JIM WRIGHT, ***CHAIRMAN***
CHRISTI CRADDICK, ***COMMISSIONER***
WAYNE CHRISTIAN, ***COMMISSIONER***

DANA AVANT LEWIS, ***DIRECTOR***

RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

February 6, 2026

TO: All Parties of Record

Re: **OS-25-00028202, Consolidated**: *Statement of Intent of Texas Gas Service Company, a Division of ONE Gas, Inc., to Change Gas Utility Rates Within the Unincorporated Areas of the Central-Gulf, West North, and Rio Grande Valley Service Areas*

HEARINGS LETTER NO. 35
Final Order

Enclosed is a copy of the Commission's Final Order, signed yesterday.

Sincerely,

John Dodson
Administrative Law Judge

Enclosure

cc: Service List

SERVICE LIST

OS-25-00028202, Consolidated
Statement of Intent of Texas Gas Service Company, a Division of ONE Gas, Inc., to Change Gas Utility Rates Within the Unincorporated Areas of the Central-Gulf, West North, and Rio Grande Valley Service Areas

Administrative Law Judge John Dodson
Technical Examiners: Rose Ruiz and James Currier

APPLICANT

Texas Gas Service Company (TGS)
Kate Norman
C. Glenn Adkins
Gene Montes
Norman Santos PC
3721 Executive Center Drive, Suite 200
Austin, Texas 78731
(512) 985-9399
kate.norman@normansantos.com
glenn.adkins@normansantos.com
gene.montes@normansantos.com
shelley.morgan@normansantos.com
stephanie.tanner@normansantos.com
tammy.mitchell@normansantos.com
Counsel for TGS
Via Email

judy.hitchye@onegas.com
stacey.mctaggart@onegas.com
marie.michels@onegas.com

INTERVENORS

Cities Served by Texas Gas Service Company
Thomas L. Brocato
Samantha N. Miller
Lloyd Gosselink Rochelle & Townsend PC
816 Congress Ave., Suite 1900
Austin, Texas 78701
(512) 322-5800
tbrocato@lglawfirm.com
smiller@lglawfirm.com
Counsel for TGS Cities
Via Email

Steering Committee of Cities
Daniel J. Lawton
Molly Mayhall Vandervoort
12600 Hill Country Blvd., Suite R-275
Austin, Texas 78738
(512) 322-0019
danlawtonlawfirm@gmail.com
molly@mayhallvandervoort.com
Counsel for SCC
Via Email and First-Class Mail

INTERVENORS (cont.)

Staff of the Railroad Commission of Texas
Fernando Domene
Olivia Alland
Office of General Counsel, Railroad Commission
1701 N. Congress
Austin, Texas 78701
(737) 615-7657
fernando.domene@rrc.texas.gov
olivia.alland@rrc.texas.gov
sarah.halterman@rrc.texas.gov
Counsel for Commission Staff
Via Email

mark.evarts@rrc.texas.gov

City of El Paso
Norman J. Gordon
P.O. Box 8
El Paso, Texas 79940
(915) 203-4883
ngordon@ngordonlaw.com
Counsel for El Paso
Via Email

Donald C. Davie
ScottHulse PC
One San Jacinto Plaza
201 E. Main Dr., Suite 1100
El Paso, Texas 79901
(915) 546-8284
ddav@scotthulse.com
Counsel for El Paso
Via Email

Karla M. Nieman
Matthew G. Marquez
City of El Paso
300 N. Campbell, 2nd Floor
El Paso, Texas 79901
(915) 212-0033
niemankm@elpasotexas.gov
marquezmg@elpasotexas.gov
cao-utilities@elpasotexas.gov
Counsel for El Paso
Via Email

SERVICE LIST (continued)

INTERVENORS (cont.)

Alliance of Texas Gas Service Municipalities (ATGM)

Alfred R. Herrera
Sergio E. Herrera
Herrera Law & Associates PLLC
4400 Medical Parkway
Austin, Texas 78756
(512) 474-1492
aherrera@herreralawpllc.com
sherrera@herreralawpllc.com
service@herreralawpllc.com
Counsel for ATGM
Via Email

16 TEX. ADMIN. CODE § 1.7 (Ex Parte Communications):

(a) Ex parte communications are prohibited in contested cases as provided in the APA and other applicable rules including the Texas Disciplinary Rules of Professional Conduct.

(b) Each party shall provide all other parties with a copy of all documents submitted to an examiner.

(1) The attachment of a certificate of service stating that a document was served on a party creates a rebuttable presumption that the named party was provided a copy.

(2) Failure to provide a copy to all other parties may result in rejection and return of the document without consideration.

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BEFORE THE
RAILROAD COMMISSION OF TEXAS

STATEMENT OF INTENT OF TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC., TO CHANGE GAS UTILITY RATES WITHIN THE UNINCORPORATED AREAS OF THE CENTRAL-GULF, WEST NORTH, AND RIO GRANDE VALLEY SERVICE AREAS	**§**	**OS-25-00028202, *Consolidated*** **HEARINGS DIVISION**

FINAL ORDER

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to Chapter 551 (Open Meetings) of the Texas Government Code. The Railroad Commission of Texas ("Commission") adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

General

1. On June 30, 2025, Texas Gas Service Company, a division of ONE Gas, Inc. ("TGS"), filed with the Railroad Commission of Texas ("Commission") a statement of intent to change gas utility rates within the unincorporated areas of its Central-Gulf Service Area ("CGSA"), West North Service Area ("WNSA"), and Rio Grande Valley Service Area ("RGVSA")—and consolidate these service areas with uniform statewide base rates within customer classes—as well as other related relief (the "SOI"). The filing was docketed as OS-25-00028202.

2. TGS filed its SOI pursuant to Gas Utility Regulatory Act ("GURA"), Chapter 104 (Rates and Services) and Subchapter C (Rate Changes Proposed by Utility).

Parties

3. Applicant TGS is a gas utility under GURA Section 101.003 (Definitions).

4. Intervenor Staff of the Railroad Commission ("Commission Staff") participated in this case to assert its interest in seeing that the rules and regulations of the Commission, together with the appropriate statutes, have been followed.

5. Intervenor Steering Committee of Cities ("SCC") is a coalition of municipalities located within the CGSA whose residents are served by TGS.

6. SCC includes the following members: Beaumont, Groves, Nederland, Port Arthur, and Port Neches.

7. Intervenor Cities Served by Texas Gas Service Company ("TGS Cities") is a coalition of municipalities located within the CGSA and RGVSA whose residents are served by TGS.

8. TGS Cities includes the following members: Alton, Austin, Bayou Vista, Bee Cave, Brownsville, Cedar Park, Cuero, Donna, Dripping Springs, Edinburg, Elsa, Galveston, Georgetown, Gonzales, Harlingen, Hidalgo, Hutto, Kyle, Lakeway, Lockhart, Los Fresnos, Luling, Marble Falls, McAllen, Mission, Palm Valley, Pflugerville, Pharr, Port Isabel, Rancho Viejo, Raymondville, Rollingwood, San Benito, Shiner, Weslaco, West Lake Hills, and Yoakum.

9. Intervenor El Paso is a home-rule city located with the WNSA whose residents are served by TGS.

10. Intervenor Alliance of Texas Gas Municipalities ("ATGM") is a coalition of municipalities located within the WNSA whose residents are served by TGS.

11. ATGM includes the following members: Andrews, Anthony, Borger, Bryson, Clint, Graham, Horizon City, and San Elizario.

Procedural History

12. On June 30, 2025, Applicant TGS filed its SOI.

13. Subsequently, Commission Staff, SCC, TGS Cities, El Paso, and ATGM (together, the "Intervenors") timely intervened and became parties.

14. On July 31, 2025, TGS voluntarily extended the effective date for its proposed rates and related changes until August 31, 2025.

15. On August 19, 2025, the Commission properly suspended the effective date of TGS's proposed rate change for a period of 150 days from when it otherwise would become effective.

16. On August 20, 2025, all municipal parties were aligned for purposes of discovery.

17. Subsequently Intervenor El Paso, on meritorious motion, was partially realigned for the issue of service area consolidation.

18. On August 29, 2025, TGS timely provided notice of its SOI to each affected customer within the CGSA, WNSA, and RGVSA by direct mail.

19. Subsequently, the Commission received 12 timely communications from the public opposing TGS's proposed rate increase.

20. The public commenters each were provided a "Complaint and Statement of Intent to Participate Form" in accordance with Commission Rule § 7.240 (Statement of Intent to Participate), and no completed forms were returned.

21. On August 29, 2025, TGS filed with the Commission a petition for review from rate actions taken by the Cities of Andrews, Anthony, Borger, Bryson, Clint, Graham, Horizon City, Mineral Wells, Pecos, San Elizario, Weatherford, Aledo, Barstow, Breckenridge, Buda, Combes, Crane, Dell City, Edcouch, Graford, Hudson Oaks, Jacksboro, Jamaica Beach, Jarrell, La Feria, La Joya, La Villa, Laguna Vista, Lyford, McCamey, Millsap, Monahans, Mustang Ridge, Nixon, Palmhurst, Palmview, Penitas, Progreso, Pyote, Rio Hondo, Santa Rosa, Skellytown, Sunset Valley, Thorntonville, Wickett, Willow Park, and Wink (the "First Appeal"), docketed as OS-25-00029068.

22. The First Appeal was consolidated with the main SOI docket, without opposition, following a finding that the dockets involve common questions of law and fact.

23. On September 15, 2025, the rate case expenses portion of the main SOI docket was severed into a separate docket, OS-25-00029224.

24. On October 14, 2025, the Notice of Hearing was issued, setting the hearing on the merits to commence on November 4, 2025 ("Notice of Hearing").

25. The Notice of Hearing stated that the hearing would encompass "all issues of fact and law raised in—or relevant to—TGS's requested relief."

26. As noticed, the scope of the hearing was not limited by the Commission or administrative law judge ("ALJ"), and no issues were precluded from litigation.

27. On October 15, 2025, the Commission published the Notice of Hearing in *Gas Utilities Information Bulletin No. 1261*.

28. On October 15, 2025, the Notice of Hearing was provided to the governing bodies of affected counties and municipalities.

29. On November 3, 2025, at a prehearing conference held the day before the merits hearing, all parties together represented the following:

> *We have settled all issues except for the question of service area consolidation, which is part of this case. And consistent with that settlement, in principle, we would propose that the scope of the hearing be limited to the service area consolidation question.*

30. The merits hearing was held from November 4-5, 2025 (the "Hearing").

31. The scope of the hearing was not limited by the Commission or presiding ALJ, and no issues were precluded from litigation.

32. During the Hearing, counsel for the parties voluntarily waived cross examination for numerous party witnesses—including for all three of El Paso's witnesses—and made no objections with respect to admitting all parties' respective pre-filed direct testimonies, which encompassed both consolidation and also every other rate element pertinent to TGS's filing.

33. Intervenor El Paso had multiple counsel present during all phases of the Hearing, was given the opportunity to question all adverse witnesses it chose, participated actively throughout the Hearing, and submitted written closing briefs.

34. All parties were given an opportunity to respond and to present evidence and argument on each issue involved in this case.

35. The Hearing was formally adjourned the afternoon of November 5, 2025, at the conclusion of the proceeding.

36. On November 19, 2025, TGS filed with the Commission a petition for review from rate actions taken by the Cities of Alamo, Austin, Bayou Vista, Bee Cave, Cedar Park, Donna, Dripping Springs, Edinburg, El Paso, Elsa, Galveston, Georgetown, Harlingen, Hutto, Kyle, Lakeway, Lockhart, Los Fresnos, Marble Falls, Mercedes, Mission, Palm Valley, Pflugerville, Pharr, Port Isabel, San Benito, San Juan, Vinton, Weslaco, West Lake Hills, and Yoakum (the "Second Appeal"), docketed as OS-25-00029848.

37. The Second Appeal was consolidated with the main SOI docket, without opposition, following a finding that the dockets involve common questions of law and fact.

38. On November 19, 2025, TGS filed an original settlement version, signed by all parties except El Paso, which purported to memorialize all the parties' agreed settlement terms—including for the Commission's handling of the question of service area consolidation.

39. Addressing the lack of El Paso's signature, the remaining parties represented the following:

> *Counsel for the City of El Paso has participated in settlement negotiations and generally agrees to the terms set forth herein in principle, subject to authorization by the City Council. The City Council has not yet had the opportunity to consider this settlement agreement but is scheduled to take action on December 1, 2025. The City of El Paso will provide an executed version of this settlement agreement if approved by the City Council.*

40. On December 1, 2025, El Paso notified that its City Council "declined to join the proposed settlement that had been filed."

41. On December 5, 2025, TGS filed a Non-Unanimous Stipulation and Settlement Agreement and Identification of Sole Issue in Dispute (the "NUS" or "Settlement"), signed by all parties except El Paso, along with an accompanying joint motion to re-open the merits hearing.

42. On December 9, 2025, a posthearing conference was held to discuss and consider, among other things, the parties' joint motion to re-open the hearing.

43. At the posthearing conference, counsel for TGS clarified that the original and new settlement versions are identical with respect to all rate elements, and counsel for El Paso informed that El Paso now intends to oppose the entirety of TGS's request—not just service area consolidation.

44. On December 5, 2025, TGS timely filed with the Commission a petition for review from municipal actions taken by the Cities of Alton, Brownsville, Gonzales, Rancho Viejo, Rollingwood, Socorro, Beaumont, Cuero, Groves, Hidalgo, Luling, McAllen, Nederland, Port Arthur, Port Neches, Primera, Raymondville, and Shiner (the "Third Appeal"), docketed as OS-25-00029956.

45. The Third Appeal was consolidated with the main SOI docket, without opposition, following a finding that the dockets involve common questions of law and fact.

46. On December 10, 2025, the ALJ denied the motion to re-open the hearing.

47. On December 17, 2025, the evidentiary record closed.

48. On December 23, 2025, the Proposal for Decision ("PFD") was issued.

Books and Records

49. TGS maintains its books and records in accordance with Commission Rule § 7.310 (System of Accounts), which requires each gas utility to "utilize the Federal Energy Regulatory Commission's (FERC) Uniform System of Accounts (USOA) prescribed for Natural Gas Companies subject to the Provisions of the Natural Gas Act (as amended from time to time) (FERC USOA) for all operating and reporting purposes.

50. TGS's unchallenged amounts shown in its books and records have been reasonably and necessarily incurred.

Test Year

51. TGS's proposed cost of service is based on the 12-month period ended December 31, 2024, updated for known changes and conditions that are measurable with reasonable accuracy.

Statewide Customer Classifications

52. Consolidation of the CGSA, WNSA and RGVSA into a single statewide jurisdiction better reflects TGS's existing centralized operations, management and decision-making processes.

53. TGS does not operate the existing CGSA, WNSA, and RGVSA in isolation from each other; rather, TGS operates and maintains its system, including all of the existing service areas, in a coordinated way, along with managing those activities at the TGS and ONE Gas, Inc., levels.

54. The boundaries of the CGSA, WNSA, and RGVSA: are arbitrary from an operations perspective and have been the result of acquisitions of existing gas utility systems throughout the state; and were not the result of an intentional choice of TGS to identify geographic boundaries around the gas distribution system it operates.

55. The existing CGSA, RGVSA, and WNSA share personnel for certain services and rely on centralized management of certain functions and operations.

56. TGS's centralized, functional operating model allows for the efficient and timely use of materials, supplies, and other TGS resources, including personnel.

57. Establishing statewide customer classifications will result in administrative and regulatory efficiencies, and those efficiencies will benefit both TGS and its customers.

58. Establishing statewide customer classifications will reduce the number of cost-of-service analyses and rate-filing packages that TGS, the Commission, other regulatory authorities, any intervening parties and the public must consider and address.

59. Reducing TGS's rate filings will result in reduced rate case expenses that will be recovered from ratepayers, and also will allow for greater economy of resources for municipalities participating in rate proceedings held at the Commission.

60. Establishing statewide customer classifications will reduce the number of tariffs administered by TGS from 98 tariffs to 38 tariffs.

61. Establishing statewide customer classifications will avoid unreasonable rate differences between customers and localities.

62. Establishing statewide customer classifications will result in greater uniformity and consistency for TGS and its customers.

63. Establishing statewide customer classifications will lead to more consistent and equal cost impacts on customers because there will be a larger, single group of customers in TGS, instead of three distinct customer bases in three different service areas.

64. The RGVSA is more rural and has fewer customers as compared to the CGSA and WNSA, and so the costs to serve the RGVSA are borne by fewer customers resulting in higher customer rates, than that experienced in either the CGSA or WNSA.

65. RGVSA customers currently pay more than double the rates of CGSA customers and four or five times the volumetric rate of WNSA customers.

66. Establishing statewide customer classifications will make rates throughout the state more equitable for all residential customers.

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67. Establishing statewide customer classifications is consistent with prior Commission decisions regarding consolidation and the setting of system-wide rates.

68. The CGSA, WNSA, and RGVSA each have unique and different service costs.

69. Under the Settlement's consolidation version, the statewide residential revenue requirement totals approximately $329,227,184, to be recovered from approximately 666,390 residential customers, resulting in a per-customer contribution totaling approximately $494.05 annually.

70. Under the Settlement's standalone service area model, the CGSA residential revenue requirement totals approximately $166,477,609, to be recovered from approximately 315,042 residential customers, resulting in a per-customer contribution totaling approximately $528.43 annually.

71. On a per-customer basis, CGSA residential customers will contribute approximately $34.38 less annually, or approximately $2.87 less monthly, toward the residential revenue requirement under the Settlement's statewide version as compared to the standalone version.

72. Under the Settlement's standalone service area model, the RGVSA residential revenue requirement totals approximately $30,115,719, to be recovered from approximately 59,182 residential customers, resulting in a per-customer contribution totaling approximately $508.87 annually.

73. On a per-customer basis, RGVSA residential customers will contribute approximately $14.82 less annually, or approximately $1.24 less monthly, toward the residential revenue requirement under the Settlement's statewide version as compared to the standalone version.

74. Under the Settlement's standalone service area model, the WNSA residential revenue requirement totals approximately $131,955,155, to be recovered from approximately 292,167 residential customers, resulting in a per-customer contribution totaling approximately $451.64 annually.

75. On a per-customer basis, WNSA residential customers will contribute approximately $42.41 more annually, or approximately $3.53 more monthly, toward the residential revenue requirement under the Settlement's statewide version as compared to the standalone version.

76. With respect to per-customer contributions to TGS's total revenue requirement under the Settlement's statewide model, some unequal treatment may occur, as approximated above, but it is within a reasonable range.

77. Reasonable bases exist, as demonstrated by TGS and individually found above, for any unequal treatment that may result from uniform rates within statewide customer classifications.

78. Establishing statewide customer classifications, as approved herein, results in rates that are not unreasonably preferential, prejudicial, or discriminatory.

79. The rates under the Settlement's consolidation model are sufficient to satisfy TGS's total revenue requirement, as approved herein, and do not provide TGS a higher total revenue than under the Settlement's combined standalone models.

80. Establishing statewide customer classifications, as approved herein, results in rates that are just and reasonable.

81. Establishing statewide customer classifications is appropriate and in the public interest.

82. It is appropriate to treat the municipalities served by TGS in statewide classifications, consistent with the Settlement and this Order.

Cost of Gas & Pipeline Integrity Testing

83. One Cost of Gas ("COG") Clause and one Pipeline Integrity Testing ("PIT") Rider will facilitate regulatory and administrative efficiencies and will avoid unreasonable differences in costs among customers for these expenses.

84. TGS contracts with common gas suppliers across the areas it serves, and there is overlap among former geographic service areas regarding gas suppliers.

85. A single COG Clause will provide a natural hedge against any potential irregularities in supply costs that could be experienced by TGS customers.

86. The PIT costs are system-wide costs that are reasonable and necessary to comply with state and federal regulations and ensure safe and reliable service.

87. A single PIT Rider is fair to customers who have no control over TGS's transmission infrastructure locations.

88. A single PIT Rider ensures that system costs are fairly shared among all customers.

Non-Contested Issues Under Settlement

89. Except for the issues of service area consolidation and statewide allocation of COG and PIT expenses, the Settlement resolves all rate element issues among the settling parties: TGS, Commission Staff, TGS Cities, SCC, and ATGM.

90. The non-contested issues in the Settlement are uncontested only among the settling parties.

91. Intervenor El Paso opposes all issues reflected in the Settlement, including issues that are non-contested under the Settlement among the settling parties.

92. The Settlement provides for a revenue requirement for TGS on a consolidated basis totaling $453,705,890, reflecting a statewide increase of $15 million.

93. The $15 million revenue increase under the Settlement represents a decrease of approximately $26 million from the increase requested in the original SOI, as amended by an errata filing.

94. The $453,705,890 total revenue requirement requested under the Settlement includes $574,000 that is specifically tied to funding, in base rates, of TGS's Share the Warmth program.

95. The $15 million total revenue increase under the Settlement includes $574,000 that is specifically tied to funding, in base rates, of TGS's Share the Warmth program, but otherwise is not tied to any specific item in TGS's underlying cost-of-service.

96. As adjusted to remove $574,000 attributable to Share the Warmth costs, a revenue requirement for TGS on a consolidated basis totaling $453,131,890, reflecting an adjusted $14,426,000 revenue increase, is just and reasonable.

97. A revenue requirement for TGS on a consolidated basis totaling $453,131,890 provides TGS a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public in excess of its reasonable and necessary operating expenses.

98. The tariffs appended as **Attachment 1** to this Order are just and reasonable.

99. Consistent with the Settlement, it is reasonable to split equally between customers and shareholders certain amounts, as reflected below, for Board of Directors compensation, Directors' and Officers' Insurance, and Investor Relations.

Expense	Total Allocated Cost	Cost Removed
Board of Directors Compensation	$478,295	$239,148
Directors' and Officers' Insurance	$218,211	$109,105
Investor Relations	$89,528	$44,764
Total	**$786,034**	**$393,017**

100. The below customer charges and volumetric rates, with adjustments to the Settlement amounts highlighted to reflect removal of $574,000 from base rates as treated herein, are just and reasonable and shall apply on a statewide basis.

Statewide Area	Customer Charge	Usage Charge (Ccf)
Residential – Small	$19.50	$0.92086
Residential – Large	$35.00	$0.35722
Commercial – Small	$75.00	$0.49348
Commercial – Large	$150.00	$0.19348
Transportation	$500.00	$0.09470
Industrial	$1,250.00	$0.18947
Public Authority	$200.00	$0.17511
Electric Generation Transportation	$1,000.00 + $0.72542 MDQ	$0.02000
CNG	$320.00	$0.09470
Unmetered Gas Light Residential	N/A	$0.92086
Unmetered Gas Light Commercial	N/A	$0.49348
Unmetered Gas Light Industrial	N/A	$0.18947
Unmetered Gas Light Public Authority	N/A	$0.17511

101. The below capital structure and weighted cost of capital for TGS, including the pre-tax weighted average cost of capital, are just and reasonable.

	Capital Structure	Cost	Weighted Cost of Capital	Pre-Tax Return
Long-Term Debt	40.08%	4.45%	1.78%	1.78%
Common Equity	59.92%	9.80%	5.87%	7.43%
Rate of Return			**7.66%**	**9.22%**

102. TGS's class revenue allocation "Option 3" is reasonable.

103. Consistent with the Settlement, it is reasonable that the Residential class allocation of the revenue increase not exceed 79 percent.

104. TGS's capital investment booked to plant through December 31, 2024, including investment identified in TGS's Interim Rate Adjustment ("IRA") filings, is prudent, used and useful, and just and reasonable.

105. The consolidated net plant balance of $2,054,317,663, as reflected in the Settlement, is prudent, used and useful, just and reasonable.

106. An adjustment to gross plant of $6,710, as reflected in the Settlement, and a corresponding GRIP refund of $2,866.92 that will be used to reduce the regulatory asset balance rather than returned through a refund, is just and reasonable.

107. Consistent with the Settlement, it is reasonable that any future IRA filing made by TGS pursuant to GURA Section 104.301 (Interim Adjustment for Changes in Investment) shall use the below factors until changed by a subsequent general rate proceeding:

a. The capital structure and rate components, approved herein.

b. For the initial IRA filing and all subsequent IRA filings, the depreciation rate for each account shall be those shown in **Attachment 2**.

c. For the initial IRA filing, the beginning balance of net plant in service shall be $2,054,317,663 as shown on **Attachment 2**.

d. For the initial IRA filing, the customer charges and commodity charges, approved herein, shall be the starting rates to which any IRA adjustment is applied.

e. The base rate revenue allocation factors to spread any change in IRA increase/decrease to the appropriate customer classes are as follows:

Statewide Area	Allocation
Residential	77.95 %
Commercial	15.35 %
Public Authority	2.30 %
Industrial	0.53 %
Compressed Natural Gas	0.00 %
General Transportation	3.09 %
Electric Generation Transportation	0.08 %
Fort Bliss	0.70 %
Total Allocation	100.000%

108. Consistent with the Settlement, the below base year level of pension-related and other post-employment benefits expenses are reasonable.

Statewide Area	Total
Pension	$611,062
OPEB	$75,361
Total	$686,423

109. Consistent with the Settlement, it is reasonable that the Prepaid Pension Asset and the Pension and Other Post-Employment Benefits ("OPEB") regulatory asset be recovered through base rates.

110. Consistent with the Settlement, it is reasonable that $7,400,000 in excess deferred income taxes be reclassified from protected to unprotected excess deferred income taxes and be returned to customers using the Average Rate Assumption Method.

111. Consistent with the Settlement, it is reasonable that all qualifying cloud-computing implementation costs for contracts with a value greater than $50,000 and a term greater than one year be treated as capital investment recoverable through annual IRA filings.

112. TGS's depreciation rates shown in **Attachment 2** to this Order are proper and adequate, and just and reasonable.

113. Consistent with the Settlement, the below terms relating to recovery by TGS of developer costs are reasonable.

    a. TGS may include developer infrastructure costs in its invested capital and may recover those costs from customers, but only to the extent those costs are not reimbursed, or otherwise subject to reimbursement, by the developer.

    b. Amounts paid to developers for developer incentives, which are any amounts paid to developers that are not developer infrastructure costs, are not recoverable from ratepayers as part of contracts executed by TGS on or after June 30, 2024, or contracts amended or extended on or after June 30, 2024.

    c. Developer incentives are not eligible for inclusion in an energy conservation program adopted pursuant to Commission Rule 7.480 (Energy Conservation Programs).

114. During the test year, services were provided to TGS by an affiliate, Utility Insurance Company ("UIC").

115. The services provided to TGS by UIC were reasonable and necessary.

116. The prices charged to TGS by UIC, totaling $8,141,733, were no higher than the prices charged to other affiliates of TGS, or to a non-affiliated person for the same item or class of items.

117. The remaining balance of the COVID-19 Regulatory Asset, which is $250,782, and reflects a reduction of $56,630, is just and reasonable as set out in the Settlement and it is reasonable that it be amortized over six years.

118. Other remaining regulatory assets, including recovery for COVID-19 operations and maintenance expenses and Winter Storm Uri expenses, in the amount of $3,693,257, less $679,908 of amortization that occurred in 2025, is just and reasonable and it is reasonable that it be amortized over six years.

119. Recovery of expenses related to Docket No. OS-23-00014883 in the amount of $323,865 as a regulatory asset, as set out in the Settlement, is just and reasonable and it is reasonable it be amortized over six years.

120. Recovery of $15,215 related to Winter Storm Gerri as a regulatory asset is just and reasonable, as set out in the Settlement, and it is reasonable that it be amortized over six years.

121. A Line Locating Expense credit of $1,541,585 applied as a regulatory liability, as set out in the Settlement, is just and reasonable and it is reasonable that it be amortized over six years.

122. A Pension and OPEB credit of $6,518,193, as set out in the Settlement, applied as a regulatory liability is just and reasonable.

123. Share the Warmth is TGS's program that allows TGS customers to contribute to a fund, which TGS maintains and then provides to local partner agencies who, in turn, distribute the money to qualifying TGS customers to pay their gas bills.

124. For ratemaking purposes, contributions made to Share the Warmth are charitable contributions.

125. Including $574,000 in base rates to fund the Share the Warmth program is not an expense caused by utility service.

126. Including $574,000 in base rates to fund the Share the Warmth program is not just and reasonable.

127. Reducing the statewide revenue requirement under the Settlement by $574,000 is necessary to prevent TGS from overearning.

CONCLUSIONS OF LAW

General & Jurisdiction

1. TGS is a gas utility as defined in GURA Section 101.003 (Definitions) and therefore is subject to the jurisdiction of the Commission.

2. TGS's SOI filing complied with the requirements of GURA Section 104.102 (Statement of Intent to Increase Rates) and applicable Commission rules.

3. TGS's First Appeal, Second Appeal, and Third Appeal filings complied with the requirements of GURA (Jurisdiction and Powers of Municipality), Subchapter C (Appeal of Municipal Order), and applicable Commission rules.

4. TGS's proposed rates constitute a major change as defined by GURA Section 104.101 (Definition).

5. The Commission has exclusive original jurisdiction pursuant to GURA Section 102.001(a) to set the rates TGS requests for its customers located within the unincorporated areas TGS serves.

6. The Commission has exclusive appellate jurisdiction pursuant to GURA Section 102.001(b) to review the municipal actions taken by the Cities of Andrews, Anthony, Borger, Bryson, Clint, Graham, Horizon City, Mineral Wells, Pecos, San Elizario, Weatherford, Aledo, Barstow, Breckenridge, Buda, Combes, Crane, Dell City, Edcouch, Graford, Hudson Oaks, Jacksboro, Jamaica Beach, Jarrell, La Feria, La Joya, La Villa, Laguna Vista, Lyford, McCamey, Millsap, Monahans, Mustang Ridge, Nixon, Palmhurst, Palmview, Penitas, Progreso, Pyote, Rio Hondo, Santa Rosa, Skellytown, Sunset Valley, Thorntonville, Wickett, Willow Park, Wink, Alamo, Austin, Bayou Vista, Bee Cave, Cedar Park, Donna, Dripping Springs, Edinburg, El Paso, Elsa, Galveston, Georgetown, Harlingen, Hutto, Kyle, Lakeway, Lockhart, Los Fresnos, Marble Falls, Mercedes, Mission, Palm Valley, Pflugerville, Pharr, Port Isabel, San Benito, San Juan, Vinton, Weslaco, West Lake Hills, Yoakum, Alton, Brownsville, Gonzales, Rancho Viejo, Rollingwood, Socorro, Beaumont, Cuero, Groves, Hidalgo, Luling, McAllen, Nederland, Port Arthur, Port Neches, Primera, Raymondville, and Shiner.

7. With respect to municipal appeals, the rates and other relief established herein satisfy the standards set forth in GURA Section 103.055 (Hearing and Order).

8. This Order and individual findings made in it, as pertaining to all rate elements reflected in the Settlement, are based only on the evidence and on matters that were officially noticed, as well as controlling Texas law.

9. Relief under the Settlement, as treated and approved herein, fulfills the standards for non-unanimous settlements under Texas law.

Notice and Procedures

10. Required notices were issued and/or provided in accordance with the requirements of GURA, Subtitle A (Administrative Procedure and Practice) of the Texas Government Code, and applicable Commission rules.

11. The Commission properly suspended the operation of TGS's proposed rate schedule pursuant to GURA Section 104.107 (Rate Suspension; Deadline).

12. This proceeding was conducted in accordance with the requirements of GURA Subtitle A (Administrative Procedure and Practice) of the Texas Government Code, and applicable Commission rules.

13. Consistent with the Administrative Procedure Act, GURA, and applicable Commission rules, all parties were given an opportunity to respond and to present evidence and argument on each issue involved in this case.

14. As the only non-signatory to the Settlement, El Paso was given the opportunity to be heard regarding all requested relief and rate element issues pertinent to TGS's filing, including the rate element issues reflected in the Settlement, consistent with controlling procedural requirements.

Books and Records

15. TGS established that it maintains its books and records in accordance with Commission Rule § 7.310 (System of Accounts).

