

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20590

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

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during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

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	<p>charge, or it may</p> <p>(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.</p> <p>G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:</p> <ul style="list-style-type: none"> (a) the Cost of Purchased Gas; (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio; (c) the amount of the cost of gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement. <p>H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:</p> <ul style="list-style-type: none"> 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30. 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues. 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.
TAXES	<p>The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.</p>
Rate Case Surcharge	<p>The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.</p>
OTHER SURCHARGES	<p>The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.</p>
SCHEDULE APPLICATION	<p>1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business</p>

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within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Devers, Texas unincorporated - commercial rate - \$25.00 monthly customer charge,

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RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Devers Env.C	\$0.6980 per CCF cost of service usage rate plus CGA

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28380	N	CCF	\$.5958	06/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Devers Environs			
28380	N	CCF	\$.6771	05/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Devers Environs			
28380	N	CCF	\$.5950	07/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Devers Environs			
28380	N	CCF	\$.6351	08/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Devers Environs			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
 AMENDMENT (EXPLAIN):
 OTHER (EXPLAIN): To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

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DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

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during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

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charge, or it may

(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.

G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:

- (a) the Cost of Purchased Gas;
- (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio;
- (c) the amount of the cost of gas caused by any surcharge or refund;
- (d) the Reconciliation Component;
- (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and
- (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement.

H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:

- 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30.
- 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues.
- 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.

TAXES

The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.

Rate Case Surcharge

The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.

OTHER SURCHARGES

The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.

SCHEDULE APPLICATION

1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business

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DESCRIPTION

within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Devers, Texas unincorporated -

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RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Devers Env.R	residential rate - \$15.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28378	N	CCF	\$.5958	06/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Devers Environs			
28378	N	CCF	\$.6771	05/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Devers Environs			
28378	N	CCF	\$.5950	07/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Devers Environs			
28378	N	CCF	\$.6351	08/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Devers Environs			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
 AMENDMENT (EXPLAIN):
 OTHER (EXPLAIN): To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

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RATE SCHEDULE

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COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

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7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20592

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

charge, or it may

(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.

G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:

- (a) the Cost of Purchased Gas;
- (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio;
- (c) the amount of the cost of gas caused by any surcharge or refund;
- (d) the Reconciliation Component;
- (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and
- (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement.

H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30.
2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues.
3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.

TAXES

The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.

Rate Case Surcharge

The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.

OTHER SURCHARGES

The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.

APPLICATION SCHEDULE

1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the incorporated municipalities of Devers and Mt. Enterprise. Service under this Tariff is subject to the original jurisdiction of the municipalities of Devers and Mt. Enterprise. The Company will provide service to any person and/or business within its service

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20592

RATE SCHEDULE

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DESCRIPTION

area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: City Council of the City of Devers and the City of Mt. Enterprise.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Devers, Texas incorporated -

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20592

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Devers Inc.C	commercial rate - \$25.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA.

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28379	N	CCF	\$.5958	06/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Devers, Inc.			
28379	N	CCF	\$.6771	05/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Devers, Inc.			
28379	N	CCF	\$.5950	07/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Devers, Inc.			
28379	N	CCF	\$.6351	08/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Devers, Inc.			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
 AMENDMENT (EXPLAIN):
 OTHER (EXPLAIN): To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20593

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

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RATE SCHEDULESCHEDULE IDDESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20593

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
	<p>charge, or it may</p> <p>(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.</p> <p>G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:</p> <ul style="list-style-type: none"> (a) the Cost of Purchased Gas; (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio; (c) the amount of the cost of gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement. <p>H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:</p> <ul style="list-style-type: none"> 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30. 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues. 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.
TAXES	<p>The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.</p>
Rate Case Surcharge	<p>The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.</p>
OTHER SURCHARGES	<p>The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.</p>
APPLICATION SCHEDULE	<p>1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the incorporated municipalities of Devers and Mt. Enterprise. Service under this Tariff is subject to the original jurisdiction of the municipalities of Devers and Mt. Enterprise. The Company will provide service to any person and/or business within its service</p>

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20593

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: City Council of the City of Devers and the City of Mt. Enterprise.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Devers, Texas incorporated -

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20593

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Devers Inc.R	residential rate - \$15.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA.

