



RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

GUD NO. 10021

STATEMENT OF INTENT OF AGRITEXGAS, LP TO INCREASE RATES FOR GAS SERVICE IN ARMSTRONG, BAILEY, BORDEN, BRISCOE, CARSON, CASTRO, COCHRAN, CROSBY, DAWSON, DEAF SMITH, DICKENS, DONLEY, FLOYD, GAINES, GARZA, HALE, HALL, HOCKLEY, KENT, LAMB, LUBBOCK, LYNN, MOTLEY, OLDHAM, PARMER, POTTER, RANDALL, SWISHER, TERRY AND YOAKUM COUNTIES, TEXAS

APPEARANCES

FOR APPLICANT

Jamie Nielson
Attorney at Law
7000 North Mo-Pac Expressway
Second Floor
Austin, Texas 78731

RAILROAD COMMISSION OF TEXAS

John Pierce Griffin
Assistant Director of Appellate Law
Railroad Commission of Texas
1701 N. Congress
P.O. Box 12967
Austin, Texas 78711-2967

PROPOSAL FOR DECISION

PROCEDURAL HISTORY:

Docket Established:	October 8, 2010
Final Hearing Dates:	February 2 and 14, 2012
Heard By:	John Chakales, Hearings Examiner, Reassigned to Cecile Hanna, Hearings Examiner Mark Brock, Technical Examiner

Suspension Order:	November 2, 2010
Record Closed:	March 22, 2012
PFD Circulation:	March 22, 2012
Statutory Deadline:	April 25, 2012

STATEMENT OF THE CASE

On October 8, 2010, AgriTexGas, LP (“AgriTex”) filed with the Railroad Commission of Texas a *Statement of Intent* to establish initial rates in the environs of approximately 30 counties in the Panhandle Region of Texas. The case was docketed GUD No. 10021. After an abatement of the case to cure filing deficiencies, an *Amended Statement of Intent* to increase rates in the environs of the utility’s service area was filed on October 3, 2011. AgriTex is currently charging rates inherited from Atmos West Texas when AgriTex purchased the system in approximately May 2009.

AgriTex seeks implementation of system wide rates. AgriTex’s customer base includes the following jurisdictional customers: 2,239 residential, 120 small commercial, 2 industrial, and 6 public authority. AgriTex also serves approximately 4,205 agricultural or irrigation non jurisdictional customers. The Commission lacks economic regulation over these rates. The Commission, however, maintains safety regulation over the pipeline operations.

For its jurisdictional customers, AgriTex seeks a rate increase of \$175,804, which has been adjusted down by the Examiners, resulting in an increase of revenues over current rates by \$170,552, or 29.23%. Total rate base as requested by AgriTex is \$2,810,872, of which \$427,654 is allocated to the jurisdictional customers. The total net cost of service before allocations to non-jurisdictional customers is \$4,235,974. The cost of service under existing rates is \$2,889,330. The net revenue deficiency after operating revenue of \$6,188 is \$1,340,456.

In this proceeding, the company seeks approval of new uniform rates for residential, commercial, industrial and public authority customer classes, a revised gas cost adjustment clause, establishment of a line extension policy, and recovery of rate case expenses. The issue of rate case expenses has been severed into a separate docket.

Upon review of the entire record, the Examiners find that the utility’s request with the Examiners’ recommended adjustments and modifications are just and reasonable and recommend approval of the requested rate changes and tariff modifications.

1. Procedural History and Notice

AgriTexGas, LP acquired this primarily agricultural and irrigation gas distribution system in West Texas on May 1, 2009¹ serving approximately 30 counties in the Panhandle region. Then, on October 8, 2010 AgriTexGas, LP (“AgriTex”) filed with the Railroad Commission of Texas (Commission) a *Statement of Intent* to Establish Initial Rates for Gas Service in Armstrong, Bailey, Borden, Briscoe, Carson, Castro, Cochran, Crosby, Dawson, Deaf Smith, Dickens, Donley, Floyd, Gaines, Garza, Hale, Hall, Hockley, Kent, Lamb, Lubbock, Lynn, Motley, Oldham, Parmer, Potter, Randall, Swisher, Terry and Yoakum Counties, Texas. (emphasis added) The case was docketed as GUD No. 10021. These proposed environs rates were suspended on November 2, 2010. The matter was abated for a period of time and as a result, the company extended the proposed effective date of the environs rates several times.²

Subsequently, on October 3, 2011, AgriTex filed an Amended *Statement of Intent* to Increase Rates for Gas Service in Armstrong, Bailey, Borden, Briscoe, Carson, Castro, Cochran, Crosby, Dawson, Deaf Smith, Dickens, Donley, Floyd, Gaines, Garza, Hale, Hall, Hockley, Kent, Lamb, Lubbock, Lynn, Motley, Oldham, Parmer, Potter, Randall, Swisher, Terry and Yoakum Counties, Texas. (emphasis added) This amended filing reflected an increase in rates as opposed to establishing initial rates and was based upon a full test year of data.³ AgriTex is currently charging the rates inherited from Atmos West Texas when AgriTex purchased the system in approximately May 2009.

Railroad Commission of Texas Staff intervened in this proceeding on November 4, 2011, for the limited purpose of providing evidence on a Railroad Commission of Texas Audit Section Routine Audit of AgriTexGas, LP.

Notice of the proposed increase was provided as a separate mailing for all affected customers on November 9, 2011, satisfying the requirements of 16 TEX. ADMIN. CODE §§ 1.45, 7.230 and 7.235, TEX. UTIL. CODE ANN. § 104.103, and TEX. GOV’T. CODE ANN. § 2001.052.⁴ The hearing on the merits was held on February 2, 2012 and February 14, 2012.

The following individuals testified on behalf of AgriTex in its direct case: Karl J. Nalepa, President of ReSolved Energy Consulting, LLC formerly R.J. Covington Consulting, LLC and Norman W. Smith, Partner in AgriTexGas, LP. No Rebuttal Testimony was provided by AgriTex.

Stephen H. Cooper, Advising Auditor, in the Utility Audit Section of the Gas Services Division, testified on behalf of Railroad Commission of Texas Staff, in its direct case.

