class' Demand                      Testing Expense            =            Expense            x            <math>\frac{\text{Total Demand of the Applicable Classes}}{\text{Total Demand of the Applicable Classes}}</math> </p> <p>Second, the total dollar amount allocated to each customer class in the foregoing manner shall be divided by forty-eight (48) monthly billing cycles, so as to derive the amount that shall be ratably recovered from each class on a monthly basis during the four-year recovery period:</p> <p style="margin-left: 40px;">                     Monthly Recovery from Each Class            =            <math>\frac{\text{Each Class' Total Allocated Testing Expense}}{48 \text{ Months}}</math> </p> <p>Third, the total amount that is to be recovered on a monthly basis from each class shall be divided by the estimated average monthly usage for each class to produce the monthly PIT Surcharge for each class.</p> <p style="margin-left: 40px;">                     Each Class' PIT Surcharge            =            <math>\frac{\text{Monthly Recovery from Each Class}}{\text{Estimated Monthly Usage of Each Class}}</math> </p>



GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

**RRC COID: 6310**                      **COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT**                      **RRC TARIFF NO: 27032**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Based upon customer data for the prior calendar year and any other relevant factors, the estimated monthly usage for each class may be revised annually to account for customer growth, and the resulting revised PIT Surcharge shall be applied to each class for the ensuing 12-month recovery period.</p> <p><b>ANNUAL RECONCILIATION</b> After completion of each of the first three annual recovery periods, the total revenues collected under this Rider for that year shall be reconciled against the revenues previously calculated to be collected for that year, and the PIT Surcharge for each class shall be adjusted upward or downward so that the Company recovers any underrecoveries or refunds any overrecoveries that may have accrued under the Rider, plus monthly interest on those underrecoveries or overrecoveries at the cost of long-term debt approved in the Company's most recent general rate case in which rates were set by the Commission for application to customers in the EPSA Cities. The reconciliation shall be filed with the regulatory authority on or before February 21st of each year, and the regulatory authority shall complete its review of the reconciliation on or before March 21st of each year, so that the Company can implement the reconciled PIT Surcharges beginning with the first billing cycle for April of each succeeding year of the four-year recovery period.</p> <p><b>DEFERRED ACCOUNTING</b> The Company is authorized and directed to defer, as a regulatory asset, all Pipeline Integrity Safety Testing expenses incurred during the testing cycle starting on January 1, 2010, and ending on December 31, 2013, and all revenues specifically collected under this Rider shall be applied to the deferred expense account. The Company shall not earn a return on any regulatory asset created under this provision, and no such regulatory asset shall be included in the Company's invested capital (rate base) for ratemaking purposes.</p> <p><b>ANNUAL REPORT &amp; APPLICABLE PSCC</b> On or before February 21st after each calendar year of the testing cycle, the Company shall file a report with the Commission and the EPSA Cities showing all Pipeline Integrity Safety Testing expenses incurred during the previous calendar year and verifying the prior year's collections and any underrecoveries or overrecoveries accruing to date under this Rider. The report shall separately identify and list such expenses by account number and project number. Prior to the effective date of this Rider and on or before February 21st of each succeeding year while this Rider is in effect, the Company shall also file an Addendum to this Rider with the Commission and the EPSA Cities (a) identifying the PIT Surcharges that will be applied during the ensuing 12-month recovery period from April 1st through March 31st, and (b) providing the underlying data and calculations on which each PIT Surcharge for that period is based.