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28377	N	CCF	\$.5958	06/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Devers, Inc.			
28377	N	CCF	\$.6771	05/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Devers, Inc.			
28377	N	CCF	\$.5950	07/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Devers, Inc.			
28377	N	CCF	\$.6351	08/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Devers, Inc.			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
 AMENDMENT (EXPLAIN):
 OTHER (EXPLAIN): To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20594

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A.APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20594

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20594

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
	<p>charge, or it may</p> <p>(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.</p> <p>G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:</p> <ul style="list-style-type: none"> (a) the Cost of Purchased Gas; (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio; (c) the amount of the cost of gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement. <p>H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:</p> <ul style="list-style-type: none"> 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30. 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues. 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.
TAXES	<p>The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.</p>
Rate Case Surcharge	<p>The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.</p>
OTHER SURCHARGES	<p>The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.</p>
SCHEDULE APPLICATION	<p>1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20594

RATE SCHEDULESCHEDULE IDDESCRIPTION

within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Douglass, Texas environs -

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20594

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Douglass Env.C	commercial rate - \$25.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA.

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
29434	N	CCF	\$.3917	06/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Douglass Environs			
29434	N	CCF	\$.4424	05/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Douglass Environs			
29434	N	CCF	\$.4130	07/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Douglass Environs			
29434	N	CCF	\$.4547	08/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Douglass Environs			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
 AMENDMENT(EXPLAIN):
 OTHER(EXPLAIN): To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20595

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20595

RATE SCHEDULESCHEDULE IDDESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20595

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

charge, or it may

(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.

G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:

- (a) the Cost of Purchased Gas;
- (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio;
- (c) the amount of the cost of gas caused by any surcharge or refund;
- (d) the Reconciliation Component;
- (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and
- (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement.

H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:

- 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30.
- 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues.
- 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.

TAXES

The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.

OTHER SURCHARGES

The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.

Rate Case Surcharge

The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.

SCHEDULE APPLICATION

1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20595

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Douglass, Texas environs -

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20595

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Douglass Env.R	residential rate - \$15.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA.

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28402	N	CCF	\$.3917	06/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Douglass Environs			
28402	N	CCF	\$.4424	05/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Douglass Environs			
28402	N	CCF	\$.4130	07/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Douglass Environs			
28402	N	CCF	\$.4547	08/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Douglass Environs			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
 AMENDMENT(EXPLAIN) :
 OTHER(EXPLAIN) : To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20596

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A.APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20596

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:
 (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
 (b) the revenues produced by the operation of this cost of gas clause, and
 (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20596

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

charge, or it may

(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.

G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:

- (a) the Cost of Purchased Gas;
- (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio;
- (c) the amount of the cost of gas caused by any surcharge or refund;
- (d) the Reconciliation Component;
- (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and
- (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement.

H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:

- 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30.
- 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues.
- 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.

TAXES

The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.

Rate Case Surcharge

The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.

OTHER SURCHARGES

The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.

SCHEDULE APPLICATION

1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20596

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Hull, Texas unincorporated -

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20596

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Hull Env.C	commercial rate - \$25.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA.

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28388	N	CCF	\$.5857	06/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Hull Environs			
28388	N	CCF	\$.6638	05/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Hull Environs			
28388	N	CCF	\$.5934	07/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Hull Environs			
28388	N	CCF	\$.6346	08/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Hull Environs			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
 AMENDMENT (EXPLAIN):
 OTHER (EXPLAIN): To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20597

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20597

RATE SCHEDULESCHEDULE IDDESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20597

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
	<p>charge, or it may</p> <p>(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.</p> <p>G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:</p> <ul style="list-style-type: none"> (a) the Cost of Purchased Gas; (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio; (c) the amount of the cost of gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement. <p>H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:</p> <ul style="list-style-type: none"> 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30. 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues. 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.
TAXES	<p>The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.</p>
Rate Case Surcharge	<p>The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.</p>
OTHER SURCHARGES	<p>The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.</p>
SCHEDULE APPLICATION	<p>1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20597