¹ Atmos Energy Corporation sold this system of approximately 7,134 miles of pipeline and approximately 14,250 active and inactive metered customers to IBIS Gas Services, LLC in 2008. Subsequently, Gateway Properties, LLC and then AgriTexGas, LP acquired the system. (ATG Ex. 1, Direct Testimony of Karl J. Nalepa, pp. 4-5)

² The current proposed effective date of the rate increase was November 27, 2011. Thus, the statutory deadline is April 25, 2012. Tr. Vol. 1, p. 104, Ins. 2 – 6

³ ATG Ex. 1, Direct Testimony of Karl J. Nalepa, p. 3, Ins. 6 – 11

⁴ ATG Ex. 10, Affidavit of Notice to Customers from Norman W. Smith

Staff's intervention with the admission of the Audit Section's routine audit report and related compliance efforts by the utility brought to light issues related to affiliate transactions, FERC USOA nonconformance, and the lack of a Line Extension Policy. The Examiners identified other issues for development, including return on equity, capitalization of assets, representative costs of gas plant accounts, insufficiency of supporting data for rate design and depreciation amounts, revenue deficiency, cost of service allocation to non-jurisdictional customers, a delinquent P-5, Commission Organization Report and a delinquent Secretary of State registration. During the abatement period, the company worked to become compliant with these issues. The company provided testimony and evidence in support of its requested rate change and the totality of that evidence was reviewed and evaluated by the Examiners.

2. Jurisdiction

The Commission has jurisdiction over AgriTexGas, LP and over the matters at issue in this proceeding pursuant to TEX. UTIL. CODE ANN. §§ 102.001, 103.003, 103.051, 104.001, 121.051, 121.052, and 121.151 (Vernon 2007 and Supp. 2011). The statutes and rules involved in this proceeding include, but are not limited to TEX. UTIL. CODE ANN. §§ 104.101, 104.102, 104.103, 104.105, 104.106, 104.107, 104.110, 104.301, and 16 TEX. ADMIN. CODE Chapter 7.

3. Overview of Company's Rate Request

AgriTexGas delivers natural gas to the environs of 30 counties in the Panhandle region of West Texas. AgriTex is currently charging the rates inherited from Atmos when AgriTex purchased the system in 2009. Presently, all of the customers AgriTex serves are in the environs. AgriTex does not serve any customers in an incorporated area. Thus, 100% of the residential, small commercial, industrial and public authority customers served are the exclusive original jurisdiction of the Commission.

a. History of the System

Atmos Energy developed the AgriTexGas system beginning in the 1950s to serve the agricultural irrigation load in the area. Over time, various non-agricultural customers requested service as they were located near the system.⁵ Ibis Gas Services, LLC, a partnership of four entities, purchased for a total consideration of \$1,250,000 a portion of the gas pipeline system from Atmos Energy on February 29, 2008. This included approximately 7,134 miles of pipeline and approximately 14,250 active and inactive metered customers. Atmos West Texas initially held that these were irrigation assets serving irrigation customers and were therefore not reportable or the jurisdiction of the Commission. Similarly, Atmos West Texas maintained that neither the pipeline nor the customers were jurisdictional⁶ even though pipeline assets are the original jurisdiction of the Pipeline Safety Division and a portion of the customers served are

⁵ ATG Ex. 1, Direct Testimony of Karl J. Nalepa, p. 4, Ins. 3 – 6

⁶ The Commission lacks economic regulation over the rate to the agriculture/irrigation customer pursuant to TEX. UTIL. CODE ANN. §§ 101.003(7)(B)(iii), 123.001, *et seq.*, and 16 TEX. ADMIN. CODE § 7.351(d)(3), however, the Commission has safety regulation over the pipeline itself and the operation of that asset to serve right up to the downstream side of the meter, regardless of the customer of the downstream side of the meter, pursuant to TEX. UTIL. CODE ANN. § 121.001, *et seq.* and 16 TEX. ADMIN. CODE Chapter 8.

residential, small commercial, industrial and public authority customers located in the environs. Nevertheless, Atmos West Texas did not consider it reportable to the Commission under TEX. UTIL. CODE ANN. § 102.051.⁷

Once the Commission discovered the sale of the utility gas plant, the Market Oversight Section of the Gas Services Division instructed Atmos West Texas to file a report under §102.051. Atmos West Texas complied but continued to assert their position that the sale was not reportable to the Commission. This report was docketed as GUD No. 10107. Included in the subject sale to Ibis were 4,759 irrigation customers, 2,321 residential customers, 121 commercial customers, 37 industrial customers and 8 public authority customers. Commission Staff suggested that Atmos West Texas request a hearing for determination of the § 102.051 applicability. No request was received and the docket was ultimately closed.

After a series of financial losses and funding issues by Ibis, two of the entities that owned a total of 75 percent of Ibis bought out the interest of the other two entities on April 30, 2009. Subsequently, the two entities that then owned Ibis sold their interest to another entity, Gateway Properties, LLC. This sale happened in May 2009 and resulted in Gateway Properties owning 100 percent of Ibis. On May 1, 2009, Ibis Gas Services, LLC sold the pipeline and other tangible assets to AgriTexGas, LP for a 60 percent ownership interest in AgriTexGas, LP. In other words, Gateway owns 100 percent of Ibis and Ibis owns 60 percent of AgriTex. The operation of the pipeline is managed by the purchasing partners. Ibis is not involved in any of the operations of AgriTex.⁸

During the time that Ibis owned the system, Ibis subcontracted with Atmos Energy to provide all field services, including meter reading, leak detection and maintenance of the system. Once AgriTex purchased the system, the company continued to subcontract with Atmos for these services through October 2009. Starting in November 2009, AgriTex began phasing in field service operations with its own staff. As of January 2010, AgriTex personnel were reading all meters and fully operating the system.⁹

In March 2011, AgriTex requested an abatement period to file an amended statement of intent as the initial filing in October 2010 was deficient. The initial statement of intent failed to comport to Commission requirements because it did not utilize the FERC USOA and the filing did not identify the current rates for revenue deficiency purposes. At the time of the abatement, Staff had not yet intervened in the docket. From a technical standpoint, the Examiners review revealed that AgriTex used only one account, mains, for distribution plant; and three accounts, (1) office furniture, (2) transportation equipment and (3) Miscellaneous, for the remaining general plant. Moreover, the test year ending April 30, 2010, included less than 6 months of actual data because AgriTex had only been exclusively using its field personnel to read all meters and fully maintain the system since January 2010.¹⁰ What is more, no tariffs or line extension policy were on file with the Commission and AgriTex had not adopted the Commission's minimum standards for quality of service.

⁷ TEX. UTIL. CODE ANN. § 102.051 requires utilities to report to the Commission sales, acquisitions, or leases of a plant as an operating unit in Texas for a total consideration of more than \$1,000,000.