16. TGS is entitled to the presumption set forth in Commission Rule § 7.503 (Evidentiary Treatment of Uncontroverted Books and Records of Gas Utilities) that the unchallenged amounts shown in its books and records are presumed to have been reasonably and necessarily incurred.

Burden of Proof

17. TGS carried the burden of proof under GURA Section 104.008 (Burden of Proof) to show that the proposed rate changes are just and reasonable.

18. Consistent with GURA Section 104.008 (Burden of Proof), TGS met its burden of proof on the elements of its requested rate increase under the Settlement, except as treated in this Order.

19. TGS failed to meet its burden under the Settlement with respect to inclusion of any portion of Share the Warmth funding in base rates.

Statewide Customer Classifications

20. The Commission has plenary authority to establish classifications of customers and services of a gas utility.

21. Customer classifications need only be reasonable, not perfect.

22. Within a customer classification, rates are lawful where they (1) are just and reasonable, and (2) not unreasonably preferential, prejudicial, or discriminatory.

23. The GURA standard for uniform statewide base rates is no different from system-specific rates, and gas utilities are not required to show that statewide rates are necessary or better than standalone system versions.

24. While cost of service is used to guide just and reasonable rates, cost itself is an inexact standard and may, in a particular set of circumstances, serve as the basis for several different rates.

25. The rate-design process involves an exercise of the Commission's informed judgment and expertise and utilizes projections and estimates.

26. Within customer classifications, some unequal treatment concerning base rates does not necessarily produce unlawful discrimination.

27. Cost of service is a relevant factor in assessing whether uniform base rates across several systems may cause differences that rise to the level of unreasonable discrimination.

28. Efficiency in the provision of service is a relevant factor under GURA that the Commission may consider in requests to consolidate service areas.

29. System interconnectedness is not a relevant factor under GURA that the Commission may consider in requests to consolidate service areas.

30. Consolidation of the CGSA, WNSA and RGVSA into a single statewide jurisdiction, consistent with the Settlement, is consistent with requirements under GURA Chapter 104 (Rates and Services), including Sections 104.001 (Authorization to Establish and Regulate Rates), 104.003 (Just and Reasonable Rates), and 104.004 (Unreasonable Preferences or Prejudice Prohibited).

Cost of Gas & Pipeline Integrity Testing

31. Regulatory requirements of general applicability, including limitations, normally must be made through the formal APA rulemaking process and not in adjudications.

32. Adjudicative or "ad hoc" rulemaking has been recognized as appropriate in limited circumstances in which an agency is confronted with (1) an issue of first impression, (2) a new or amended statutory scheme or administrative rules, or (3) an issue that cannot be adequately captured within the bounds of a general rule because the problem is so specialized and varying in nature.

33. Allocation to customers of COG and PIT expenses is an issue of general applicability for all utilities, not just TGS, and therefore creating new allocation criteria in this docket with respect to geography, region, or system, does not satisfy the common law standard for use of adjudicatory rulemaking.

34. Allocation of gas costs and pipeline integrity testing expenses to customers is not limited under GURA or current Commission rules with respect to geography, region, or system.

35. Uniform allocation of COG and PIT expenses within statewide customer classifications, consistent with the Settlement and TGS's primary request, is just and reasonable and consistent with GURA and other authorities.

"Share the Warmth" Program Costs

36. Consistent with GURA Section 104.055 (Net Income; Allowable Expenses), utility rates may include only expenses caused by utility service.

37. Including Share the Warmth funding in base rates is inconsistent with GURA Section 104.003 (Just and Reasonable Rates).

38. Including Share the Warmth funding in base rates is inconsistent with Commission Rule 7.5414 (Advertising, Contributions, Donations).

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Rates and Services

39. The revenue, rates, rate design, and service charges reflected in the Settlement, as adjusted herein, are just and reasonable, are not unreasonably preferential, prejudicial, or discriminatory, and are sufficient, equitable, and consistent in application to each class of consumer, as required by GURA.

40. The Commission has ensured that the rates, operations, and services established in this docket are just and reasonable to customers and to TGS in accordance with the stated purpose of the Texas Utilities Code, Subtitle A, expressed under GURA Section 101.002 (Purpose and Findings).

41. The overall revenues reflected in the Settlement, as adjusted herein, are just and reasonable, fix an overall level of revenues that will permit TGS a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public over and above its reasonable and necessary operating expenses, as required by GURA Section 104.051 (Establishing Overall Revenues), and otherwise comply with GURA Chapter 104 (Rates and Services).

42. The revenue, rates, rate design, and service charges reflected in this Order will not yield to TGS more than a fair return on the adjusted value of the invested capital used and useful in rendering service to the public, as required by GURA Section 104.052 (Establishing Fair Rate of Return).

43. The rate of return and components established in this Order are consistent with the requirements of GURA Section 104.052 (Establishing Fair Rate of Return) and Chapter 104 (Rates and Services).

44. The rates established in this Order comport with the requirements of GURA Section 104.053 (Components of Adjusted Value of Invested Capital) and are based upon the adjusted value of invested capital used and useful, where the adjusted value is a reasonable balance between the original cost, less depreciation, and current cost, less adjustment for present age and condition.

45. The operations and maintenance expenses reflected in this Order meet the requirements of GURA Section 104.051 (Establishing Overall Revenues) and Chapter 104 (Rates and Services).

46. The rates and methods of depreciation, amortization, or depletion reflected in this Order meet the requirements of GURA Section 104.054 (Depreciation, Amortization, and Depletion) and Chapter 104 (Rates and Services).

47. Affiliate expenses paid by TGS comport with Commission Rule § 7.503 (Evidentiary Treatment of Uncontroverted Books and Records of Gas Utilities).

48. The rates established in this case comply with the affiliate transaction standards set out in GURA Section 104.055 (Net Income; Allowable Expenses).

49. The level of pension-related and other post-employment benefits expenses approved in this Order are consistent with GURA Section 104.059 (Pension and Other Postemployment Benefits).

50. Employee compensation and benefits approved in this Order, including base salaries, wages, incentive compensation, and benefits, are consistent with GURA Section 104.060 (Consideration of Compensation and Benefit Expenses).

Rate Schedules and Tariffs

51. The rate schedules and tariffs reflected in the Settlement, as adjusted herein and attached to this Order, are consistent with applicable GURA and Commission requirements.

52. TGS is required under Commission Rule § 7.315 (Filing of Tariffs) to file electronic tariffs incorporating rates consistent with this Order within 30 days of the date of this Order.

Review of Reasonableness and Prudence

53. Capital investment in Texas in the amount of $2,054,317,663 made through December 31, 2024, including investment identified in TGS's IRA filings, was reasonable and prudent and consistent with GURA Chapter 104 (Rates and Services) and Commission Rule § 7.7101 (Interim Rate Adjustments), except for an adjustment totaling $6,710.

Future Interim Rate Adjustments

54. In accordance with Commission Rule § 7.7101 (Interim Rate Adjustments), TGS may adjust its revenues in future IRA filings based on the difference between value of the investment amounts only by the constant factors set in this docket for the following: return on investment; depreciation expense, for those individual rates for each FERC account; ad valorem taxes; revenue related taxes; and federal income tax.

IT IS THEREFORE ORDERED that the terms of the Settlement, as treated in the Proposal for Decision and in this Order, are **APPROVED.**

IT IS FURTHER ORDERED that TGS's request to create new statewide customer classifications and implement uniform base rates within each classification, consistent with the Settlement, is **APPROVED.**

IT IS FURTHER ORDERED that statewide allocation of TGS's expenses relating to cost of gas and pipeline integrity testing, consistent with the Settlement, is **APPROVED.** To the extent that such allocation may be inconsistent with prior Commission decisions, the change now is due to further evaluation of controlling law and the Commission's preference to develop any further allocation criteria for these types of expenses, which are industry wide and not specific just to TGS, through the rulemaking process rather than through adjudicative decisions.

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IT IS FURTHER ORDERED that TGS's request under the Settlement to include in base rates funding costs for its Share the Warmth program is **DENIED.** TGS may continue to accept voluntary customer contributions for the program, but captive utility ratepayers shall not be required to contribute in base rates.

IT IS FURTHER ORDERED that the schedule of rates reflected in the Settlement for statewide customer classifications, as adjusted herein, is **APPROVED.**

IT IS FURTHER ORDERED that the rates, service charges, and net plant amounts established herein, as reflected in **Attachment 1** and **Attachment 2** to this Order, are **APPROVED.**

IT IS FURTHER ORDERED that the factors established for future IRA filings established herein for TGS statewide are **APPROVED.**

IT IS FURTHER ORDERED that the regulatory asset amounts as treated in the Proposal for Decision and in this Order, are **APPROVED.**

IT IS FURTHER ORDERED that, within 30 days of this Order, in accordance with Commission Rule § 7.315 (Filing of Tariffs), TGS shall electronically file its tariffs and rate schedules in proper form that accurately reflect the rates in **Attachment 1** to this Order. The rate schedules shall incorporate rates, rate design, and service charges consistent with this Order.

IT IS FURTHER ORDERED that TGS shall file, by February 21st, an annual reconciliation, a report, and an addendum to the PIT Rider as set out in the approved PIT Rider.

IT IS FURTHER ORDERED that notice to affected customers shall be made in accordance with the approved PIT Rider, and TGS shall file electronically an affidavit annually with the Commission and the Cities served by TGS certifying that notice was provided to customers in accordance with the PIT Rider.

IT IS FURTHER ORDERED that any incremental change in rates approved herein and implemented by TGS shall be subject to refund unless and until TGS's tariffs are electronically filed and accepted by the Gas Services Department in accordance with Commission Rule § 7.315 (Filing of Tariffs).

IT IS FURTHER ORDERED that any incremental change in rates approved herein shall apply to service rendered on and after the date of this Order.

IT IS FURTHER ORDERED that rate case expenses associated with this docket shall be considered in a separate proceeding, docket number OS-25-00029224.

IT IS FURTHER ORDERED that all proposed findings of fact and conclusions of law not specifically adopted in this Order are hereby **DENIED.**

IT IS FURTHER ORDERED that all pending motions and requests for relief not previously granted or granted herein are hereby **DENIED.**

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IT IS FURTHER ORDERED that this Order will not be final and effective until 25 days after the date this Order is signed. If a timely motion for rehearing is filed by any party of interest, this Order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. The time allotted for Commission action on a motion for rehearing in this docket prior to being overruled by operation of law is hereby extended until 100 days from the date this Order is signed.

SIGNED this 5th day of February 2026.

RAILROAD COMMISSION OF TEXAS

DocuSigned by:
Jim Wright
EAAE94782E9F4AE...

CHAIRMAN JIM WRIGHT

DocuSigned by:
Christi Craddick
...

COMMISSIONER CHRISTI CRADDICK

DocuSigned by:
Wayne Christian
...

COMMISSIONER WAYNE CHRISTIAN

ATTEST:

Signed by:
Callie Farrar
...

SECRETARY

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Final Order
OS-25-00028202, *Consol.*

ATTACHMENT 1

Tariffs and Rate Schedules

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 10**
Page 1 of 2

SMALL RESIDENTIAL SERVICE RATE

APPLICABILITY

Applicable to a small residential customer or builder in a single dwelling, or in a dwelling unit of a multiple dwelling structure or residential apartment, for domestic purposes. A residential customer includes an individually-metered residential unit or dwelling that is operated by a public housing agency acting as an administrator of public housing programs under the direction of the U.S. Department of Housing and Urban Development and builders prior to sale or re-sale of a property for domestic purposes.

TERRITORY

All incorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of	$19.50 plus
All Ccf metered @14.65 psi* during the monthly billing period @	$0.92086 per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

The Company will initially assign each customer to the rate schedule that is the most economical based on the annual normalized volume at the customer's service location for the prior twelve (12)-month period. An anticipated annual normalized usage level assessment will be conducted on each new service and for existing service that has less than twelve (12) months of service. The results of this assessment will decide the initial rate assignment:

Annual Normalized Volume Less than 331 Ccf	Small Residential, Rate Schedule 10
Annual Normalized Volume 331 Ccf or Greater	Large Residential, Rate Schedule 15

The Company will allow customers to elect service on a different rate schedule, provided that the customer must remain on the alternative rate schedule for a period of no less than twelve (12) months. Rate Schedule changes will be effective with the customer's next scheduled bill.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 10**
Page 2 of 2

SMALL RESIDENTIAL SERVICE RATE (Continued)

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS and RCE, if applicable.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Economic Development Rider: The billing shall reflect adjustments in accordance with provisions of the Economic Development Rider, Rate Schedule EDR, only applicable to the incorporated areas of Anthony, Clint, El Paso, Horizon City, San Elizario, Socorro and Vinton, Texas.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 15**
Page 1 of 2

LARGE RESIDENTIAL SERVICE RATE

APPLICABILITY

Applicable to a large residential customer or builder in a single dwelling, or in a dwelling unit of a multiple dwelling structure or residential apartment, for domestic purposes. A residential customer includes an individually-metered residential unit or dwelling that is operated by a public housing agency acting as an administrator of public housing programs under the direction of the U.S. Department of Housing and Urban Development and builders prior to sale or re-sale of a property for domestic purposes.

TERRITORY

All incorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of	$35.00 plus
All Ccf metered @14.65 psi* during the monthly billing period @	$0.35722 per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

The Company will initially assign each customer to the rate schedule that is the most economical based on the annual normalized volume at the customer's service location for the prior twelve (12)-month period. An anticipated annual normalized usage level assessment will be conducted on each new service and for existing service that has less than twelve (12) months of service. The results of this assessment will decide the initial rate assignment:

Annual Normalized Volume Less than 331 Ccf	Small Residential, Rate Schedule 10
Annual Normalized Volume 331 Ccf or Greater	Large Residential, Rate Schedule 15

The Company will allow customers to elect service on a different rate schedule, provided that the customer must remain on the alternative rate schedule for a period of no less than twelve (12) months. Rate Schedule changes will be effective with the customer's next scheduled bill.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 15**
Page 2 of 2

LARGE RESIDENTIAL SERVICE RATE (Continued)

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS and RCE, if applicable.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Economic Development Rider: The billing shall reflect adjustments in accordance with provisions of the Economic Development Rider, Rate Schedule EDR, only applicable to the incorporated areas of Anthony, Clint, El Paso, Horizon City, San Elizario, Socorro and Vinton, Texas.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 20**
Page 1 of 2

SMALL COMMERCIAL SERVICE RATE

APPLICABILITY

Applicable to all small commercial customers and to customers not otherwise specifically provided for under any other rate schedule.

TERRITORY

All incorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of	$75.00 plus
All Ccf metered @14.65 psi* during the per monthly billing period @	$0.49348 per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

The Company will initially assign each customer to the rate schedule that is the most economical based on the annual normalized volume at the customer's service location for the prior twelve (12)-month period. An anticipated annual normalized usage level assessment will be conducted on each new service and for existing service that has less than twelve (12) months of service. The results of this assessment will decide the initial rate assignment:

Annual Normalized Volume Less than 3,001 Ccf	Small Commercial, Rate Schedule 20
Annual Normalized Volume 3,001 Ccf or Greater	Large Commercial, Rate Schedule 25

The Company will allow customers to elect service on a different rate schedule, provided that the customer must remain on the alternative rate schedule for a period of no less than twelve (12) months. Rate Schedule changes will be effective with the customer's next scheduled bill.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 20**
Page 2 of 2

SMALL COMMERCIAL SERVICE RATE (Continued)

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS and RCE, if applicable.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Economic Development Rider: The billing shall reflect adjustments in accordance with provisions of the Economic Development Rider, Rate Schedule EDR, only applicable to the incorporated areas of Anthony, Clint, El Paso, Horizon City, San Elizario, Socorro and Vinton, Texas.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 25**
Page 1 of 2

LARGE COMMERCIAL SERVICE RATE

APPLICABILITY

Applicable to all large commercial customers and to customers not otherwise specifically provided for under any other rate schedule.

TERRITORY

All incorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of $150.00 plus

All Ccf metered @14.65 psi* during the monthly billing period @ $0.19348 per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

The Company will initially assign each customer to the rate schedule that is the most economical based on the annual normalized volume at the customer's service location for the prior twelve (12)-month period. An anticipated annual normalized usage level assessment will be conducted on each new service and for existing service that has less than twelve (12) months of service. The results of this assessment will decide the initial rate assignment:

Annual Normalized Volume Less than 3,001 Ccf	Small Commercial, Rate Schedule 20
Annual Normalized Volume 3,001 Ccf or Greater	Large Commercial, Rate Schedule 25

The Company will allow customers to elect service on a different rate schedule, provided that the customer must remain on the alternative rate schedule for a period of no less than twelve (12) months. Rate Schedule changes will be effective with the customer's next scheduled bill.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 25**
Page 2 of 2

LARGE COMMERCIAL SERVICE RATE (Continued)

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS and RCE, if applicable.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Economic Development Rider: The billing shall reflect adjustments in accordance with provisions of the Economic Development Rider, Rate Schedule EDR, only applicable to the incorporated areas of Anthony, Clint, El Paso, Horizon City, San Elizario, Socorro and Vinton, Texas.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 30**
Page 1 of 2

INDUSTRIAL SERVICE RATE

APPLICABILITY

Applicable to any qualifying industrial customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government.

Division B - Mining - all Major Groups
Division D - Manufacturing - all Major Groups

TERRITORY

All incorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of	$1,250.00 plus
All Ccf metered @14.65 psi* during the monthly billing period @	$0.18947 per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS and RCE, if applicable.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 30**
Page 2 of 2

INDUSTRIAL SERVICE RATE (Continued)

Economic Development Rider: The billing shall reflect adjustments in accordance with provisions of the Economic Development Rider, Rate Schedule EDR, only applicable to the incorporated areas of Anthony, Clint, El Paso, Horizon City, San Elizario, Socorro and Vinton, Texas.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 40**
Page 1 of 2

PUBLIC AUTHORITY SERVICE RATE

APPLICABILITY

Applicable to any qualifying public authority, public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts.

TERRITORY

All incorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of	$200.00 plus
All Ccf metered @14.65 psi* during the monthly billing period @	$0.17511 per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF, if applicable.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS and RCE, if applicable.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 40**
Page 2 of 2

PUBLIC AUTHORITY SERVICE RATE (Continued)

Economic Development Rider: The billing shall reflect adjustments in accordance with provisions of the Economic Development Rider, Rate Schedule EDR, only applicable to the incorporated areas of Anthony, Clint, El Paso, Horizon City, San Elizario, Socorro and Vinton, Texas.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 70**
Page 1 of 2

UNMETERED GAS LIGHT SERVICE RATE

APPLICABILITY

Applicable to any Customer on Texas Gas Service Company, a Division of ONE Gas, Inc.'s system requiring natural gas service for gas lighting only, without the use of metering device. Gas service is only available to Customers utilizing standard gas lighting equipment manufactured with an orifice burner assembly or equivalent that is intended for lighting of sidewalks and other walkways. The Company, in its sole discretion, shall determine if Customer's lighting equipment qualifies for this tariff and shall contract with Customer for the appropriate monthly charge based upon Customer's complete installation of gas lighting equipment. Gas service under this rate schedule is available only with the Company as the sole supplier of gas for Customer and is not available for resale to others or for standby or supplemental service.

TERRITORY

All incorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

The total hourly rated consumption of all gas lighting equipment included, expressed in Ccf at the location, shall be multiplied by 730 for gas lighting equipment that runs continuously or 365 for gas lighting equipment with a light sensor, to determine the average monthly consumption of the service. The result, rounded to the next highest Ccf, shall then be billed the rates provided in this rate schedule:

Residential	$0.92086 per Ccf metered @ 14.65 psi*
Commercial	$0.49348 per Ccf metered @ 14.65 psi*
Industrial	$0.18947 per Ccf metered @ 14.65 psi*
Public Authority	$0.17511 per Ccf metered @ 14.65 psi*

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

Supersedes Rate Schedule Dated
November 27, 2024 (Central-Gulf)
January 27, 2023 (All West-North Areas Except Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)
February 27, 2023 (Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)
August 26, 2024 (Rio Grande Valley)

Consumption On and After
January 27, 2026

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 70**
Page 2 of 2

UNMETERED GAS LIGHT SERVICE RATE (Continued)

CONDITIONS

The Customer shall ensure that the installation of lighting equipment conforms to industry safety standards. The Company reserves the right to review Customer's installation of lighting equipment from time to time to determine if it conforms to terms and conditions as set forth in this tariff and the executed service agreement with the Customer. Customer shall notify Company at 1-800-700-2443 within 30 days of any change in number of gas lights or other material changes made to the gas lighting installation.

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Supersedes Rate Schedule Dated
November 27, 2024 (Central-Gulf)
January 27, 2023 (All West-North Areas Except Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)
February 27, 2023 (Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)
August 26, 2024 (Rio Grande Valley)

Consumption On and After
January 27, 2026

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 1Z**
Page 1 of 2

SMALL RESIDENTIAL SERVICE RATE

APPLICABILITY

Applicable to a small residential customer or builder in a single dwelling, or in a dwelling unit of a multiple dwelling structure or residential apartment, for domestic purposes. A residential customer includes an individually-metered residential unit or dwelling that is operated by a public housing agency acting as an administrator of public housing programs under the direction of the U.S. Department of Housing and Urban Development and builders prior to sale or re-sale of a property for domestic purposes.

TERRITORY

All unincorporated and environs areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of	$19.50 plus
All Ccf metered @14.65 psi* during the monthly billing period @	$0.92086 per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

The Company will initially assign each customer to the rate schedule that is the most economical based on the annual normalized volume at the customer's service location for the prior twelve (12)-month period. An anticipated annual normalized usage level assessment will be conducted on each new service and for existing service that has less than twelve (12) months of service. The results of this assessment will decide the initial rate assignment:

Annual Normalized Volume Less than 331 Ccf	Small Residential, Rate Schedule 1Z
Annual Normalized Volume 331 Ccf or Greater	Large Residential, Rate Schedule 1Y

The Company will allow customers to elect service on a different rate schedule, provided that the customer must remain on the alternative rate schedule for a period of no less than twelve (12) months. Rate Schedule changes will be effective with the customer's next scheduled bill.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-ENV.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 1Z**
Page 2 of 2

SMALL RESIDENTIAL SERVICE RATE (Continued)

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS-ENV and RCE-ENV, if applicable.

Taxes: Plus applicable taxes and fees related to above.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 1Y**
Page 1 of 2

LARGE RESIDENTIAL SERVICE RATE

APPLICABILITY

Applicable to a large residential customer or builder in a single dwelling, or in a dwelling unit of a multiple dwelling structure or residential apartment, for domestic purposes. A residential customer includes an individually-metered residential unit or dwelling that is operated by a public housing agency acting as an administrator of public housing programs under the direction of the U.S. Department of Housing and Urban Development and builders prior to sale or re-sale of a property for domestic purposes.

TERRITORY

All unincorporated and environs areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of	$35.00 plus
All Ccf metered @14.65 psi* during the monthly billing period @	$0.35722 per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

The Company will initially assign each customer to the rate schedule that is the most economical based on the annual normalized volume at the customer's service location for the prior twelve (12)-month period. An anticipated annual normalized usage level assessment will be conducted on each new service and for existing service that has less than twelve (12) months of service. The results of this assessment will decide the initial rate assignment:

Annual Normalized Volume Less than 331 Ccf	Small Residential, Rate Schedule 1Z
Annual Normalized Volume 331 Ccf or Greater	Large Residential, Rate Schedule 1Y

The Company will allow customers to elect service on a different rate schedule, provided that the customer must remain on the alternative rate schedule for a period of no less than twelve (12) months. Rate Schedule changes will be effective with the customer's next scheduled bill.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-ENV.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 1Y**
Page 2 of 2

LARGE RESIDENTIAL SERVICE RATE (Continued)

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS-ENV and RCE-ENV, if applicable.

Taxes: Plus applicable taxes and fees related to above.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 2Z**
Page 1 of 2

SMALL COMMERCIAL SERVICE RATE

APPLICABILITY

Applicable to all small commercial customers and to customers not otherwise specifically provided for under any other rate schedule.

TERRITORY

All unincorporated and environs areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of	$75.00 plus
All Ccf metered @14.65 psi* during the monthly billing period @	$0.49348 per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

The Company will initially assign each customer to the rate schedule that is the most economical based on the annual normalized volume at the customer's service location for the prior twelve (12)-month period. An anticipated annual normalized usage level assessment will be conducted on each new service and for existing service that has less than twelve (12) months of service. The results of this assessment will decide the initial rate assignment:

Annual Normalized Volume Less than 3,001 Ccf	Small Commercial, Rate Schedule 2Z
Annual Normalized Volume 3,001 Ccf or Greater	Large Commercial, Rate Schedule 2Y

The Company will allow customers to elect service on a different rate schedule, provided that the customer must remain on the alternative rate schedule for a period of no less than twelve (12) months. Rate Schedule changes will be effective with the customer's next scheduled bill.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-ENV.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 2Z**
Page 2 of 2

SMALL COMMERCIAL SERVICE RATE (Continued)

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS-ENV and RCE-ENV, if applicable.

Taxes: Plus applicable taxes and fees related to above.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 2Y**
Page 1 of 2

LARGE COMMERCIAL SERVICE RATE

APPLICABILITY

Applicable to all large commercial customers and to customers not otherwise specifically provided for under any other rate schedule.

TERRITORY

All unincorporated and environs areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of	$150.00 plus
All Ccf metered @14.65 psi* during the monthly billing period @	$0.19348 per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

The Company will initially assign each customer to the rate schedule that is the most economical based on the annual normalized volume at the customer's service location for the prior twelve (12)-month period. An anticipated annual normalized usage level assessment will be conducted on each new service and for existing service that has less than twelve (12) months of service. The results of this assessment will decide the initial rate assignment:

Annual Normalized Volume Less than 3,001 Ccf	Small Commercial, Rate Schedule 2Z
Annual Normalized Volume 3,001 Ccf or Greater	Large Commercial, Rate Schedule 2Y

The Company will allow customers to elect service on a different rate schedule, provided that the customer must remain on the alternative rate schedule for a period of no less than twelve (12) months. Rate Schedule changes will be effective with the customer's next scheduled bill.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-ENV.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Supersedes Rate Schedule Dated
May 27, 2025 (Central-Gulf)
August 25, 2025 (Rio Grande Valley)

Consumption On and After
January 27, 2026

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 2Y**
Page 2 of 2

LARGE COMMERCIAL SERVICE RATE (Continued)

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS and RCE-ENV, if applicable.

Taxes: Plus applicable taxes and fees related to above.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 3Z**
Page 1 of 2

INDUSTRIAL SERVICE RATE

APPLICABILITY

Applicable to any qualifying industrial customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government.

Division B - Mining - all Major Groups
Division D - Manufacturing - all Major Groups

TERRITORY

All unincorporated and environs areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of	$1,250.00 plus
All Ccf metered @14.65 psi* during the monthly billing period @	$0.18947 per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-ENV.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS and RCE-ENV, if applicable.

Taxes: Plus applicable taxes and fees related to above.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 3Z**
Page 2 of 2

INDUSTRIAL SERVICE RATE (Continued)

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Supersedes Rate Schedule Dated
May 27, 2025 (Central-Gulf and West-North)
August 25, 2025 (Rio Grande Valley)

Consumption On and After
January 27, 2026

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 4Z**
Page 1 of 1

PUBLIC AUTHORITY SERVICE RATE

APPLICABILITY

Applicable to any qualifying public authority, public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts.

TERRITORY

All unincorporated and environs areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of	$200.00 plus
All Ccf metered @14.65 psi* during the monthly billing period @	$0.17511 per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-ENV.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF, if applicable.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS-ENV and RCE-ENV, if applicable.

Taxes: Plus applicable taxes and fees related to above.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Supersedes Rate Schedule Dated	Consumption On and After
May 27, 2025 (Central-Gulf and West-North) August 25, 2025 (Rio Grande Valley)	January 27, 2026

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 7Z**
Page 1 of 2

UNMETERED GAS LIGHT SERVICE RATE

APPLICABILITY

Applicable to any Customer on Texas Gas Service Company, a Division of ONE Gas, Inc.'s system requiring natural gas service for gas lighting only, without the use of metering device. Gas service is only available to Customers utilizing standard gas lighting equipment manufactured with an orifice burner assembly or equivalent that is intended for lighting of sidewalks and other walkways. The Company, in its sole discretion, shall determine if Customer's lighting equipment qualifies for this tariff and shall contract with Customer for the appropriate monthly charge based upon Customer's complete installation of gas lighting equipment. Gas service under this rate schedule is available only with the Company as the sole supplier of gas for Customer and is not available for resale to others or for standby or supplemental service.

TERRITORY

All unincorporated and environs areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

The total hourly rated consumption of all gas lighting equipment included, expressed in Ccf at the location, shall be multiplied by 730 for gas lighting equipment that runs continuously or 365 for gas lighting equipment with a light sensor, to determine the average monthly consumption of the service. The result, rounded to the next highest Ccf, shall then be billed the rates provided in this rate schedule:

Residential	$0.92086 per Ccf metered @ 14.65 psi*
Commercial	$0.49348 per Ccf metered @ 14.65 psi*
Industrial	$0.18947 per Ccf metered @ 14.65 psi*
Public Authority	$0.17511 per Ccf metered @ 14.65 psi*

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-ENV.

Taxes: Plus applicable taxes and fees related to above.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 7Z**
Page 2 of 2

UNMETERED GAS LIGHT SERVICE RATE (Continued)

CONDITIONS

The Customer shall ensure that the installation of lighting equipment conforms to industry safety standards. The Company reserves the right to review Customer's installation of lighting equipment from time to time to determine if it conforms to terms and conditions as set forth in this tariff and the executed service agreement with the Customer. Customer shall notify Company at 1-800-700-2443 within 30 days of any change in number of gas lights or other material changes made to the gas lighting installation.

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Texas Gas Service Company, a Division of ONE Gas, Inc.

RATE SCHEDULE CNG-1
Page 1 of 2

COMPRESSED NATURAL GAS SERVICE RATE

APPLICABILITY

Applicable to any non-residential customer of Texas Gas Service Company, a Division of ONE Gas, Inc., (the "Company") for usage where customer purchases natural gas which will be compressed and used as a motor fuel. Service will be separately metered. This rate does not include compression by the Company beyond normal meter sales pressure.

TERRITORY

All incorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of	$320.00 plus
All Ccf metered @14.65 psi* during the monthly billing period @	$0.09470 per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF, if applicable.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS and RCE, if applicable.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

Economic Development Rider: The billing shall reflect adjustments in accordance with provisions of the Economic Development Rider, Rate Schedule EDR, only applicable to the incorporated areas of Anthony, Clint, El Paso, Horizon City, San Elizario, Socorro and Vinton, Texas.

Supersedes Rate Schedule Dated	Consumption On and After
May 27, 2025 (Central-Gulf and West-North)	January 27, 2026

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Texas Gas Service Company, a Division of ONE Gas, Inc.

RATE SCHEDULE CNG-1
Page 2 of 2

COMPRESSED NATURAL GAS SERVICE RATE (Continued)

CONDITIONS

Subject to all applicable laws and orders and the Company's rules and regulations on file with the regulatory authority.

The Company's Average Payment Plan, also known as the Average Payment Plan (APP Plan), is not available to customers served on this rate schedule.

This rate does not include any road use fees, permits, or taxes etc. It provides for the delivery of uncompressed natural gas only.

Customer must provide affidavit to the Company certifying that the gas delivered will be compressed for use as motor fuel.

The Customer's compressor station is subject to inspection by Company engineers.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE CNG-1-ENV**
Page 1 of 2

COMPRESSED NATURAL GAS SERVICE RATE

APPLICABILITY

Applicable to any non-residential customer of Texas Gas Service Company, a Division of ONE Gas, Inc., (the "Company") for usage where customer purchases natural gas which will be compressed and used as a motor fuel. Service will be separately metered. This rate does not include compression by the Company beyond normal meter sales pressure.

TERRITORY

All unincorporated and environs areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of	$320.00 plus
All Ccf metered @14.65 psi* during the monthly billing period @	$0.09470 per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-ENV.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF, if applicable.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS-ENV and RCE-ENV, if applicable.