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Hull, Texas unincorporated -

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20597

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Hull Env.R	residential rate - \$15.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28386	N	CCF	\$.5857	06/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Hull Environs			
28386	N	CCF	\$.6638	05/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Hull Environs			
28386	N	CCF	\$.5934	07/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Hull Environs			
28386	N	CCF	\$.6346	08/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Hull Environs			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
 AMENDMENT (EXPLAIN):
 OTHER (EXPLAIN): To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20598

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20598

RATE SCHEDULE

SCHEDULE IDDESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20598

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

charge, or it may

(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.

G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:

- (a) the Cost of Purchased Gas;
- (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio;
- (c) the amount of the cost of gas caused by any surcharge or refund;
- (d) the Reconciliation Component;
- (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and
- (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement.

H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30.
2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues.
3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.

TAXES

The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.

Rate Case Surcharge

The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.

OTHER SURCHARGES

The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.

SCHEDULE APPLICATION

1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20598

RATE SCHEDULESCHEDULE IDDESCRIPTION

within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Mt. Enterprise, Texas environs -

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20598

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Mt. Enterprise Env.C	commercial rate - \$25.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA.

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
29432	N	CCF	\$.5075	06/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Mt. Enterprise Environs			
29432	N	CCF	\$.5080	05/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Mt. Enterprise Environs			
29432	N	CCF	\$.5559	07/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Mt. Enterprise Environs			
29432	N	CCF	\$.5923	08/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Mt. Enterprise Environs			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
AMENDMENT(EXPLAIN) :
OTHER(EXPLAIN) : To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20599

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20599

RATE SCHEDULE

SCHEDULE IDDESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20599

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

charge, or it may

(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.

G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:

- (a) the Cost of Purchased Gas;
- (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio;
- (c) the amount of the cost of gas caused by any surcharge or refund;
- (d) the Reconciliation Component;
- (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and
- (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement.

H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:

- 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30.
- 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues.
- 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.

TAXES

The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.

Rate Case Surcharge

The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.

OTHER SURCHARGES

The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.

SCHEDULE APPLICATION

1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20599

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Mt. Enterprise, Texas environs -

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20599

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Mt. Enterprise Env.R	residential rate - \$15.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA.

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28394	N	CCF	\$.5075	06/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Mt. Enterprise Environs			
28394	N	CCF	\$.5080	05/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Mt. Enterprise Environs			
28394	N	CCF	\$.5559	07/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Mt. Enterprise Environs			
28394	N	CCF	\$.5923	08/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Mt. Enterprise Environs			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
AMENDMENT(EXPLAIN) :
OTHER(EXPLAIN) : To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20600

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20600

RATE SCHEDULESCHEDULE IDDESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20600

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

charge, or it may

(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.

G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:

- (a) the Cost of Purchased Gas;
- (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio;
- (c) the amount of the cost of gas caused by any surcharge or refund;
- (d) the Reconciliation Component;
- (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and
- (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement.

H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:

- 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30.
- 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues.
- 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.

TAXES

The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.

Rate Case Surcharge

The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.

OTHER SURCHARGES

The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.

APPLICATION SCHEDULE

1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the incorporated municipalities of Devers and Mt. Enterprise. Service under this Tariff is subject to the original jurisdiction of the municipalities of Devers and Mt. Enterprise. The Company will provide service to any person and/or business within its service

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20600

RATE SCHEDULESCHEDULE IDDESCRIPTION

area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: City Council of the City of Devers and the City of Mt. Enterprise.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Mt. Enterprise, Texas incorporated -

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20600

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Mt. Enterprise Inc.C	commercial rate - \$25.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA.