⁸ ATG Ex. 1, Direct Testimony of Karl J. Nalepa, p. 4, Ins. 6 – 17

⁹ ATG Ex. 1, Direct Testimony of Karl J. Nalepa, p. 5, Ins. 1 – 7

¹⁰ ATG Ex. 1, Direct Testimony of Karl J. Nalepa, p. 5, Ins. 5 - 7

Accordingly, the request for abatement was granted conditionally upon the utility filing current tariffs, adoption of quality of service rules and developing a line extension policy. On October 3, 2011, AgriTex filed an amended statement of intent with the Commission.

Staff's intervention was granted on November 4, 2011. As previously referenced, Staff limited its intervention for the sole purpose of providing the Examiners with the results of the Commission's Audit Section's routine audit results that were completed on approximately December 16, 2011.¹¹ The audit uncovered a number of issues such as the fact that AgriTex purchases its gas supply from an affiliate, Ozona Pipeline Energy Company (Ozona). Neither the October 2010, nor the October 2011, statement of intent with accompanying filings by the utility identified the affiliate transactions or included testimony providing evidence of reasonableness or necessity of the affiliate transactions, in accordance with TEX. UTIL. CODE ANN. § 104.055(b).

The record shows that the affiliate Ozona serves another affiliate, Natgas, Inc.¹² All three of these entities have common ownership or management, AgriTex, Natgas and Ozona. In addition, the record demonstrates that AgriTex's P-5, Commission's Organization Report, was delinquent and the utility's registration at the Secretary of State was inactive. As a result, on December 28, 2011, Examiner's Letter No. 18 was sent to the parties advising that the P-5 was delinquent and immediate action was necessary. On January 13, 2012, AgriTex provided evidence that the registration with the Secretary of State was reinstated to active effective January 5, 2012¹³ and that the utility's P-5 was no longer delinquent on January 11, 2012¹⁴.

b. Proposed Rate Increase

The utility's proposed rate increase is the first since AgriTex purchased the system in 2009. The utility serves approximately 2,239 residential, 120 small commercial, 2 industrial, 6 public authority and 4,205 agricultural or irrigation customers.¹⁵ AgriTex seeks a rate increase that would increase revenues by \$175,804, which has been adjusted down by the Examiners to \$170,552, or 29.23%.¹⁶ The company seeks to apply the proposed rates system wide and uniformly to the residential, commercial, industrial, and public service authority customers.

¹¹ Staff Ex. 1, Ex. SHC-1, Routine Audit No. 12-028

¹² Tr. Vol. 1, p. 75, Testimony of Norman Smith

¹³ ATG Ex. 8, Office of Secretary of State Certificate of Filing

¹⁴ ATG Ex. 7, Railroad Commission of Texas Organization Query Results

¹⁵ ATG Ex. 1, Direct Testimony of Karl J. Nalepa, p. 8 (At end of test year the company had 3,915 agricultural and irrigation customers, however, after the Growth Normalization Adjustment, the utility has 4,205 non jurisdictional customers).

¹⁶ ATG Ex. 14, KJN – 3 p. 6 of 7

Within the unincorporated areas, the company serves the following customer classes, as adjusted:

Table 1
Customer Classes and Customers Served
AgriTexGas, LP

Customer Classes	Number of Customers
Residential	2,239
Commercial	120
Industrial Sales	2
Public Authority	6
Total	2,367

The following table shows the proposed rates for the general sales customers:

Table 2
Proposed Rates for General Service Customers
AgriTexGas, LP¹⁷

Customer Classes	Customer Charge \$/Mo.	Commodity Charge \$/Ccf
Residential	\$14.75	\$0.1256
Commercial	\$30.00	\$0.1104
Industrial Sales	\$110.00	
First 1,000 Ccf		\$0.1098
Over 1,000 Ccf		\$0.0853
Public Authority	\$55.00	\$0.0945

In summary, AgriTex utilizes a test year ending March 31, 2011, and seeks approval of new uniform rates for residential, commercial, industrial and public authority customer classes, a revised gas cost adjustment clause, establishment of a line extension policy, and recovery of rate case expenses.

The issue of rate case expenses has been severed into a separate docket and will be considered after a Final Order is issued in this proceeding. After reviewing the record in this proceeding, the Examiners find that AgriTex has, in fact, applied approved methodologies. The Examiners find the utility's request with the Examiner recommended adjustments and modifications to be just and reasonable and recommend approval of the requested rate changes and tariff modifications.

4. Books and Records

Commission Rule 7.310 requires that utilities use the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts (USOA) for all operating and reporting

¹⁷ ATG Ex. 1, Direct Testimony of Karl J. Nalepa, KJN – 1 (Update)

purposes.¹⁸ Susan Snead, Accountant, for AgriTex testified that she is responsible for maintenance of the records at the utility.¹⁹ Staff's audit revealed that the utility had not adopted the FERC USOA.²⁰ Ms. Snead testified that AgriTex is now correctly using the FERC USOA system in the utility's accounting.²¹ Furthermore, an Amended Distribution Annual Report was filed by AgriTex reflecting utilization of proper FERC USOA procedures.²²

Commission Rule § 7.503 provides that the amounts shown on the company's books and records, as well as, summaries and excerpts taken from those records shall be considered *prima facie* evidence of the amount of investment or expense reflected when introduced into evidence, and such amounts are presumed to have been reasonably incurred. Due to the discrepancies with the requirement of the FERC USOA during the course of this proceeding, the Examiners cannot recommend that AgriTex is entitled to the presumption encapsulated in Commission Rule § 7.503. Thus, AgriTex must demonstrate by a preponderance of the evidence that the amounts prescribed for the gas plant and operating expense are just and reasonable.²³ The Examiners are, however, satisfied that the evidence in this case shows that AgriTex is now conforming with the FERC USOA.

5. Railroad Commission of Texas Audit Section, Routine Audit No. 12-028

Railroad Commission Staff conducted an audit of AgriTex since this is the first rate case filed by the utility.²⁴ Staff intervened in this case for the limited purpose of making the Examiners aware of the audit and admitting the audit in the evidentiary record.²⁵ Stephen H. Cooper, Advising Auditor, testified on behalf of Staff. Mr. Cooper testified that he had direct oversight of Senior Auditor, Josh Settle, with the Fort Worth District Office, who performed the audit of AgriTex, which was filed on December 19, 2011 and identified as Audit No. 12-028.²⁶

The audit resulted in 15 violations by AgriTex, which include the following:

1. Annual notification is not made concerning the availability of rates and rules to customers.
2. The utility did not meet the requirement to notify customers that the utility cannot disconnect gas service to customers when the temperature drops to less than 32 degrees or less two days in a row. The utility failed to send out a cold weather notification in 2009, 2010, and 2011.
3. The utility does not send out a complete termination notice. The termination notice sent to customers is not written in both English and Spanish as required. The current notice also does not include the term "Termination Notice" or similar language.
4. The utility has failed to file all required tariff escalators/gas cost adjustments. The utility has not filed a GCA for its sales to jurisdictional customers since June 2009.