Taxes: Plus applicable taxes and fees related to above.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE CNG-1-ENV**
Page 2 of 2

COMPRESSED NATURAL GAS SERVICE RATE (Continued)

CONDITIONS

Subject to all applicable laws and orders and the Company's rules and regulations on file with the regulatory authority.

The Company's Average Payment Plan, also known as the Average Payment Plan (APP Plan), is not available to customers served on this rate schedule.

This rate does not include any road use fees, permits, or taxes etc. It provides for the delivery of uncompressed natural gas only.

Customer must provide an affidavit to the Company certifying that the gas delivered will be compressed for use as motor fuel.

The Customer's compressor station is subject to inspection by Company engineers.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 1-INC**
Page 1 of 6

COST OF GAS CLAUSE

A. APPLICABILITY

This Cost of Gas Clause shall apply to all gas sales service rate schedules of Texas Gas Service Company, a Division of ONE Gas, Inc. ("Company") in all incorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

B. DEFINITIONS

1. **Commodity Cost** - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio, plus an adjustment to correct any known and quantifiable under or over collection prior to the end of the reconciliation period, for the objective of minimizing the impact of under or over collection by the reconciliation factor in the next year.

2. **Cost of Gas** - The rate per billing unit or the total calculation under this clause, consisting of the Commodity Cost, the Customer Rate Relief Component (applicable to all areas except the incorporated and unincorporated areas of: Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett, and Wink, Texas and in the environs areas of Canutillo and Fabens, Texas), the Reconciliation Component, any surcharges or refunds, Uncollectible Cost of Gas, FERC Intervention Costs, Non-Utility Transactions and the revenue associated fees (including franchise fees) and taxes.

   Applicable in the incorporated area of Weatherford, Texas, only: The "revenue associated fees" as defined herein, shall expressly include the full amount necessary for the Company to recover the franchise fees payable upon both the base rates and gas costs of its gas sales customers in accordance with the applicable franchise ordinance. Additionally, the franchise fees collected by the Company from its customers and to be remitted to the City in accordance with the franchise ordinance shall not be included as part of the Reconciliation Audit set forth in Section B.6 or the Cost of Gas Statement set forth in Section H.

3. **Cost of Purchased Gas** - The estimated cost for gas purchased by the Company from its suppliers or the estimated weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all reasonable costs for services such as gathering, treating, processing, transportation, capacity and/or supply reservation, applicable line loss charges, storage, balancing including penalties, swing services, and any other related costs and expenses necessary for the movement of gas to the Company's city gate delivery points and customers. The Cost of Purchased Gas may also include costs related to the purchase and transportation of Renewable Natural Gas (RNG). The Cost of Purchased Gas shall also include the cost of gas withdrawn from storage and shall include gains and losses from the utilization of natural gas financial instruments that are executed by the Company for the purpose of mitigating price volatility. Companies affiliated with, or sharing services with, the Company shall not be allowed to charge fees for transactions related to natural

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 1-INC**
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COST OF GAS CLAUSE (Continued)

gas financial instruments utilized for purposes in this Cost of Gas Clause and hence cannot realize a profit in this regard.

4. **Customer Rate Relief Component** - The rate per billing unit charged in accordance with and specified on Rate Schedule CRR, the Customer Rate Relief Rate Schedule, which is a non-bypassable charge as defined in Tex. Util. Code § 104.362(7). This component is not applicable to customers in the incorporated and unincorporated areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett, and Wink, Texas and in the environs areas of Canutillo and Fabens, Texas.

5. **FERC Intervention Costs** - Costs incurred from outside vendors and attorneys for the purpose of protecting the interest of sales customers in connection with negotiating Federal Energy Regulatory Commission ("FERC") related issues with upstream pipelines or intervention and participation in proceedings at the FERC. FERC Intervention Costs may also include incurred internal travel expenses related to this purpose.

6. **Non-Utility Transactions** - for the purposes of this section only, "non-utility transactions" shall mean the following transactions to the extent that such transactions pertain to natural gas supplies, storage, and transportation capacity allocated to sales customers: excess sales of natural gas and releases of transportation or storage capacity. "Non-utility Transactions" shall not include any transaction conducted by any affiliate of the company.

7. **Purchase/Sales Ratio** - A ratio determined by dividing the total volumes purchased for sales customers during the 12-month period ending June 30 by the sum of the sales volumes sold to sales customers. For the purpose of this computation all volumes shall be stated at 14.65 psia. Such ratio as determined shall in no event exceed 1.0526 i.e. 1/(1 - 0.05) unless expressly authorized by the applicable Regulatory Authority.

8. **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 sales customers as recorded on the Company's books and records (per Section B(3) above), including gains or losses on the use of natural gas financial instruments; (b) the revenues produced by the operation of this Cost of Gas Clause reduced by the amount of fees (including franchise fees) and taxes; (c) refunds, payments, or charges provided for herein or as approved by the Regulatory Authority; (d) amounts accrued pursuant to the treatment of imbalances under any transportation rate schedule(s), (e) total amount of Uncollectible Cost of Gas during the period; (f) the total amount of FERC Intervention Costs; and (g) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of 5 percent of purchases.

COST OF GAS CLAUSE (Continued)

9. **Reconciliation Audit** - An annual review of the Company's books and records for each 12-month period ending with the production month of June to determine the amount of over or under collection occurring during such 12-month period. The audit shall determine: (a) the total amount paid for gas purchased by the Company (per Section B(3) above) to provide service to its sales customers during the period, including gains or losses on the use of natural gas financial instruments; (b) the revenues received from operation of the provisions of this Cost of Gas Clause reduced by the amount of revenue associated fees (including franchise fees) and taxes paid by the Company on those revenues; (c) the total amount of surcharges or refunds made to sales 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; (d) the total amount accrued for imbalances under the transportation rate schedule(s) net of fees and applicable taxes; (e) the total amount of Uncollectible Cost of Gas during the period; (f) the total amount of FERC Intervention Costs; and (g) an adjustment, if necessary, to remove lost and unaccounted for gas costs during the period for volumes in excess of 5 percent of purchases.

10. **Reconciliation Component** - The amount to be returned to or recovered from sales customers each month from October through June as a result of the Reconciliation Audit.

11. **RNG** - is the term used to describe pipeline-quality biogas produced from various biomass sources through a biochemical process that has been processed to purity standards and is interchangeable with conventional natural gas.

12. **Uncollectible Cost of Gas** - The amounts actually written off after the effective date of this rate schedule related to cost of gas will be tracked along with any subsequent recovery/credits related to the Cost of Gas Clause. Annually the charge offs minus recoveries will be included in the annual reconciliation and factored into the resulting Reconciliation Component.

C. COST OF GAS

In addition to the cost of service as provided under its gas sales rate schedules, the Company shall bill each sales customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill. All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

COST OF GAS CLAUSE (Continued)

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 sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle through the June billing cycle preceding the filing of the Reconciliation Audit. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied, subject to refund, for a 9 month period beginning with the October billing cycle and continuing through the next June billing cycle at which time it will terminate.

E. INTEREST ON 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. The Company shall debit or credit to the Reconciliation Account for each month of the reconciliation period: (1) an amount equal to the outstanding over collected balance multiplied by interest of 6 percent per annum compounded monthly; or (2) an amount equal to the outstanding under collected balance multiplied by interest of 6 percent per annum compounded monthly. The Company shall also be allowed to recover a carrying charge calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the authorized rate of return.

F. SURCHARGE OR REFUND PROCEDURES

In the event that the rates and charges of the Company's supplier are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its sales customers. Similarly, the Company may surcharge its sales customers for retroactive payments made for gas previously delivered into the system. Any surcharge or refund amount will be included 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) Interest on Funds, above.

G. NON-UTILITY TRANSACTIONS

The aggregate net margins generated by the company from all Non-Utility Transactions shall be credited 100% to sales customers in the month during which the transaction closes.

COST OF GAS CLAUSE (Continued)

For purposes of this provision, "Non-Utility Transactions" shall mean the following transactions to the extent that such transactions pertain to natural gas supplies, storage, and transportation capacity allocated to sales customers: excess sales of natural gas and releases of transportation or storage capacity. "Non-utility Transactions" shall not include any transaction conducted by any affiliate of the company.

For purposes of this provision, "Net Margins" shall mean revenues from the aggregate of all Non-Utility Transactions, less the costs to the Company of such transactions, including related taxes, commissions, transaction fees, and transfer fees. The Net Margins shall be credited to the ratepayers once per year through an adjustment of the Reconciliation Account as determined in the Annual Reconciliation filing. This provision does not permit the Company to include in the calculation of gas cost, any storage or gas stored except as prudently and necessarily needed to serve sales customers.

H. 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 estimated Cost of Purchased Gas; (b) that cost multiplied by the Purchase/Sales Ratio; (c) the amount of the Cost of Gas caused by any surcharge or refund; (d) the Customer Rate Relief Component (excluding customers in the incorporated and unincorporated areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett, and Wink, Texas and in the environs areas of Canutillo and Fabens, Texas); (e) the Reconciliation Component; (f) the revenue associated fees (including franchise fees) and taxes to be applied to revenues generated by the Cost of Gas; (g) the Cost of Gas calculation, including gains and losses from hedging activities for the month; and (h) the beginning and ending date of the billing period. The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas.

The Company shall include in its monthly Cost of Gas Statement filed pursuant to the Cost of Gas Clause the separate cost of each type of purchased gas, including but not limited to the purchase cost of natural gas, renewable natural gas, hydrogen, and any other type of gas included in the Cost of Purchased Gas.

I. ANNUAL RECONCILIATION REPORT

The Company shall file an Annual Reconciliation 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 including but not limited to the purchase cost of natural gas, renewable gas, hydrogen, and any other type of gas included in the Cost of Purchased Gas, by month for the 12 months ending June 30.

COST OF GAS CLAUSE (Continued)

2. A tabulation of gas units sold to sales customers and related Cost of Gas Clause revenues.

3. A tabulation of all other costs and refunds made during the year and their effect on the Cost of Gas Clause to date.

4. A tabulation of any FERC Intervention activities performed and associated costs incurred on behalf of sales customers.

5. A description of the hedging activities conducted each month during the 12 months ending June 30, including the types of transaction used, resulting gains and losses, any changes in the hedging program implemented during the period and the rationale for the changes. The report should include the customer impact of hedging activities stated as costs to the average residential and commercial customer during the period.

6. A description of the imbalance payments made to and received from the Company's transportation customers, including monthly imbalances incurred, the monthly imbalances resolved, and the amount of the cumulative imbalance. The description should reflect the system imbalance and imbalance amount for each supplier using the Company's distribution system during the reconciliation period.

7. A tabulation of Uncollectible Cost of Gas during the period and its effect on the Cost of Gas Clause to date.

8. A tabulation of cost of each type of purchased gas, including but not limited to the purchase cost of natural gas, renewable natural gas, hydrogen, and any other type of gas included in the Cost of Purchased Gas.

This report shall be filed concurrently with the Cost of Gas Statement for October. If the Regulatory Authority thereafter determines that an adjustment to the Reconciliation Component is required, such adjustment shall be included in the Reconciliation Component for the next annual Reconciliation Audit following the date of such determination.

J. COMPLIANCE

The Company shall file the report with the Commission electronically at GUD_Compliance@rrc.texas.gov or at the following address:

Director of Oversight and Safety Division
Gas Services Department
Railroad Commission of Texas
P.O. Box 12967
Austin, TX 7811-2967

Supersedes Rate Schedules Dated
November 27, 2024 (Central-Gulf)
January 30, 2024 (Rio Grande Valley)
January 27, 2023 (Rate Sched. 1-INC-WTX for incorporated Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett and Wink)
September 26, 2023 (Rate Sched. 1-INC-NTX for incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford Whitt and Willow Park)
September 26, 2023 (Rate Sched. 1-INC-BorgSk for incorporated Borger and Skellytown)

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Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 1-ENV**
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COST OF GAS CLAUSE

A. APPLICABILITY

This Cost of Gas Clause shall apply to all gas sales service rate schedules of Texas Gas Service Company, a Division of ONE Gas, Inc. ("Company") in all unincorporated and environs areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

B. DEFINITIONS

1. **Commodity Cost** - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio, plus an adjustment to correct any known and quantifiable under or over collection prior to the end of the reconciliation period, for the objective of minimizing the impact of under or over collection by the reconciliation factor in the next year.

2. **Cost of Gas** - The rate per billing unit or the total calculation under this clause, consisting of the Commodity Cost, the Customer Rate Relief Component (applicable to all areas except the incorporated and unincorporated areas of: Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett, and Wink, Texas and in the environs areas of Canutillo and Fabens, Texas), the Reconciliation Component, any surcharges or refunds, Uncollectible Cost of Gas, FERC Intervention Costs, Non-Utility Transactions and the revenue associated fees and taxes.

3. **Cost of Purchased Gas** - The estimated cost for gas purchased by the Company from its suppliers or the estimated weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all reasonable costs for services such as gathering, treating, processing, transportation, capacity and/or supply reservation, applicable line loss charges, storage, balancing including penalties, swing services, and any other related costs and expenses necessary for the movement of gas to the Company's city gate delivery points and customers. The Cost of Purchased Gas may also include costs related to the purchase and transportation of Renewable Natural Gas (RNG). The Cost of Purchased Gas shall also include the cost of gas withdrawn from storage. The Cost of Purchased Gas shall not include the cost of financial instruments unless the use of such financial instruments is approved in advance and in writing by the Director of the Oversight and Safety Division of the Railroad Commission of Texas. Such approval would be requested as part of the Company's annual gas purchase plan, which shall be submitted annually to the Commission no later than June 15.

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November 27, 2024 (Central-Gulf)
January 30, 2024 (Rio Grande Valley)
January 27, 2023 (Rate Sched. 1-ENV-WTX for environs Andrews, Anthony, Barstow, Canutillo, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett and Wink)
September 26, 2023 (Rate Sched. 1-ENV-NTX for environs Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Jermyn, Millsap, Mineral Wells, Palo Pinto, Perrin, Possum Kingdom, Punkin Center, Weatherford Whitt and Willow Park)
September 26, 2023 (Rate Sched. 1-ENV-BorgSk for environs Borger and Skellytown)

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Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 1-ENV**
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COST OF GAS CLAUSE (Continued)

4. **Customer Rate Relief Component** - The rate per billing unit charged in accordance with and specified on Rate Schedule CRR, the Customer Rate Relief Rate Schedule, which is a non-bypassable charge as defined in Tex. Util. Code § 104.362(7). This component is not applicable to customers in the incorporated and unincorporated areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett, and Wink, Texas and in the environs areas of Canutillo and Fabens, Texas.

5. **FERC Intervention Costs** - Costs incurred from outside vendors and attorneys for the purpose of protecting the interest of sales customers in connection with negotiating Federal Energy Regulatory Commission ("FERC") related issues with upstream pipelines or intervention and participation in proceedings at the FERC. FERC Intervention Costs may also include incurred internal travel expenses related to this purpose.

6. **Non-Utility Transactions** - for the purposes of this section only, "non-utility transactions" shall mean the following transactions to the extent that such transactions pertain to natural gas supplies, storage, and transportation capacity allocated to sales customers: excess sales of natural gas and releases of transportation or storage capacity. "Non-utility Transactions" shall not include any transaction conducted by any affiliate of the company.

7. **Purchase/Sales Ratio** - A ratio determined by dividing the total volumes purchased for sales customers during the 12-month period ending June 30 by the sum of the sales volumes sold to sales customers. For the purpose of this computation all volumes shall be stated at 14.65 psi. Such ratio as determined shall in no event exceed 1.0526 i.e. 1/(1 - 0.05) unless expressly authorized by the applicable Regulatory Authority.

8. **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 sales customers as recorded on the Company's books and records (per Section B(3) above), including gains or losses on the use of natural gas financial instruments; (b) the revenues produced by the operation of this Cost of Gas Clause reduced by the amount of fees (including franchise fees) and taxes; (c) refunds, payments, or charges provided for herein or as approved by the Regulatory Authority; (d) amounts accrued pursuant to the treatment of imbalances under any transportation rate schedule(s), (e) total amount of Uncollectible Cost of Gas during the period; (f) the total amount of FERC Intervention Costs; and (g) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of 5 percent of purchases.

Supersedes Rate Schedules Dated
November 27, 2024 (Central-Gulf)
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January 27, 2023 (Rate Sched. 1-ENV-WTX for environs Andrews, Anthony, Barstow, Canutillo, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett and Wink)
September 26, 2023 (Rate Sched. 1-ENV-NTX for environs Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Jermyn, Millsap, Mineral Wells, Palo Pinto, Perrin, Possum Kingdom, Punkin Center, Weatherford Whitt and Willow Park)
September 26, 2023 (Rate Sched. 1-ENV-BorgSk for environs Borger and Skellytown)

Consumption On and After
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COST OF GAS CLAUSE (Continued)

9. **Reconciliation Audit** - An annual review of the Company's books and records for each 12-month period ending with the production month of June to determine the amount of over or under collection occurring during such 12-month period. The audit shall determine: (a) the total amount paid for gas purchased by the Company (per Section B(3) above) to provide service to its sales customers during the period, including gains or losses on the use of natural gas financial instruments; (b) the revenues received from operation of the provisions of this Cost of Gas Clause reduced by the amount of revenue associated fees (including franchise fees) and taxes paid by the Company on those revenues; (c) the total amount of surcharges or refunds made to sales 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; (d) the total amount accrued for imbalances under the transportation rate schedule(s) net of fees and applicable taxes; (e) the total amount of Uncollectible Cost of Gas during the period; (f) the total amount of FERC Intervention Costs; and (g) an adjustment, if necessary, to remove lost and unaccounted for gas costs during the period for volumes in excess of 5 percent of purchases.

10. **Reconciliation Component** - The amount to be returned to or recovered from sales customers each month from October through June as a result of the Reconciliation Audit.

11. **RNG** - is the term used to describe pipeline-quality biogas produced from various biomass sources through a biochemical process that has been processed to purity standards and is interchangeable with conventional natural gas.

12. **Uncollectible Cost of Gas** - The amounts actually written off after the effective date of this rate schedule related to cost of gas will be tracked along with any subsequent recovery/credits related to the Cost of Gas Clause. Annually the charge offs minus recoveries will be included in the annual reconciliation and factored into the resulting Reconciliation Component.

C. COST OF GAS

In addition to the cost of service as provided under its gas sales rate schedules, the Company shall bill each sales customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill. All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

COST OF GAS CLAUSE (Continued)

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 sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle through the June billing cycle preceding the filing of the Reconciliation Audit. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied, subject to refund, for a 9 month period beginning with the October billing cycle and continuing through the next June billing cycle at which time it will terminate.

E. INTEREST ON 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. The Company shall debit or credit to the Reconciliation Account for each month of the reconciliation period: (1) an amount equal to the outstanding over collected balance multiplied by interest of 6 percent per annum compounded monthly; or (2) an amount equal to the outstanding under collected balance multiplied by interest of 6 percent per annum compounded monthly. The Company shall also be allowed to recover a carrying charge calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the authorized rate of return.

F. SURCHARGE OR REFUND PROCEDURES

In the event that the rates and charges of the Company's supplier are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its sales customers. Similarly, the Company may surcharge its sales customers for retroactive payments made for gas previously delivered into the system. Any surcharge or refund amount will be included 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) Interest on Funds, above.

G. NON-UTILITY TRANSACTIONS

The aggregate net margins generated by the company from all Non-Utility Transactions shall be credited 100% to sales customers in the month during which the transaction closes.

Supersedes Rate Schedules Dated
November 27, 2024 (Central-Gulf)
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January 27, 2023 (Rate Sched. 1-ENV-WTX for environs Andrews, Anthony, Barstow, Canutillo, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett and Wink)
September 26, 2023 (Rate Sched. 1-ENV-NTX for environs Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Jermyn, Millsap, Mineral Wells, Palo Pinto, Perrin, Possum Kingdom, Punkin Center, Weatherford Whitt and Willow Park)
September 26, 2023 (Rate Sched. 1-ENV-BorgSk for environs Borger and Skellytown)

Consumption On and After
January 27, 2026

COST OF GAS CLAUSE (Continued)

For purposes of this provision, "Non-Utility Transactions" shall mean the following transactions to the extent that such transactions pertain to natural gas supplies, storage, and transportation capacity allocated to sales customers: excess sales of natural gas and releases of transportation or storage capacity. "Non-utility Transactions" shall not include any transaction conducted by any affiliate of the company.

For purposes of this provision, "Net Margins" shall mean revenues from the aggregate of all Non-Utility Transactions, less the costs to the Company of such transactions, including related taxes, commissions, transaction fees, and transfer fees. The Net Margins shall be credited to the ratepayers once per year through an adjustment of the Reconciliation Account as determined in the Annual Reconciliation filing. This provision does not permit the Company to include in the calculation of gas cost, any storage or gas stored except as prudently and necessarily needed to serve sales customers.

H. 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 estimated Cost of Purchased Gas; (b) that cost multiplied by the Purchase/Sales Ratio; (c) the amount of the Cost of Gas caused by any surcharge or refund; (d) the Customer Rate Relief Component (excluding customers in the incorporated and unincorporated areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett, and Wink, Texas and in the environs areas of Canutillo and Fabens, Texas); (e) the Reconciliation Component; (f) the revenue associated fees (including franchise fees) and taxes to be applied to revenues generated by the Cost of Gas; (g) the Cost of Gas calculation, including gains and losses from hedging activities for the month; and (h) the beginning and ending date of the billing period. The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas.

The Company shall include in its monthly Cost of Gas Statement filed pursuant to the Cost of Gas Clause the separate cost of each type of purchased gas, including but not limited to the purchase cost of natural gas, renewable natural gas, hydrogen, and any other type of gas included in the Cost of Purchased Gas.

I. ANNUAL RECONCILIATION REPORT

The Company shall file an Annual Reconciliation 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 including but not limited to the purchase cost of natural gas, renewable gas, hydrogen, and any other type of gas included in the Cost of Purchased Gas, by month for the 12 months ending June 30.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE 1-ENV**
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COST OF GAS CLAUSE (Continued)

2. A tabulation of gas units sold to sales customers and related Cost of Gas Clause revenues.

3. A tabulation of all other costs and refunds made during the year and their effect on the Cost of Gas Clause to date.

4. A tabulation of any FERC Intervention activities performed and associated costs incurred on behalf of sales customers.

5. A description of the hedging activities conducted each month during the 12 months ending June 30, including the types of transaction used, resulting gains and losses, any changes in the hedging program implemented during the period and the rationale for the changes. The report should include the customer impact of hedging activities stated as costs to the average residential and commercial customer during the period.

6. A description of the imbalance payments made to and received from the Company's transportation customers, including monthly imbalances incurred, the monthly imbalances resolved, and the amount of the cumulative imbalance. The description should reflect the system imbalance and imbalance amount for each supplier using the Company's distribution system during the reconciliation period.

7. A tabulation of Uncollectible Cost of Gas during the period and its effect on the Cost of Gas Clause to date.

8. A tabulation of cost of each type of purchased gas, including but not limited to the purchase cost of natural gas, renewable natural gas, hydrogen, and any other type of gas included in the Cost of Purchased Gas.

This report shall be filed concurrently with the Cost of Gas Statement for October. If the Regulatory Authority thereafter determines that an adjustment to the Reconciliation Component is required, such adjustment shall be included in the Reconciliation Component for the next annual Reconciliation Audit following the date of such determination.

J. COMPLIANCE

The Company shall file the report with the Commission electronically at GUD_Compliance@rrc.texas.gov or at the following address:

Director of Oversight and Safety Division
Gas Services Department
Railroad Commission of Texas
P.O. Box 12967
Austin, TX 7811-2967

Supersedes Rate Schedules Dated
November 27, 2024 (Central-Gulf)
January 30, 2024 (Rio Grande Valley)
January 27, 2023 (Rate Sched. 1-ENV-WTX for environs Andrews, Anthony, Barstow, Canutillo, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett and Wink)
September 26, 2023 (Rate Sched. 1-ENV-NTX for environs Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Jermyn, Millsap, Mineral Wells, Palo Pinto, Perrin, Possum Kingdom, Punkin Center, Weatherford Whitt and Willow Park)
September 26, 2023 (Rate Sched. 1-ENV-BorgSk for environs Borger and Skellytown)

Consumption On and After
January 27, 2026

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE CRR**
Page 1 of 5

CUSTOMER RATE RELIEF RATE SCHEDULE

Applicable to all Sales Customers excluding the incorporated and environs areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett, and Wink, Texas, and the unincorporated areas of Canutillo and Fabens, Texas for the purpose of collecting and remitting customer rate relief charges as authorized by the Railroad Commission of Texas (Commission) in accordance with Chapter 104, Subchapter I of the Texas Utilities Code and the Commission Financing Order issued in Docket No. OS-21-00007061.

A. ABBREVIATIONS AND DEFINITIONS

1) Authority – The Texas Public Finance Authority, together with any successor to its duties and functions.

2) Bonds or Customer Rate Relief ("CRR") Bonds – The "Texas Natural Gas Securitization Finance Corporation Customer Rate Relief Bonds, Series 2023" and any additional or different designation or title by which each series of Bonds shall be known as determined by the Issuer Entity.

3) Ccf and Mcf – For Ccf, one hundred (100) standard cubic feet of gas, where one (1) standard cubic foot of gas is the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen point sixty-five (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit; and, for Mcf, 1,000 standard cubic feet of gas.

4) Central Servicer – The entity engaged in accordance with the terms of the Financing Order to, amongst other things, engage the Participating Gas Utilities as collection agents for the purposes of facilitating collection and remittance of CRR Charges by Participating Gas Utilities, and perform the other services required of it under the Servicing Agreement (as defined in the Financing Order).

5) Commission – The Railroad Commission of Texas, including its staff or delegate.

6) CRR Charge True-Up Adjustment – A True-Up Adjustment (as defined in the Financing Order).

7) CRR Charge True-Up Charge Adjustment Letter – A true-up adjustment letter substantially in the form of Exhibit 3 to the Financing Order.

8) CRR Scheduled Adjustment Date – January 1 and July 1 of each applicable year, provided that the CRR Scheduled Adjustment Date and any other deadlines or target dates related thereto, shall be subject to modification prior to the date the Bonds so as to reflect the terms of the Servicing Agreement.

9) Customer Rate Relief ("CRR") Charge – A nonbypassable charge as defined in Tex. Util. Code § 104.362(7).

10) Financing Order – The order adopted under Tex. Util. Code § 104.366 approving the issuance of CRR Bonds and the creation of Customer Rate Relief Property and associated CRR Charges for the recovery of regulatory assets, including extraordinary costs, related financing costs, and other costs authorized by the Financing Order.

11) Gas Utility – Texas Gas Service Company, a Division of ONE Gas, Inc. and its successors and assignees, an operator of natural gas distribution pipelines that delivers and sells natural gas to the public and that is subject to the Commission's jurisdiction under Tex. Util. Code § 102.001, or an operator that transmits, transports,

delivers, or sells natural gas or synthetic natural gas to operators of natural gas distribution pipelines and whose rates for those services are established by the Commission in a rate proceeding filed under Chapter 104 of the Utilities Code, within the service area.

12) Irrevocable – The Financing Order, together with the Customer Rate Relief Property as defined by Tex. Util. Code § 104.362(8) and the CRR Charges authorized by the Financing Order, are irrevocable and not subject to reduction, impairment, or adjustment by further action of the Commission, except in connection with true-ups authorized by the Financing Order.

13) Issuer Entity – Texas Natural Gas Securitization Finance Corporation, a Texas nonprofit public corporation established by the Authority, or any successor created pursuant to Tex. Gov't Code § 1232.1072.

14) Large Participating Gas Utility – Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the incorporated and environs areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett, and Wink, Texas, and the unincorporated areas of Canutillo and Fabens, Texas; and any Participating Gas Utility or Successor Utility (as defined in the Financing Order) each of whose Normalized Sales Volumes exceed 2.0% of the total aggregate Normalized Sales Volumes among all Participating Gas Utilities. Any calculation performed in connection with the preceding sentence shall be made on the basis of the most recently reported Normalized Sales Volumes and such calculation shall be performed by the Central Servicer annually no later than one (1) month after Normalized Sales Volumes are reported as regularly scheduled under Paragraph H hereof; provided that the Commission and/or Central Servicer may perform such calculation without any limitation in order to give effect to any merger, acquisition, disposition, divesture, spin-off or other transaction that would impact a Participating Gas Utility's share of the total aggregate Normalized Sales Volumes. The Commission or the Central Servicer shall promptly thereafter provide written notice to a Participating Gas Utility that subsequently becomes a Large Participating Gas Utility, which change shall take effective beginning on January 1 of the following calendar year.

15) Nonbypassable – CRR Charges must be paid by all existing or future customers receiving service from a Participating Gas Utility or such gas utility's successors or assigns.

16) Normalized Sales Volumes –

a) For Large Participating Gas Utilities: All natural gas volumes projected to be billed for the upcoming twelve (12) month period in conjunction with the operation of a Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated to calculate the CRR Charges.

b) For other Participating Gas Utilities: All natural gas volumes billed in the preceding calendar year in conjunction with the operation of a Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs and normalized according to the methodology utilized in each Participating Gas Utility's application filed in Docket No. OS-21- 00007061, *Consolidated Applications For Customer Rate Relief and Related Regulatory Asset Determinations In Connection With The February 2021 Winter Storm.*

For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated in order to calculate the CRR Charges.

17) Participating Gas Utilities – Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; Rockin' M Gas LLC d/b/a Bluebonnet Natural Gas LLC; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Corix Utilities (Texas) Inc.; EPCOR Gas Texas Inc.; SiEnergy, LP; Summit Utilities Arkansas, Inc.[1], Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the incorporated and environs areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett, and Wink, Texas, and the unincorporated areas of Canutillo and Fabens, Texas; and Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. or any Successor Utility (as defined in the Financing Order).

18) Sales Customer(s) – All active customers taking service under a Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs.

B. APPLICABILITY

This rate schedule sets out the rate, terms and conditions under which the CRR Charge shall be billed and collected by Texas Gas Service Company, a Division of ONE Gas, Inc. as a Participating Gas Utility for all Texas Gas Service customers, excluding those in the incorporated and environs areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett, and Wink, Texas, and in the unincorporated areas of Canutillo and Fabens, Texas under the terms of the Financing Order. Each individual Sales Customer is responsible for paying the CRR Charge billed to it in accordance with the terms of this rate schedule. Payment is to be made by an individual Sales Customer to the Participating Gas Utility of which it is a customer. The Participating Gas Utility is obligated to apply amounts collected from customers to pay any outstanding CRR Charges prior to applying such amounts for any other purpose. The Participating Gas Utility, as collection agent, shall remit collections of the CRR Charges to the Indenture Trustee in accordance with the terms of the Financing Order and any servicing or other similar agreement that is contemplated by the Financing Order.

C. TERM

This rate schedule shall remain in effect until the CRR Charges have been collected and remitted to the Indenture Trustee in an amount sufficient to satisfy all obligations in regard to paying principal and interest on the CRR Bonds together with all other financing costs, bond administrative expenses and other costs as provided in the Financing Order. This rate schedule and the CRR Charge are irrevocable and nonbypassable.

D. SALES CUSTOMERS

For the purposes of billing the CRR Charges, all Sales Customers of the Participating Gas Utility, excluding those in the incorporated and environs areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett, and Wink, Texas, and in the unincorporated areas of Canutillo and Fabens, Texas shall be assessed the uniform volumetric charge identified below.

E. CRR CHARGE

The CRR Charge will be a monthly volumetric rate of $0.118/Ccf. The CRR Charge is calculated in accordance with and subject to the provisions set forth in the Financing Order and will be adjusted at least annually based upon the CRR Charge true- up adjustment procedure. The CRR Charge shall be included in the Participating Gas

[1] Summit Utilities Arkansas, Inc. is the Successor Utility of CenterPoint Energy Arkla as of January 10, 2022.

Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. Participating Gas Utilities may reflect the CRR Charge according to the delivery pressures defined in Participating Gas Utilities' applicable tariffs. Such delivery pressure specific charges shall be equivalent to the CRR Charge as determined below at 14.65 per square inch, as defined above.

F. DETERMINATION OF CUSTOMER RATE RELIEF CHARGE

The CRR Charge will be adjusted no less frequently than annually, in accordance with the terms of the Servicing Agreement (as defined in the Financing Order), to ensure that the expected collection of CRR Charges is adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the CRR Bonds and together with all other financing costs, bond administrative expenses and other costs, as provided in the Financing Order, on a timely basis. The CRR Charge shall be computed according to the formula described below.

Step 1: Determination of Normalized Sales Volumes
(A) Total Large Participating Gas Utility Normalized Sales Volumes (Mcf)
(B) Assumed % of uncollectible sales
(C) Total Normalized Sales Volumes Billed and Collected: ***(A * (1 – B))***

For the avoidance of doubt, Normalized Sales Volumes are assumed to be calculated without giving effect to volumes anticipated from Participating Gas Utilities making up less than two percent (2.0%) of the total Normalized Sales Volumes of all Participating Gas Utilities.

Step 2: Determination of CRR Charge
(D) Total CRR Charge Rate Revenue Requirement for Applicable Period
(E) CRR Charge per Normalized Sales Volumes (Mcf): ***(D / C)***
Thereof: CRR Charge for Sales Customers

G. CRR CHARGE TRUE-UP

Changes to the CRR Charge will be effected through the filing of CRR Charge True-Up Adjustment Letters by the Central Servicer to the Commission as authorized by the Financing Order and in accordance with the Servicing Agreement. Not less than fifteen (15) days prior to each CRR Scheduled Adjustment Date and more frequently as required by the Central Servicer, the Central Servicer will submit the CRR Charge True-Up Adjustment Letter in the form of Exhibit 3 to the Financing Order to ensure that CRR Charge collections are sufficient to make all scheduled payments of CRR Bond principal and interest and meet other Ongoing Financing Costs (as defined in the Financing Order) on a timely basis during the payment period.

In addition to the foregoing, the Central Servicer shall be authorized to file CRR Charge True-Up Adjustment Letters with the Commission that adjust the CRR Charge more frequently (but not more often than quarterly) as required under the provisions of the Servicing Agreement (as defined in the Financing Order).

H. CRR CHARGE TRUE-UP PROCEDURE

Texas Gas Service Company, a Division of ONE Gas, Inc. shall annually file with the Commission and the Central Servicer by June 1 of each year its Normalized Sales Volumes; each Large Participating Gas Utility shall

include projected volumes for each of the future twelve (12) months beginning July 1, and each other Participating Gas Utility shall include its Normalized Sales Volumes for the prior calendar year. Such filing and/or reporting may be more frequent to the extent required under the Servicing Agreement and applicable Collection and Reporting Arrangements. If Texas Gas Service Company, a Division of ONE Gas, Inc. is a Large Participating Gas Utility, the Participating Gas Utility shall, upon the request of the Central Servicer, provide the Commission and the Central Servicer updated Normalized Sales Volumes for the succeeding twelve (12) month period no later than the fifteenth (15th) day following such request to allow the Central Servicer to make Interim True-Up Adjustments. Each Participating Gas Utility shall have the right to provide the foregoing information to the Central Servicer on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). The Central Servicer shall submit to the Commission and the Participating Gas Utilities, not less than fifteen (15) days prior to the CRR Scheduled Adjustment Date, a CRR Charge True-Up Adjustment Letter applying the CRR Charge True-Up Adjustment based on Normalized Sales Volumes and other mathematical factors and requesting administrative approval from the Commission as provided for in the Servicing Agreement. The Commission's review and approval of the True-Up Adjustment Letter shall be as set forth in the Servicing Agreement (it being understood such review is limited to determining if any mathematical or clerical errors are present in the application of the CRR Charge True-Up Adjustment relating to the appropriate amount of any over-collection or under-collection of CRR Charges and the amount of an adjustment).

If any CRR Charge True-Up Adjustment that is an Interim True-Up Adjustment is necessary, (i) the Central Servicer may request and the Large Participating Gas Utilities shall provide revised Normalized Sales Volumes for each of the immediately succeeding twelve (12) months and related data and (ii) within fifteen (15) days of receipt of such data, the Central Servicer shall file a revision to the CRR Rate Schedule in a True-Up Charge Adjustment Letter setting forth the adjusted CRR Charge to be effective for the upcoming period, in accordance with the Servicing Agreement. Texas Gas Service Company, a Division of ONE Gas, Inc. shall have the right to provide such information on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). A CRR Charge resulting from a true-up adjustment will become effective on the first (1st) billing cycle that is not less than fifteen (15) days following the making of the CRR Charge True-Up Adjustment filing.

I. TAXABILITY

The receipt of CRR Charges by a Participating Gas Utility is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments and is excluded from revenue for purposes of franchise tax under Tex. Tax Code § 171.1011.

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PIPELINE INTEGRITY TESTING (PIT) RIDER

PURPOSE

The purpose of this Pipeline Integrity Testing Rider is to promote the public interest in pipeline safety by enabling Texas Gas Service Company, a Division of ONE Gas, Inc. (the "Company") to recover the reasonable and necessary Pipeline Integrity Safety Testing expenses incurred by the Company during the prior year (including contractor costs but excluding the labor cost of Texas Gas Service Company employees). These legally mandated operating and maintenance expenses shall be recovered through a separate monthly volumetric charge (the Pipeline Integrity Testing or "PIT" Surcharge) that shall be shown as a separate line item on the customer's monthly bill and calculated for each customer class as described below. Capital expenditures associated with the Pipeline Integrity Program shall continue to be recovered through base rates and any interim rate adjustments implemented pursuant to Section 104.301 of the Texas Utilities Code.

APPLICABILITY

This Rider shall be applied to all gas sales and transportation customers within the service territory designated below, except special contract customers.

TERRITORY

This Rider shall apply to the following Company gas sales and standard transportation rate schedules within the incorporated and unincorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1: Rate Schedules 10, 15, 20, 25, 30, 40, CNG-1, E5, 1Z, 1Y, 2Z, 2Y, 3Z, 4Z, CNG-1-ENV, T-1, T-EGEN, T-1-ENV and T-EGEN-ENV.

QUALIFYING EXPENSES

This Rider applies only to the legally mandated safety testing of the Company's transmission lines in the Company's areas of service under the Pipeline Integrity Safety Testing Program. The operating and maintenance expense items that qualify for recovery under this Rider shall include the contractor costs associated with land and leak survey, permitting, and job order preparation and completion; the clearing of right-of-way; any needed notifications to adjacent businesses and residences; traffic control equipment and personnel; Direct Current Voltage Gradient ("DCVG"), Close Interval ("CI"), and other surveys to ensure the integrity of the pipeline system; any required rigid bypasses; flushing of the lines and testing and disposal of the flush water; hydrostatic testing of the lines and analysis and disposal of the test water; any required "pigging" of the lines in connection with safety testing; any required x-ray welding; metallurgical testing of the pipeline or components thereof; site restoration, painting, and clean-up; expenses associated with providing a supply of compressed natural gas ("CNG") to ensure uninterrupted service to customers during testing; and any other operating and maintenance

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PIPELINE INTEGRITY TESTING (PIT) RIDER (Continued)

expenses reasonably necessary to safely and effectively perform required safety testing of the Company's pipelines in the Company's areas of service. Neither capital expenditures by the Company, nor the labor cost of Company employees, shall be recovered under this Rider.

CALCULATION OF PIT SURCHARGES

The Pipeline Integrity Testing Surcharges established under this Rider shall be designed so as to recover the Total Testing Expense incurred in the prior year for Pipeline Integrity Safety Testing, and shall be calculated as follows:

The Total Annual Testing Expense shall be divided by the estimated average annual usage to produce the annual PIT Surcharge.

$$\text{PIT Surcharge} = \frac{\text{Total Annual Testing Expense}}{\text{Estimated Annual Usage}}$$

Based upon customer data for the prior calendar year and any other relevant factors, the estimated annual usage may be revised annually to account for customer growth, and the resulting revised PIT Surcharge shall be applied to each class for the ensuing 12-month recovery period.

ANNUAL RECONCILIATION

After completion of each annual recovery period, the total revenues collected under this Rider for that year shall be reconciled against the revenues previously calculated to be collected for that year, and the PIT Surcharge for each class shall be adjusted upward or downward so that the Company recovers any underrecoveries or refunds any overrecoveries that may have accrued under the Rider, plus monthly interest on those underrecoveries or overrecoveries at the cost of long-term debt approved in the Company's most recent general rate case in which rates were set for application to customers in the Company's areas of service. The reconciliation shall be filed with the regulatory authority on or before February 21st of each year, and the regulatory authority shall complete its review of the reconciliation on or before March 21st of each year, so that the Company can implement the reconciled PIT Surcharges beginning with the first billing cycle for April of each succeeding year.

DEFERRED ACCOUNTING

The Company is authorized and directed to defer, as a regulatory asset, all Pipeline Integrity Safety Testing expenses incurred during the testing cycle starting on January 1, 2016 and all revenues specifically collected under this Rider shall be applied to the deferred expense account. The Company shall not earn a return on any regulatory asset created under this provision, and no such regulatory asset shall be included in the Company's invested capital (rate base) for ratemaking purposes.

Supersedes Rate Schedule Dated	Consumption On and After
November 27, 2024 (All Central-Gulf Areas except Jarrell and Jonah)	January 27, 2026
January 27, 2023 (All West-North Areas except Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)	
February 27, 2023 (Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)	
January 30, 2024 (Rio Grande Valley)	
July 1, 2025 (Incorporated and Environs Jarrell and Unincorporated Jonah)	

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PIPELINE INTEGRITY TESTING (PIT) RIDER (Continued)

ANNUAL REPORT & APPLICABLE PSCC

On or before February 21st after each calendar year, the Company shall file a report with the Commission and the Cities served by the Company showing all Pipeline Integrity Safety Testing expenses incurred during the previous calendar year and verifying the prior year's collections and any underrecoveries or overrecoveries accruing to date under this Rider. The report shall separately identify and list such expenses by account number and project number. Prior to the effective date of this Rider and on or before February 21st of each succeeding year while this Rider is in effect, the Company shall also file an Addendum to this Rider with the Commission and the Cities served by the Company (a) identifying the PIT Surcharges that will be applied during the ensuing 12-month recovery period from April through March billing cycles, and (b) providing the underlying data and calculations on which each PIT Surcharge for that period is based.

The Company shall file the report with the Commission electronically at GUD_Compliance@rrc.texas.gov or at the following address:

Director of Oversight and Safety Division
Gas Services Department
Railroad Commission of Texas
P.O. Box 12967
Austin, TX 78711-2967

NOTICE TO AFFECTED CUSTOMERS

In addition to the annual report and Addendum to this Rider required above, the Company shall provide, on or before March 31st after each calendar year, written notice to each affected customer of (a) the PIT Surcharge that will be applied during the ensuing 12-month period from April through March billing cycles, and (b) the effect the PIT Surcharge is expected to have on the average monthly bill for each affected customer class. The written notice shall be provided in both English and Spanish, shall be the only information contained on the piece of paper on which it is printed, and may be provided either by separate mailing or by insert included with the Company's monthly billing statements, including electronic billing statements. The Company shall also electronically file an affidavit annually with the Commission and the Cities served by the Company certifying that notice has been provided to customers in this manner. The notice shall be presumed to be complete three calendar days after the date the separate mailing or billing statement is deposited in a postage-paid, properly addressed wrapper in a post office or official depository under care of the United States Postal Service. The initial notice shall be filed with, reviewed, and approved by the regulatory authority, and each subsequent notice shall follow the same format as that of the approved initial notice.

Supersedes Rate Schedule Dated
November 27, 2024 (All Central-Gulf Areas except Jarrell and Jonah)
January 27, 2023 (All West-North Areas except Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)
February 27, 2023 (Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)
January 30, 2024 (Rio Grande Valley)
July 1, 2025 (Incorporated and Environs Jarrell and Unincorporated Jonah)

Consumption On and After
January 27, 2026

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PIPELINE INTEGRITY TESTING (PIT) SURCHARGE RIDER

A. APPLICABILITY

The Pipeline Integrity Testing Surcharge (PIT) rate as set forth in Section (B) below is for the recovery of costs associated with pipeline integrity testing as defined in Rate Schedule PIT. This rate shall apply to the following gas sales and standard transportation rate schedules of Texas Gas Service Company, a Division of ONE Gas, Inc. currently in force in the Company's incorporated and unincorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1: Rate Schedules 10, 15, 20, 25, 30, 40, CNG-1, E5, 1Z, 1Y, 2Z, 2Y, 3Z, 4Z, CNG-1-ENV, T-1, T-EGEN, T-1-ENV and T-EGEN-ENV.

B. PIT RATE

$TBD per Ccf metered @ 14.65 psi*

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

This rate will be in effect until all approved and expended pipeline integrity testing expenses are recovered under the applicable rate schedules.

C. OTHER ADJUSTMENTS

Taxes: Plus applicable taxes and fees (including franchises fees) related to above.

D. CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Supersedes Rate Schedule Dated
March 27, 2025 (Rio Grande Valley and West-North)
March 27, 2025 (All CGSA Areas except Jarrell and Jonah)
July 1, 2025 (Incorporated and Environs Jarrell and Unincorporated Jonah)

Consumption On and After
January 27, 2026

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WEATHER NORMALIZATION ADJUSTMENT CLAUSE

APPLICABILITY

The Weather Normalization Adjustment Clause (WNA) shall apply to the following general service rate schedules of Texas Gas Service Company, a Division of ONE Gas, Inc. (the "Company") within the incorporated and unincorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1: Rate Schedules 10, 15, 1Z, 1Y, 20, 25, 2Z, 2Y, 40, and 4Z. The WNA shall be effective during the September through May billing cycles.

PURPOSE

The WNA adjusts customer bills to address variations in weather experienced during the billing period that are above or below the 'normal' weather range established in the Company's most recent rate filing. The WNA refunds over-collections or surcharges of revenue due to colder than normal weather or under-collections of revenue due to warmer than normal weather, as established in the Company's most recent rate filing.

WNA MECHANISM

In order to reflect weather effects in a timely and accurate manner, the WNA adjustment shall be calculated separately for each billing cycle and rate schedule. The weather factor, determined for each rate schedule in the most recent rate case, shows the effect of one heating degree day on consumption for that rate schedule. During each billing cycle, the weather factor is multiplied by the difference between normal and actual heating degree days for the billing period and by the number of customers billed. This WNA volume adjustment is priced at the current cost of service rate per Ccf to determine a WNA revenue adjustment, which is spread to the customers in the billing cycle on a prorata basis. The WNA for each billing cycle and rate schedule shall be based on the following formula:

$$\text{WNA Rate} = \frac{\text{WNAD}}{\text{CV}}, \quad \text{where}$$

CV = Current Volumes (at 14.65 psi) for the billing period.

WNAD = Weather Normalization Adjustment Dollars to be collected from each billing cycle and rate schedule.
This factor shall be based on the following formula:

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WEATHER NORMALIZATION ADJUSTMENT CLAUSE (Continued)

WNAD = (HDD Diff * CB * WF) * COS rate, where

HDD Diff = (Normal HDD – Actual HDD), the difference between normal and actual heating degree days for the billing period.

CB = Number of customers billed for the billing period.

WF = Weather factor determined for each rate schedule in the most recent rate case.

The Weather Factors (WF) and associated weather station for each applicable incorporated or environs area are established as follows:

Austin, Bastrop (environs only), Bee Cave, Buda, Cedar Park, Dripping Springs, Georgetown, Hutto, Jarrell, Jonah, Kyle, Lakeway, Marble Falls, Mustang Ridge, Pflugerville, Rollingwood, Sunset Valley, and West Lake Hills:

Residential 0.14202; Commercial 0.48000; Public Authority 2.06571
Weather Station: KATT

Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum:

Residential 0.12176; Commercial 0.18681; Public Authority 0.97873
Weather Station: KSAT

Bayou Vista, Galveston, and Jamaica Beach:

Residential 0.19431; Commercial 0.42720; Public Authority 2.91772
Weather Station: KGLS

Beaumont, Groves, Nederland, Port Arthur, and Port Neches:

Residential 0.14652; Commercial 0.29381; Public Authority 1.09440
Weather Station: KBPT

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WEATHER NORMALIZATION ADJUSTMENT CLAUSE (Continued)

Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas, the unincorporated cities of Bayview, Laguna Heights, Monte Alto, Olmito, and San Carlos and the unincorporated areas of Jim Hogg and Starr counties:

Residential 0.07609; Commercial 1.29246; Public Authority 2.52362
Weather Station: KBRO

Borger and Skellytown:

Residential 0.14039; Commercial 0.64194; Public Authority 2.24684
Weather Station: KAMA

Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Jermyn, Millsap, Mineral Wells, Palo Pinto, Perrin, Possum Kingdom, Punkin Center, Weatherford, Whitt, and Willow Park:

Residential 0.13605; Commercial 0.46630; Public Authority 2.16192
Weather Station: KABI

Anthony, Canutillo, Clint, El Paso, Fabens, Horizon City, San Elizario, Socorro, and Vinton:

Residential 0.14485; Commercial 0.51375; Public Authority 3.33692
Weather Station: KELP

Andrews, Barstow, Crane, McCamey, Monahans, Pecos, Pyote, Thorntonville, Wickett, and Wink:

Residential 0.11833; Commercial 0.51375; Public Authority 1.51545
Weather Station: KMAF

Dell City:

Residential 0.14485; Commercial 0.51375; Public Authority 3.33692
Weather Station: KELP

Supersedes Rate Schedule Dated
November 27, 2024 (All Central-Gulf Areas except Jarrell and Jonah)
January 27, 2023 (All West-North Areas except Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)
February 27, 2023 (Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)
January 30, 2024 (Rio Grande Valley)
July 1, 2025 (Incorporated and Environs Jarrell and Unincorporated Jonah)

Consumption On and After
January 27, 2026

Docusign Envelope ID: 2B91311A-91F7-4384-883B-514680400B05

WEATHER NORMALIZATION ADJUSTMENT CLAUSE (Continued)

FILING WITH THE CITIES AND THE RAILROAD COMMISSION OF TEXAS (RRC)

The Company will file monthly reports showing the rate adjustments for each applicable rate schedule. Supporting documentation will be made available for review upon request. By each October 1, the Company will file with the Cities and the RRC an annual report verifying the past year's WNA collections or refunds.

The Company shall file the report with the RRC electronically at GUD_Compliance@rrc.texas.gov or at the following address:

Director of Oversight and Safety Division
Gas Services Department
Railroad Commission of Texas
P.O. Box 12967
Austin, TX 78711-2967

Supersedes Rate Schedule Dated
November 27, 2024 (All Central-Gulf Areas except Jarrell and Jonah)
January 27, 2023 (All West-North Areas except Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)
February 27, 2023 (Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)
January 30, 2024 (Rio Grande Valley)
July 1, 2025 (Incorporated and Environs Jarrell and Unincorporated Jonah)

Consumption On and After
January 27, 2026

Texas Gas Service Company, a Division of ONE Gas, Inc.

RATE SCHEDULE E5

FORT BLISS SERVICE RATE

APPLICABILITY

Applicable to the United States Government for all purposes at Fort Bliss, William Beaumont General Hospital, Biggs Field, Logan Heights, The First Calvary Brigade Area, the Station Hospital, Permanent Troop Housing and Supporting Facilities and AFF Board No. 4 and Guided Missile Group and Training Facilities located east of Jeb Stuart Road.

COST OF SERVICE RATE

During each monthly billing period the sum of items 1 and 2 below:

1. Cost of Service Charge:

   All Gas @ $ 0.07476 per Ccf @ 14.9 PSIA.

2. Cost of Gas Charge: In addition to the Cost of Service set forth above, Ft. Bliss billing shall include an amount equal to the Cost of Gas per billing month as determined in accordance with Rate Schedule No. 1-INC. Cost per Ccf will be determined at 14.9 PSIA and multiplied by total Ccf consumed during the billing month.

CONDITIONS

1. In case of shortage of natural gas supply, or any other emergency not due to fault of the Company, deliveries of gas hereunder may be curtailed in accordance with Company's program of curtailment applicable to its customers in the incorporated and unincorporated areas of El Paso, Texas.

2. Volume of gas shown by meter readings will be corrected to 14.9 pounds per square inch absolute. Atmospheric pressure is agreed to be 12.8 pounds.

Docusign Envelope ID: 2B91311A-91F7-4384-883B-514680400B05

ECONOMIC DEVELOPMENT RATE

A. APPLICABILITY

This Economic Development Rate ("EDR") rate schedule shall apply to the following rate schedules for the incorporated areas of the Cities of Anthony, Clint, El Paso, Horizon City, San Elizario, Socorro, and Vinton, Texas: 10, 15, 20, 25, 30, 40, CNG-1, T-1 and T-EGen.

B. TERRITORY

The Cities of Anthony, Clint, El Paso, Horizon City, San Elizario, Socorro and Vinton, Texas.

C. PURPOSE

This rate schedule provides for the recovery of costs that Texas Gas Service Company, a Division of ONE Gas, Inc. incurs related to economic development in the cities mentioned above. Successful economic development will only occur to the extent that the community and its corporate partners provide the necessary support to attract new businesses and industries to this region. New businesses and industries will increase employment, spur growth and local business expansion, create a more robust economy and improve the quality of life for the region.

D. EDR RATE

The EDR rate during each Monthly Billing Period:

All Ccf metered @14.65 psi* during the monthly billing period @ $TBD per Ccf

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

All applicable fees and taxes (including franchise fees) will be added to the EDR rates.

D. BILLING

1. The EDR rate shall be added to the applicable cost of service usage charge (per Ccf rate) for rate schedules: 10, 15, 20, 25, 30, 40, CNG-1, T-1 and T-EGen.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE T-1**
Page 1 of 2

TRANSPORTATION SERVICE RATE

APPLICABILITY

Applicable to customers who have elected Transportation Service not otherwise specifically provided for under any other rate schedule.

Service under this rate schedule is available for the transportation of customer-owned natural gas through Texas Gas Service Company, a Division of ONE Gas, Inc.'s (the "Company") distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.

AVAILABILITY

Natural gas service under this rate schedule is available to any individually metered, non-residential customer for the transportation of customer-owned natural gas through the Company's distribution system which includes all incorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1. Such service shall be provided at any point on the Company's system where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of a customer charge per meter per month as follows:

All Transportation Customers (excluding Electric Generation)	$500.00 per month

Plus – A delivery charge per monthly billing period as follows:

All Transportation Customers (excluding Electric Generation)	$0.09470 per Ccf metered @ 14.65 psi*

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

OTHER ADJUSTMENTS

Gas Utility Pipeline Taxes: A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder.

Taxes: A charge will be made each month to recover the cost of any applicable taxes and fees, including franchise fees paid to the cities.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE T-1**
Page 2 of 2

TRANSPORTATION SERVICE RATE (Continued)

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS and RCE, if applicable.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF, if applicable.

Economic Development Rider: The billing shall reflect adjustments in accordance with provisions of the Economic Development Rider, Rate Schedule EDR, only applicable to the incorporated areas of Anthony, Clint, El Paso, Horizon City, San Elizario, Socorro and Vinton, Texas.

Other Charges: In the event the Company incurs a demand charge, balancing service rate, or reservation charge from its gas supplier(s) or transportation providers in the incorporated areas served by the Company, the customer may be charged its proportionate share of the demand charge, balancing service rate, or reservation charge based on benefit received by the customer.

SUBJECT TO

1. Tariff T-TERMS, General Terms and Conditions for Transportation Service.

2. Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.

3. The taking of service under this rate schedule is subject to all valid orders, laws, rules, and regulations of duly constituted State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies.

4. The Agreement shall be interpreted under Texas law.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE T-EGEN**
Page 1 of 3

ELECTRIC GENERATION TRANSPORTATION SERVICE RATE

APPLICABILITY

Service under this rate schedule is available to any non-residential customer who enters into a contract with Texas Gas Service Company, a Division of ONE Gas, Inc. (the "Company"), to use natural gas for the purpose of electric generation. Electric generation is defined as bulk power system assets, co-generation facilities, distributed generation, and or backup power systems. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.

AVAILABILITY

Natural gas service under this rate schedule is available to any individually metered, non-residential customer for the transportation of customer-owned natural gas through the Company's distribution system which includes all incorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1. Such service shall be provided at any point on the Company's system where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

Electric Generation customer charge per meter	$1,000.00 per month plus
A Demand charge of	$0.72542 per Ccf MDQ per month plus
A Delivery charge of	$0.02000 per Ccf metered @14.65 psi*

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

MONTHLY MDQ DEMAND CHARGE

The Monthly MDQ Demand Charge is the demand charge associated with reserving pipeline capacity to meet the maximum daily usage (hereinafter "maximum daily quantity" or "MDQ") for an individual customer. If the use of electronic flow measurement (EFM), as defined in the Company's Rules of Service (Rate Schedule Number QSR-TGS), has established an MDQ for a customer during the prior twelve (12)-month period, the MDQ derived from the EFM data shall be utilized. For customers who have not established an MDQ through the use of EFM, the MDQ shall be calculated by using the connected load and applying a diversity factor appropriate for the

ELECTRIC GENERATION TRANSPORTATION SERVICE RATE (Continued)

operations conducted at the facilities. The MDQ in Ccf shall then be multiplied by each applicable Monthly MDQ Demand Charge to determine the amount to be charged to the customer for each billing period. The MDQ may be adjusted at any time for any known and quantifiable additions of equipment or removal of equipment at the customer's facilities.

Except as allowed by the Company, customers shall not be entitled to receive gas from Company on any day in excess of the MDQ amount established for such customer pursuant to the foregoing provisions. Periods of maximum usage may not be within a calendar month due to variations in billing periods. The Monthly MDQ Demand Charge shall not be prorated.

OTHER ADJUSTMENTS

Gas Utility Pipeline Taxes: A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder.
Taxes: A charge will be made each month to recover the cost of any applicable taxes and fees, including franchise fees paid to the cities.

Rate Case Expense Rider: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-TGS.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF, if applicable.

Economic Development Rider: The billing shall reflect adjustments in accordance with provisions of the Economic Development Rider, Rate Schedule EDR, only applicable to the incorporated areas of Anthony, Clint, El Paso, Horizon City, San Elizario, Socorro and Vinton, Texas.

Other Charges: In the event the Company incurs a demand charge, balancing service rate, or reservation charge from its gas supplier(s) or transportation providers in the incorporated areas of the Company's area of service, the customer may be charged its proportionate share of the demand charge, balancing service rate, or reservation charge based on benefit received by the customer.

SUBJECT TO

1. Tariff T-TERMS, General Terms and Conditions for Transportation Service.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE T-EGEN**
Page 3 of 3

ELECTRIC GENERATION TRANSPORTATION SERVICE RATE (Continued)

2. Customers taking service under this rate schedule will be required to obtain EFM equipment from the Company. If the locations of customer's facilities or other factors interfere with the ability to communicate EFM volume data using Company's available cellular telephone technology, customer will be required to provide and maintain, at its own expense, a dedicated telephone line through which communications may be transmitted. The EFM equipment shall remain the property of the Company and at no time may the customer take possession of the EFM equipment without written consent by an authorized representative of the Company.

3. Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.

4. The taking of service under this rate schedule is subject to all valid orders, laws, rules, and regulations of duly constituted State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies.

5. The Agreement shall be interpreted under Texas law.

Texas Gas Service Company, a Division of ONE Gas, Inc **RATE SCHEDULE T-1-ENV**
Page 1 of 2

TRANSPORTATION SERVICE RATE

APPLICABILITY

Applicable to customers who have elected Transportation Service not otherwise specifically provided for under any other rate schedule.

Service under this rate schedule is available for the transportation of customer-owned natural gas through Texas Gas Service Company, a Division of ONE Gas, Inc.'s (the "Company") distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.

AVAILABILITY

Natural gas service under this rate schedule is available to any individually metered, non-residential customer for the transportation of customer-owned natural gas through the Company's distribution system, which includes all unincorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1. Such service shall be provided at any point on the Company's system where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of a customer charge per meter per month as follows:

All Transportation Customers (excluding Electric Generation)	$500.00 per month

Plus – A delivery charge per monthly billing period as follows:

All Transportation Customers (excluding Electric Generation)	$0.09470 per Ccf metered @ 14.65 psi*

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

OTHER ADJUSTMENTS

Gas Utility Pipeline Taxes: A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder.

Taxes: A charge will be made each month to recover the cost of any applicable taxes and fees.

Texas Gas Service Company, a Division of ONE Gas, Inc **RATE SCHEDULE T-1-ENV**
Page 2 of 2

TRANSPORTATION SERVICE RATE (Continued)

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS-ENV and RCE-ENV, if applicable.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF, if applicable.

Other Charges: In the event the Company incurs a demand charge, balancing service rate, or reservation charge from its gas supplier(s) or transportation providers in the unincorporated areas served by the Company, the customer may be charged its proportionate share of the demand charge, balancing service rate, or reservation charge based on benefit received by the customer.

SUBJECT TO

1. Tariff T-TERMS, General Terms and Conditions for Transportation Service.

2. Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.

3. The taking of service under this rate schedule is subject to all valid orders, laws, rules, and regulations of duly constituted State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies.

4. The Agreement shall be interpreted under Texas law.

Texas Gas Service Company, a Division of ONE Gas, Inc **RATE SCHEDULE T-EGEN-ENV**
Page 1 of 3

ELECTRIC GENERATION TRANSPORTATION SERVICE RATE

APPLICABILITY

Service under this rate schedule is available to any non-residential customer who enters into a contract with Texas Gas Service Company, a Division of ONE Gas, Inc. (the "Company"), to use natural gas for the purpose of electric generation. Electric generation is defined as bulk power system assets, co-generation facilities, distributed generation, and or backup power systems. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.

AVAILABILITY

Natural gas service under this rate schedule is available to any individually metered, non-residential customer for the transportation of customer-owned natural gas through the Company's distribution system, which includes all unincorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1. Such service shall be provided at any point on the Company's system where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.

COST OF SERVICE RATE

During each monthly billing period, the Cost of Service Rate shall be comprised of:

Electric Generation customer charge per meter	$1,000.00 per month plus
A Demand charge of	$0.72542 per Ccf MDQ per month plus
A Delivery charge of	$0.02000 per Ccf metered @14.65 psi*

*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

MONTHLY MDQ DEMAND CHARGE

The Monthly MDQ Demand Charge is the demand charge associated with reserving pipeline capacity to meet the maximum daily usage (hereinafter "maximum daily quantity" or "MDQ") for an individual customer. If the use of electronic flow measurement (EFM), as defined in the Company's Rules of Service (Rate Schedule Number QSR-TGS), has established an MDQ for a customer during the prior twelve (12)-month period, the MDQ derived from the EFM data shall be utilized. For customers who have not established an MDQ through the use of EFM, the MDQ shall be calculated by using the connected load and applying a diversity factor appropriate for the

ELECTRIC GENERATION TRANSPORTATION SERVICE RATE (Continued)

operations conducted at the facilities. The MDQ in Ccf shall then be multiplied by each applicable Monthly MDQ Demand Charge to determine the amount to be charged to the customer for each billing period. The MDQ may be adjusted at any time for any known and quantifiable additions of equipment or removal of equipment at the customer's facilities.

Except as allowed by the Company, customers shall not be entitled to receive gas from Company on any day in excess of the MDQ amount established for such customer pursuant to the foregoing provisions. Periods of maximum usage may not be within a calendar month due to variations in billing periods. The Monthly MDQ Demand Charge shall not be prorated.

OTHER ADJUSTMENTS

Gas Utility Pipeline Taxes: A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder.

Taxes: A charge will be made each month to recover the cost of any applicable taxes and fees.

Rate Case Expense Rider: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-TGS-ENV.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF, if applicable.