</p> <p><b>NOTICE TO AFFECTED CUSTOMERS</b> In addition to the annual report and Addendum to this Rider required above, the Company shall provide, on or before March 31st after each calendar year of the testing cycle, written notice to each affected customer of (a) the PIT Surcharge that will be applied during the ensuing 12-month period from April 1st through March 31st, and (b) the effect the PIT Surcharge is expected to have on the average monthly bill for each affected customer class. The written notice shall be provided in both English and Spanish, shall be the only information contained on the piece of paper on which it is printed, and may be provided either by separate mailing or by insert included with the Company's monthly billing statements. The Company shall also file an affidavit annually with the Commission and the EPSA Cities certifying that notice has been provided to customers in this manner. The notice shall be presumed to be complete three calendar days after the date the separate mailing or billing statement is deposited in a postage-paid, properly addressed wrapper in a post office or official depository under care of the United States Postal Service. The initial notice shall be filed with, reviewed, and approved by the regulatory authority, and each subsequent notice shall follow the same format as that of the approved initial notice.</p> <p><b>FINAL REVIEW, RECONCILIATION, AND TERMINATION</b> After the end of the four-year recovery period, the Company shall file a final reconciliation with the regulatory authority identifying all PIT Expenses recovered to date under this Rider, as well as any interest on overrecoveries refunded or credited to customers and any interest on underrecoveries recovered from customers during that period. In the event the total amount recovered differs from the total amount that TGS is authorized to recover under this Rider, then the Company shall include a calculation of the final surcharge, refund, or credit required to eliminate any such difference and shall implement same over a period of not more than four months. This Rider shall cease to be operable upon collection in this manner of the Total Testing Expenses authorized for collection hereunder, plus or minus any interest accruing on underrecoveries and overrecoveries, or sooner if ordered by the Commission or agreed upon by the Company and the EPSA Cities.</p> <p>Initial Rate Meters Read On and After February 29, 2012</p>
PIT-Rider-EPSvcA-IS	<p>El Paso Service Area - West Texas Region RATE SCHEDULE PIT-RIDER PIPELINE INTEGRITY TESTING (PIT) SURCHARGE RIDER A. APPLICABILITY The Pipeline Integrity Testing Surcharge (PIT) rate as set forth in Section (B) below is pursuant to Final Order in GUD 10049 and GUD 10142. This rate shall apply to the following rate schedules of Texas Gas Service Company in the incorporated and unincorporated areas of and adjacent to the El Paso Service Area (EPSA): 10, 20, 21, 25, 26, 27, 40, E5, SS, T-1, 1Z, 2Z, 2A, 2E, 2F, 2G, 4Z, SS-ENV AND T-1-ENV. The EPSA includes El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas. B. PIT RATE Rate Schedule Customer Class Rate per CCF 10 Residential (I/S EPSA) \$ 0.0034 20 Commercial (I/S EPSA) \$ 0.0033 21 Commercial A/C (I/S EPSA) \$ 0.0033 25 Public Authority (I/S EPSA) \$ 0.0057 26 Public Authority A/C (I/S EPSA) \$ 0.0057 27 Municipal Water Pumping (I/S EPSA) \$ 0.0015 40 Industrial (I/S EPSA) \$ 0.0027 E5 Fort Bliss (I/S EPSA) \$ 0.0067 SS Standby Service (I/S EPSA) \$ 0.0027 T-1 Commercial Transportation (I/S EPSA) \$ 0.0016 T-1 Industrial Transportation (I/S EPSA) \$ 0.0010 T-1 Public Authority Transportation (I/S EPSA) \$ 0.0025 1Z Residential (O/S EPSA) \$ 0.0034 2Z Commercial (O/S EPSA) \$ 0.0033 2A Commercial A/C (O/S EPSA) \$ 0.0033 2E Public Authority (O/S EPSA) \$ 0.0057 2F Public Authority A/C (O/S EPSA) \$ 0.0057 2G Municipal Water Pumping (O/S EPSA) \$ 0.0015 4Z Industrial (O/S EPSA) \$ 0.0027 SS-ENV Standby Service (O/S EPSA) \$ 0.0027 T-1-ENV Commercial Transportation (O/S EPSA) \$ 0.0016 T-1-ENV Industrial Transportation (O/S EPSA) \$ 0.0010 T-1-</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 27032
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