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
29431	N	CCF	\$.5075	06/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Mt. Enterprise, Inc.			
29431	N	CCF	\$.5080	05/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Mt. Enterprise, Inc.			
29431	N	CCF	\$.5559	07/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Mt. Enterprise, Inc.			
29431	N	CCF	\$.5923	08/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Mt. Enterprise, Inc.			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
 AMENDMENT (EXPLAIN):
 OTHER (EXPLAIN): To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20601

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20601

RATE SCHEDULESCHEDULE IDDESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20601

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

charge, or it may

(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.

G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:

- (a) the Cost of Purchased Gas;
- (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio;
- (c) the amount of the cost of gas caused by any surcharge or refund;
- (d) the Reconciliation Component;
- (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and
- (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement.

H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:

- 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30.
- 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues.
- 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.

TAXES

The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.

Rate Case Surcharge

The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.

OTHER SURCHARGES

The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.

APPLICATION SCHEDULE

1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the incorporated municipalities of Devers and Mt. Enterprise. Service under this Tariff is subject to the original jurisdiction of the municipalities of Devers and Mt. Enterprise. The Company will provide service to any person and/or business within its service

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20601

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: City Council of the City of Devers and the City of Mt. Enterprise.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Mt. Enterprise, Texas incorporated -

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20601

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Mt. Enterprise Inc.R	residential rate - \$15.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA.

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28393	N	CCF	\$.5075	06/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Mt. Enterprise, Inc.			
28393	N	CCF	\$.5080	05/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Mt. Enterprise, Inc.			
28393	N	CCF	\$.5559	07/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Mt. Enterprise, Inc.			
28393	N	CCF	\$.5923	08/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Mt. Enterprise, Inc.			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
AMENDMENT(EXPLAIN) :
OTHER(EXPLAIN) : To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20602

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20602

RATE SCHEDULESCHEDULE IDDESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20602

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
	<p>charge, or it may</p> <p>(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.</p> <p>G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:</p> <ul style="list-style-type: none"> (a) the Cost of Purchased Gas; (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio; (c) the amount of the cost of gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement. <p>H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:</p> <ul style="list-style-type: none"> 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30. 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues. 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.
TAXES	<p>The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.</p>
Rate Case Surcharge	<p>The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.</p>
OTHER SURCHARGES	<p>The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.</p>
SCHEDULE APPLICATION	<p>1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20602

RATE SCHEDULESCHEDULE IDDESCRIPTION

within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Nome, Texas unincorporated -

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20602

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Nome Env.C	commercial rate - \$25.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA.

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28372	N	CCF	\$.4105	06/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Nome Environs			
28372	N	CCF	\$.4720	05/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Nome Environs			
28372	N	CCF	\$.4341	07/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Nome Environs			
28372	N	CCF	\$.4341	08/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Nome Environs			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
 AMENDMENT (EXPLAIN):
 OTHER (EXPLAIN): To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20603

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20603

RATE SCHEDULE

SCHEDULE IDDESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20603

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
	<p>charge, or it may</p> <p>(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.</p> <p>G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:</p> <ul style="list-style-type: none"> (a) the Cost of Purchased Gas; (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio; (c) the amount of the cost of gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement. <p>H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:</p> <ul style="list-style-type: none"> 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30. 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues. 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.
TAXES	<p>The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.</p>
Rate Case Surcharge	<p>The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.</p>
OTHER SURCHARGES	<p>The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.</p>
SCHEDULE APPLICATION	<p>1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20603

RATE SCHEDULESCHEDULE IDDESCRIPTION

within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

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Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Nome, Texas unincorporated -

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20603

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Nome Env.R	residential rate - \$15.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28370	N			
<u>CUSTOMER NAME</u>	Residential Customers of Nome Environs			
28369	N	CCF	\$.4105	06/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Nome, Inc.			
28369	N	CCF	\$.4720	05/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Nome, Inc.			
28369	N	CCF	\$.4341	07/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Nome, Inc.			
28369	N	CCF	\$.4341	08/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Nome, Inc.			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
 AMENDMENT(EXPLAIN) :
 OTHER(EXPLAIN) : To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20604

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20604

RATE SCHEDULESCHEDULE IDDESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20604