Other Charges: In the event the Company incurs a demand charge, balancing service rate, or reservation charge from its gas supplier(s) or transportation providers in the unincorporated areas of the Company's area of service, the customer may be charged its proportionate share of the demand charge, balancing service rate, or reservation charge based on benefit received by the customer.

SUBJECT TO

1. Tariff T-TERMS, General Terms and Conditions for Transportation Service.

2. Customers taking service under this rate schedule will be required to obtain EFM equipment from the Company. If the locations of customer's facilities or other factors interfere with the ability to communicate EFM volume data using Company's available cellular telephone technology, customer will be required to provide and maintain, at its own expense, a dedicated telephone line through which communications may be transmitted. The EFM equipment shall remain the property of the Company and at no time may the customer take possession of the EFM equipment without written consent by an authorized representative of the Company.

Texas Gas Service Company, a Division of ONE Gas, Inc **RATE SCHEDULE T-EGEN-ENV**
Page 3 of 3

ELECTRIC GENERATION TRANSPORTATION SERVICE RATE (Continued)

3. Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.

4. The taking of service under this rate schedule is subject to all valid orders, laws, rules, and regulations of duly constituted State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies.

5. The Agreement shall be interpreted under Texas law.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE T-TERMS**
Page 1 of 10

GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE

1.1 REQUIREMENTS FOR TRANSPORTATION SERVICE

This rate schedule shall apply to Customers who have elected Transportation Service through the Company's distribution system within the incorporated and unincorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

Nothing shall be deemed to supersede the respective rights and obligations of Texas Gas Service Company, a Division of ONE Gas, Inc. ("Company") and Customer as provided by Texas statutes, rules, and/or regulations. The Company reserves the right to seek modification or termination of transportation service or any of the tariffs to which it applies and the unilateral right to seek regulatory approval to make any changes to, or to supersede, the rates, charges and terms of transportation service.

1.2 DEFINITIONS

The following definitions shall apply to the indicated words as used in this Tariff:

Adder: Shall mean the Company's incremental cost to purchase Natural Gas.

Aggregation Areas: Shall mean aggregation pools established by the Company within geographic, operational, administrative, and/or other appropriate parameters, for the purposes of nominating and imbalances.

Agreement: Shall mean any written Gas Transportation Agreement (including any Gas transportation orders, forms or other exhibit(s) which are incorporated into and become a part of the same) to which the General Terms and Conditions for Transportation apply.

Btu: Shall mean British thermal unit(s) and shall be computed on a temperature base of 60 degrees Fahrenheit and at the standard pressure base of the applicable area and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and "MMBtu" shall mean one million (1,000,000) Btu.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE T-TERMS**
Page 2 of 10

GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE (Continued)

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

Commission or The Commission: The Railroad Commission of Texas.

Company: Texas Gas Service Company, a Division of ONE Gas, Inc.

Compressed Natural Gas (CNG) Service: Service to Customers where the Customer purchases Natural Gas to be compressed and used as a motor fuel. This rate does not include compression by the Company beyond normal meter sales pressure.

Consumption Period: Shall mean a volumetric billing period.

Cumulative Tolerance Limit: Shall mean the percent of aggregate historical annual deliveries of a Qualified Supplier's Aggregation Area pool of Customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit.

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

Day or Gas Day: Shall mean the 24-hour period commencing at 9:00 a.m. Central Standard Time on one (1) calendar day and ending at 9:00 a.m. Central Standard Time the following calendar day.

Dekatherm (Dth): Shall mean one million (1,000,000) Btu's (1 MMBtu). This unit will be on a dry basis.

Electrical Generation Service: Service to Customers operating electric generation assets and that are registered with the applicable balancing authority including bulk power system assets, co-generation facilities, distributed generation, and/or backup power systems. This service may also be provided to those known Customers who use thermal energy to produce electricity with recapture of by-product heat in the form of steam, exhaust heat, etc. for industrial process use, space heating, food processing or other purposes.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE T-TERMS**
Page 3 of 10

GENERAL TERMS AND CONDITIONS
FOR TRANSPORTATION SERVICE (Continued)

Electronic Flow Measurement (EFM): A device that remotely reads a Gas meter.

Firm Service: Services offered to Customers (regardless of service class) under schedules or contracts that anticipate no interruptions. Service may be interrupted or curtailed at the discretion of the Company during Force Majeure events.

Force Majeure: If either Company or Customer is rendered unable, wholly or in part, by reason of Force Majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for any damage or loss for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended. The term "Force Majeure" as used herein means acts of God; strikes, lockouts, or other industrial disturbances; acts of the public enemy; wars; blockades; insurrections; riots; epidemics; pandemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraints of the government, or any agency thereof, either federal or state, civil or military; civil disturbances; explosions; breakage or accident to machinery or lines of pipe; freezing of wells or lines of pipe; shortage of Gas supply, whether resulting from inability or failure of a supplier to deliver Gas; partial or entire failure of Natural Gas wells or Gas supply; depletion of Gas reserves; mandatory testing or maintenance necessary for compliance and safe operation, and any other causes, whether of the kind herein enumerated or otherwise. If due to a Force Majeure the Company curtails or temporarily discontinues the receipt or delivery of Gas hereunder, Customer agrees to hold Company harmless from any loss, claim, damage, or expense that Customer may incur by reason of such curtailment or discontinuance.

Gas or Natural Gas: Shall mean the effluent vapor stream in its natural, gaseous state, including gas-well Gas, casing head Gas, residue Gas resulting from processing both casing head Gas and gas-well Gas, and all other hydrocarbon and non-hydrocarbon components thereof.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE T-TERMS**
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GENERAL TERMS AND CONDITIONS
FOR TRANSPORTATION SERVICE (Continued)

Industrial Service:	Service to Customers engaged primarily in a process which changes raw or unfinished materials into another form of product. This classification shall embrace all Consumers included in Division A (except Major Groups 01 and 02) and Division D of the Standard Industrial Classification Manual.
Mcf:	Shall mean one thousand (1,000) cubic feet of Gas.
Month:	Shall mean the period beginning at 9:00 a.m. Central Standard Time on the first Day of each calendar Month and ending at 9:00 a.m. Central Standard Time on the first Day of the next succeeding calendar Month.
Monthly Tolerance Limit:	Shall mean five percent (5%) of the aggregate deliveries for a Qualified Suppliers Aggregation Area pool of Customers for such Month.
Payment in Kind (PIK):	Shall mean a reimbursement for lost and unaccounted for Gas.
PDA:	Shall mean a predetermined allocation method.
Pipeline System:	Shall mean the current existing utility distribution facilities of Company located in the State of Texas.
Point of Delivery:	Shall mean the point or points where Gas is delivered from the Pipeline System to Customer.
Point of Receipt:	Shall mean the point or points where Company shall receive Gas into the Pipeline System from Customer.
Point Operator:	Shall mean the person or entity that controls the Point of Receipt or Point of Delivery.
Public Authority Service:	Service to Customers that are qualifying public authority, public and parochial schools and colleges, and to all facilities operated by governmental agencies not specifically provided for in other rate schedules or special contracts.

Supersedes Rate Schedules Dated
November 27, 2024 (Central-Gulf)
January 30, 2024 (Rio Grande Valley)
January 27, 2023 (West-North Areas Except Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)
February 27, 2023 (Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)

Consumption On and After
January 27, 2026

GENERAL TERMS AND CONDITIONS
FOR TRANSPORTATION SERVICE (Continued)

Qualified Supplier:	Shall mean an approved supplier of Natural Gas for transportation to Customers through the Company's Pipeline System.
Regulatory Authority:	The City Council or equivalent municipal governing body of each respective city in the Company's area, or the Railroad Commission of Texas, as applicable.
Service Area:	The area receiving Gas utility service provided by the Company under the terms of this Tariff.
Tariff:	Shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing Gas service filed with the regulatory authorities or agencies having jurisdiction over Company or the services provided hereunder.
Transportation Form:	Shall mean the Company approved selection of transportation service document.
Transportation Rate Schedule:	A rate schedule designed for service to any Customer for the transportation of Customer-owned Natural Gas through the Company's distribution system.
Transportation Service:	The transportation by the Company of Natural Gas owned by someone other than the Company through the Company's distribution system.
Week:	Shall mean a period of 7 consecutive Days beginning at 9:00 a.m. Central Standard Time on each Monday and ending at the same time on the next succeeding Monday.
Year:	Shall mean a period of 365 consecutive Days, or 366 consecutive Days when such period includes a February 29.

1.3 RESTRICTIONS AND RESERVATIONS

a) It is understood and agreed that Customer has only the right to transportation service in the Pipeline System and all equipment, including (but not in any way limited thereto) all pipe, valves, fittings, and meters

GENERAL TERMS AND CONDITIONS
FOR TRANSPORTATION SERVICE (Continued)

comprising the Pipeline System and all other property and capacity rights and interests, shall at all times during the term of the Agreement remain the property of Company. Customer agrees not to cause or permit any liens or encumbrances to be filed with respect to the Pipeline System by reason of Customer's actions. Customer's Gas shall at all times remain the property of Customer, and Company shall have no right or property interest herein.

b) Company reserves the right in its sole discretion to remove, relocate, expand, or rebuild, without approval of Customer, any portion of the Pipeline System. Customer shall make no alterations, additions, or repairs to or on the Pipeline System, nor shall Customer bear any cost of any alterations, additions, repairs, maintenance or replacements made to or on said Pipeline System initiated by and to the benefit of the Company.

c) Customer agrees not to connect or cause the connection of any third party to the Pipeline System for any purpose without the express written approval and consent of Company to be granted in Company's sole discretion. Customer further agrees not to transport or cause to be transported any Gas for any third party. If either of these conditions is breached by Customer, Company shall have the right and option, notwithstanding any other provision of the Agreement, to terminate the Agreement.

d) Company presently is transporting Gas to third parties on the Pipeline System and shall have the right in the future to transport additional Gas for such purposes and to transport Gas to additional third parties as it may desire, and Company shall have the right to make additional connections to the Pipeline System as may be required to serve presently existing and new Customers, all of which is subject to the provisions of the Agreement. Company's transportation Gas hereunder shall not obligate Company in any manner beyond the terms of the Agreement and any Exhibits attached thereto.

e) Company shall own any and all liquids which are recovered from the Pipeline System and may use, sell or transfer all liquids without having to account in any manner, or pay any monies or other consideration to Customer.

f) The Company reserves the unilateral right from time to time to seek Commission approval to make any changes to, or to supersede, the rates, charges and any terms stated in the tariffs, rate schedules, the Agreements, and the General Terms and Conditions.

1.4 COMPANY'S RESPONSIBILITY

Company shall deliver to Customer, at the Point of Delivery, volumes of Gas, as received from designated Qualified Supplier, for the Customer, at a Company designated Point of Receipt, less Payment in Kind (PIK).

GENERAL TERMS AND CONDITIONS
FOR TRANSPORTATION SERVICE (Continued)

1.5 CUSTOMER'S RESPONSIBILITY

Customer, by selecting service under a transportation service rate schedule by completing a Transportation Form, warrants and agrees that:

a) Customer shall indemnify and hold Company harmless from and against all suits, actions, causes of action, claims and demands, including attorneys' fees and costs, arising from or out of any adverse claims by third parties claiming ownership of, or an interest in said Gas caused by the failure to provide clear title to the Gas;

b) Customer acknowledges Company shall not be responsible in any way for damages or claims relating to the Customer's Gas or the facilities of the Customer or others containing such Gas prior to receipt into Company's facilities or after delivery to the Customer;

c) Customer must provide Company with a signed Transportation Form identifying its Qualified Supplier. Customer may designate no more than one (1) Qualified Supplier. This authorization shall be in a form agreeable to Company and shall remain in effect until a signed replacement is received by Company;

d) Customer acknowledges the Qualified Supplier's responsibilities under Section 1.6;

e) Transportation Service is not available for a term less than 12 months. Termination of transportation service may, at the Company's sole discretion, delay Customer's request to resume transportation service;

f) Electronic flow measurement (EFM) may be required for Customers under transportation service, at the Company's sole discretion. The Customer may be required to reimburse the Company for any cost related to the installation of the EFM as well as provide for or reimburse the Company for any ongoing maintenance, repair, or communications costs; and

g) In the event Customer's source of Gas supply is terminated by Customer's Qualified Supplier due to non-payment or other reasons, or if Customer is otherwise unable to continue as a transportation Customer, Customer may, upon the first of the month after 30-calendar days advance written notice to Company, obtain service from Company under the general sales tariff applicable to Customer. Prior to commencing such service, Company may, in its sole discretion, require Customer to post a deposit or bond.

1.6 QUALIFIED SUPPLIER'S RESPONSIBILITY

Qualified Supplier shall act on behalf of the Customer to procure Gas supplies, deliver Gas supplies plus Payment in Kind volume, into Company designated Points of Receipt and shall act as the Customer's agent with respect to nominations, operational notices and resolution of imbalances.

GENERAL TERMS AND CONDITIONS
FOR TRANSPORTATION SERVICE (Continued)

a) Qualified Suppliers shall aggregate their Customers' volumes for balancing purposes, into Aggregation Areas, as determined, in the Company's sole discretion.

b) Qualified Supplier shall submit nominations to the Company's Gas scheduling department, in accordance with their currently effective nomination process, which can be provided to the parties upon request. Customer and Qualified Supplier shall exercise commercially reasonable best efforts to deliver to the Pipeline System Dths of Gas that Company is to deliver from the Pipeline System to Customer during any particular Hour, Day, Week and Month, including but not limited to volumes needed for peak Day usage for Customer's facilities. Qualified Supplier shall not intentionally nominate more or less Gas than is anticipated for consumption by Customer(s), except as may be needed for balancing purposes to the extent Company accepts such nomination.

c) Before the start of the Gas Day, the Point Operator and Company shall establish a predetermined allocation (PDA) method to specify how Gas received or delivered by Company shall be allocated in accordance with confirmed nominations at such point. Only one (1) PDA methodology shall be applied per allocation period.

d) Daily Quantity of Transportation Service Gas: Company shall receive and deliver Gas hereunder as nearly as practicable at uniform hourly and daily rates of flow. It is recognized that it may be physically impracticable, because of measurement, Gas control limitations and other operating conditions, to stay in zero imbalance each hour and each day; therefore, the daily and hourly quantities received may, due to the aforementioned reasons, vary above or below the daily and hourly quantities delivered. If the quantities received and the quantities delivered hereunder should create an imbalance at the end of any hour, Day, Week, or Month, then Company and Qualified Supplier shall adjust receipts and/or deliveries at any time to the end that the quantities received and delivered shall be kept as near to zero imbalance as practicable.

e) Quality of Transportation Service Gas: The Gas procured by a Qualified Supplier, for receipt by Company, shall conform to the standards prescribed in Company's applicable rate schedules, Agreements, and applicable local, state or federal laws, rules and/or regulations.

1.7 IMBALANCES

Qualified Supplier shall, to the extent practicable, not deliver into the Pipeline System more or less Dths of Gas than Company delivers to the Aggregation Area of Customers, at the Points of Delivery, during a Consumption Period. The following imbalance provisions shall be applied to the Qualified Supplier for its Aggregation Area of Customers.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE T-TERMS**
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GENERAL TERMS AND CONDITIONS
FOR TRANSPORTATION SERVICE (Continued)

a) If Company receives less Dths of Gas than are delivered to the Aggregate Area Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Consumption Period, then Qualified Supplier shall purchase such under-delivered volumes at 105% of the applicable index, plus the Adder.

b) If Company receives more Dths of Gas than are delivered to the Aggregate Area Customers at the Points of Delivery in excess of the Monthly Tolerance Limit or Cumulative Tolerance Limit in any particular Consumption Period, Qualified Supplier shall sell such excess Gas to Company at 95% of the applicable index.

c) The applicable index and Adder will be defined in the Qualified Supplier Agreement and amended from time to time.

d) A proportional share of any upstream pipeline transportation service charges, additional commodity charges, and penalties incurred by the Company, that in whole or in part, are the result of Qualified Supplier's scheduling and/or managing the upstream transportation of the Customer's Gas to Company's interconnection point(s) with the upstream pipeline(s). The proportional share will be calculated using the Qualified Supplier's receipts and deliveries and the upstream pipeline invoices for the applicable period. Proceeds from this charge will be credited to the Reconciliation Account. The Company will bill Qualified Supplier for these charges and penalties manually on a separate bill. Payment shall be required in accordance with applicable Rules of Service.

e) The Company will provide monthly imbalance statements along with calculations of the charges in accordance with the aforementioned provisions to the Qualified Supplier each month.

f) Payments for imbalance settlements will be due each month within 15 business days of the imbalance statement date. The Company may elect at its sole discretion to accrue the imbalance settlement provisions each month and only require periodic settlement rather than monthly payments.

g) On or about 15 days after the Company receives necessary volumetric information from other parties for each Consumption Period after commencement of Gas receipts and deliveries hereunder, Company shall render to the Qualified Supplier a statement for the preceding Consumption Period showing the total Dths of Gas received and delivered and each Point of Receipt and Point of Delivery. If information necessary for statement purposes is in the possession of Customer, Customer shall furnish such information to Company on or before the 6th Day of the Month in which the statement requiring such data is to be rendered.

h) Both parties hereto shall have the right at any and all reasonable times within 24 months from the time period in question, to examine the books and records of the other to the extent necessary to verify the accuracy of any statement, computation, or demand made hereunder.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE T-TERMS**
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GENERAL TERMS AND CONDITIONS
FOR TRANSPORTATION SERVICE (Continued)

1.8 LACK OF LIABILITY

a) **Furnishing of Gas**. The Company shall not be liable for any loss or damage caused by variation in Gas pressure, defects in pipes, connections and appliances, escape or leakage of Gas, sticking of valves or regulators, or for any other loss or damage not caused by the Company's negligence arising out of or incident to the furnishing of Gas to any Consumer.

b) **After Point of Delivery.** Company shall not be liable for any damage or injury resulting from Gas or its use after such Gas leaves the Point of Delivery other than damage caused by the fault of the Company in the manner of installation of the service lines, in the manner in which such service lines are repaired by the Company, and in the negligence of the Company in maintaining its meter loop. All other risks after the Gas left the Point of Delivery shall be assumed by the Customer or consumer, his agents, servants employees, or other persons.

c) **Reasonable Diligence.** The Company agrees to use reasonable diligence in rendering continuous Gas service to all Customers or Consumers, but the Company does not guarantee such service and shall not be liable for damages resulting from any interruption to such service.

d) **Force Majeure**. If either Company or Customer is rendered unable, wholly or in part, by reason of Force Majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for any damage or loss for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended.

e) **Damage to Pipeline**. If a portion of the Pipeline System required to make the transportation service available is partially damaged by fire, line strikes or other casualty, the damage may be repaired by Company, at its option and in its sole discretion, as speedily as practicable, to include the time taken for the settlement of insurance claims. Until such repairs are made, the payments shall be apportioned in proportion to the portion of the capacity of the Pipeline System which is still available for the purposes hereof, such determination to be made in the sole discretion of Company. If the damages are so extensive as to render the Pipeline System wholly unusable, in Company's sole opinion, the payments, if any, shall cease until such time as the Pipeline System is again useable. In case the damage shall, in Company's sole opinion, amount substantially to a destruction of the portion of the Pipeline System available for the transportation of Gas and Company shall elect not to repair the damage, then the Agreement shall terminate at the time of such damage, and Company shall not be liable to Customer for any liability, damage, or claim which arises out of any failure to make repairs.

Texas Gas Service Company, a Division of ONE Gas, Inc.
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RULES OF SERVICE

TEXAS GAS SERVICE ALL CUSTOMERS

Incorporated and environs areas of: Alamo, Aledo, Alton, Andrews, Anthony, Austin, Barstow, Bayou Vista, Beaumont, Bee Cave, Borger, Breckenridge, Brownsville, Bryson, Buda, Cedar Park, Clint, Combes, Crane, Creedmoor, Cuero, Dell City, Donna, Dripping Springs, Edcouch, Edinburg, El Paso, Elsa, Galveston, Georgetown, Gonzales, Graford, Graham, Groves, Harlingen, Hidalgo, Horizon City, Hudson Oaks, Hutto, Jacksboro, Jamaica Beach, Jarrell, Kyle, La Feria, La Joya, La Villa, Laguna Vista, Lakeway, Lockhart, Los Fresnos, Luling, Lyford, Marble Falls, McAllen, McCamey, Mercedes, Millsap, Mineral Wells, Mission, Monahans, Mustang Ridge, Nederland, Nixon, Palm Valley, Palmhurst, Palmview, Pecos, Penitas, Pflugerville, Pharr, Port Arthur, Port Isabel, Port Neches, Primera, Progreso, Pyote, Rancho Viejo, Raymondville, Rio Hondo, Rollingwood, San Benito, San Elizario, San Juan, Santa Rosa, Shiner, Skellytown, Socorro, Sunset Valley, Thorntonville, Vinton, Weatherford, Weslaco, West Lake Hills, Wickett, Willow Park, Wink, and Yoakum, Texas; the environs of Bastrop, Texas; and the unincorporated areas of: Bayview, Canutillo, Fabens, Jermyn, Jim Hogg County, Jonah, Laguna Heights, Monte Alto, Olmito, Palo Pinto, Perrin, Possum Kingdom, Punkin Center, San Carlos, Starr County, and Whitt, Texas.

Effective for Consumption On and After January 27, 2026

Communications Regarding this Tariff Should Be Addressed To:
Customer Relations
401 N. Harvey
Oklahoma City, OK 73102
customerrelations@onegas.com
(405) 551-6752

Supersedes and Replaces Rules of Service for Incorporated and Unincorporated Areas of the West-North Areas Except Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park (January 27, 2023), Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park (February 27, 2023), Rio Grande Valley (January 30, 2024), and Central-Gulf (November 27, 2024)

Texas Gas Service Company, a Division of ONE Gas, Inc.
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Texas Gas Service Company, a Division of ONE Gas, Inc.
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SECTION 1 — GENERAL STATEMENT AND DEFINITIONS

1.1 TARIFF APPLICABILITY

Texas Gas Service Company, a Division of ONE Gas, Inc. (the "Company") operates as a Gas utility under Texas Utilities Code § 101.003(7) within the State of Texas. This Tariff applies to all areas served by the Company comprised of the incorporated and environs areas of: Alamo, Aledo, Alton, Andrews, Anthony, Austin, Barstow, Bayou Vista, Beaumont, Bee Cave, Borger, Breckenridge, Brownsville, Bryson, Buda, Cedar Park, Clint, Combes, Crane, Creedmoor, Cuero, Dell City, Donna, Dripping Springs, Edcouch, Edinburg, El Paso, Elsa, Galveston, Georgetown, Gonzales, Graford, Graham, Groves, Harlingen, Hidalgo, Horizon City, Hudson Oaks, Hutto, Jacksboro, Jamaica Beach, Jarrell, Kyle, La Feria, La Joya, La Villa, Laguna Vista, Lakeway, Lockhart, Los Fresnos, Luling, Lyford, Marble Falls, McAllen, McCamey, Mercedes, Millsap, Mineral Wells, Mission, Monahans, Mustang Ridge, Nederland, Nixon, Palm Valley, Palmhurst, Palmview, Pecos, Penitas, Pflugerville, Pharr, Port Arthur, Port Isabel, Port Neches, Primera, Progreso, Pyote, Rancho Viejo, Raymondville, Rio Hondo, Rollingwood, San Benito, San Elizario, San Juan, Santa Rosa, Shiner, Skellytown, Socorro, Sunset Valley, Thorntonville, Vinton, Weatherford, Weslaco, West Lake Hills, Wickett, Willow Park, Wink, and Yoakum, Texas; the environs of Bastrop, Texas; and the unincorporated areas of: Bayview, Canutillo, Fabens, Jermyn, Jim Hogg County, Jonah, Laguna Heights, Monte Alto, Olmito, Palo Pinto, Perrin, Possum Kingdom, Punkin Center, San Carlos, Starr County, and Whitt, Texas.

Service under this Tariff is subject to the original jurisdiction of the municipalities in the Company's area of service and the Railroad Commission of Texas. The Company will provide service to any person and/or business within its areas of service in accordance with the rates, terms and conditions provided for in its Tariff and regulations.

1.2 RATE SCHEDULES

All Customers shall be served under rate schedules filed with the municipality or 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 an Applicant or Customer regarding the most economical rate for their usage if more than one (1) rate is applicable. A Customer assigned to a rate schedule shall remain on that schedule for a minimum of one (1) 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.

1.3 DEFINITIONS

The following definitions shall apply to the indicated words as used in this Tariff:

Adder:	Shall mean the Company's incremental cost to purchase Natural Gas.
Aggregation Areas:	Shall mean aggregation pools established by the Company within geographic, operational, administrative, and/or other appropriate parameters, for the purposes of nominating and imbalances.
Agricultural Service:	Service to Consumers engaged in agricultural production.

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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.
Atmospheric Pressure:	The pressure exerted by the weight of the atmosphere, which at sea level has a mean value of roughly 14.70 pounds per square inch (psi). A table containing the average Atmospheric Pressure of each location served by the Company is shown in Section 13.
Automated Meter Reading (AMR):	The process of remotely reading a Gas meter.
Average Day Usage:	The Gas demand of a given Customer for Gas in any one (1) Month divided by 30. Gas demand is considered to be equivalent to consumption during each billing Month, provided however, that when service has been curtailed, demand shall be considered to be actual consumption plus estimated curtailment during the period.
Blanket Builder:	A builder or someone acting for a builder who requests the installation of service lines.
Btu:	Shall mean British thermal unit(s) and shall be computed on a temperature base of 60 degrees Fahrenheit and at the standard pressure base of the applicable area and on a gross-real-dry basis and shall not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and "MMBtu" shall mean one million (1,000,000) Btu.
Commercial Service:	Service to Consumers engaged primarily in the sale or furnishing of goods and services and any usage not otherwise provided for.
Commission or The Commission:	The Railroad Commission of Texas.
Common Billing Pressure:	A Common Billing Pressure of 14.65 psi is used to determine an equitable measurement of volume of Natural Gas consumed for Customers who live in areas with varying Atmospheric Pressure.
Compressed Natural Gas (CNG) Service:	Service to any non-residential Customer of the Company for usage where the Customer purchases Natural Gas which will be compressed and used as a motor fuel. This service will be separately metered and does not include compression by the Company beyond normal meter sales pressure.
Company:	Texas Gas Service Company, a Division of ONE Gas, Inc.
Constant Factor:	A factor that is calculated by dividing the Standard Serving Pressure by a Common Billing Pressure of 14.65 psi. This factor will be further adjusted for non-residential Customers who have requested an elevated meter pressure above the Standard Serving Pressure. The Constant Factor is multiplied by the change in

	meter readings shown on the Customer's bill to calculate a Billed Ccf volume also shown on the Customer's bill. A table containing the Constant Factor of each location served by the Company is shown in Section 13.
Consumer:	Any person or organization receiving Gas service from the Company for his or her own appliances or equipment whether or not the Gas is billed directly to him or her. (For example, a rental unit where the utilities are part of the rent, the landlord is a Customer and the tenant is a Consumer.)
Consumption Period:	Shall mean a volumetric billing period.
Cumulative Tolerance Limit:	Shall mean the percent of aggregate historical annual deliveries of a Qualified Supplier's Aggregation Area pool of Customers for the most recent year ended on June 30. The Company, at its sole discretion, may make adjustments to the Cumulative Tolerance Limit.
Customer:	Any person or organization now being billed for Gas service whether used by him or her, or by others.
Day or Gas Day:	Shall mean the 24-hour period commencing at 9:00 a.m. Central Standard Time on one (1) calendar day and ending at 9:00 a.m. Central Standard Time the following calendar day.
Dekatherm (Dth):	Shall mean one million (1,000,000) Btu's (1 MMBtu). This unit will be on a dry basis.
Domestic Service:	Service to any Consumer which consists of Gas service used directly for heating, air conditioning, cooking, water heating and similar purposes whether in a single or multiple dwelling unit.
Electric Generation Service:	Service to non-residential Customers operating electric generation assets including bulk power system assets, co-generation facilities, distributed generation, and/or backup power systems. This service may also be provided to those known Customers who use thermal energy to produce electricity with recapture of by-product heat in the form of steam, exhaust heat, etc. for industrial process use, space heating, food processing or other purposes.
Electronic Document:	Any document sent electronically via email or the internet.
Electronic Flow Measurement (EFM):	An electronic means of obtaining readings on a Gas meter.
Electronic Fund Transfer (EFT):	The process to convert a paper check or electronic bill payment request to an electronic transfer. Paper checks received by the Company or their agents are destroyed.

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Electronic Radio Transponder (ERT):	A device that assists with remotely reading a Gas meter.
Excess Flow Valve (EFV):	A safety device installed on a Natural Gas service line. The EFV is designed to automatically shut off the flow of Natural Gas in the service line and mitigate the impact of a significant break, puncture or severance in the line. EFVs are not designed to shut off the flow of Gas in the event the line breaks at the connection of a Gas appliance in a residence or in the Customer's piping system (interior or exterior) on the Customer's side of the Gas meter.
Expedited Service:	Customer request for same day service or service during non-business hours for connection or reconnection of Gas service.
Firm Service:	Services offered to Customers (regardless of service class) under schedules or contracts that anticipate no interruptions. Service may be interrupted or curtailed at the discretion of the Company during Force Majeure events or at the direction of a regulatory or government agency.
Force Majeure:	If either the Company or Customer is rendered unable, wholly or in part, by reason of Force Majeure or any other cause of any kind not reasonably within its control, other than financial, to perform or comply with their obligations hereunder, then such party's obligations or conditions shall be suspended during the continuance of such inability and such party shall be relieved of liability for any damage or loss for failure to perform the same during such period; provided, however, obligations to make payments when due hereunder shall not be suspended. The term "Force Majeure" as used herein means acts of God; strikes, lockouts, or other industrial disturbances; acts of the public enemy; wars; blockades; insurrections; riots; epidemics; pandemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraints of the government, or any agency thereof, either federal or state, civil or military; civil disturbances; explosions; breakage or accident to machinery or lines of pipe; freezing of wells or lines of pipe; shortage of Gas supply, whether resulting from inability or failure of a supplier to deliver Gas; partial or entire failure of Natural Gas wells or Gas supply; depletion of Gas reserves; mandatory testing or maintenance necessary for compliance and safe operation, and any other causes, whether of the kind herein enumerated or otherwise. If due to a Force Majeure the Company curtails or temporarily discontinues the receipt or delivery of Gas hereunder, Customer agrees to hold Company harmless from any loss, claim, damage, or expense that Customer may incur by reason of such curtailment or discontinuance.
Gas or Natural Gas:	Shall mean the effluent vapor stream in its Natural, gaseous state, including gas-well Gas, casing head Gas, residue Gas

	resulting from processing both casing head Gas and gas-well Gas, and all other hydrocarbon and non-hydrocarbon components thereof.
General Rate Schedule:	A rate schedule available to all Customers of the appropriate class or classes for usages indicated therein.
Industrial Service:	Service to Consumers engaged primarily in a process which changes raw or unfinished materials into another form of product. This classification shall embrace all Consumers included in Division A (except Major Groups 01 and 02) and Division D of the Standard Industrial Classification Manual.
Irrigation or Irrigation Pumping Service:	(SIC Division A - Major Group 01) who use Gas for operating engine-driven pumping equipment.
Master Meter:	A single large volume Gas measurement device by which Gas is metered and sold to a single purchaser who distributes the Gas to one (1) or more additional persons downstream from that meter. Master Meter operators shall comply with the minimum safety standards in 49 CFR Part 192.
Mcf:	Shall mean one thousand (1,000) cubic feet of Gas.
Month:	Shall mean the period beginning at 9:00 a.m. Central Standard Time on the first Day of each calendar Month and ending at 9:00 a.m. Central Standard Time on the first Day of the next succeeding calendar Month.
Monthly Tolerance Limit:	Shall mean five percent (5%) of the aggregate deliveries for a Qualified Suppliers Aggregation Area pool of Customers for such Month.
Optional Rate Schedule:	A General Rate Schedule which may be selected by a Customer in lieu of another general schedule but which may require installation of special equipment.
Overtime Rate:	The fee charged by the Company to perform work outside its normal business hours or on holidays and includes changes to previously scheduled work that must be performed outside the Company's normal business hours.
Payment in Kind (PIK):	Shall mean a reimbursement for lost and unaccounted for Gas.
PDA:	Shall mean a predetermined allocation method.
Pipeline System:	Shall mean the current existing utility distribution facilities of the Company located in the State of Texas.