RCE-Rider-EPSvcA-IS	<p>ENV Public Authority Transportation (O/S EPSA) \$ 0.0025 This rate will be in effect until all approved and expended pipeline integrity testing expenses are recovered under the applicable rate schedules. C. OTHER ADJUSTMENTS Taxes: Plus applicable taxes and fees (including franchises fees) related to above. D. CONDITIONS Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority. Meters Read On and After April 1, 2013 Supersedes Rate Schedule dated February 29, 2012</p> <p>TEXAS GAS SERVICE COMPANY RATE SCHEDULE RCE RIDER El Paso Service Area - Incorporated RATE CASE EXPENSE (RCE) SURCHARGE</p> <p><b>A. APPLICABILITY</b> Pursuant to the Final Order in GUD No. 10016, the Rate Case Expense (RCE) Surcharge set forth in Section B. below shall apply to all gas sales customers (except special contract customers) located in that portion of the Company's El Paso Service Area (EPSA) that is within the incorporated municipal limits of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas, including customers served under Rate Schedules 10, 20, 21, 25, 26, 27, 40, C-1, SS, and T-1.</p> <p><b>B. RCE SURCHARGE -</b> The initial RCE Surcharge per Ccf for each billing period shall be: \$0.0053 - The RCE Surcharge per Ccf for each billing period from April 2013 - March 2014 shall be: \$0.0054</p> <p>This rate, as adjusted pursuant to Section C. below, shall be designed to recover the approved level of Company and City rate case expenses of \$2,536,360.75 over a recovery period of three years. However, if the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, is collected in less than three years, then this Rider shall cease to be operable and the Company shall cease to apply the Rate Case Expense Surcharge. If the authorized level of rate case expenses, plus or minus interest on any overrecoveries or underrecoveries, has not been collected by the end of the three-year recovery period, then this Rider shall remain in effect beyond the three-year recovery period only until all approved rate case expenses have been recovered under the applicable rate schedules, and any interest accruing on overrecoveries or underrecoveries has been recovered from or refunded or credited to the Company's customers.</p> <p><b>C. OTHER ADJUSTMENTS</b> The applicable RCE Surcharge shall be adjusted annually to reflect interest on any underrecoveries or overrecoveries calculated at the Company's 6.21% cost of long-term debt as determined by the Railroad Commission of Texas in GUD No. 9988. In addition to the RCE Surcharge, applicable revenue-related taxes and fees, including franchise fees, shall also be recovered based on the revenue amounts collected hereunder.</p> <p><b>D. ANNUAL COMPLIANCE FILING</b> On or before February 21st following each calendar year in which an RCE Surcharge was applied to recover rate case expenses under this Rider, the Company shall file a written report with the Commission and the EPSA Cities showing the total amount of rate case expenses (including any adjustments made to reflect interest on overrecoveries or underrecoveries accruing to the Company or its customers) that (a) were recovered during the preceding calendar year, (b) have been cumulatively recovered since the effective date of the Rider, and (c) still remain to be recovered through the Rider pursuant to the Commission's Final Order in GUD No. 10016. The report shall also include a calculation of the RCE Surcharge that is to be applied during the ensuing recovery period.</p> <p><b>E. CONDITIONS</b> Service under this rate schedule shall be subject to all applicable laws and orders and to the Company's rules and regulations on file with the regulatory authority.</p> <p>Meters Read On and After April 1, 2013</p> <p>Supersedes Rate Schedule dated February 29, 2012</p>
T-GEN-EPSvcA-IS-S	<p>TEXAS GAS SERVICE COMPANY EL PASO SERVICE AREA - West Texas Region RATE SCHEDULE T-GEN GENERAL CHARGES AND PROVISIONS APPLICABILITY Applicable to Transportation Rate Schedules: T1-OTH. TERRITORY All areas served by the Company in the incorporated areas of its El Paso Service Area consisting of El Paso, Anthony, Clint, Horizon City, Socorro, and Vinton, Texas . ADDITIONAL CHARGES TO COST OF SERVICE RATE During each monthly billing period, the following charges will be added in addition to any charges specifically stated on the applicable rate schedule: Plus: A charge representing the customer's proportionate share of lost and unaccounted (LAUF) gas volume within the Service Area. The customer's share of LAUF gas will be determined by multiplying (i) the actual volumes delivered to the customer by (ii) the purchase/sales ratio, minus one, for the Service Area for the twelve month period ended the preceding June 30, as defined in the Company's applicable Cost of Gas Clause (Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas). Purchase/sales ratios will be recalculated annually with the filing of the annual reconciliation required by the Company's Cost of Gas Clause, for application to deliveries commencing in the succeeding October. The LAUF factor as determined above shall in no event exceed .0526 i.e. [1/1-.05]-1 