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
	<p>charge, or it may</p> <p>(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.</p> <p>G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:</p> <ul style="list-style-type: none"> (a) the Cost of Purchased Gas; (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio; (c) the amount of the cost of gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement. <p>H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:</p> <ul style="list-style-type: none"> 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30. 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues. 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.
TAXES	<p>The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.</p>
Rate Case Surcharge	<p>The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.</p>
OTHER SURCHARGES	<p>The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.</p>
SCHEDULE APPLICATION	<p>1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business</p>

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20604

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Raywood, Texas unincorporated -

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20604

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Raywood Env.C	commercial rate - \$25.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA.

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28364	N	CCF	\$.5808	06/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Raywood Environs			
28364	N	CCF	\$.6516	05/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Raywood Environs			
28364	N	CCF	\$.5931	07/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Raywood Environs			
28364	N	CCF	\$.5887	08/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Raywood Environs			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
 AMENDMENT(EXPLAIN):
 OTHER(EXPLAIN): To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20605

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20605

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:
 (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
 (b) the revenues produced by the operation of this cost of gas clause, and
 (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20605

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
	<p>charge, or it may</p> <p>(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.</p> <p>G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:</p> <ul style="list-style-type: none"> (a) the Cost of Purchased Gas; (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio; (c) the amount of the cost of gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement. <p>H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:</p> <ul style="list-style-type: none"> 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30. 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues. 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.
TAXES	<p>The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.</p>
Rate Case Surcharge	<p>The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.</p>
OTHER SURCHARGES	<p>The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.</p>
SCHEDULE APPLICATION	<p>1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20605

RATE SCHEDULESCHEDULE IDDESCRIPTION

within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Raywood, Texas unincorporated -

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20605

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Raywood Env.R	residential rate - \$15.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28362	N	CCF	\$.5808	06/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Raywood Environs			
28362	N	CCF	\$.6516	05/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Raywood Environs			
28362	N	CCF	\$.5931	07/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Raywood Environs			
28362	N	CCF	\$.5887	08/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Raywood Environs			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
 AMENDMENT (EXPLAIN):
 OTHER (EXPLAIN): To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20606

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20606

RATE SCHEDULESCHEDULE IDDESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20606

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

charge, or it may

(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.

G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:

- (a) the Cost of Purchased Gas;
- (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio;
- (c) the amount of the cost of gas caused by any surcharge or refund;
- (d) the Reconciliation Component;
- (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and
- (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement.

H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:

- 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30.
- 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues.
- 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.

TAXES

The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.

Rate Case Surcharge

The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.

OTHER SURCHARGES

The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.

SCHEDULE APPLICATION

1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20606

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Wildwood Resort City, environs,

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20606

RATE SCHEDULE	
<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Wildwood Env.C	commercial rate - \$25.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA.

RATE ADJUSTMENT PROVISIONS
Y

CUSTOMERS				
<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28410	N	CCF	\$.5073	06/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Wildwood Resort City Environs			
28410	N	CCF	\$.5377	05/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Wildwood Resort City Environs			
28410	N	CCF	\$.5757	07/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Wildwood Resort City Environs			
28410	N	CCF	\$.5457	08/01/2009
<u>CUSTOMER NAME</u>	Commercial Customers of Wildwood Resort City Environs			

REASONS FOR FILING
NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
AMENDMENT(EXPLAIN) :
OTHER(EXPLAIN) : To include rate case surcharge amount pursuant to GUD Docket No. 9835.