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Point of Delivery:	Shall mean the point or points where Gas is delivered from the Pipeline System to Customer.
Point of Receipt:	Shall mean the point or points where the Company shall receive Gas into the Pipeline System from Customer.
Point Operator:	Shall mean the person or entity that controls the Point of Receipt or Point of Delivery.
Public Authority Service:	Service to Customers that are any qualifying public authority, public and parochial schools and colleges, and to all facilities operated by governmental agencies not specifically provided for in other rate schedules or special contracts.
Qualified Supplier:	Shall mean an approved supplier of Natural Gas for transportation to Customers through the Company's Pipeline System.
Regulatory Authority:	The City Council or equivalent municipal governing body of each respective city in the Company's area of service, or the Railroad Commission of Texas, as applicable.
Safe Access:	This term, used throughout the Company's Rules of Service, shall mean that Company representatives shall have free access to Company-owned assets, including but not limited to meters, service lines, and all other equipment relating to Company's service and the Company shall upon request, also have access to Customer Natural Gas appliances and equipment to perform safety inspections as may be deemed necessary by the Company during the performance of routine maintenance and/or in response to emergency situations without threat or harm from the Customer, Customer representatives or animals on the property.
Special Rate Schedule:	A rate schedule designed for a specific Customer.
Standard Serving Pressure:	The Standard Serving Pressure at a Customer's meter shall be 4 ounces (0.25 psi) or 7" Water Column above the standard Atmospheric Pressure in the area served. A table containing the Standard Serving Pressure of each location served by the Company is shown in Section 13.
System:	Any group of interconnected pipelines and appurtenances owned or operated by the Company and independent from any other such group of facilities.
Tariff:	Shall mean every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing Gas service filed with the Regulatory Authorities or agencies having jurisdiction over the Company or the services provided hereunder.

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Temporary Service:	Any service which will not be utilized continuously at the same location for a period of two (2) or more years.
Transportation Form:	Shall mean the Company approved selection of Transportation Service document.
Transportation Rate Schedule:	A rate schedule designed for service to any Customer for the transportation of Customer-owned Natural Gas through the Company's distribution System.
Transportation Service:	The transportation by the Company of Natural Gas owned by someone other than the Company through the Company's distribution System.
Week:	Shall mean a period of seven (7) consecutive Days beginning at 9:00 a.m. Central Standard Time on each Monday and ending at the same time on the next succeeding Monday.
Year:	Shall mean a period of 365 consecutive Days, or 366 consecutive Days when such period includes a February 29.

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SECTION 2 — [Reserved for Future Rules]

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SECTION 3 — RATES AND UTILITY CHARGES

Current Rate Schedules are on file with each applicable Regulatory Authority and available on the Company's website at https://www.texasgasservice.com/rateinformation/home.

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SECTION 4 — CONDITIONS OF SERVICE

4.1 PROVISION OF SERVICE

The Company will provide Gas service to any person or organization located within the Company's service area from the Company's facilities or in certain cases, the facilities of its supplier, in accordance with the provisions of this Tariff and other applicable Rate Schedules.

The Customer shall make or procure, and hereby agrees to make or procure, conveyance to the Company of perpetual right-of-way across the property owned or controlled by the Customer that is required to install Natural Gas facilities and is in a location and condition satisfactory to the Company, provides clear access to Company's facilities, and enables Safe Access for the Company to provide service to Customer's property or the premises of the Consumer.

4.2 USE OF NATURAL GAS EQUIPMENT AND APPLIANCES

The Customer shall provide notice to the Company of the installation of any Natural Gas appliance or equipment located on the Customer's property upon the Company's request. Customer notice shall be provided electronically or verbally when requested. Appliances and Equipment may include, but not be limited to: furnace, clothes dryer, water heater, tankless water heater, stove/oven, generator, pool heater, fireplace, fire pit, grill, commercial/industrial boilers, etc.

4.3 FEES AND CHARGES

All fees and charges assessed by the Company to provide and maintain utility services are as provided for in this Tariff. If the Customer elects Transportation Service, the commodity cost of Gas shall be determined between the Customer and the Customer's selected supplier.

4.4 RESALE OF GAS

Gas delivered by the Company shall not be redelivered or resold for the use thereof by others unless otherwise expressly agreed to in writing by the Company; provided, however, that those Customers receiving Gas for redistribution to the Customer's tenants may separately meter each tenant's distribution point for the purpose of prorating the Customer's actual amount of Gas delivered among the various tenants on a per unit basis.

4.5 CONTINUITY OF SERVICE

a) Service interruptions:

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

ii) The Company shall make reasonable provisions to meet emergencies resulting from failure of service and shall issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.

iii) In the event of a national emergency or local disaster resulting in disruption of normal service, the Company may, in the public interest, interrupt service to other Customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

iv) Curtailment of Firm Service will be done in accordance with Texas Administrative Code Title 16, Part 1, Chapter 7, Subchapter D, Rule §7.455 Curtailment Standards.

b) Record of interruption: Except for momentary interruptions, which do not cause a major disruption of service, the Company shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of Customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence, if applicable.

Report to Railroad Commission of Texas: The Commission shall be notified in writing within 48 hours of interruptions in service affecting the entire System or any major division thereof lasting more than four (4) hours. The notice shall also state the Company's belief as to the cause of such interruptions. If any service interruption is reported to the Commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this Section.

c) The Company does not guarantee uninterrupted service to any Customer and shall not be liable for damages resulting from any loss of service to any Customer.

4.6 AVAILABILITY OF TARIFFS

A copy of this Tariff and other Rate Schedules can be requested through TGS's customer service number at 1-800-700-2443 (non-emergency number) or requested under the 'Contact Us' section of www.texasgasservice.com and are available on the Company's website at https://www.texasgasservice.com/rateinformation/home.

4.7 CUSTOMER INFORMATION

The Company shall:

a) Maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information which will accurately describe the Company's facilities. These maps, or such other maps as may be required by the Regulatory Authority, shall be kept by the Company in a central location and will be available for inspection by the Regulatory Authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans or records of its immediate area, with such other information as may be necessary to enable the Company to advise Applicants and others entitled to the information as to the facilities available for serving that locality;

b) Assist the Customer or Applicant in selecting the most economical rate schedule;

c) In compliance with applicable law or regulations, notify Customers affected by a change in rates or schedule or classification;

d) Post a notice in a conspicuous place in each business office of the utility where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the Commission are available for inspection;

e) Upon request inform its Customers as to the method of reading meters;

f) Make available, during normal business hours, such additional information on rates and services as any Customer or Applicant may reasonably request; and

g) Provide to new Customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. The Company may provide this notification to Customers electronically. This information shall be provided in English and Spanish as necessary to

adequately inform the Customers; provided, however, the Regulatory Authority upon application and a showing of good cause may exempt the Company from the requirement that the information be provided in Spanish:

i) the Customer's right to information concerning rates and services and the Customer's right to inspect or obtain at reproduction cost a copy of the applicable Tariffs and service rules;

ii) the Customer's right to have their meter checked without charge under Section (7) of the Commission's Rule 7.45, if applicable;

iii) the time allowed to pay outstanding bills;

iv) grounds for termination of service;

v) the steps the Company must take before terminating service;

vi) how the Customer can resolve billing disputes with the Company and how disputes and health emergencies may affect termination of service;

vii) information on alternative payment plans offered by the Company;

viii) the steps necessary to have service reconnected after involuntary termination;

ix) the appropriate Regulatory Authority with whom to register a complaint and how to contact such authority;

x) the hours, addresses and telephone numbers of utility offices where bills may be paid and information may be obtained; and

xi) the Customer's right to be instructed by the Company how to read their meter.

h) At least once each calendar year, the Company shall notify Customers that information is available upon request, at no charge to the Customer, concerning the items listed in subsection (g) above. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself. The Company may provide this notification to Customers electronically.

4.8 CUSTOMER COMPLAINTS

Upon complaint to the Company by residential or small commercial Customers either at its office, by letter, by telephone or by email, the Company shall promptly make a suitable investigation and advise the complainant of the results thereof. The Company shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one (1) year subsequent to the final disposition of the complaint.

4.9 COMPANY RESPONSE

Upon receipt of a complaint, either by letter, by telephone or by email from the Regulatory Authority on behalf of a Customer, the utility shall make a suitable investigation and advise the Regulatory Authority and complainant of the results thereof. An initial response must be made by the next working day. The Company must make a final and complete response within 15 days from the date of the complaint, unless additional time is granted within the 15-day period. The Commission encourages all Customer complaints to be made in writing to assist the

Regulatory Authority in maintaining records of the quality of service of the Company; however, telephone communications will be acceptable.

4.10 LIMITATION OF LIABILITY

THE CUSTOMER ASSUMES ALL RESPONSIBILITY FOR ALL FACILITIES AND THEIR INSTALLATION, MAINTENANCE, OPERATION, FUNCTIONALITY, TESTING AND CONDITION THEREOF ON THE CUSTOMER'S SIDE OF THE POINT OF DELIVERY OF GAS TO THE PROPERTY OF THE CUSTOMER OR TO THE PREMISES OF THE CONSUMER, AS DEFINED IN SECTION 12.11. THE COMPANY IS NOT LIABLE TO A CUSTOMER, AND CUSTOMER SHALL INDEMNIFY, HOLD HARMLESS, AND DEFEND THE COMPANY AND ITS EMPLOYEES OR AGENTS FROM ANY AND ALL CLAIMS OR LIABILITY FOR DAMAGES OF ANY KIND OR NATURE INCLUDING, BUT NOT LIMITED TO, PERSONAL INJURY, DAMAGE TO PROPERTY, ANY INCIDENTAL, CONSEQUENTIAL, BUSINESS INTERRUPTION, OR OTHER ECONOMIC OR OTHER DAMAGES OR LOSSES IN ANY MANNER DIRECTLY, INDIRECTLY OR ARISING FROM, OR CAUSED BY ACTS OR OMISSIONS OF ANY PERSON OR PARTY ON THE CUSTOMER'S SIDE OF SAID POINT OF DELIVERY OF GAS TO THE PROPERTY OF THE CUSTOMER OR TO THE PREMISE OF THE CONSUMER, AS DEFINED IN SECTION 12.11.

The Company shall be liable to the Customer or Consumer only for personal injury or property damages directly caused by the negligent acts or omissions of the Company or its employees occurring on the Company's side of the Point of Delivery. The Company shall not be liable or responsible for damages of any kind or nature including, but not limited to, personal injury, property damages, or any other loss or damages arising from or caused by the acts or conduct, negligence or intentional act or omission of any person, other than an employee of the Company, who adjusts, repairs, disconnects, changes, alters, or tampers with the Company's meter or facilities in any way.

In no event shall the Company or its employees be liable for any indirect, incidental, consequential, business interruption, or other economic damages or losses of Customer, Consumer, or third parties including, but not limited to, lost time, lost money, lost profits, or out of pocket expenses whether in contract, tort, or otherwise, and whether such damages are seen or unforeseen in any manner, directly or indirectly, arising from, caused by, or growing out of the interruption or termination of Gas utility service.

If the Company becomes unable to provide Gas utility service, either wholly or in part, by an event of Force Majeure, the obligations affected by the event of Force Majeure will be suspended only during the continuance of that inability. The Company will remedy its inability to provide Gas utility service as soon as possible.

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SECTION 5 — INITIATION OF SERVICE

5.1 REGULAR SERVICE

Application for service can be made by telephone or through the internet. Each Applicant must comply with the appropriate requirements of this Tariff before service shall be instituted. No written agreement shall be required for residential service under the standard provisions of this Tariff. Commencement of service by the Company and the use of Gas service by the Customer shall be evidence of such agreement. Any Customer requesting service under any special provision of this Tariff must execute a written agreement for service in the form prescribed by the Company designating those provisions which shall apply. Each Applicant may be required to produce two (2) forms of verifiable identification: (1) a government-issued identification card bearing a photograph of Applicant; and (2) verifiable proof of their right to occupy a specific service address as of a specific date of occupancy.

5.2 RESPONSE TO REQUEST FOR SERVICE

Every Gas utility must serve each qualified Applicant for service within its area of service as rapidly as practical. As a general policy, those applications not involving line extensions, service lines or new facilities should be filled within seven (7) working days. Those applications for individual residential service requiring line extensions or service lines should be filled within 90 days unless unavailability of materials or other causes beyond the control of the Company result in unavoidable delays. In the event the residential service is delayed in excess of 90 days after an Applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report must be made to the Regulatory Authority listing the name of the Applicant, location and cause for delay. Unless such delays are due to causes which are reasonably beyond the control of the utility, a delay in excess of 90 days may be found to constitute a refusal to serve.

5.3 SPECIAL CONTRACTS

Under certain special conditions, the Company may agree to rates, terms or conditions of service other than those provided in this Tariff. Such service must be established under the terms of a special contract or service agreement. To the extent that the provisions of any special contract are at variance with this Tariff, the provisions of the contract shall apply.

5.4 TEMPORARY SERVICE

Temporary Service shall be furnished under the same rate schedules applicable to regular service of a similar kind.

5.5 FEES AND CHARGES

The Company shall charge a non-refundable fee to each Applicant to compensate for the cost involved in initiation or reconnection of service, or when service is transferred from one name to another at any location, or whenever a meter is reset or relocated on the same premises at the request of the Customer, all as specified in Section 15 of this Tariff.

Whenever the Applicant requests expedited service, the Company will accomplish the work as expeditiously as possible, and the Customer will be charged at the Company's approved rate for service work. Expedited service and the charges therefore shall be made only on request of the Applicant. However, the Company shall not be obligated to provide Expedited Service when the personnel and resources to do so are not reasonably available. Whenever service is furnished from the facilities of a third party and the Company must pay any special fees to that third party, the Company may, at its option, pass that charge plus 20 percent (20%) for handling through to the Applicant requesting service. See Section 15 relating to fees.

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SECTION 6 — REFUSAL OF SERVICE

6.1 COMPLIANCE BY APPLICANT

The Company may decline to serve an Applicant for whom service is available from previously installed facilities until such Applicant has complied with the state and municipal regulations and approved rules and regulations of the Company on file with the Commission governing the service applied for or for the following reasons:

a) If the Applicant's installation or equipment is known to be hazardous or of such character that satisfactory and safe service cannot be given. The existence of an unsafe condition, such as a leak in the Applicant's piping system, shall be in the Company's sole opinion of endangerment to life or property;

b) If the Applicant is indebted to the Company for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the Applicant for service is in dispute, the Applicant shall be served upon complying with the applicable deposit requirement;

c) For refusal to make a deposit if Applicant is required to make a deposit under this Tariff;

d) Failure to pay fees, advances or contributions required for service under this Tariff;

e) Delinquency in payment for Gas service by another occupant if that person still resides at the premises to be served;

f) To any Applicant who refuses the Company or Company's representatives Safe Access to or entry for observation of Customer-owned Natural Gas facilities or appliances and/or whose Natural Gas facilities or appliances do not comply with the applicable provision of this Tariff.

g) Failure of the Applicant to furnish any service or meter location specified for service under this Tariff; or

h) Failure of the Applicant to provide satisfactory identifying information as required by the Federal Trade Commission's Red Flag Rules and the Company's Identity Theft Prevention Program.

6.2 APPLICANT'S RECOURSE

In the event that the Company shall refuse to serve an Applicant under this Section, the Company must inform the Applicant of the basis of its refusal and that the Applicant may file a complaint with the municipal Regulatory Authority or Commission, whichever is appropriate. The right to refuse service shall terminate when the Applicant has complied with the Company's requirements or corrected the cause for the refusal to serve.

6.3 INSUFFICIENT GROUNDS FOR REFUSAL TO SERVE

The following shall not constitute sufficient cause for refusal of service to a present Customer or Applicant:

a) Delinquency in payment for service by a previous occupant of the premises to be served;

b) Failure to pay for merchandise or charges for non-utility service purchased from the utility;

c) Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six (6) months prior to the date of application;

d) Violation of the Company's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the Customer has first been notified and been afforded reasonable opportunity to comply with these rules;

e) Failure to pay a bill of another Customer as guarantor thereof unless the guarantee was made in writing to the Company as a condition precedent to service; and

f) Failure to pay the bill of another Customer at the same address except where the change of Customer identity is made to avoid or evade payment of the Company's bill.

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SECTION 7 — DISCONTINUANCE OF SERVICE

7.1 CUSTOMER-REQUESTED DISCONTINUANCE

The Customer shall be responsible for all charges and amounts billed from the time Customer gives notice of their intention to discontinue service until the Company has read the meter, or for five (5) working days from the date of such notice, whichever is the shorter period of time.

7.2 DUE DATE OF BILL

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

7.3 DELINQUENT ACCOUNT

A Customer's utility service may be disconnected if the bill or other charges authorized by this Tariff or the applicable rate schedules have not been paid or a deferred payment plan pursuant to this Tariff has not been entered into within five (5) working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the Customer at least five (5) working days prior to the stated date of disconnection, with the words "TERMINATION NOTICE" or similar language prominently displayed on the notice. The notice shall be provided in English and Spanish as necessary to adequately inform the Customer, and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the Company may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency. If a representative of the Company makes an attempt to collect a past due amount, a collection fee per visit shall be assessed to such Customers as specified in Section 15.

7.4 REASONS FOR DISCONNECTION

The Company's service may be disconnected for any of the following reasons:

a) Without notice for the presence of what the Company considers to be an unsafe condition on the Consumer's premises or if an emergency exists or where a known dangerous condition exists for as long as the condition exists;

b) Without notice for willful destruction or damage to or tampering with or bypassing the Company's meter or equipment by the Consumer or by others with knowledge or negligence of the Consumer;

c) Within five (5) working days after written notice for violation of the Company's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the Customer and the Customer is provided with a reasonable opportunity to remedy the situation;

d) Without notice if failure to curtail by such Consumer endangers the supply to Consumers in higher priority classes pursuant to applicable Commission rules;

e) Five (5) working days after written notice from the Company for refusal to grant Company personnel or its designee's Safe Access to the Consumer's premises at any reasonable time for any lawful purpose;

f) Five (5) working days after written notice from the Company for use, sale or delivery of Gas in violation of the provisions of this Tariff or violation of any applicable laws, orders or ordinances, provided that disconnection may be made without notice if the violation creates an unsafe condition;

g) For Customers on Transportation Service, the Company may discontinue service upon request of a Qualified Supplier, provided however, that the Qualified Supplier represents to the Company that notice has been given to the Customer by the Qualified Supplier of delinquency in payment at least five (5) working days prior to Qualified Supplier's request for disconnection, and provided that Qualified Supplier agrees to indemnify and hold harmless the Company from any potential resulting liability;

h) Failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;

i) Failure to comply with deposit or guarantee arrangements where required by this Tariff; or

j) Within five (5) working days after written or electronic notice, for Consumers enrolled in e-bill, that any payment including paper check, electronic transfer payment, and debit or credit card payment, that has been rejected or returned to the Company by the bank.

7.5 DISCONNECTION NOT ALLOWED

The Company's service may not be disconnected for any of the following reasons:

a) Within a period of five (5) working days after mailing of the notice or the day following the date indicated in the notice, whichever is the later time.

b) After full payment of the delinquent bill except when there is not sufficient time to advise Company's service personnel of receipt of the payment.

c) Delinquency in payment for service by a previous occupant of the premises.

d) Failure to pay for merchandise or charges for non-utility service by the Company.

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

f) Failure to pay the account of another Customer as guarantor thereof, unless the Company has in writing the guarantee as a condition precedent to service.

g) Failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six (6) months prior to the current billings.

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

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

j) The Company may not discontinue service to a delinquent residential Customer permanently residing in an individually metered dwelling unit when that Customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill in the service is discontinued. Any Customer seeking to avoid termination of service under this Section must make a written request supported by a written statement from a licensed physician. Both the request and the statement must be received by the Company not more than five (5) working days after the date of delinquency of the bill. The prohibition against service termination provided by this Section shall last 20

days from the date of receipt by the Company of the request and statement or such lesser period as may be agreed upon by the Company and the Customer. The Customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

k) The Company shall not disconnect a delinquent residential Customer for a billing period in which the Company receives a written pledge, letter of intent, purchase order, or other written notification from an energy assistance provider that it is forwarding sufficient payment to continue service.

7.6 TIME OF DISCONNECTIONS

Unless a dangerous condition exists, or unless the Customer requests disconnection, service shall not be disconnected before 7:00 a.m. or after 7:00 p.m. on any day, or on Friday, Saturday, Sunday, Holiday, or day before a Holiday unless Company personnel are available the following day for the purpose of making collections or reconnecting service.

7.7 SUSPENSION OF DISCONNECTIONS DURING EXTREME WEATHER EMERGENCY

Except where there is a known dangerous condition or a use of Natural Gas service in a manner that is dangerous or unreasonably interferes with service to others, the Company shall not disconnect Natural Gas service in the following circumstances:

a) The Company shall not disconnect a delinquent residential Customer during an extreme weather emergency. An extreme weather emergency means a day when the previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Station for the county where the Customer takes service. In accordance with Texas Utilities Code §105.023, the Office of the Attorney General of Texas on its own initiative or at the request of the Commission may file suit to recover a civil penalty for a violation of this paragraph. The table in this paragraph contains a classification system to be used by a court when such a suit is filed.

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Classification System

Violation Factors	Factor Value (1-4)	Points Tally
Customer is disconnected in violation of 16 TAC Section 7.460, subsection (ab)(1) of this Section for 24 hours or more	4	
Customer is disconnected in violation of 16 TAC Section 7.460, subsection (ab)(1) of this section for less than 24 hours, but more than 12 hours	3	
Customer is disconnected in violation of 16 TAC Section 7.460, subsection (ab)(1) of this section for 12 hours or less	2	
Demand for collection of full payment of bills due is made during an extreme weather emergency	3	
The temperature is 10 degrees or less during the period of disconnection	4	
The temperature is more than 10 degrees but less than or equal to 20 degrees during the period of disconnection	3	
The temperature is more than 20 degrees but less than or equal to 32 degrees during the period of disconnection	2	
Repeat violations based on Company's history of compliance	3	
Good faith effort to remedy violation	-2	
No effort to remedy violation during the extreme weather emergency	4	
		Total
		Penalty maximum per violation
10 points or more = Class A violation		More than $5,000[1]
7-9 points = Class B violation		$5,000.00
4-6 points = Class C violation		$4,000.00
		$3,000.00

The Company shall defer collection of the full payment of bills that are due during an extreme weather emergency until after the emergency is over and shall work with Customers to establish a payment schedule for deferred bills.

Beginning in the September or October billing periods, the Company shall give notice as follows:

a) The Company shall provide a copy of Railroad Commission of Texas Rule 7.460, Suspension of Gas Utility Service Disconnection During an Extreme Weather Emergency, to the social service agencies that distribute funds from the Low-Income Home Energy Assistance Program within the Company's areas of service. The Company may provide a copy electronically.

b) The Company shall provide a copy of Railroad Commission of Texas Rule 7.460, Suspension of Gas Utility Service Disconnection During an Extreme Weather Emergency, to any other social service agency of which the Company is aware that provides financial assistance to low-income Customers in the Company's areas of service. The Company may provide a copy electronically.

[1] Pursuant to Utilities Code §105.023(f), the required classification system shall provide that a penalty in an amount that exceeds $5,000 may be recovered only if the violation is included in the highest class of violations in the classification system.

c) The Company shall provide a copy of Railroad Commission of Texas Rule 7.460, Suspension of Gas Utility Service Disconnection During an Extreme Weather Emergency, to all residential Customers of the Company and Customers who are owners, operators or managers of Master Metered systems. Owners, operators or managers of Master Metered systems shall provide a copy of this rule to all their Customers. The Company may provide a copy electronically.

7.8 RECONNECTION OF SERVICE

a) When service has been disconnected for non-payment, the Company shall require that the Customer pay the total amount of their account then due plus the prescribed reconnect fee or make satisfactory arrangements for that payment before service is reinstituted. In addition, the Company shall require that the Customer re-establish satisfactory credit in accordance with this Tariff.

b) If disconnection has been made by the Company for reasons other than non-payment, service shall not be reinstated until the condition for which it was terminated has been corrected to the Company's satisfaction. The Customer shall also be required to pay a reconnect fee before service is turned on. When service has been disconnected at the Customer's request for a period of one (1) year or more, the request for service shall be treated as a new application. When service has been disconnected for less than one (1) year, the request shall be treated in the same manner as a disconnection for non-payment.

c) The Company shall restore service as soon as feasible after receipt of a reconnection request and compliance with the requirements of this Tariff. The Company shall charge a non-refundable reconnection fee for all Customers in accordance with Section 15. The restoration of service will be accomplished as expeditiously as scheduling permits. If the Customer requests service after hours or earlier than reconnection would otherwise be scheduled, the Company shall offer expedited service in accordance with Section 15. Customer shall be advised that an additional fee will be charged and must agree to pay such charge. In the event the Company is required to make more than one (1) call because the reason for disconnection has not been properly corrected, the reconnect fee may be charged for each call made. No fee shall be charged for any reconnection made after disconnection due to Company's operation. See Section 15 for fees.

7.9 RIGHT OF ENTRY TO DISCONNECT SERVICE

The Company shall have the right to enter the Consumer's premises, with Safe Access, at any reasonable time to shut off service in accordance with this Tariff and to remove its meter and any other Company property. If the Company is required to take legal action to enforce its rights hereunder, the Company shall be entitled to recover all of its necessary expenses and fees including, but not limited to attorneys' fees, police escort fees, the cost to discontinue service at the main, and/or the cost to relocate the meter at the Customer's expense.

7.10 ABANDONMENT OF SERVICE

The Company may not abandon a Customer without written approval from the Regulatory Authority. The Company will comply with Commission Rule 7.465.

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SECTION 8 — SECURITY DEPOSITS

8.1 ESTABLISHMENT OF CREDIT FOR RESIDENTIAL APPLICANT

The Company may require a residential Applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with the rules and Tariff requirements for prompt payment of bills.

8.2 DEPOSIT REQUIRED

a) The Company shall require a security deposit from any present or prospective Customer in accordance with this Tariff to guarantee payment of bills and

b) From any present Customer who during the last 12 consecutive months has on more than one (1) occasion paid its utility bill after becoming delinquent.

8.3 RESIDENTIAL DEPOSIT NOT REQUIRED

A residential Applicant shall not be required to pay a deposit:

a) if the residential Applicant has been a Customer of any utility for the same kind of service within the last two (2) years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one (1) occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;

b) if the residential Applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or

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

d) All Applicants for residential service who are 65 years of age or older will be considered as having established credit if such Applicant does not have an outstanding balance with the Company or another utility for the same utility service which accrued within the last two (2) years. No cash deposit shall be required of such Applicant under these conditions.

e) Each Gas utility shall waive any deposit requirement for residential service for an Applicant who has been determined to be a victim of family violence as defined in Texas Family Code, §71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the Applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

8.4 OTHER EXEMPTIONS FROM DEPOSIT

The Company may not require a deposit if:

a) The Applicant has been a Customer for the same kind of service within the last two (2) years and does not have more than one (1) occasion in which a bill for service from any such utility service account was delinquent and never had service disconnected for nonpayment;

b) The Applicant furnishes a letter of credit acceptable and satisfactory to the Company; or

c) The application for service is made for or guaranteed by an agency of the federal, state or local government.

8.5 RE-ESTABLISHMENT OF CREDIT

Every Applicant who has previously been a Customer of the Company and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay all amounts due to the Company or execute a written deferred payment agreement, if offered, and re-establish credit as provided in Section 8.6.

8.6 AMOUNT OF DEPOSIT

The required deposit shall not exceed an amount equivalent to one-sixth (1/6) of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two (2) days. If such additional deposit is not made, the Company may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

8.7 INTEREST ON DEPOSITS

a) Each utility which requires deposits to be made by its Customers shall pay a minimum interest on such deposits according to the rate as established by law. If a refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the Company retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

b) Payment of interest to the Customer shall be annually or at the time the deposit is returned or credited to the Customer's account.

c) The deposit shall cease to draw interest on the date it is returned or credited to the Customer's account.

8.8 RECORDS OF DEPOSITS

a) The Company shall keep records to show:

i) the name and address of each depositor;

ii) the amount and date of the deposit; and

iii) each transaction concerning the deposit.

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

c) A record of each unclaimed deposit must be maintained for at least four (4) years, during which time the Company shall make a reasonable effort to return the deposit.

8.9 REFUND OF DEPOSITS

Deposits on residential accounts returned to the Customer in accordance with Section 8.6 above shall be applied in the first calendar quarter following the month in which the good payment record is established. Whenever the deposit of any Customer is returned to the Customer, the Company shall pay all previously unpaid interest with the payment.

a) If service is not connected or after disconnection of service, the Company shall promptly and automatically refund the Customer's deposit plus accrued interest on the balance, if any, in excess of the

unpaid bills for service furnished. The transfer of service from one premise to another within the Company's area of service shall not be deemed a disconnection within the meaning of these rules and no additional deposit may be demanded unless permitted by these rules.

b) When a residential Customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two (2) occasions in which a bill was delinquent and when the Customer is not delinquent in the payment of the current bills, the Company shall promptly and automatically refund the deposit plus accrued interest to the Customer in the form of cash, check or credit to a Customer's account.

8.10 ACCEPTABLE FORMS OF DEPOSIT

Any one of the following forms of credit security may be accepted from Customers and Applicants for service:

a) A cash deposit of as much as one-sixth (1/6) the estimated annual billings for service requested; but no less than the minimum deposit set forth in Section 15;

b) For commercial Customers only, a nontransferable, irrevocable letter of credit from an established financial institution, payable for as much as one-sixth (1/6) the estimated annual billings for services requested and, which can be drawn on for a minimum of two (2) years; but no less than the minimum deposit set forth in Section 15; or

c) For commercial Customers only, a surety bond issued by a reputable insurance company which can be drawn on for a minimum of two (2) years.

8.11 DEPOSITS FOR TEMPORARY OR SEASONAL SERVICE

The Company may require a deposit for temporary or seasonal service and for weekend or seasonal residences sufficient to reasonably protect it against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

8.12 SALE OR TRANSFER OF COMPANY

Upon the sale or transfer of the Company or operating units thereof, the Company shall file with the Commission under oath, in addition to other information, a list showing the names and addresses of all Customers served by the Company or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

8.13 COMPLAINT

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

8.14 FRANCHISE AGREEMENTS

To the extent the terms of a franchise agreement are inconsistent with this Section, the terms of the franchise agreement control. Applicable to Customers inside the corporate limits of an incorporated municipality that imposes a franchise fee to Company for the Gas service provided to Customer.

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SECTION 9 — BILLING AND PAYMENT OF BILLS

9.1 RENDERING OF BILLS

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

Bills shall be due and payable in full on or before the due date, which shall be stated on the face of the bill and shall not be earlier than 15 days after the bill is mailed (including electronic mail). Bills shall be considered to have been rendered when deposited in the United States Mail with postage prepaid thereon or, when the Customer has elected to receive billings via electronic mail, when the electronic document has been sent. Payment shall be considered received when the correct amount has been received through a Company-authorized payment method. If not paid by the date due, the bill shall be considered delinquent.

9.2 REQUIRED BILL INFORMATION

The Customer's bill must show all the following information. The information must be arranged and displayed in such a manner as to allow the Customer to compute their bill with the applicable rate schedule. The applicable rate schedule must be mailed to the Customer on request of the Customer.

a) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;

b) the number and kind of units billed;

c) the applicable rate schedule title or code;

d) the total base bill;

e) the total of any adjustments to the base bill and the amount of adjustments per billing unit;

f) a distinct marking to identify an estimated bill.

