

Schedule Q

Estimated Gas Cost Recovery Factor Quarterly Filing Procedure

TXU Gas Company (the “Company”) shall file a certified sales rate statement on or prior to March 25, June 25, September 25, and December 25 of each year reflecting the estimated gas cost to sales customers to be effective over the succeeding three-month periods beginning April 1, July 1, October 1, and January 1 (the “Estimated Gas Cost Recovery Factor”). The Estimated Gas Cost Recovery Factor will be filed with all incorporated cities or towns served by the Company and with the Gas Services Division of the Railroad Commission of Texas. The Estimated Gas Cost Recovery Factor shall include a calculation of the Estimated Gas Cost Recovery Factor as approved pursuant to the terms and conditions of the final order issued by the Railroad Commission of Texas in GUD No. 9400 and as approved by Gas Services Division staff in any subsequent tariff filed by the Company. If the Company has a reasonable belief that the Estimated Gas Cost Recovery Factor should be adjusted up or down within each three-month period, the Company may make an adjustment one time during each month to adjust the Estimated Gas Cost recovery Factor up or down to be applicable during the following month or months of the three-month period.