and must fall within the range of zero (0) to 5.26%. The Company will require the customer to satisfy its lost and unaccounted for obligation by payment in kind (PIK). PIK volumes will be added to the customer usage volume to equal the total amount of gas required to be delivered at the Company's receipt points and shall be included for purposes of calculating imbalances in accordance with Special Provision 6 below. Plus: A charge will be made each month to recover the cost of gross receipts taxes paid to the State of Texas pursuant to the provision of Article 6060 TEX. REV. CIV. STAT., as such may be amended from time to time, which are attributable to the transportation service performed hereunder. Plus: Adjustments in accordance with the provisions of the Company's Economic</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID:** 6310                      **COMPANY NAME:** TEXAS GAS SERVICE COMPANY

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 27032

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>Development Rate (Rate Schedule EDR), if applicable, and the Company's Interim Cost Recovery and Rate Adjustment (Rate Schedule IRA-OTH), if applicable. Plus: Any franchise fees, street rental fees, or other similar privilege fees attributable to the Company's services under this tariff and payable to any municipality wherein the customer receives gas delivered hereunder. Plus: UPSTREAM PIPELINE SCHEDULING AND BALANCING PROVISIONS A proportional share of any upstream pipeline transportation service charges and penalties incurred by the Company that, in whole or in part, are the result of customer or customer's agent scheduling and/or managing the upstream transportation of the customer's gas to Company's interconnecting point(s) with the upstream pipeline(s). Proceeds from this charge will be credited to the Reconciliation Account. The Company will bill customer for these charges and penalties manually on a separate bill. Payment shall be required in accordance with the Company's Rules of Service. A transport customer may elect to have its supplier act as agent for resolution of these charges. The Company will allow aggregation in resolution of the upstream pipeline scheduling and balancing charges as long as the aggregated customers are supplied by the same supplier, and provided that the customers are physically located behind the same upstream pipeline balancing point, as determined by the Company. Plus: MONTHLY COMMODITY BALANCING PROVISIONS In addition to the Upstream Pipeline Scheduling and Balancing provisions described above, the Company will resolve monthly commodity imbalances in accordance with the provisions described below: 1. Definitions: As used in this tariff, the following terms will have the meanings indicated: Aggregation Pool - One or more transportation service accounts served by the same Qualified Supplier and aggregated pursuant to Special Provision 3 of this tariff for operational purposes, including, without limitation, nominating, scheduling and balancing gas deliveries at designated receipt points within the service area. Cumulative Operational Imbalance (COI) - As of the effective date of this tariff, the initial COI for any Aggregation Pool shall be determined by aggregating the cumulative imbalances of all accounts participating in such Aggregation Pool, calculated as of the effective date of this tariff. Thereafter, the COI shall be adjusted to include MOI volumes which have not been cashed out pursuant to Section 6 below. Cumulative Tolerance Limit - With respect to any Aggregation Pool, five percent (5%) of historical annual Deliveries to the participants of such pool for the most recent year ended on June 30. For new participants having no historical delivery information, such calculation shall be based on forecasted volumes which the Company determines to be reasonably reliable and reasonably accurate. The Cumulative Tolerance Limit will be adjusted annually in October. Upon request of a Qualified Supplier, prior to the commencement of any flow month, the Cumulative Tolerance Limit shall be adjusted prospectively to reflect changes to the Aggregation Pool and other known changes to anticipated volumetric loads that the Company determines to be reasonably reliable and reasonably accurate. Deliveries - Volumes of natural gas delivered to the customer's premises pursuant to this tariff. Imbalance Volumes - The volume by which the Qualified Supplier's MOI exceeds the Monthly Tolerance Limit or the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit. Monthly