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

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20607

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 11/12/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 05/26/2009
 GAS CONSUMED: N AMENDMENT DATE: 05/20/2009 OPERATOR NO: 076836
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
COST OF GAS ADJ.	<p>A. APPLICABILITY - This Cost of Gas Clause shall apply to all general service rate schedules of the Company.</p> <p>B. DEFINITIONS</p> <p>1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.</p> <p>2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.</p> <p>3. Cost of Purchased Gas - The cost for gas purchased by the Company from its suppliers or the weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.</p> <p>4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.</p> <p>5. Reconciliation Audit - An annual review of the Company's books and records for each twelve-month period ending with the accounting month of June to determine the amount of over- or under-collection occurring during such twelve month period. The audit shall determine:</p> <ul style="list-style-type: none"> (a) the total amount paid for gas purchased by the Company to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases. <p>6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

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RATE SCHEDULESCHEDULE IDDESCRIPTION

during the same period. The utility shall recover the lesser of actual or five percent Lost and Unaccounted for Gas (LUG) whichever is less. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than 5% Lost and Unaccounted For Gas unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:

- (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
- (b) the revenues produced by the operation of this cost of gas clause, and
- (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.

E. PAYMENT FOR FUNDS, Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit.

F. SURCHARGE OR REFUND PROCEDURES - In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. If the payment or refund is related to gas purchased by the Company for a period of twelve (12) consecutive months or longer, the total amount recovered or refunded shall be divided by the general service sales, adjusted for known changes including the effects of weather, growth, and conservation, made to general service customers during the applicable period. With regard to amounts received or paid that are applicable to a period less than twelve (12) consecutive months, the Company may, at its option, refund or collect such amounts

- (1) over the same period of time as the over- or under-charge occurred,
- (2) over the same number of units sold during the period of the over- or under-

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20607

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
	<p>charge, or it may</p> <p>(3) include the entire amount in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Payment for Funds, above.</p> <p>G. COST OF GAS STATEMENT - The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth:</p> <ul style="list-style-type: none"> (a) the Cost of Purchased Gas; (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio; (c) the amount of the cost of gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; and (f) the Cost of Gas which is the total of items (b) through (e). The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement. <p>H. ANNUAL RECONCILIATION REPORT - The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:</p> <ul style="list-style-type: none"> 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30. 2. A tabulation of gas units sold to general service customers and related Cost of Gas clause revenues. 3. A summary of all other costs and refunds made during the year and the status of the operations of the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.
TAXES	<p>The Company shall collect from the customer on each monthly bill as a separate line item on the bill, as adjusted above, an amount equal to the various taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, State Sales Taxes, Franchise Fees, Gross Receipts Taxes, Fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.</p>
Rate Case Surcharge	<p>The Company will pass on a surcharge in the amount of \$0.408 per Mcf for rate case expenses pursuant to GUD Docket No. 9835.</p>
OTHER SURCHARGES	<p>The Company shall recover other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer s bill.</p>
SCHEDULE APPLICATION	<p>1. TARIFF APPLICABILITY - Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business</p>

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20607

RATE SCHEDULESCHEDULE IDDESCRIPTION

within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.

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

3. DEFINITIONS - The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

Applicant: Any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

Commercial Service: Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.

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

Special Rate Schedule: A rate schedule designed for a specific customer, but usually available to others of the same class similarly situated through negotiations with the Company.

Wildwood Resort City, environs,

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 7423 COMPANY NAME: BLUEBONNET NATURAL GAS LLC

TARIFF CODE: DS RRC TARIFF NO: 20607

RATE SCHEDULE

<u>SCHEDULE ID</u>	<u>DESCRIPTION</u>
Wildwood Env.R	residential rate - \$15.00 monthly customer charge, \$0.6980 per CCF cost of service usage rate plus CGA.

RATE ADJUSTMENT PROVISIONS

Y

CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
28409	N	CCF	\$.5073	06/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Wildwood Resort City Environs			
28409	N	CCF	\$.5377	05/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Wildwood Resort City Environs			
28409	N	CCF	\$.5757	07/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Wildwood Resort City Environs			
28409	N	CCF	\$.5457	08/01/2009
<u>CUSTOMER NAME</u>	Residential Customers of Wildwood Resort City Environs			

REASONS FOR FILING

NEW?: N RRC DOCKET NO: Docket No. 9810/98 CITY ORDINANCE NO:
AMENDMENT(EXPLAIN) :
OTHER(EXPLAIN) : To include rate case surcharge amount pursuant to GUD Docket No. 9835.

SERVICES

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