¹⁸ TEX. ADMIN. CODE § 7.310 (Tex. R.R. Comm'n, System of Accounts) (Commission Rule 7.310)

¹⁹ Tr. Vol. 1, p. 53, lns. 16-20, Testimony of Susan Snead

²⁰ Staff Ex. 1, Direct Testimony of Stephen H. Cooper, Ex. SHC-1, pp. 5-7

²¹ Tr. Vol. 1, p. 59, lns. 8-16, Testimony of Susan Snead

²² Examiners' Ex. 2

²³ 18 CFR Part 201, General Instructions, 2.E.

²⁴ Staff Ex. 1, Direct Testimony of Stephen H. Cooper, p. 2, ln. 20

²⁵ Examiners' Ex. 4, 10/31/11 letter from John Pierce Griffin to Examiners

²⁶ Staff Ex. 1, Direct Testimony of Stephen H. Cooper, p. 2, lns. 22-24 and 29-30

5. The utility doesn't return residential deposits automatically. AgriTex does not return deposits after the required good payment history has been established.
6. AgriTex does not apply interest to customer deposits. AgriTex has not applied interest to customer deposits upon the credit or return payment of these deposits to current and former customers.
7. The utility does not maintain an information packet for its new and existing customers.
8. The utility does not post the availability of rates and rules of service in its Plainview, Texas service office.
9. The utility does not file accurate tariffs. The utility has filed Tariff No. 24021, which states the incorrect customer charge.
10. The utility did not file complete tariffs. The utility has filed tariffs that do not contain all required information, i.e., gas cost adjustment provision.
11. The utility charges unauthorized rates. The utility applies an unauthorized 5% penalty to past due jurisdictional customer balances. This is not authorized in the current effective rates.
12. The utility did not charge the approved rates. The utility did not apply the correct Gas Cost Adjustment method to jurisdictional customer bills in its recovery of its actual cost of gas.
13. The utility did not file an accurate distribution annual report. Amounts reported in both volumes and dollars are not correct. Pages 10 through 14, 21, 22, 25, 27, 27A, 32, 33, 34, 35, plus Page 6 to reflect affiliate information need to be re-filed. Additionally, volumes were reported in Mcf at 14.73 p.s.i.a. and 13.6 p.s.i.a. instead of the required pressure base of 14.65 p.s.i.a.
14. The utility did not follow instructions when filing the distribution annual report. The utility has not reported its activity using the accrual method of accounting. Prior Period Adjustments (PPA) is not being recorded in the current month. They are being walked back to the period that is reflected on the PPA. The audit recommends that any PPA be applied to the current month's activity in lieu of reopening prior period records.
15. The utility has not filed its Line Extension Policy.

Mr. Settle concluded the audit with an Audit Recommendation that the utility change its application of Prior Period adjustments. The utility does not operate using the FERC system of accounts nor does the utility maintain a proper cross-reference between its system of accounts and FERC USOA.²⁷

All audit results and corrective action was reviewed with Norman Smith on December 16, 2011. After review of the audit results, Mr. Smith chose to remain uncommitted²⁸ with the audit results.²⁹ Procedurally, AgriTex was instructed to respond to the audit results by January 19, 2012.³⁰ The Audit Section envisions following normal procedures for compliance.³¹

²⁷ Staff Ex. 1, Direct Testimony of Stephen H. Cooper, Ex. SHC-1, pp. 5-7

²⁸ After review of the audit result with a utility official representative, the representative may either agree, disagree, or remain uncommitted with the audit results.

²⁹ Staff Ex. 1, Direct Testimony of Stephen H. Cooper, Ex. SHC-1, p. 7

³⁰ Staff Ex. 1, Direct Testimony of Stephen H. Cooper, p. 3, Ins. 16-20

³¹ Staff Ex. 1, Direct Testimony of Stephen H. Cooper, p. 4, Ins. 4-7

AgriTex filed its response to Staff's audit on January 19, 2012.³² The utility's response and corrections are summarized, as follows: (1) Notification concerning the availability of rates and rules of service were mailed to customers in November 2012, with a copy by the utility to the Commission forthcoming; (2) Notification concerning cold weather was mailed to customers in November 2012, with a copy by the utility to the Commission forthcoming; (3) Corrected termination notices will be mailed out in February 2012; (4) Monthly gas cost adjustments are being compiled and will be electronically filed with the Commission as soon as possible with a copy by the utility forthcoming; (5) Utility is in the process of identifying customer deposits to be returned or credited with interest; (6) Utility is calculating interest on customer deposits and interest will be returned with a deposit refund or credited back to active accounts; (7) Information packets were mailed to customers in November 2011 and available in the utility's offices; (8) Rates and rules of service are posted and available in the Plainview office; (9) AgriTex is working with Staff related to the tariff, as AgriTex believes the tariff is accurate (10) Utility proposes revised tariffs to correct the gas cost provisions in each tariff; (11) Current rates have been corrected to remove the penalty provision and the correct rates as of October 2011 gas usage; (12) Gas cost adjustment method has been corrected and the correct rates have been charged beginning with October 2011 gas usage; (13) Utility has filed an amended Distribution Annual Report with the Commission; (14) AgriTex has adopted the FERC USOA and it is reflected in the amended Distribution Annual Report; and (15) AgriTex pending rate change filing proposes revised tariffs that include a line extension policy.

In a follow up letter to AgriTex, the Audit Section,³³ (1) advised the utility that a review of the 2010 Annual Report would be performed; (2) requested a copy of the actual chart of accounts used by the utility; (3) instructed the utility to revise all current tariffs on file to reflect the gas cost provision currently in force; (4) instructed the utility to refile Tariff No. 24021 to reflect the gas cost provision and to identify which rate schedule the tariff is used in conjunction with; (5) requested details on corrective action regarding the gas cost adjustment; (6) requested a report outlining the refund of unauthorized penalties; (7) requested copies of the annual notification packets, termination notices, and the cold weather notification.

Upon review of the 2010 Annual Report that AgriTex submitted in its January 19, 2012 response to the audit violations, the Audit Section notified AgriTex on February 3, 2012, that the following pages needed revisions: Page 6, regarding affiliates; Pages 21, 22, 32, and 34.³⁴

On February 10, 2012, the Audit Section sent a supplemental follow up to AgriTex's February 6, 2012 response.³⁵ This Audit Section letter provided further instruction specific to FERC USOA accounts used by AgriTex. The Audit Section requested a copy of the termination notice and a specific report demonstrating the method for refunding the unauthorized late penalty charge.