9.3 ESTIMATED BILLS

Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six (6) months. For the second consecutive month in which the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, the utility must provide the Customer with a postcard or phone call, and request that the Customer read the meter and return the card or a picture of the meter dial to the utility if the meter is of a type that can be read by the Customer without significant inconvenience or special tools or equipment. If such a postcard is not received by the utility in time for billing, the utility may estimate the meter reading and render the bill accordingly.

9.4 DISPUTED BILLS

a) In the event of a dispute between the Customer and the Company regarding the bill, the Company must make such investigation as is required by the particular case and report the results to the Customer. If the Customer wishes to obtain the benefits of subsection b) of this Section, notification of the dispute must be given to the Company prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the Company shall inform the Customer of the complaint procedures of the appropriate Regulatory Authority.

b) Notwithstanding any other subsection of this Section, the Customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that Customer's average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this Section only, the Customer's average usage for the billing period shall be the average of the Customer's usage for the same billing period during the preceding two (2) years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar Customers and under similar conditions.

9.5 PAYMENT RE-PROCESSING FEE

The Company may charge or add to the Customer's account and collect a fee (as provided in Section 15) to recover costs for reprocessing any payment, including paper check, electronic transfer payment, and debit and credit card payment, that has been rejected or returned to the Company by the bank for any reason other than bank error.

9.6 ELECTRONIC BILLING STATEMENTS

The Customer may at their option receive bills via electronic mail. Customers shall provide current, accurate and complete information to the Company and shall update their information as necessary so that it remains current, accurate and complete. The Company may verify Customer information at any time.

9.7 PAYMENT OPTIONS

The Company, at its option and discretion, may contract with payment vendors to provide various payment options and authorize these vendors to accept payments from Customers on the Company's behalf. Payment options may be electronic, telephonic, in person, or by mail and may include automatic bank draft, credit/debit card, check or cash. Contracted payment vendors may charge Customers an additional fee for the use of that payment option and the contracted payment vendor shall be solely responsible for collecting any fee from the Customer.

9.8 DEFERRED PAYMENT PLANS

The Company, at its sole discretion, may offer a deferred payment plan for delinquent Customer accounts. Deferred payment plans shall conform to the following guidelines:

a) Every deferred payment plan entered into due to the Customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the Customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

b) For purposes of determining reasonableness, the following shall be considered:

i) size of delinquent account;
ii) Customer's ability to pay;
iii) Customer's payment history;
iv) time that the debt has been outstanding;
v) reasons why debt has been outstanding; and
vi) other relevant factors concerning the circumstances of the Customer.

c) A deferred payment plan, if reduced to writing, shall state immediately preceding the space provided for the Customer's signature and in bold-face print at least two (2) sizes larger than any other used that, "If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the Company's failure or refusal to comply with the terms of this agreement."

d) A deferred payment plan may include a one-time penalty up to five percent (5.0%) for late payment on the original amount of the outstanding bill except in cases where the outstanding bill is unusually high as a result of the Company's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

e) If a Customer for utility service has not fulfilled the terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant the disconnection rules in this Tariff, and under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

f) The Company shall not refuse a Customer participation in a deferred payment plan on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

9.9 AVERAGE PAYMENT PLAN

Any residential or non-residential Customer with annual usage less than 500 Ccf may elect to participate in the Company's Average Payment Plan ("APP Plan"). The terms, conditions, and other information regarding the Average Payment Plan are set forth herein by reference.

a) TERMS AND CONDITIONS

i) The Average Payment Plan ("Plan") is available to residential and qualifying non-residential Customers that have a minimum of six (6) months consumption history available at the premise. Residential and non-residential Customers may request participation in the Plan at any time during the year. Requests for participation can be made by telephone or in writing.

ii) A Customer's account should be current at the time the Customer elects to participate in the Plan and at all times during Plan enrollment, which means the account does not have a previous balance and the current billing is not past due.

iii) Service is not available under this Plan for a term of less than 12 months.

b) AVERAGE PAYMENT AMOUNT

i) Each month under the Plan, a Customer's average payment amount will be computed by averaging the amount actually billed to the Customer's account during the last 12 months (current + 11), plus or minus one-twelfth (1/12) of the Average Payment Plan settlement amount and then rounded to the nearest dollar. In the event 12-months history is not available, the Company may estimate the missing months in order to determine the appropriate average payment amount.

ii) The average payment amount is identified as a separate item on the Gas bill so the participating Consumer will know the amount to pay.

iii) Gas costs and/or rate changes shall be factored into the monthly average payment calculations on a rolling basis.

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SECTION 10 — FACILITIES AND EQUIPMENT

10.1 STANDARDS OF CONSTRUCTION

The Company is to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards that are generally accepted by the industry as modified by rule or regulation of the Regulatory Authority or otherwise by law, and in such a manner to best accommodate the public and prevent interference with service furnished by other public utilities insofar as practical.

10.2 COMPANY-OWNED FACILITIES

The Company shall maintain all facilities owned by it and shall be responsible for the safe conduct and handling of the Gas until it passes the Point of Delivery. The Company's representative shall have the right to enter the Customer's premises, with Safe Access, at any reasonable time, in the event of an emergency at any time, to read the meter or make any necessary inspection, repair, adjustment, or replacement of any property owned by the Company.

a) Tampering is prohibited. No one other than a Company representative or other person authorized by the Company shall be permitted to repair or remove the Company's meter or facilities, or make connections or alterations to the Company's meters or facilities or any of the property of the Company on or about Customer's premises. Any seals placed by the Company on meters or regulators shall not be broken or disturbed by anyone other than authorized representatives of the Company. Any unauthorized tampering with the Company's meter or facilities is in violation of this restriction and such tampering shall be considered cause for immediate discontinuance of service by the Company.

b) The Customer shall take all reasonable precautions when excavating, digging or constructing around or near Company-owned Natural Gas facilities to include calling 811 to identify the location of buried Natural Gas lines prior to digging or constructing in the vicinity of Natural Gas facilities.

c) In case of loss or damage to the Company's property from the negligence or willful acts of the Customer or Consumer or the Customer's or Consumer's representatives, including but not limited to the failure to call 811 to identify the location of Gas lines before digging, the Customer will reimburse the Company for all costs of repairing or replacing the damaged property, including any costs of collection such as attorney's fees.

10.3 CUSTOMER-OWNED FACILITIES

a) The Customer shall maintain all facilities owned by them and shall be responsible for the safe conduct and handling of the Gas after it passes the Point of Delivery. Any facilities downstream of the meter not installed by the Company shall remain the property and responsibility of the Customer. Whenever the condition of the facility is such that replacement is required, the work shall be done by the Company pursuant to the provisions of Section 10.8 of this Tariff. New facilities will continue to be installed pursuant to Sections 10.5 and 10.6 of this Tariff.

b) The Customer shall remove, repair or adjust any Customer-owned property which may pose a threat of damage to the property of the Company. The Customer shall take all reasonable means to assure that no one other than an employee of the Company shall adjust, repair, disconnect or change the meter or other Company facilities in any way.

c) Nothing in this Section shall make the Company responsible for the safe upkeep of any Customer or Consumer-owned facilities.

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10.4 LEAKS

The Customer or Consumer shall give the Company notice of any leaking or escaping Gas as soon as it is detected. Upon receipt of this notice, the Company shall investigate the matter as promptly as feasible under the circumstances. If the Company's test indicates leakage in the Customer's or Consumer's facilities, the Company shall have the right to disconnect service immediately until the Customer or Consumer has had the condition corrected. If leakage is found to be from Company-owned facilities, the Company shall have the right to disconnect service for a reasonable period of time until the leakage can be corrected by the Company. The Company shall have the right to disconnect service immediately if any of the Customer's or Consumer's appliances or equipment is, in the Company's opinion, operating in an unsafe manner.

10.5 MATERIALS OR EQUIPMENT FURNISHED BY THE COMPANY

a) The Company shall furnish and install at its expense, the service pipe from the Company's existing main to the property line nearest the meter and the equipment related thereto, including meter valve and service regulator. Although affixed to or buried in the Customer's property, the entire service line and meter set shall become the property of the Company and shall be operated and maintained by the Company.

b) Whenever the meter is located at any point other than the property line, the Company shall determine the estimated cost of that portion of the service between the property line and the meter set. This estimate shall be based on the size and footage to be installed and charged in accordance with Section 11 and other applicable provisions of this Tariff. This estimated amount shall be contributed by the Applicant to the Company before construction, unless the Applicant is a qualified Blanket Builder.

10.6 MATERIALS OR EQUIPMENT FURNISHED BY THE APPLICANT

a) The Applicant shall furnish and install at their expense: all piping, equipment and appliances required to conduct and utilize the Gas furnished by the Company, to include any conversions of existing equipment and appliances required to conduct and utilize the Gas furnished by the Company from the outlet of the meter set, to the point(s) of utilization, and any portions of the service line and meter set not furnished by the Company, as described in Section 10.5.

b) The Applicant shall be responsible for the adequacy, safety and compliance with applicable codes and ordinances of piping, conversion equipment and appliances. No action of the Company, in accordance with this Tariff, shall release the Applicant of the responsibility for the Customer-owned facilities, equipment or appliances installed or furnished by them. All piping, installations, and conversion equipment owned by the Applicant shall comply with all applicable federal, state, and county requirements and municipal ordinances, or local rules, and shall be properly designed for the pressures and volumes to be handled. Where there are no applicable local, state or federal requirements, the most current International Fuel Gas Code shall apply.

10.7 RELOCATION OF COMPANY FACILITIES

a) A charge of not more than the actual cost may be made for relocating a meter or other Company equipment on the same premises at the request of the Customer or Consumer.

b) If the Company shall for its own convenience and not for the safety or convenience of the Customer, change the Point of Delivery or change the location of its equipment on private property, the Company shall bear the expense.

c) If the Company shall change the Point of Delivery or change the location of its equipment on private property due to encroachment by Customer-owned property, the Customer shall bear the expense.

10.8 REPLACEMENT OF CUSTOMER-OWNED PIPING

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a) When repair or replacement of Customer-owned piping becomes necessary due to deterioration of the Company's line, damage to the Company's line (except when caused by Customer or Customer's agent), relocation of the Company's distribution main, or for other safety reasons determined by the Company, the Company may relocate the Natural Gas meter to the exterior of the building wall, as close as possible to the existing stub out (where piping exits the structure), and may replace the service piping up to the stub out. The Company will then own and be responsible for all service piping from the main line up to the Company's meter. The Customer will then own and be responsible for all piping from the meter to and within the building.

b) The Customer may be billed for all costs of the meter relocation and pipeline replacement.

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SECTION 11 — EXTENSION OF FACILITIES

11.1 LINE EXTENSION AND CONSTRUCTION CHARGES

a) Every utility must file its extension policy. The policy must be consistent, nondiscriminatory, and is subject to the approval of the Regulatory Authority. No contribution in aid of construction may be required of any Customer except as provided for in the extension policy.

b) The Company shall install the necessary facilities to provide service to Applicants whose premises are located beyond the Company's existing distribution facilities in accordance with the provisions of this Section. The expenditure for such extensions must either be cost justified or the Applicant(s) and Company must mutually agree to terms that justify the installation.

c) Determination of whether a proposed extension is cost justified shall be made based on the following economic model: the Maximum Allowable Investment (MAI) shall be equal to the expected number of new premises times the annual base revenue per new premise based on current Tariff rates times ten; or MAI = Expected New Premises x Annual Base Revenue x 10. The calculation of the MAI shall reflect the impact of related economic factors including, but not limited to, future residential growth, future commercial growth and operational efficiencies.

11.2 RESIDENTIAL MULTI-UNIT LINE EXTENSION AND CONSTRUCTION CHARGES

a) The Company shall install the necessary facilities to provide service to Applicants for residential multi-unit projects pursuant to the provisions in Section 11.1 above.

b) Multi-unit structures are defined as having four (4) or more individual units under one (1) roof.

11.3 DESIGN AND COST OF FACILITIES

As soon as practical after a completed application for service is received, the Company shall determine the extent of the facilities required to serve the new Customer and the cost thereof. This cost shall include all amounts to be spent for System improvements necessary to deliver the required Gas, in accordance with the Company's current practice. Whenever the Company chooses to install facilities of greater capacity than would be required to serve the new Customer for which the application is being made or to permit supply from another source, the estimate of costs shall be based on only the size and capacity normally used to serve requirements similar to that of the Applicant.

11.4 ALLOWANCE FOR NEW BUSINESS

The Company shall also determine the number of existing permanent Customers located along the route of the extension expected to be served therefrom. To be included, the occupant of each premise must request service and demonstrate capability for using such service through a major Gas burning appliance. Single or groups of individually owned mobile homes shall be included only if the wheels and hitch have been removed from each mobile home and/or substantial improvements have been made to the property. Mobile home parks may be served either through a Master Meter or individual meters served by a Company-owned System, provided that required mains can be installed and dedicated streets or rights-of-way have been provided to the Company for installation of facilities as evidenced by agreement executed on the Company's form. An allowance to be determined by the Company may be given for each Customer whose premises exist at the time of application to be served from the proposed main extension. In order to qualify for this allowance, the Customer must file an application and agree to initiate Gas service upon completion of the Company's facilities.

11.5 ADVANCES

The mutually agreed upon terms will determine the amount and term of any advance required. The Applicant shall have 30 calendar days after notification of the amount required to execute an extension agreement on the

Company's form and pay the required advance. At the end of that time, the Company may revise its estimates to reflect any changes in costs or conditions which will affect the amount of the advance. The Company may waive or reduce collection of any advance based on an economic analysis of the project.

11.6 CONSTRUCTION OF FACILITIES

As soon as practical after the advance has been paid or it has been determined that no advance will be required, and the permits for construction have been obtained, the Company shall begin construction of the required facilities and thereafter prosecute the work with reasonable diligence. The Company shall not be responsible for delays in the construction of the facilities occasioned by events or conditions reasonably beyond the Company's control.

11.7 REVIEW OF ADVANCES

The Company shall review each extension agreement on the first anniversary of the signing of that agreement. Upon the Applicant(s) request if the extension provided for in the agreement has not been installed through no fault of the Company, the agreement shall be considered to be terminated and a complete refund made to the Applicant(s). Once the extension has been installed and service has been initiated, the Company shall thereafter review the extension agreement at each subsequent anniversary of the execution date. At each review, the number of Customers then served directly from the extension shall be compared with the number served on the last prior anniversary date. A refund, shall be given for each additional Customer served, based on mutually agreed upon terms provided that the total of the refunds given does not exceed the cost of the extension of facilities.

11.8 REFUND LIMITATIONS

The Company may, at its sole option, make a refund at any time. In no case, however, shall a refund be given unless the number of Customers then served is greater than the number for whom refunds have previously been given. No refund shall be given which shall cause the total refunds to be greater than the total amount of the advance. No interest shall be paid on any advance made under the provisions of this Section. At the end of the term, any remaining amount of the advance shall be retained by the Company as a contribution in aid of construction.

11.9 DELIVERY OF REFUNDS

Upon Applicant(s) request, when a refund is due, a check in the appropriate amount and a letter setting forth the method of calculation of the refund and the balance remaining un-refunded shall be made to the person or business in whose name the extension agreement is made or to their assignee. If that letter is returned undelivered, the check shall be cancelled and the next review made without regard to that refund. All sums described in this Section which are returned undelivered and remain unclaimed in the Company's possession for a period of six (6) months following expiration of the term of the extension agreement shall be retained by the Company and considered a contribution in aid of construction.

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SECTION 12 — METERS

12.1 METER REQUIREMENTS

a) All Gas sold by the Company must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the Regulatory Authority, or Tariff.

b) Unless otherwise authorized by the Regulatory Authority, the Company must provide and install and will continue to own and maintain all meters necessary for measurement of Gas delivered to its Customers.

c) The Company may not furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

12.2 METER READING

Meters shall be read as nearly as may be practical on the same day of each calendar month. Whenever a reading of a general service meter is missed or the meter is not registering, the Company shall estimate the amount of Gas used during the period. Such estimates shall be based on either:

a) That Customer's use of Gas during the same period(s) in previous years;

b) That Customer's normal use of Gas during preceding months; or

c) The use of a similar Customer for the period missed.

If practical, an actual reading shall be made after two (2) consecutive estimated bills. All meters in Special Service shall be read at least once a month. Whenever such a meter fails to register or is misread, the amount of Gas used during the preceding period shall be estimated using data applicable to that Special Service Customer only. The Company will make a special reading of any meter upon request and may assess a service charge in accordance with Section 15. The time of the special reading shall be agreed upon with the Customer so that they may be present. If the original reading was in error (subject to consumption between the two (2) readings) the service charge will be refunded to the Customer.

12.3 METER LOCATION

The Company shall have the sole right to determine the location of the meter in accordance with the needs of the service.

Each Applicant shall furnish and subsequently maintain a suitable location on his or her premises, with Safe Access, for the Company's meter and related facilities at a point selected by the Company. Meters shall be located where they will be safely accessible for reading and service, adequately ventilated, and not subject to damage. Meters shall not be located within any enclosed area unless the enclosure is solely intended as a meter house or in the Company's opinion, conditions prohibit installation outside. It may be necessary for the Company to install bollards or guard posts around the meters for safety.

12.4 METER RECORDS

The Company must keep the following records:

a) The Company must keep a record of all its meters, showing the Customer's address and date of the last test.

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

c) In general, each meter must indicate clearly the units of service for which charge is made to the Customer.

12.5 METER ACCURACY

The accuracy limit of all Company meters is established at two percent (2%) fast or slow. Any meter found to be registering outside of the limits of accuracy shall immediately be removed or repaired. As long as the meter is operating within the limits of accuracy, it shall be the conclusive determination as to the quantities of Gas delivered to the Customer on whose service it is set.

12.6 PERIODIC TESTS

The Company shall make periodic tests of meters, associated devices and instruments to assure their accuracy. Such tests shall be scheduled within the calendar year or earlier, when the interval is stated in years; or within the calendar month, or earlier when the interval is stated in months. The basic periodic test interval shall be no longer than provided for in the manufacturer's recommendations, a copy of which is available upon request.

12.7 ACCESS TO THE METER

The Customer shall permit the Company Safe Access to the meter at all reasonable times for reading thereof and at all reasonable times for reading, maintenance, testing, disconnection or replacement. Upon the Customer's failure or refusal to grant such access, the Company may issue a written notice to the Customer, advising them the situation must be corrected and access granted within five (5) working days and that failure to do so can result in the disconnection of service and removal of the meter. Additional fees may apply and will be assessed to such Customer as specified in Section 15.

12.8 METER TESTING AT CUSTOMER REQUEST

a) The Company must, upon request of a Customer, make a test of the accuracy of the meter serving that Customer. The Company must inform the Customer of the time and place of the test and permit the Customer or his authorized representative to be present if the Customer so desires. If no such test has been performed within the previous four (4) years for the same Customer at the same location, the test is to be performed without charge. If such a test has been performed for the same Customer at the same location within the previous four (4) years, the Company is entitled to charge a fee for the test not to exceed $15 or such other fee for the testing of meters as may be set forth in Section 15 of this Tariff properly on file with the Regulatory Authority. The Customer must be properly informed of the result of any test on a meter that serves him or her.

b) Notwithstanding subsection (a) of this Section, if the meter is found to be more than nominally defective, to either the Customer's or the Company's disadvantage, any fee charged for a meter test must be refunded to the Customer. More than nominally defective means a deviation of more than two percent (2.0%) from accurate registration.

12.9 BILLING ADJUSTMENTS DUE TO METER ERROR

a) If any meter test reveals a meter to be more than nominally defective, the Company must correct previous readings consistent with the inaccuracy found in the meter for the period of either:

i) the last six (6) months; or

ii) the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by the Company if the error is to the Company's disadvantage.

b) If a meter is found not to register for any period of time, the Company may make a charge for units used but not metered for a period not to exceed three (3) months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same Customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated Customers, when not available.

12.10 PROVISIONS FOR SPECIAL SERVICE

The following modifications shall apply to the provisions of this Section for all Special Service rate schedules and service under special written agreements:

a) Turbine meters shall be tested at least once each calendar year. Orifice meters shall be tested at a minimum: every six (6) months for 0-500 Mcf/d; every three (3) months for volumes 500-2,000 Mcf/d; and every month for volumes 2,000 Mcf/d and greater. Should the Customer so elect, tests shall be made in the presence of his or her representative.

b) Whenever a meter is found to be registering above or below the limits of accuracy, adjustment of the bill (either up or down) shall be limited to the monthly billing subsequent to the last meter test. The adjustment shall be made upon the basis of the best data available, using the first of the following methods, whichever is most appropriate:

i) by using registration of Customer's check meter(s);
ii) by correcting the error, if the percentage of error is ascertainable by calibration test or mathematical calculation; or
iii) by estimating the quantity of Gas delivered by comparison with deliveries during the preceding period under similar conditions when accurate registration was obtained.

12.11 POINT OF DELIVERY

The Point of Delivery of Gas sold by the Company to the Customer shall be at the outlet side of the Company's meter, provided that in those cases in which the Customer owns a section of the underground pipe between the Customer's property line and the meter, the Point of Delivery shall be at the property line. The title of all Gas sold by the Company to the Consumer shall pass from the Company at the Point of Delivery. The point(s) of delivery and point(s) of redelivery for Transportation Service shall be as provided in the contract entered into between the Customer and the Company.

12.12 CONNECTION TO COMPANY FACILITIES

No Consumer shall make any connection or alteration of any kind on any of the Company's facilities upstream of the Company's meter or shall permit any other person to make such connection or alteration.

12.13 MULTIPLE METERS

Each Customer or group of Customers located on the same lot or tract of land may be served from a single meter location. The Company may, at its option, permit additional meter locations to simplify installation of facilities or provide better service. Whenever more than one (1) meter location is permitted for the same Customer, the Company shall bill the usage through each meter separately, provided that any combined billings in effect at the time of adoption of this Tariff may be continued until the affected Customer discontinues service or upon order by the Regulatory Authority.

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12.14 INDIVIDUALLY METERED SYSTEMS

The Company shall not render service to any Customer through a meter not connected to a System owned by the Company or one of the Company's suppliers.

12.15 MASTER METERS

The Company shall provide service through a Master Meter into the piping systems of others to be distributed to more than one (1) Consumer, except when the Gas served is resold to those Consumers on either a commodity or separate cost of service basis; provided, however, that those Customers purchasing Gas for redistribution to the Customer's own tenants only on the Customer's premises may separately meter each tenant distribution point for the purpose of prorating the Consumer's actual purchase price of Gas delivered among the various tenants on a per unit basis, and further provided that the provisions of this Section shall not preclude the Company from supplying Natural Gas to a third party for resale to the public as fuel for Natural Gas powered vehicles (NGV's).

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SECTION 13 — GAS MEASUREMENT

13.1 PRESSURE

The standard serving and measurement pressure at Customer meters shall be 4 ounces (0.25 psi) or 7" Water Column above the standard Atmospheric Pressure in the area served.

To achieve a common pressure base throughout the state for Customer billing, the Company will convert the Customer's Standard Serving Pressure to a Common Billing Pressure by multiplying by a Constant Factor, shown below. The Constant Factor is determined by dividing the Customer's Standard Serving Pressure by 14.65. For Customers with the Standard Serving Pressure of 4 ounces at their meter, the Constant Factor shown below will be on their monthly bill as a component of calculating the billed volumes. For Customers with a serving pressure more than 4 ounces at their meter, the Constant Factor will be adjusted to accommodate the increased pressure at the meter. The Atmospheric Pressure and Standard Serving Pressure, determined to be the average in the cities and environs of the Company's area of service, are listed below:

Cities and their Environs	Atmospheric Pressure PSI	Standard Serving Pressure PSI	Constant Factor
Alamo	14.65	14.90	1.0171
Aledo	14.15	14.40	0.9828
Alton	14.65	14.90	1.0171
Andrews	13.10	13.35	0.9113
Anthony	12.80	13.05	0.8908
Austin	14.40	14.65	1.0000
Barstow	13.35	13.60	0.9283
Bastrop	14.40	14.65	1.0000
Bayou Vista	14.70	14.95	1.0205
Bayview	14.65	14.90	1.0171
Beaumont	14.70	14.95	1.0205
Bee Cave	14.40	14.65	1.0000
Borger	13.10	13.35	0.9113
Breckenridge	14.15	14.65	1.0000
Brownsville	14.65	14.90	1.0171
Bryson	14.15	14.40	0.9829
Buda	14.40	14.65	1.0000
Canutillo	12.80	13.05	0.8908
Cedar Park	14.40	14.65	1.0000
Clint	12.80	13.05	0.8908
Combes	14.65	14.90	1.0171
Crane	13.35	13.60	0.9283
Creedmoor	14.40	14.65	1.0000
Cuero	14.48	14.73	1.0055
Dell City	12.80	13.05	0.8908
Donna	14.65	14.90	1.0171
Dripping Springs	14.40	14.65	1.0000
Edcouch	14.65	14.90	1.0171

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Edinburg	14.65	14.90	1.0171
El Paso	12.80	13.05	0.8908
Elsa	14.65	14.90	1.0171
Fabens	12.80	13.05	0.8908
Galveston	14.70	14.95	1.0205
Georgetown	14.40	14.65	1.0000
Gonzales	14.48	14.73	1.0055
Graford	14.15	14.40	0.9829
Graham	14.15	14.65	1.0000
Groves	14.70	14.95	1.0205
Harlingen	14.65	14.90	1.0171
Hidalgo	14.65	14.90	1.0171
Horizon City	12.80	13.05	0.8908
Hudson Oaks	14.15	14.40	0.9829
Hutto	14.40	14.65	1.0000
Jacksboro	14.15	14.40	0.9829
Jamaica Beach	14.70	14.95	1.0205
Jarrell	14.40	14.65	1.0000
Jermyn	14.15	14.40	0.9829
Jim Hogg County	14.65	14.90	1.0171
Jonah	14.40	14.65	1.0000
Kyle	14.40	14.65	1.0000
La Feria	14.65	14.90	1.0171
La Joya	14.65	14.90	1.0171
La Villa	14.65	14.90	1.0171
Laguna Heights	14.65	14.90	1.0171
Laguna Vista	14.65	14.90	1.0171
Lakeway	14.40	14.65	1.0000
Lockhart	14.48	14.73	1.0055
Los Fresnos	14.65	14.90	1.0171
Luling	14.48	14.73	1.0055
Lyford	14.65	14.90	1.0171
Marble Falls	14.40	14.65	1.0000
McAllen	14.65	14.90	1.0171
McCamey	13.35	13.60	0.9283
Mercedes	14.65	14.90	1.0171
Millsap	14.15	14.40	0.9829
Mineral Wells	14.15	14.40	0.9829
Mission	14.65	14.90	1.0171
Monahans	13.35	13.60	0.9283
Monte Alto	14.65	14.90	1.0171
Mustang Ridge	14.40	14.65	1.0000

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Nederland	14.70	14.95	1.0205
Nixon	14.48	14.73	1.0055
Olmito	14.65	14.90	1.0171
Palm Valley	14.65	14.90	1.0171
Palmhurst	14.65	14.90	1.0171
Palmview	14.65	14.90	1.0171
Palo Pinto	14.15	14.40	0.9829
Pecos	13.35	13.60	0.9283
Penitas	14.65	14.90	1.0171
Perrin	14.15	14.40	0.9829
Pflugerville	14.40	14.65	1.0000
Pharr	14.65	14.90	1.0171
Port Arthur	14.70	14.95	1.0205
Port Isabel	14.65	14.90	1.0171
Port Neches	14.70	14.95	1.0205
Possum Kingdom	14.15	14.40	0.9829
Primera	14.65	14.90	1.0171
Progreso	14.65	14.90	1.0171
Punkin Center	14.15	14.40	0.9829
Pyote	13.35	13.60	0.9283
Rancho Viejo	14.65	14.90	1.0171
Raymondville	14.65	14.90	1.0171
Rio Hondo	14.65	14.90	1.0171
Rollingwood	14.40	14.65	1.0000
San Benito	14.65	14.90	1.0171
San Carlos	14.65	14.90	1.0171
San Elizario	12.80	13.05	0.8908
San Juan	14.65	14.90	1.0171
Santa Rosa	14.65	14.90	1.0171
Shiner	14.48	14.73	1.0055
Skellytown	13.02	13.27	0.9058
Socorro	12.80	13.05	0.8908
Starr County	14.65	14.90	1.0171
Sunset Valley	14.40	14.65	1.0000
Thorntonville	13.35	13.60	0.9283
Vinton	12.80	13.05	0.8908
Weatherford	14.15	14.40	1.0000
Weslaco	14.65	14.90	1.0171
West Lake Hills	14.40	14.65	1.0000
Whitt	14.15	14.40	0.9829
Wickett	13.35	13.60	0.9283
Willow Park	14.15	14.40	0.9829

Wink	13.35	13.60	0.9283
Yoakum	14.48	14.73	1.0055

The Consumer and the Company may, at the Company's option, agree to a higher serving pressure. Service regulators shall be set as close as practical to the Standard Serving Pressure under a load condition of approximately ten percent (10%) of meter capacity. Increases in serving pressure because of the inadequacy of the Consumer's facilities shall not be permitted.

13.2 UNIT OF MEASUREMENT

The standard unit of measurement shall be one hundred (100) cubic feet (Ccf). A cubic foot shall be defined as the amount of Gas which occupies a volume of one (1) cubic foot at the Standard Serving Pressure and at a temperature of 60 degrees Fahrenheit.

Whenever the Company delivers Gas at any pressure other than the Standard Serving Pressure, volumes shall be corrected to the Common Billing Pressure in the manner provided in this Tariff, provided however, that such correction may be made to any other standard provided in the rate schedules or special agreement under which the Customer is served. The Company may, at its sole option, waive the correction of measurement for temperature deviation.

13.3 BILLING UNIT

Unless otherwise specified on the rate schedules or by special agreement, Customers shall be billed on the basis of Ccf measured at or corrected to the Common Billing Pressure. The index of the meter shall be the sole determinant of volumes passing through the meter. In those cases in which heating value is used as the billing unit, the calculation of the heating value in BTU's shall be made in accordance with Section 13.7 of this Tariff.

13.4 PRESSURE CORRECTION - STANDARD METERING

Whenever Gas is delivered to any Customer served under a rate schedule which provides for standard metering, the Company shall correct actual volumes measured to volumes which would have been measured if the Gas had been delivered at the Standard Serving Pressure. Corrections shall be made by one of the following methods.

a) The Company may install pressure or pressure and temperature compensating measurement equipment whenever the cost of this equipment is justified by the volumes served. Such measurements shall be equipped with devices which mechanically or electronically correct the actual measured volumes in accordance with Boyle's Law. Variations in actual atmospheric pressure shall not be considered.

b) The Company may use factor billing whenever the volumes to be delivered are too small to justify special metering. The factor shall be determined by dividing the actual serving pressure by the Standard Serving Pressure, both expressed in absolute units based on the standard atmospheric pressure in the area as specified in Section 13.1 hereof. This factor shall be applied to the measured volumes to determine the correct number of billing units.

13.5 METERING - SPECIAL POSITIVE DISPLACEMENT

Whenever Gas is delivered to any Customer served under a rate schedule which provides for special metering and positive displacement or turbine type metering is used, all volumes shall be determined in accordance with the recommendations of the manufacturer of the meter. Meters may be read in actual volumes which shall then be corrected to the standard billing unit or may be furnished with devices designed to correct the actual volumes to the standard billing units. The following criteria shall be used in the correction of volumes or design and calibration of correcting devices.

a) Pressure correction shall be made in accordance with Boyle's Law. Calculations based on pressure reading on a continuously recording chart shall use the average pressure indicated thereon applied to the measured volumes. Correcting devices shall be set at the specified serving pressure and the service regulators shall be adjusted as close to that pressure as practical. Corrections for deviations from Boyle's Law ("supercompressibility") may be made whenever the volumes delivered justify the cost of making such corrections.

b) The flowing temperature of the Gas shall be assumed to be 60 degrees Fahrenheit unless temperature correction is provided. Corrections shall be made in accordance with Charles' Law.

c) Whenever a continuously recording instrument is used, the average temperature indicated thereon shall be applied to the measured volumes. The specific gravity of the Gas shall be assumed to be the value last indicated by test or reported by the upstream pipeline supplier prior to the installation of the metering facilities. Whenever subsequent reports or test indicate significant changes in gravity, volume calculations shall be changed prospectively to reflect the new gravity.