Operational Imbalance (MOI) - For any month, the difference between the aggregate Receipts for an Aggregation Pool and the sum of (i) the aggregate Deliveries for such Aggregation Pool during the same time period, and (ii) the aggregate PIK Volumes assessed for such period. The resulting volume shall be adjusted to reflect any PPA. Any PPA shall be included in the MOI calculation for the month during which the PPA is reported and the prior period MOI will not be recalculated due to PPA unless the PPA results in new or revised cash out charges. Monthly Tolerance Limit - With respect to any Aggregation Pool, ten percent (10%) of the aggregate Deliveries for such month. PIK Volumes - Volumes of gas to be delivered by the customer to the Company in satisfaction of the customer's LAUF gas obligation. Prior Period Adjustment (PPA) - For any Aggregation Pool, a revision to the Receipts or Deliveries for any prior flow month which would result in an increase or decrease to the previously stated MOI for such month. Receipts - Volumes of natural gas received into the Company's natural gas distribution system for delivery to a customer pursuant to this tariff. Qualified Supplier - A supplier of natural gas for transportation to customers through the Company's natural gas distribution system who meets the requirements of Section 8 of this tariff and has a currently effective Supplier Service Agreement with the Company. Supplier Service Agreement - a contract in setting forth the terms upon which a supplier of natural gas may make deliveries of customer-owned gas into the Company's distribution system for delivery to one or more of the Company's customers taking service under this tariff. Transportation Agreement - a contract between the Company and the customer detailing the terms and conditions upon which the customer will receive service under this tariff. Upstream Balancing Agreement - A contract between a Qualified Supplier and its gas supplier whereby such gas supplier agrees to retain imbalances upstream of the Company's natural gas distribution system. 2. Qualified Supplier Required - As a condition of receiving service under this Rate Schedule, the customer must appoint no more than one Qualified Supplier for each account. The Qualified Supplier shall act on behalf of the customer to procure gas supplies and to deliver them to the receipt points designated in the relevant Transportation Agreement, and shall act as the Customer's agent with respect to nominations and operational notices required under the Customer's Transportation Agreement and with respect to the resolution of imbalances under this Rate Schedule. A customer that meets the requirements of Special Provision 8 below may act as its own Qualified Supplier. 2.1 Change of Qualified Supplier - The customer may change its Qualified Supplier effective only on the first day of the calendar month. The customer shall notify the Company in writing at least thirty (30) days in advance of any change of Qualified Supplier. 3. Aggregation Pool - The Qualified Supplier shall designate no more than one Aggregation Pool within the Service Area, and shall notify the Company as to the identity of the customer accounts comprising such Aggregation Pool. With respect to all accounts included in any Aggregation Pool, the Qualified Supplier shall (i) make nominations on an aggregated basis at least six (6) business days prior to the first of the calendar month; and (ii) 4. Customer Volume Information - The Company shall supply to the Qualified Supplier, designated by the customer, information as to such customer's delivery volumes each month, with the imbalance statements described at Special Provision 6.4 below. 5. Imbalances 5.1 Monthly Imbalances - The Qualified Supplier shall not allow its MOI for any Aggregation Pool to exceed the Monthly Tolerance Limit in any month. In the event the MOI exceeds the Monthly Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. MOI amounts that do not exceed the Monthly Tolerance Limit shall be added to the Qualified Supplier's COI. 5.2 Cumulative Imbalances - The Qualified Supplier shall not allow its COI for any Aggregation Pool to exceed the Cumulative Tolerance Limit at any time. In the event the Qualified Supplier's COI exceeds the Cumulative Tolerance Limit, the parties shall resolve the value of such Imbalance Volumes using the cashout procedure set forth in Special Provision 6 below. The initial COI for any Aggregation Pool shall be calculated using the imbalance volumes attributable to the participants for the flow month immediately preceding the effective date hereof. 5.3 Upstream Imbalances - For purposes of Special Provisions 5 and 6 herein, no imbalances will be attributed to a Qualified Supplier on account of volumes delivered subject to an Upstream Balancing Agreement which has been acknowledged in writing by the upstream transporter retaining the imbalance. 6. Cashout Procedure 6.1 Over Deliveries - For MOI's or COI's where receipts exceed deliveries by more than the applicable tolerance</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6310	<b>COMPANY NAME:</b> TEXAS GAS SERVICE COMPANY