The audit exhibits offered by Staff provided evidence related to the utility's actual accounting operations. This evidence brought to the Examiners' attention many of the alleged violations with the regulatory requirements. Neither Staff, nor the Audit Section, has requested

³² Staff Ex. 2, January 19, 2012, letter from Karl J. Nalepa to Ed Abrahamson

³³ Staff Ex. 3

³⁴ Staff Ex. 4

³⁵ Staff Ex. 5

that the Examiners require or enforce compliance through this rate case proceeding. The Examiners note that the Audit Section intends to conduct a follow up inspection of the utility within a short time frame to assure that AgriTex has come into compliance.³⁶

6. Affiliate Transaction Expenses

An affiliate, Ozona Pipeline Energy Company (“Ozona”),³⁷ is the primary supplier of gas to AgriTex, which necessitates a careful review of the evidence to determine if the affiliate transaction requirements are satisfied. Section 104.055 provides that in establishing a gas utility’s rates, the regulatory authority may not allow a gas utility’s payment to an affiliate for the cost of service, property, right or other item or for an interest expense to be included as a capital cost or as expense related to gas utility service except to the extent that the regulatory authority finds the payment is reasonable and necessary for each item or class of items as determined by the regulatory authority. That finding must include a specific finding of the reasonableness and necessity of each item or class of items allowed. Additionally, the regulatory authority must include a finding that the price to the gas utility is not higher than the prices charged by the supplying affiliate to its other affiliates or division or to a nonaffiliated person for the same item or class of items.³⁸

Because AgriTex is requesting as part of this proceeding approval of the Gas Cost Adjustment (GCA) clause, the Commission must look at the affiliate transaction that comes through the GCA. AgriTex is affiliated with several entities by way of common ownership. These entities include Smico Pipeline, Ozona Pipeline Energy Company, and Ozona Residue Systems. Ozona purchases natural gas on behalf of AgriTex. Ozona sells gas to AgriTex at Ozona’s Weighted Average Cost of Gas (WACOG) plus a \$0.05 per MMBtu margin and supplies approximately 95% of AgriTex’s natural gas requirements with Atmos Energy providing the remaining 5% to delivery points not accessible by Ozona’s sources.³⁹ Norman W. Smith is a 10% partner in AgriTex and holds a 50% interest in Smico Pipeline, which in turn holds a 10% interest in Ozona Pipeline Energy Company and Ozona Residue Systems.⁴⁰ Furthermore, the J. Cleo Thompson, Jr. estate and some of the family members, own 18% of AgriTex and 46.2% of Ozona Pipeline Energy Company and Ozona Residue Systems.

This ownership structure is depicted in Figure No. 1, as shown below:

³⁶ Tr. Vol. 1, p. 99, lns. 14–20, Testimony of Stephen H. Cooper

³⁷ AgriTex refers to Ozona Pipeline Energy Company as “OPEC”

³⁸ TEX. UTIL. CODE ANN. § 104.055 (Vernon 2007 and Supp. 2011)

³⁹ ATG Ex. 11, Direct Testimony of Norman W. Smith, p. 3, lns. 14-17 and p. 6, lns. 3-4

⁴⁰ ATG Ex. 11, Direct Testimony of Norman W. Smith, p. 3, lns. 12-14

Figure No. 1⁴¹
Affiliate Ownership between AgriTexGas, LP and Ozona Pipeline Energy Company

Affiliated Ownership Detail Between OPEC & ATG

Ozona Pipeline Energy Company	OPEC	Common Ownership	ATG	AgriTexGas, LP
55% (OEC) Ozona Energy Corporation 16% James Cleo Thompson, Jr. Estate 16% Dorothy Thompson 34% Jean Christine Thompson 34% Linda T Gordon 100% 15% Aztec Salvage Company 10% Smico 50% Smith Oil 49% Norman W. Smith 1% S Pipeline LLC 100% Norman W. Smith 100% 100% 10% TX-OK Energy Lines 10% CPC Pipeline Company 100%	5% 8.80% 18.70% 18.70%	Norman W. Smith James Cleo Thompson, Jr. Estate Jean Christine Thompson Linda Thompson Gordon	10% 6% 6% 6%	1% TSI GP, LLC 50% Norman W. Smith 50% James Cleo Thompson, Jr. Estate 100% 60% Ibis Gas Services, LLC (Partners are NOT related to OPEC) 9.50% Norman W. Smith 5% David A. Smith 5% Michael N. Smith 5.50% James Cleo Thompson, Jr. Estate 6% Jean Christine Thompson 6% Linda Thompson Gordon 2% Cliff T. Milford 100%
	51%		28%	100%

In order to evaluate the affiliate transaction standard set out in § 104.055(b), an examination was conducted of Ozona's \$0.05 margin.⁴² As noted, Ozona supplies not only AgriTex but other third party customers and an affiliate distribution utility. Ozona supplies AgriTex as a marketer, never handling the gas. Ozona supplies its third party customers using its own natural gas pipeline. Geographically, the AgriTex sale occurs in the Panhandle of Texas and the other sales are in West Texas. Thus, the sales by Ozona occur in two different parts of the State. In addition, Ozona uses two different pricing mechanisms for the sale of gas. Sales to AgriTex are at its Weighted Average Cost of Gas (WACOG) plus \$0.05 per MMBtu. Ozona's sales to its other customers are at an index. The use of two different pricing mechanisms precludes a simple comparison of price.

Therefore, to accurately compare the prices of gas when two different pricing mechanisms are used requires a comparison of margins. On the one hand, the margin of the sale to AgriTex is \$0.05 per MMBtu. On the other hand, there is no clear margin or "add-on" to discern what, if any, Ozona's margin is to the other customers in West Texas. The burden of

⁴¹ ATG Ex. 11, Direct Testimony of Norman W. Smith, Ex. NS-1

⁴² The evidence related to AgriTex and its suppliers was submitted under seal. After carefully considering the arguments of AgriTex and absent objection by Staff, a determination was made that the utility's supplier contracts contained information subject to protection under TRE 507, Trade Secrets (information that gives its owner an improved competitive position and whose value is substantially enhanced by secrecy). Thus, the utility provided a Code Sheet related to both suppliers and customers so that the contracts could be discussed in the proposal for decision without publicly revealing the identity of either the supplier or customer. The Examiners and persons who executed the Protective Order in this docket were privy to the identity of the specific suppliers and customers so an evaluation of the contracts could be made pursuant to § 104.055(b).

proof is clearly AgriTex's to provide testimony and evidence to support the affiliate transaction. The initial statement of intent filing didn't identify the affiliate transaction, so no supporting evidence was provided. After Railroad Commission Staff intervened and identified the affiliate gas supplier, the Examiners identified the lack of evidence to AgriTex and requested data to support the affiliate transaction. In the course of attempting to obtain pertinent data, information was requested from AgriTex on four separate occasions.