13.6 METERING - SPECIAL ORIFICE

Whenever Gas is delivered to any Customer served under a rate schedule with provisions for special metering and orifice metering is used, all volumes shall be determined in accordance with the recommendations for measuring Gas contained in the American Gas Association's Gas Measurement Committee Report No. 3, Orifice Metering of Natural Gas (1992), and subsequent revisions thereof. Orifice meter charts shall be calculated using a standard integrating device or other method recognized in the industry. The following criteria shall be used in the correction of volumes or design and calibration of orifice metering:

a) Correction for deviation of Gas from Boyle's Law shall be made in accordance with Report No. 3.

b) Temperature of Gas passing the meter shall be assumed to be 60 degrees Fahrenheit unless suitable equipment has been installed to measure actual flowing temperature. The arithmetical average of the temperature recorded during each meter charge period while the Gas is flowing shall be used in the computations of volumes during the period.

c) The standard atmospheric pressure for the area served shall be used for measurement irrespective of any variation in the actual barometric pressure.

d) The specific gravity of the Gas shall be assumed to be the value last obtained in a spot test made with a gravity balance, impact type unit or other acceptable method. Tests shall be made as frequently as found necessary to assure accurate measurement.

13.7 BTU MEASUREMENT

The heating value of Gas for use in billing shall be defined as the gross thermal value of one (1) cubic foot of Gas at a pressure of 14.73 psi and temperature of 60 degrees Fahrenheit on a dry basis. The number of billing units delivered shall be determined by multiplying the heating value determined in accordance with this Section by the volumes delivered during the period, expressed in the same units and measured at, or corrected to 14.73 psi and 60 degrees Fahrenheit, and multiplying by the factor necessary to convert the heating value/measurement units to the billing units provided in the appropriate rate schedule. The heating value of the Gas shall be determined using one of the following methods:

a) Processing a continuous sample of the main stream at the meter location through a recording calorimeter of a standard type;

b) Analysis of gas samples accumulated from the main stream at the meter location in a sample bottle of an approved type;

i) passing the sample through a recording calorimeter of a standard type;

ii) passing the sample through a flow calorimeter of a standard type; or

iii) passing the sample through a chromatograph to determine the chemical composition and calculating the total heating value from the sum of the constituents.

13.8 CUSTOMER-INSTALLED AND OPERATED METERS

A Customer may install and operate a meter or any other device to measure Gas volumes, pressure, temperature, BTU content or specific gravity downstream of the Point of Delivery. Unless expressly otherwise agreed to by the Company and Customer, however, the Company's meter and equipment shall be the sole determinant of volumes for the Company's billing purposes.

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SECTION 14 — QUALITY OF GAS

14.1 HEATING VALUE

Gas delivered to Consumers in all areas shall have an average gross heating value of at least 900 British Thermal Units per cubic foot measured when saturated with water vapor at a pressure of 14.73 psi and temperature of 60 degrees Fahrenheit. Gas of lesser heating value may be delivered for short periods, provided that the average heating value for the calendar month in which the reduction occurs is equal to or greater than the standard and that the burning characteristics of the Gas are not significantly altered.

14.2 CHARACTER OF GAS

All Gas furnished to Consumers in the Company's area of service shall be of merchantable quality suitable for use in standard Gas burning appliances. Merchantable quality shall mean that the Gas must be commercially free from dust, resins, water and hydrocarbons in liquid form at the pressure and temperature at which the Gas is delivered.

14.3 ODORIZATION

All Gas shall be odorized with a chemical odorant at a sufficient rate to make it readily detectable. Gas containing enough natural odorant as prescribed by the Railroad Commission of Texas need not be odorized unless the odorant level drops below the acceptable level.

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SECTION 15 — SERVICE FEES AND DEPOSIT AMOUNTS

15.1 ADJUSTMENTS TO FEES AND CHARGES

All fees and charges shall be adjusted by taxes and fees (including franchise fees) where applicable. All fees and charges (excluding advances, contributions in aid of construction and deposits) shall be adjusted by the amount which represents the actual gross receipts, occupation, revenue taxes and franchise fees paid by Texas Gas Service Company, a Division of ONE Gas, Inc.

15.2 LEAKAGE AND PRESSURE INVESTIGATION

When a Customer or Consumer smells or detects Natural Gas and contacts the Company, the Company shall provide to the Consumer, at no-charge to the Customer or Consumer, leakage and pressure investigations to ensure that unsafe conditions do not exist. Where leakage or unsafe conditions are determined by the Company to be in the Customer's or Consumer's piping or equipment, the Customer or Consumer will be so advised and service will be discontinued until such time that all leakage and other unsafe conditions have been properly corrected by the Customer or Consumer. In addition, when service is initiated, Gas air adjustments on a standard domestic and commercial Gas range and water heater will be made. Any other work performed on any Consumer's appliances or house piping will be on a charge basis.

15.3 SERVICE WORK ON CHARGE BASIS

The Company may have personnel available for and may undertake other service work on the Consumer's premises on a charge basis, as time permits. Charges shall be made at the Company's standard rate and such service work and any associated revenues and costs shall be considered non-utility.

15.4 EXPEDITED SERVICE REQUEST

A Customer may request an expedited service, upon availability. Charges may apply.

15.5 SPECIFIC SERVICE TIME REQUEST

A no access fee may be charged to a Customer who requests a specific time for service if the Company agrees to the time and sends appropriate personnel to the appointed location and the Customer is not present to allow access to the premises.

15.6 SERVICE FEES

All fees and charges shall be adjusted by taxes and fees (including franchise fees) where applicable.

a)	Connection Fee	A connection fee shall be charged to any Applicant for the cost involved in initiation of service. This fee shall be charged when a meter is set and/or Gas turned on.	$40.00
b)	Read-In Fee	A read-in fee shall be charged to any Applicant for the cost involved in initiation of service. This fee shall be charged when only a meter reading is required.	$20.00
c)	Special Handling & Expedited Service	In addition to initiation of service fee, a fee may be charged to any Applicant whose request to initiate service cannot be worked during normal business hours or requires special handling. Applicant must be advised that an additional fee will be charged and must agree to pay such charge.	
		Special Handling Fee - The Company may, at Applicant or Customer's request, provide special handling in order to meet the Applicant or Customer's requirements. Special handling does not include calling the Applicant/Customer in advance or a.m. or p.m. scheduling.	$20.00

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		Expedited Service Fee and Overtime Rate - The Applicant or Customer's request for expedited service may be scheduled at any time to fit the Company's work schedule, and an Expedited Service charge shall be collected. The Company shall not be obligated to provide Expedited Service when the personnel and resources to do so are not reasonably available.	$75.00
d)	Services from Others	Whenever service is furnished from the facilities of others and the Company must pay any special fees to the supplying Company, the Applicant may be requested to reimburse the Company for such charge.	Actual cost plus 20% for handling
e)	Customer-Requested Meter Test	Positive Displacement Up to 1,500 cubic feet per hour Over 1,500 cubic feet per hour --- Orifice Meters All sizes	 $165.00 $230.00 --- $200.00
f)	Payment Re-processing Fee	A fee will be charged to the Customer for the recovery of costs associated to the reprocessing of any payment, including paper check, electronic transfer payment and debit/credit card payment that has been rejected or returned by the bank for any reason.	$25.00
g)	Collection Fee	A Collection Fee shall be charged to any Customer whose failure to respond to a termination notice necessitates the dispatch of a Company representative to attempt collection of payment from Customer.	$20.00
h)	Reconnect Fees	A reconnect fee shall be charged to any Customer whose service is terminated and then re-initiated unless terminated in error by the Company. This fee is the same as the Standard Initiation Fee charged for new service. Related, non-routine services including but not limited to high bill investigations and building meter loops may be charged. Regular Labor Rate After Hours Rate	$40.00 $55.00 $75.00
i)	Special Read Fee	A special read fee shall be charged for Customer-requested reading of a meter of which estimated billing has been made. This is not in connection with Section 12.8.	$20.00
j)	Meter Exchange Fee - Customer Request	A fee will be charged for Customer-requested meter exchanges when a meter is working properly or done for the Customer's convenience.	$200.00
k)	Meter Tampering Fee - Residential	A fee will be charged to Customers who knowingly tamper with Company property (i.e. broken meter locks, broken stop cocks, tampered meter dials, and broken meter blind seals). May be charged in tandem with Unauthorized Consumption Fee in situations that include both Tampering and Unauthorized Consumption.	$200.00

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l)	Unauthorized Consumption Fee	Charges for the replacement of an illegally broken meter seal or locking device, and/or a bypass of the meter, to the Customer who could be reasonably expected to benefit from Gas service received through said meter. May be charged in tandem with Meter Tampering Fee in situations that include both Tampering and Unauthorized Consumption.	$32.00 plus expenses
m)	No Access Fee	A fee charged to a Customer who schedules an appointment but fails to appear.	$20.00
n)	Meter Removal Fee	A fee will be charged to the Customer to remove the meter due to tampering, accessibility issues, and other reasons deemed necessary by the Company in accordance with this Tariff.	$28.00
o)	Account Research Fee	An hourly fee will be charged for Customer account information requiring research of accounting/billing information.	$25.00
p)	Police Escort Fee	A fee charged when the Company is required to use law enforcement personnel to escort it into locked sites or sites requiring animal control in order for the Company to access a meter or other equipment.	Actual cost
q)	Excess Flow Valve Installation Fee	Pursuant to Code of Federal Regulations, §192.383(d) a fee for installation of an Excess Flow Valve (EFV) will be assessed when a Customer requests such installation on the Customer's service line. The EFV will be installed at a date mutually agreeable to both Company and Customer, but after January 1, 2018. The Company reserves the sole right to conduct any required maintenance that may result from the installation. The Customer shall be assessed a one-time installation fee.	$400.00

15.7 DEPOSIT AMOUNTS

a)	Advanced Deposit	Estimated expenditure to serve the premises of new business beyond the existing distribution facilities of the Company.	Actual cost
b)	Residential Customer Deposit	A deposit will be required from any new or current residential Customer to mitigate credit exposure. Current Customers may be assessed deposits due to delinquent bill payment behavior.	Minimum $125.00
c)	Non-Residential Customer Deposit	A deposit will be required from any new or current non-residential Customer to mitigate credit exposure. Current Customers may be assessed deposits due to delinquent bill payment behavior.	Minimum $250.00

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SECTION 16 — TAPPING FEES

16.1 TAPPING FEES

The Company may, at its option, extend lines to serve a group of new Customers outside or inside the incorporated by the use of Contribution In Aid of Construction (CIAC). Unless not economical or reasonable, the Company shall allow payment of the CIAC amount in the form of a monthly Tapping Fee charged to the existing and subsequent Customers in the area to be served. The fee will continue to be charged to all Customers connecting to the Extension of Facilities each month until the Company recovers the amount of CIAC required to serve the area. At least fifty percent (50%) of the existing homes in the area must be under contract for service for this type of Extension of Facilities to be available to the area.

The monthly per Customer Tapping Fee will be equal to the Monthly Amortization of the CIAC divided by the number of Customers participating in the program.

The Tapping Fee will usually be set within the first six (6) months of billing the first Customer receiving Gas from this extension. In some cases, this period could be extended.

In order to calculate the monthly Amortization of the CIAC, the following steps are to be followed:

1. Calculate the Required Rate Base

   Required Rate Base = Cost of Mains, services and yard lines

2. Calculate the Revenue Requirement

   Revenue Requirement = (Required Rate Base x return on capital) + related Federal Income Taxes + Depreciation

   Note: Depreciation = Required Rate Base x currently authorized rate by Component

3. Calculate the Annual Revenues to be received from Customers

   Annual Revenue = Number of Customers x the average annual revenue per Customer
   Note: The Number of Customers includes Customers connected to the System and Customers contracted to connect to the System within the first six (6) months of billing the first Customers receiving Gas from the System.

4. Calculate the Justified Rate Base

   The Justified Rate Base is the Rate Base that is backed into by using the revenue requirement model described in Step 2 above. The model backs into the Justified Rate Base by calculating the return, Federal Income Taxes and Depreciation for a given investment level, such that the sum of the return, Federal Income Taxes and Depreciation equals the Annual Revenues calculated in Step 3 above.

5. Calculate the Contribution In Aid of Construction (CIAC)

   CIAC = Required Rate Base – Justified Rate Base

6. Calculate the CIAC monthly payment

CIAC monthly payment is determined by using an amortization table. The variables include number of payments, interest rate and the outstanding CIAC.

7. Calculate the Monthly Tapping Fee

   Monthly Tapping Fee = CIAC monthly payment divided by the number of Customers used in Step 3 above.

8. If the Monthly Tapping fee is not economical or reasonable, a one-time lump sum CIAC amount may be required. This CIAC amount would then reduce the amount in Step 5 above, and the Monthly Tapping Fee would then be re-calculated less the one-time fee.

CIAC will change over time based upon additional capital investments (principally to tie in new Customers) and for reductions based upon the tapping fee payments. The interest rate changes annually and is based upon Chase Bank (or its successors prime rate plus two percent).

For each project undertaken, the Company will file with the respective Regulatory Authority an initial Tapping Fee Rider showing the amount and calculation of the Tapping Fee. For each project undertaken, the Company will file with the Regulatory Authority an annual reconciliation report, detailing the application of the Tapping Fee to principal and interest and the outstanding CIAC balance.

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RATE SCHEDULE TF-IS

TAPPING FEE RATES

A. APPLICABILITY

The Tapping Fee rates, as set forth in Section (C) below and pursuant to the Rules of Service, Section 16 Tapping Fees, shall apply to all existing and subsequent customers in the incorporated areas of Burbridge Acres, Cotton Valley Estates, and Jones Subdivision Colonias.

B. TERRITORY

Burbridge Acres Colonia in the City of Clint, TX.
Cotton Valley Estates Colonia in the City of Socorro, TX.
Jones Subdivision in the City of Socorro, TX.

C. CURRENT RATES

The Tapping Fee rates for the colonias listed below will continue to be charged to all customers connecting to the extension of facilities each month until the Company recovers the amount of Contribution In Aid of Construction (CIAC) required to serve the area. During each monthly billing period:

A tapping fee charge per meter per month of $ 7.22 applicable to the Burbridge Acres Colonia in the City of Clint, TX.

A tapping fee charge per meter per month of $ 8.41 applicable to the Cotton Valley Estates Colonia in the City of Socorro, TX.

A tapping fee charge per meter per month of $ 7.82 applicable to the Jones Subdivision in the City of Socorro, TX.

Texas Gas Service Company, a Division of ONE Gas, Inc. **RATE SCHEDULE TF-OS**

Page 1 of 1

TAPPING FEE RATES

A. APPLICABILITY

The Tapping Fee rates, as set forth in Section (C) below and pursuant to the Rules of Service, Section 16 Tapping Fees, shall apply to all existing and subsequent customers in the unincorporated areas of Agua Dulce, Burbridge Acres, Panorama Village, and Westway Colonias.

B. TERRITORY

Agua Dulce Colonia in the environs of El Paso, TX.
Burbridge Acres Colonia in the environs of El Paso, TX.
Panorama Village Colonia in the environs of El Paso, TX.
Westway Colonia in the environs of the El Paso, TX.

C. CURRENT RATES

The Tapping Fee rates for the colonias listed below will continue to be charged to all customers connecting to the extension of facilities each month until the Company recovers the amount of Contribution In Aid of Construction (CIAC) required to serve the area. During each monthly billing period:

A tapping fee charge per meter per month of $ 8.82 applicable to the Agua Dulce Colonia in the environs of El Paso, TX.

A tapping fee charge per meter per month of $ 7.22 applicable to the Burbridge Acres Colonia in the environs of El Paso, TX.

A tapping fee charge per meter per month of $ 4.85 applicable to the Panorama Village Colonia in the environs of El Paso, TX.

A tapping fee charge per meter per month of $ 26.33 applicable to the Westway Colonia in the environs of El Paso, TX.

D. ANNUAL RECONCILIATION REPORT

Per the Company's Rules of Service, Section 16.1 Tapping Fees, the Company shall file with the Railroad Commission of Texas ("Commission") an annual reconciliation report detailing the application of the tapping fee for each colonia to principal and interest and the outstanding CIAC balance.

The Company shall file the report with the Commission electronically at GUD_Compliance@rrc.texas.gov or at the following address:

Director of Oversight and Safety Division
Gas Services Department
Railroad Commission of Texas
P.O. Box 12967
Austin, TX 78711-2967

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Final Order
OS-25-00028202, *Consol.*

ATTACHMENT 2

Depreciation Rates and Net Plant

Docusign Envelope ID: 2B91311A-91F7-4384-883B-514680400B05

EXHIBIT C Depreciation Rates

TEXAS GAS SERVICE COMPANY
TEXAS GAS SERVICE AREA
SETTLED DEPRECIATION / AMORTIZATION RATES FOR THE RATE FILING DOCKET NO. OS-25-00028202 WITH TEST YEAR END DECEMBER 31, 2024

DEPRECIATION / AMORTIZATION RATES FOR TGS DIRECT, FORT BLISS DIRECT, TGS DIVISION AND ONE GAS CORPORATE

LINE NO.	DESCRIPTION	TGS CONSOLIDATED DIRECT ANNUAL DEPR/AMORT RATES	FORT BLISS DIRECT ANNUAL DEPR/AMORT RATES	TGS DIVISION ANNUAL DEPR/AMORT RATES	ONE GAS CORPORATE ANNUAL DEPR/AMORT RATES
	INTANGIBLE PLANT				
1	(301) Organization	4.0000 %			
2	(301) Organization - OPC	6.6700 %			
3	(302) Franchises & Consents	4.0200 %			
4	(303) Misc. Intangible	4.0600 %			
5	(303.1) Misc. Intangible	1.8200 %			
	GATHERING AND TRANSMISSION PLANT				
6	(365.2) Rights-of-Way - OPC				
7	(366.1) Compressor Station Structure - OPC				
8	(366.2) Structures and Improvements	2.7503%			
9	(367) Mains	2.3604%			
10	(367) Mains - OPC				
11	(368) Compressor Station Equipment	3.6738%			
12	(369) Meas & Reg Stations Equip	3.1811%			
13	(369) Meas & Reg Stations Equip - OPC				
14	(369.1) Measuring Stations Equip - OPC				
15	(371) Other Equipment	5.2231%			
16	(371) Other Equipment - OPC				
	DISTRIBUTION PLANT				
17	(375.1) Structures & Improvements	3.5953%			
18	(375.2) Other System Structures	4.1300%			
19	(376) Mains	2.3003%	2.3021 %		
20	(376.9) Mains - Cathodic Protection Anodes	6.7714%	6.6657 %		
21	(378) Meas. & Reg. Station - General	2.0256%	1.9211 %		
22	(379) Meas. & Reg. Station - C.G.	2.2026%			
23	(380) Services	2.9277%	2.9261 %		
24	(380.1) Ind Service Line Equip	2.9277%	2.9261 %		
25	(380.2) Comm Service Line Equip	2.9277%	2.9261 %		
26	(380.4) Yard Lines-Customer Svc	2.9277%	2.9261 %		
27	(381) Meters	3.8269%	4.4041 %		
28	(382) Meter Installations	4.2600%			
29	(383) House Regulators	3.0911%	3.3107 %		
30	(385) Indust. Meas. & Reg. Stat. Equipment	2.4193%	2.2700 %		
31	(386) Other Property on Customer Premises	20.7709%			
	GENERAL PLANT				
32	(390.1) Structures & Improvements	2.4048%		2.4396%	2.0100%
33	(390.2) Leasehold Improvement				17.9104%
34	(391.1) Office Furniture & Equipment	6.7359%		6.6659%	6.6667%
35	(391.19) Airplane Hanger Furniture				6.6667%
36	(391.3) Office Machines				5.0000%
37	(391.4) Audio Visual Equipment				20.0000%
38	(391.6) Purchased Software				7.6923%
39	(391.6) Banner Software				7.6923%
40	(391.6) PowerPlant System				7.6923%
41	(391.6) Riskworks				7.6923%
42	(391.6) Maximo				7.6923%
43	(391.6) Foundation Software				7.6923%
44	(391.6) Concur Project				7.6923%
45	(391.6) Journey-Employee-ODC Distrigas				7.6923%
46	(391.6) Journey-Employee Count				7.6923%
47	(391.6) Payroll - Time Management				7.6923%
48	(391.6) Accounts Payable Software				7.6923%
49	(391.6) Customer Relations Software				7.6923%
50	(391.8) Micro Computer Software				20.0000%
51	(391.9) Computer & Equipment	14.0974%		14.2783%	
52	(391.99) Cloud Computing				7.6923%
53	(392) Transportation Equipment	6.3549%			
54	(392.2) Transport Equip Pickup Trucks& Vans				16.6667%
55	(392.3) Transport Equip (Trucks 3/4- 3 Ton)				
56	(392.5) Trailers				
57	(392.6) Aircraft				6.2800%
58	(393) Stores Equipment	6.7706%			
59	(394) Tools, Shop & Garage	6.6542%	6.6667 %	6.6660%	6.6667%
60	(396) Major Work Equipment	4.4455%			
61	(397) Communication Equipment	6.9241%	6.6663 %	6.6604%	5.0000%
62	(398) Miscellaneous General Plant	6.6662%			

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EXHIBIT D

TEXAS GAS SERVICE AREA
SETTLED NET PLANT FOR RATE FILING WITH TEST YEAR END DECEMBER 31, 2024

NET PLANT FOR TEXAS CONSOLIDATED, TGS DIVISION AND ONEGAS

LINE NO.	ACCOUNT	DESCRIPTION	TOTAL TGS CONSOLIDATED PLANT	TOTAL TGS CONSOLIDATED CCNC	TOTAL PLANT AND CCCNC	TOTAL TGS CONSOLIDATED ACCUMULATED RESERVES	TOTAL TGS CONSOLIDATED NET PLANT
			(a)	(b)	(c)	(d)	(e)
		INTANGIBLE PLANT					
1	301	Organization	$186,679	$0	$186,679	($182,357)	$4,322
2	301	Organization - OPC	-	-	-	-	-
3	302	Franchises & Consents	402,970	-	402,970	(393,609)	9,361
4	303	Misc. Intangible	1,030,534	261,178	1,291,712	(1,105,915)	185,797
5	303	Misc. Intangible - OPC	-	-	-	-	-
6	303.1	Misc. Intangible	616,460	-	616,460	(121,597)	494,863
7		Total Intangible Plant	$2,236,642	$261,178	$2,497,821	($1,803,478)	$694,342
		GATHERING AND TRANSMISSION PLANT					
8	325	Land & Land Rights	$0	$0	$0	$0	$0
9	327	Field Compss Station Structures	-	-	-	-	-
10	328	Field Meas/Reg Station Structures	-	-	-	-	-
11	329	Other Structures	-	-	-	-	-
12	332	Field Lines	-	-	-	-	-
13	333	Field Compressor Station Equip	-	-	-	-	-
14	334	Field Meas/Reg Station Equipment	-	-	-	-	-
15	336	Purification Equipment	-	-	-	-	-
16	337	Other Equip	-	-	-	-	-
17	365	Land & Land Rights	-	-	-	(1,399)	(1,399)
18	365.1	Land - OPC	23,277	-	23,277	-	23,277
19	365.2	Rights-of-Way	228,423	76	228,499	-	228,499
20	365.2	Rights-of-Way - OPC	-	-	-	-	-
21	366.2	Meas/Reg Station Structures	27,231	1,785,740	1,812,971	(143,472)	1,669,498
22	366.1	Compressor Station Structure - OPC	-	-	-	-	-
23	367	Mains	95,094,347	17,325,164	112,419,511	(7,381,337)	105,038,174
24	367	Mains - OPC	-	-	-	-	-
25	368	Compressor Station Equip	88,467	68,998	157,464	(7,608)	149,856
26	369	Meas & Reg Stations Equip	16,055,389	9,618,699	25,674,088	(2,152,000)	23,522,089
27	369	Meas & Reg Stations Equip - OPC	-	-	-	-	-
28	369.1	Measuring Stations Equip - OPC	-	-	-	0	0
29	371	Other Equipment	52,349	1,638	53,986	(20,044)	33,943
30	371	Other Equipment - OPC	-	-	-	-	-
31		Total Gathering and Transmission Plant	$111,569,483	$28,800,314	$140,369,797	($9,705,860)	$130,663,937
		DISTRIBUTION PLANT					
32	374	Land	$0	$0	$0	($8,946)	($8,946)
33	374.1	Land	203,003	2,072	205,076	-	205,076
34	374.2	Land Rights	1,662,489	170,926	1,833,415	(94,416)	1,738,999

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EXHIBIT D

TEXAS GAS SERVICE AREA
SETTLED NET PLANT FOR RATE FILING WITH TEST YEAR END DECEMBER 31, 2024

NET PLANT FOR TEXAS CONSOLIDATED, TGS DIVISION AND ONEGAS

LINE NO.	ACCOUNT	DESCRIPTION	TOTAL TGS CONSOLIDATED PLANT	TOTAL TGS CONSOLIDATED CCNC	TOTAL PLANT AND CCCNC	TOTAL TGS CONSOLIDATED ACCUMULATED RESERVES	TOTAL TGS CONSOLIDATED NET PLANT
35	375	Structures & Improvements	-	-	-	-	-
36	375.1	Structures & Improvements	495,192	10,758	505,950	(138,200)	367,750
37	375.2	Other System Structures	8,482	-	8,482	(197,408)	(188,926)
38	376	Mains	795,880,773	183,490,099	979,370,872	(137,924,917)	841,445,956
39	376.9	Mains - Cathodic Protection Anodes	70,790,740	2,534,037	73,324,777	(34,942,960)	38,381,817
40	377	Compressor Station Equipment	-	-	-	-	-
41	378	Meas. & Reg. Station - General	41,930,280	13,369,703	55,299,983	(5,773,322)	49,526,661
42	379	Meas. & Reg. Station - C.G.	13,899,798	7,205,044	21,094,842	(2,288,841)	18,806,001
43	380	Services	658,661,734	23,928,615	682,590,349	(112,807,412)	569,782,937
44	380.1	Ind Service Line Equip	-	70,299	70,299	-	70,299
45	380.2	Comm Service Line Equip	(0)	902,190	902,190	-	902,190
46	380.4	Yard Lines-Customer Svc	-	145,836	145,836	-	145,836
47	381	Meters	174,003,045	5,414,204	179,417,249	(47,333,627)	132,083,622
48	382	Meter Installations	-	-	-	(126,749)	(126,749)
49	383	House Regulators	34,349,857	1,423,830	35,773,687	(11,599,318)	24,174,369
50	385	Indust. Meas. & Reg. Stat. Equipment	37,257,827	2,248,891	39,506,717	(7,798,565)	31,708,152
51	386	Other Property on Customer Premises	1,707,620	-	1,707,620	(1,137,465)	570,155
52	387	Meas. & Reg. Stat. Equipment	-	-	-	-	-
53		Total Distribution Plant	$1,830,840,839	$240,916,505	$2,071,757,344	($362,172,146)	$1,709,585,198
		GENERAL PLANT					
54	389	Land & Land Rights	$10,640,853	$0	$10,640,853	$4,733	$10,645,587
55	390	Structures & Improvements	-	-	-	-	-
56	390.1	Structures & Improvements	43,863,379	10,953,001	54,816,379	(10,163,898)	44,652,482
57	390.17	Building Improv Plum	-	-	-	-	-
58	390.19	Airplane Hanger Furniture	-	-	-	-	-
59	390.2	Leasehold Improvement	2,299,145	137,953	2,437,098	(1,553,765)	883,333
60	390.2	OGS Lease Incentive	-	-	-	-	-
61	390.21	Leasehold Equipment EOL	-	-	-	-	-
62	391	Office Furniture & Equipment	-	-	-	-	-
63	391.1	Office Furniture & Equipment	8,192,233	24,536	8,216,769	(3,427,224)	4,789,545
64	391.19	Airplane Hanger Furniture	-	-	-	-	-
65	391.2	Data Processing Equipment	-	-	-	-	-
66	391.2	Oracle Equipment	-	-	-	-	-
67	391.3	Office Machines	95,784	272,719	368,503	(61,965)	306,538
68	391.4	Audio Visual Equipment	59,436	-	59,436	79,027	138,463
69	391.5	Artwork	-	-	-	-	-
70	391.6	Purchased Software	41,324,739	8,475,099	49,799,837	(22,280,939)	27,518,899
71	391.6	Banner Software	3,527,119	-	3,527,119	(1,020,319)	2,506,800
72	391.6	PowerPlant System	700,393	-	700,393	(323,612)	376,781

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EXHIBIT D

TEXAS GAS SERVICE AREA
SETTLED NET PLANT FOR RATE FILING WITH TEST YEAR END DECEMBER 31, 2024

NET PLANT FOR TEXAS CONSOLIDATED, TGS DIVISION AND ONEGAS

LINE NO.	ACCOUNT	DESCRIPTION	TOTAL TGS CONSOLIDATED PLANT	TOTAL TGS CONSOLIDATED CCNC	TOTAL PLANT AND CCCNC	TOTAL TGS CONSOLIDATED ACCUMULATED RESERVES	TOTAL TGS CONSOLIDATED NET PLANT
73	391.6	Riskworks	-	-	-	-	-
74	391.6	Maximo	1,167,518	103,734	1,271,252	(884,724)	386,528
75	391.6	Foundation Software	-	-	-	-	-
76	391.6	Concur Project	21,615	-	21,615	(18,922)	2,692
77	391.6	Journey-Employee-ODC Distrigas	21,046,824	-	21,046,824	(16,443,921)	4,602,903
78	391.6	Journey-Employee Count	557,771	-	557,771	(476,679)	81,091
79	391.6	Payroll - Time Management	889,824	-	889,824	(257,683)	632,141
80	391.6	Accounts Payable Software	469,112	-	469,112	(177,466)	291,646
81	391.6	Customer Relations Software	589,902	-	589,902	(52,082)	537,820
82	391.8	Micro Computer Software	6,036,516	-	6,036,516	(1,630,880)	4,405,636
83	391.81	Aircraft Computer Equipment	-	-	-	-	-
84	391.9	Computer & Equipment	6,294,346	177,666	6,472,012	(3,336,655)	3,135,357
85	391.99	Cloud Computing	723,238	-	723,238	(127,379)	595,859
86	392	Transportation Equipment	39,326,133	14,222,592	53,548,725	(14,492,058)	39,056,667
87	392.2	Transport Equip Pickup Trucks& Vans	274,209	-	274,209	(31,096)	243,112
88	392.3	Transport Equip (Trucks 3/4- 3 Ton)	-	-	-	-	-
89	392.5	Trailers	-	-	-	-	-
90	392.6	Aircraft	-	-	-	-	-
91	393	Stores Equipment	44,917	52,966	97,883	(20,882)	77,002
92	394	Tools, Shop & Garage	30,264,117	3,306,824	33,570,941	(11,761,116)	21,809,825
93	394.1	Tools	-	-	-	452	452
94	394.2	Shop Equipment	-	-	-	-	-
95	395	CNG Equipment	-	-	-	37,480	37,480
96	396	Major Work Equipment	7,248,234	1,378,002	8,626,236	(2,344,303)	6,281,933
97	397	Communication Equipment	65,015,261	6,639,251	71,654,512	(32,277,478)	39,377,034
98	397.2	Telephone Equipment	-	-	-	-	-
99	398	Miscellaneous General Plant	6,349	-	6,349	(5,767)	582
100		Total General Plant	$290,678,965	$45,744,343	$336,423,307	($123,049,121)	$213,374,187
101		Total Orig Cost Plant in Service	$2,235,325,929	$315,722,339	$2,551,048,269	($496,730,605)	$2,054,317,663