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 27032
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>limit, the Company shall pay to the Qualified Supplier an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 90% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded. 6.2 Under Deliveries - For MOI's or COI's where deliveries exceed receipts by more than the applicable tolerance limit, the Qualified Supplier shall pay to the Company an amount equal to: (i) the Imbalance Volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the applicable tolerance limit was exceeded, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority.</p> <p>6.3 Exemption from Fees and Taxes - If the Qualified Supplier claims that any Imbalance volumes are exempt from franchise fees, taxes, user fees or other governmental assessments, the Qualified Supplier shall provide to the Company such evidence of the exemption as the Company might reasonably require. In addition, the Qualified Supplier shall provide to the Company each month such supporting documentation as the Company may reasonably require to determine what portion of the payment described at Special Provision 6.2 above is exempt from such assessments. 6.4 Invoicing/Payment - For each flow month, within fifteen (15) days following the Company's receipt of volume statements from the upstream pipelines making deliveries into the Company's system for an Aggregation Pool, the Company shall provide to the Qualified Supplier an imbalance statement stating the MOI, COI, any resulting cashout payments as calculated pursuant to Sections 6.1 and 6.2 above, as well as usage and PIK volumes for each customer served by the supplier. Payments shall be due no later than fifteen (15) days following the invoice date. 6.5 Effect of Cashout on PGA - All amounts accrued under this Special Provision 6 excluding franchise fees and sales tax if found to be applicable shall be recorded to the PGA Reconciliation Account as defined in Rate Schedule 1-INC for the incorporated areas or Rate Schedule 1 for the unincorporated areas. 6.6 Allocation to Pool Participants - The Qualified Supplier shall be responsible for collecting from or remitting to its customers all funds received or paid under this Special Provision 6 that are due to or from the customer. 7. Company's Liability for Cashout - The Company shall have no liability to any customer in connection with the failure of the customer's Qualified Supplier to remit to the customer any cashout payment made by the Company to the Qualified Supplier. 8. Supplier Qualifications - The Company may refuse to accept deliveries of gas into its system from any s supplier who has failed to meet the following conditions:</p> <p>8.1 Financial Integrity - The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for Qualified Suppliers. Any supplier desiring to become a Qualified Supplier must submit to the Company an audited balance sheet and financial statements for the previous three (3) years, along with two (2) trade and at least one (1) banking reference. To the extent that such information is not publicly available, the supplier shall supply the Company with a list of all corporate affiliates, parent companies, subsidiaries and affiliated partnerships. Any supplier who becomes a Qualified Supplier must provide updated financial information at the Company's request. 8.2 Credit Enhancement - In the event a supplier fails to demonstrate to the Company's reasonable satisfaction that it has met the Company credit standards, the Company shall require such supplier to provide one of the following: (i) a cash deposit; (ii) an irrevocable letter of credit issued by a commercial bank reasonably acceptable to the Company; (iii) a surety bond issued by a reputable insurance company listed in AM Best's Insurance Ratings with a rating of B+ VII or better, and authorized to engage in the business of insurance in the State of Texas; or (iv) a financial guaranty from a guarantor who meets the Company's credit standards. 