AgriTex supports the \$0.05 per MMBtu margin by maintaining that it represents, among other things, the service of acquiring the gas supply for AgriTex and for backup credit available to AgriTex.⁴³ In the past, AgriTex was unable to pay its gas supply expense promptly under the terms of the agreement. Ozona carried the utility for up to 90-days⁴⁴ during a period of time until AgriTex could generate the funds to stay current with its payments. Presently, AgriTex does not need the payment carry service provided by Ozona.⁴⁵

Mr. Smith testified that because AgriTex was a new company without a credit history, the utility was unable to successfully secure a gas supply. Its owners couldn't backstop the company and obtaining a bank guarantee was expensive.⁴⁶ Ozona was an established gas marketer in West Texas with an established credit history.⁴⁷ Service Ozona provides to AgriTex includes an assumed market risk if AgriTex cannot perform nor provide needed capital. Ozona does not provide the assumed market risk to its other customers. And, Ozona does not purchase gas on behalf of another distribution company,⁴⁸ like it does for AgriTex. Ozona does occasionally sell gas to another affiliated distribution company off of its West Texas System, but, it is as an alternate supply.⁴⁹ And on the West Texas System, Ozona takes producers gas which is processed. Much of the West Texas gas is produced from Thompson wells in Crockett County.⁵⁰

Ozona obtains the supply to AgriTex at market pricing and generally tracks the WAHA Hub. Atmos Energy provides about 5% of the total supply directly to AgriTex in an area that Ozona doesn't have a source of supply. While Ozona's margin is \$0.05 per MMBtu, the Atmos Energy pricing margin is at \$0.20 to 0.40 per MMBtu.⁵¹ While the price from Atmos has no bearing on the affiliate question, it does provide a comparison of the market price for gas to AgriTex.

After careful consideration, the Examiners find that the service provided by Ozona is reasonable and necessary. The evidence demonstrates that AgriTex could not secure a natural gas supply without the assistance of Ozona. And, the service provided is different than the services Ozona provides its other customers. It is highly unlikely that the \$0.05 per MMBtu margin is unreasonable or unnecessary. Nonetheless, the problem is not that \$0.05 per MMBtu is too high, unnecessary or unjustified. The issue is answering the following question: Is Ozona's price of gas to AgriTex higher than the prices charged by the supplying affiliate to its

⁴³ Tr. Vol. 2, p. 21, lns. 14-18

⁴⁴ ATG Ex. 11, Direct Testimony of Mr. Norman W. Smith, p. 4, lns. 22-23

⁴⁵ Tr. Vol. 2, p. 21, lns. 20-22

⁴⁶ ATG Ex. 11, Direct Testimony of Mr. Norman W. Smith, p. 4, lns. 6-10

⁴⁷ ATG Ex. 11, Direct Testimony of Mr. Norman W. Smith, p. 4, lns. 11-12

⁴⁸ ATG Ex. 11, Direct Testimony of Mr. Norman W. Smith, p. 6, lns. 19-22

⁴⁹ ATG Ex. 11, Direct Testimony of Mr. Norman W. Smith, p. 6, lns. 20-21

⁵⁰ Tr. Vol. 1, p. 77, ln. 23 through p. 78, ln. 3

⁵¹ ATG Ex. 11, Direct Testimony of Mr. Norman W. Smith, p. 6, lns. 3-9

other affiliates or divisions or to a non-affiliated person for the same item or class of items? A review of the table below sheds light on Ozona's prices to AgriTex and the prices to Ozona's affiliate and third parties.⁵²

Table No. 3
Comparison of Ozona's Sales Prices

		Nov-11	Feb-11	Jun-11	Sep-11
Panhandle Sales:					
Sales to AgriTex		\$3.8946	\$4.4875	\$4.5860	\$3.9009
West Texas Sales to Ozona's Other Customers:					
Customer	A	\$3.6070	\$4.2073	\$4.4025	\$3.3774
	C	\$3.5637	\$4.0926	\$4.4025	\$3.3774
	D	\$3.6120	\$4.1873		
	E - Affiliate		\$4.2580	\$3.2480	

As shown in the table, the sale to AgriTex is higher than the sale of gas to Ozona's other customers or to the affiliate. And, the difference ranges between \$0.1825 and \$0.5235 reflecting a higher price to AgriTex. In some months there was no sale to several customers on the West Texas system. Again, because of the different pricing mechanisms, a simple comparison cannot be made.

Below is a comparison of the pricing provision of Ozona's gas supply contracts. It clearly shows the pricing mechanism is different between the West Texas region and the Panhandle region. And, because of the different pricing mechanisms, the starting base amount of the supply charge will be different. Similarly, a simple comparison of sales price cannot be achieved. A reference to the previous table makes clear that 80% to 95% of Ozona's Weighted Average Sales Price (WASP) will produce different results than a Gas Daily Mid-Point WAHA/Permian Basin price as the starting point for a comparison of sales rates.

⁵² Table developed from information contained in ATG Ex. 3

Table No. 4 - Ozona's Gas Supply Contracts

OZONA'S GAS SUPPLY CONTRACTS		
West Texas		
Supplier	Price:	Affiliate ? Yes/No
F	95% of WASP to non-affiliated pipeline purchasers	Y
G	80% of WASP	N
H	87% of WASP	N
I	85% of WASP	N
J	87.5% of WASP	N
K	90% of WASP less 5% for Compression and Fuel	N
L	80% of WASP	N
M	90% of WASP less 10% for Compression and Fuel	N
N	90% of WASP less 10% for Compression and Fuel	N
O	90% of WASP less 10% for Compression and Fuel	N
P	87.5% of WASP	N
Q	80% of WASP	N
WASP = Weighted Average Sale Price AgriTex Exhibit 20		
Panhandle		
Supplier	Price:	Affiliate ? Yes/No
A	Gas Daily Mid-Point WAHA/Permian Basin plus \$0.21 per MMBtu	N
B	Gas Daily Mid-Point WAHA/Permian Basin	N
C	Gas Daily Mid-Point WAHA/Permian Basin plus \$0.10 per MMBtu	N
AgriTex Exhibit 15		

As the table below shows, the sales price mechanism is also different between the West Texas region and the Panhandle region. The pricing mechanism for the West Texas region has no margin identified while the Panhandle region is readily identifiable, \$0.05 per MMBtu.

Table No. 5
Ozona's Gas Sales Contracts

OZONA'S GAS SALE CONTRACTS		
West Texas		
Customer	Price:	Affiliate ? Yes/No
A	Bundled Negotiated Price	N
C	Bundled Negotiated Price	N
D	Bundled Negotiated Price	N
E	Bundled Negotiated Price	Y
Panhandle		
Customer	Price:	Affiliate ? Yes/No
AgriTex	WACOG plus \$0.05 per MMBtu	Y
WACOG= Weighted Average Cost of Gas		

In conclusion, there is enough evidence in the record to determine that the \$0.05 per MMBtu is not higher than the prices charged by Ozona to its other affiliates or divisions or to a non-affiliated person for the same item or class of items as shown in the table below. Assuming that the WASP is the lowest sales price in any one month and 95% of WASP represents the least amount of margin available, a calculation can be made to establish the gross margin of sales to other parties by Ozona. As shown in Table 6 below, the gross margins of sales in the West Texas region for each of the sample months range from \$0.1624 to \$0.2046 per MMBtu.

This evidence establishes that the price to AgriTex by Ozona is not higher than the prices charged by Ozona to its other affiliates or divisions or to a non-affiliated person for the same item or class of items. Moreover, the evidence demonstrates that the gas supply to AgriTex by Ozona is reasonable and necessary. Consequently, the Examiners recommend that the Commission find that the services provided by Ozona are reasonable and necessary and the resulting rates are just and reasonable. Also, the Examiners recommend that the Commission find that AgriTex has met its burden to show that the price to AgriTex is not higher than the price charged by the supplying affiliate to its other affiliates or divisions or to a nonaffiliated person for the same item or class of items.

Table No. 6
Calculation and Comparison of Margins Between Ozona's Two Regions

		Nov-11	Feb-11	Jun-11	Sep-11
Panhandle Sales:					
Sales to AgriTex Margin	\$	0.0500	\$ 0.0500	\$ 0.0500	\$ 0.0500
West Texas Sales to Ozona's Other Customers:					
Lowest Price					
A					
C	\$	3.5637	\$ 4.0926		\$ 3.3774
D					
E - Affiliate				\$ 3.2480	
Narrowest Margin		95%	95%	95%	95%
95% of WASP	\$	3.3855	\$ 3.8879	\$ 3.0856	\$ 3.2085
Margin for West Texas Region	\$	0.1782	\$ 0.2046	\$ 0.1624	\$ 0.1689

7. Firm Versus Interruptible Gas Supply

The Commission does not have a specific rule or requirement that a natural gas distribution utility obtain a firm supply of gas for its human needs customers, but when a review of the evidence showed that AgriTex did not have a firm supply for at least the human needs base load customers, the Examiners scrutinized more closely this issue of a firm or interruptible supply to AgriTex by its suppliers. In the four months selected by the Examiners as a sample, only two months had a firm supply, February and June 2011. During the other two months, November and September 2011, the total supply was interruptible. And, in the two months that firm supply was provided, only 34% was a firm supply in February and 35% was a firm supply in June. The remaining supply was an interruptible supply.

Ozona purchases gas from four suppliers for delivery to AgriTex. AgriTex has a contract for transportation service with Atmos West Texas (AWT) to deliver that supply to the different locations on the AWT's pipeline. The transportation agreement with Atmos West Texas is an interruptible transportation agreement. In the event of a curtailment upstream of the supply and transportation sources, AgriTex appears to be relying on the Commission's curtailment rule for a constant supply to its human needs customers. The inference at the hearing on the merits was that the Commission's curtailment rule "[has] sway on Texas intrastate pipelines."⁵³ Yet, potentially there could be a sudden temperature drop for an extended period of time or some other unforeseen event and the upstream pipeline companies of AWT might find it necessary to curtail supply to all interruptible customers. AgriTex purchases its gas from an affiliate serving as a marketer, in turn purchasing a significant amount of the supply from another marketer.

⁵³ Tr. Vol. 2, p. 33, lns. 1-3

From a strict sense, the utility complies with the regulations, however, the Examiners are concerned that AgriTex relies upon an inference that the Commission's curtailment rule will protect its human needs customers in an emergency or cold weather situation. The Examiners believe the utility should implement a policy of obtaining a firm supply for its human needs customers to avoid this scenario.

8. Cost of Service

a. Overview of Cost of Service

As discussed above, AgriTex's initial filing contained a number of deficiencies. While the Cost of Service (COS) Model itself presented no significant issues, certain components raised some concern to the Examiners. AgriTex filed its initial filing on October 8, 2010, and its amended filing on October 3, 2011. Railroad Commission Staff moved to intervene on October 27, 2011, which left the case uncontested until intervention by Staff.

Some of the issues concerning the Examiners with the first statement of intent filing package on October 8, 2010, were the following: 1) the proposed rate of return on equity; 2) the apparent lack of adoption of the FERC USOA; 3) meters had been expensed, not capitalized; 4) original cost had not been utilized in the plant accounts; 5) lack of testimony on how the rate design and depreciation was determined; 6) current revenue was not included for determination of a revenue deficiency; 7) current tariffs, quality of service rules, line extension policy and curtailment rules were not on file with the Commission, and; 8) omission of an explanation as to whether the cost of service was allocated to the non-jurisdictional customers. Due to these deficiencies, the utility requested abatement of this docket to repair the COS filing and achieve compliance.