8.3 Termination of Qualified Supplier - The Company shall have the right to terminate a Qualified Supplier's Supplier Service Agreement and its eligibility to make deliveries into the Company's local distribution system in the event that such Qualified Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement. Notice shall be given to the Qualified Supplier no less than ten days prior to the end of the calendar month, and shall be effective upon the first day of the succeeding month unless, within such ten day period, the Qualified Supplier shall remedy such failure to the full satisfaction of the Company. Termination of such Qualified Supplier's eligibility and its Supplier Service Agreement shall not release the Qualified Supplier from its obligation to make payments due to the Company for transactions occurring prior to the effective date of termination. 9. Withdrawal of Qualified Supplier - If a Qualified Supplier ceases for any reason (including the Company's termination of the Supplier Service Agreement) to supply customers within the Service Area, the final COI for the affected Aggregation Pool shall be calculated as of the end of the flow month in which such cessation occurs, and shall be cashed out as follows:</p> <p>9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.1 Over Deliveries - For final COI's where receipts exceed deliveries, the Company shall pay to the Supplier an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 90% of the the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin for the month in which the final COI was calculated. 9.2 Under Deliveries - For final COI's where deliveries exceed receipts limit, the Supplier shall pay to the Company an amount equal to: (i) the final COI volume, stated in MMBtu, multiplied by 110% of the average of the monthly average price of the daily MidPoint prices found in Platt's Gas Daily publication under the heading of Daily price survey (\$/MMBtu) for the (a) Permian Basin Area, El Paso, Permian Basin, (b) Permian Basin Area, Waha or (c) New Mexico- San Juan Basin, El Paso San Juan Basin, for the month in which the final COI was calculated, plus (ii) any franchise fees assessed on such payment by the municipality in which deliveries were made to participants in the Aggregation Pool which generated the Imbalance, plus (iii) any other taxes, user fees or other sums assessed on such payment by any governmental authority. 9.3 Invoicing/Payment - The final cashout payment shall be invoiced and paid in accordance with Special Provision 6.4 above. 9.4 Continued Service - Upon the withdrawal of a Qualified Supplier, at the customer's request, the Company shall provide continued service under the applicable general service rate schedule until the customer designates a successor Qualified Supplier. In the event sales service commences on any day other than the first day of a calendar month, all volumes delivered to the customer within such month shall be deemed sales volumes for purposes of invoicing the customer and for calculating the final COI. Such sales shall be subject to curtailment plans approved from</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 27032**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
T1-EPOther-IS-Std	<p>time to time by the Railroad Commission of Texas or in the absence of an applicable plan, consistent with Transporter's policies regarding curtailment and stand-by supplies of transport gas, as such policies may change in Transporter's reasonable discretion. Meters Read On and After: September 10, 2013 Supercedes Rate Schedules T-GEN and T-GEN-OTH: Dated June 18, 2013</p> <p>TEXAS GAS SERVICE COMPANY El Paso Service Area - West Texas Region RATE SCHEDULE T-1 OTH TRANSPORTATION SERVICE RATE</p> <p><b>APPLICABILITY</b> Service under this rate schedule is available to any customer for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with the customer's gas supplier to have its gas delivered to one of the Company's existing delivery points for transportation by the Company to the customer's facilities at the customer's service point.</p> <p><b>TERRITORY</b> El Paso Service Area consisting of the incorporated areas of Anthony, Clint, Horizon City, San Elizario, Socorro and Vinton, Texas.</p> <p><b>RATE</b> This rate shall be the sum of Part A and Part B as described below:</p> <p>Part A: A customer charge per month of                      \$300.50 Interim Rate Adjustment (IRA)                      \$673.39 (Footnote 1) Total Customer Charge                      \$973.89</p> <p>Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at a rate calculated as follows: 1. Determine the bill for the quantity of customer-owned gas metered and delivered to the customer at the Company's volumetric Cost of Service Rate on the gas sales tariff which would otherwise be applicable;  2. Add a balancing service rate for any applicable portion of incremental cost of the Company's transportation reservation costs received from its upstream pipelines that is deemed at the Company's sole discretion to directly or indirectly benefit the transportation service customers through scheduling balancing flexibility. The balancing service rate will be recalculated annually in conjunction with the Cost of Gas annual reconciliation audit and/or as the upstream pipeline changes the rates being charged to the Company. In addition the Company will charge system sales customers as of the date of this Rate Schedule that become transportation customers after the effective date of this Rate Schedule, a rate representing the cost of stranded capacity, incurred by the Company for upstream transportation and reservation costs as determined by the Company. Proceeds from these rates will be credited to the Reconciliation Account.  3. See the Additional Charges to Cost of Service Rate Pursuant to Rate Schedule T-GEN (General Charges and Provisions).</p> <p><b>SPECIAL PROVISIONS</b> 1. Transportation volumes delivered under this schedule shall be considered first through customer's meter for billing purposes.  2. Gas transported under this schedule shall be for use only by the customer.  3. See the Additional Charges to Cost of Service Rate pursuant to Rate Schedule T-GEN (General Charges and Provisions).</p> <p>Footnote 1: 2010 IRA - \$59.29; 2011 IRA - \$77.01; 2012 IRA - \$318.61; 2013 IRA - \$218.48</p> <p>4. Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average at least five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder, except as may otherwise be provided in the Gas Transportation Service Agreement between the Company and customer, and provide service under the general service rate applicable to Customer.  5. Customers that qualify for and elect service under this tariff must remain on transportation service for a minimum of twelve months. If a customer chooses to leave transportation service under this tariff after twelve months, the customer may not return to transportation service for at least twelve months. If a customer requests to leave transportation service under this tariff and return to the appropriate general service rate, the Company may at its sole discretion decline the request until adequate upstream pipeline capacity can be procured.  6. Transportation of customer-owned natural gas under this tariff will require telemetry or electronic flow measurement that meets the Company's required specifications at the customer's point (s) of re-delivery. The Company may require the customer to reimburse the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

**RRC COID: 6310                      COMPANY NAME: TEXAS GAS SERVICE COMPANY**

**TARIFF CODE: DT                      RRC TARIFF NO: 27032**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	Company for the cost of telemetry at its sole discretion.
	<p>CONDITIONS</p> <p>1. Transportation of customer-owned natural gas hereunder shall be subject in all respects to applicable laws, rules and regulations from time to time in effect.</p> <p>2. Transportation of customer-owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.</p> <p>3. Transportation of customer-owned natural gas hereunder is subject in all respects to terms and conditions of the Gas Transportation Service Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto.</p> <p>4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.</p> <p>Meters Read On and After: July 18, 2014 (Cities of Anthony, Clint, Horizon City, San Elizario, Socorro and Vinton only):</p> <p>Supersedes Rate Schedules T-1 Dated: September 10, 2013</p>

**RATE ADJUSTMENT PROVISIONS:**

None

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
74420	D	Mcf	\$.0000	02/15/2008	Y
<b>DESCRIPTION:</b> **CONFIDENTIAL**					

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
H	Transportation	
M	Other(with detailed explanation)	Elec. CoGen Transportation customers in the Incorp. areas of Anthony, Clint, Horizon City, San Elizario, Socorro, and Vinton TX

**TUC APPLICABILITY**

**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**