Those events led to the amended October 3, 2011, statement of intent filing. The Examiners made an immediate review of the October 3rd filing to ensure that the issues and problems noted in the first filing had been corrected. Based on the amended filing, the COS Model appeared to correct many of the issues. Staff then intervened and provided further evidence through the routine audit by the Audit Section of the Gas Services Division that some deficiency issues remained for the utility with regard to the Commission's rules and regulations for natural gas distribution utilities, such as the application of rates and adoption of the FERC USOA for operating purposes. As a result of the recent routine audit and responses to the audit by AgriTex, the record in this case substantiates that the utility is working diligently achieve statutory and regulatory compliance.

b. Jurisdictional vs. Non-jurisdictional Allocation

AgriTex's customer base includes 4,205 non-jurisdictional (agriculture and irrigation) customers, 63.98% to the total number of customers served, using approximately 91.73% of the total volume purchased, as can be seen in Table Numbers 8 and 9, below. The non-jurisdictional customers are an unusually high percentage of the customer base and volumes for a natural gas distribution utility. Traditionally, the Commission applies a credit to the revenue requirement for

the revenue received from non-jurisdictional or negotiated rate customers. Because of the high percentages of customers and volumes for non-jurisdictional customers, AgriTex proposes to allocate the cost of service instead of crediting the revenue requirement with revenue received from these customers. This proposal allocates the total cost of service using a mix of volumes, demand, distribution expense, and plant. The result is AgriTex has allocated \$3,475,731 (82.2%) to the non-jurisdictional customers and \$754,055 (17.8%) to the Residential, Sm. Commercial, Industrial and Public Authority customers of the total cost of service of \$4,229,786.⁵⁴

Turning to the jurisdictional customers, the \$754,055 is proposed to be allocated as follows: \$640,523 (85.0%) to residential, \$102,816 (13.6%) to Sm. Commercial, \$5,327 (0.7%) to Industrial and \$5,389 (0.7%) to Public Authority.⁵⁵ The allocation basis is the same, a mix of volumes, demand, distribution expense, and plant. All allocations are based on this mix or a combination of these.

Much of the allocation work in this docket stemmed from the fact that AgriTex has such a large revenue influence from non-jurisdictional customers. It was important to review the allocations made by AgriTex. For example, a growth and weather normalization adjustment was made because of the decline in sales volume with both jurisdictional and non-jurisdictional customers. The growth adjustment was determined necessary by AgriTex to synchronize a full year of billing to calendar year end plant in service investment.⁵⁶ Consequently, there was a decrease in sales by 18,836.5 Ccf or approximately one-half of one percent. In terms of dollars, the adjustment reduces base rate revenue by \$5,602.⁵⁷

The weather normalization adjustment was made to adjust for abnormal temperatures, which adjust only abnormal effects of heating degree days. Industrial, agriculture and irrigation customers do not receive a weather adjustment because their usage is not weather determined. For the calculation, 10 year weather data was used. Because the temperatures were warmer than normal in this region, sales were also not normal with the overall effect as an increase in test year sales.⁵⁸

c. Rate of Return

In setting a gas utility's rates, the regulatory authority shall establish the utility's overall revenues at an amount that will permit the utility an opportunity to earn a reasonable return on the utility's invested capital used and useful in providing service to the public in excess of its reasonable and necessary operating expenses. The regulatory authority may not establish a rate that yields more than a fair return on the adjusted value of the invested capital used and useful in providing service to the public.

The overall rate of return is the sum of a weighted cost of debt and return for equity. Generally, regulated utilities have several sources of capital with which to finance their utility assets: issuance of common stock and preferred stock, long-term debt, and common equity. In

⁵⁴ ATG Ex. 14, AgriTexGas COSS Model – RRC Adjusted, KJN – 3, p. 6 of 7

⁵⁵ ATG Ex. 14, AgriTexGas COSS Model – RRC Adjusted, KJN – 3, p. 6 of 7

⁵⁶ ATG Ex. 1, Direct Testimony (Update) of Karl J. Nalepa, p. 8, Ins. 19 – 20

⁵⁷ ATG Ex. 1, Direct Testimony (Update) of Karl J. Nalepa, p. 9, Ins. 9 - 11

⁵⁸ ATG Ex. 1, Direct Testimony (Update) of Karl J. Nalepa, p.10-13, ln. 6

this case, however, AgriTex does not have debt and does not service the debt of the partners with interest. This limited partnership services the debt of the partners through its income. The utility did not complete a detailed analysis for capital structure, debt and return on equity that is typically done in larger more complex cases. In its initial filing, AgriTex requested a Return on Equity (ROE) of 13.50 percent.

Since the lack of long term debt for AgriTex results in an atypical capital structure for the utility, the utility's consultant ultimately made a comparison to recent rate cases.⁵⁹ This practice is established in the Commission's Gas Utility Section's Rate Review Handbook, which provides for the use of a proxy group average capital structure to be implemented in these circumstances to determine a reasonable rate of return.⁶⁰

A review of the source data by the Examiners show the following information contained in the Table below:

Table No. 7
Comparable Companies Return on Equity

Utility	Docket No.	Requested ROE	Approved ROE	Overall ROR
T&L Gas Co	9703	13.50%	13.50%	13.50%
Universal Natural Gas	9797	14.00%	12.50%	10.24%
Bluebonnet Natural Gas	9810	14.00%	12.50%	9.27%
NatGas	9951	12.75%	12.75%	11.71%
AgriTexGas – Initial	10021	13.50%		
AgriTexGas - Revised		11.85%		

As the table above reflects, only one utility was granted a 13.50% return on equity, T&L Gas Company. Based on the size of AgriTex and its cash flow, AgriTex reduced the requested return on equity rate to 11.85%.⁶¹ The Examiners believe a return on equity of 11.85% is more in line with approved returns on equity by the Commission in recent rate cases for similar sized utilities. The Examiners recommend a return on equity of 11.85%, as shown by AgriTex.⁶²

Figure Number 2 below, shows the Rate of Return for AgriTexGas, LP for the test year ending March 31, 2011:

⁵⁹ ATG Ex. 2, AgriTex's Response to Examiner's RFI No. 1-24

⁶⁰ Gas Services Division, Natural Gas Rate Review Handbook, Railroad Commission of Texas, May 2010, pp. 22-23, 24 & 29

⁶¹ Tr. Vol. 1, p. 28, ln. 25

⁶² ATG, Ex. 14, Ex. KJN-5

Figure No. 2 Rate of Return

AgriTexGas, Inc.
For the Pro Forma Test Year Ended March 31, 2011

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RATE OF RETURN				
Line No.	Description			Proposed Rates
1	Net Operating Income/Return			
2				Interest
3	Cost of LT Debt			Rate
4	Return on Equity			0.00%
5				11.85%
6				
7				
8	Rate Base - Capitalization Structure			
9		LT Debt	\$0	0.00%
10		Common Equity at Book Value	\$5,750,000	100.00%
11		Total Invested Capital	\$5,750,000	100.00%
12				
13				
14	Percent Return			
15		LT Debt		0.00%
16		Common Equity at Book Value		11.85%
17		Percent Return on Rate Base		11.85%

d. Rate Base

AgriTex's initial statement of intent filing did not use the proper FERC accounts for gas plant. The Examiners are satisfied that the proper accounts have been used in the amended statement of intent filing. Prior to the adoption by the Commission of utilities adopting the FERC USOA, the Commission used the National Association of Regulatory Utility Commissioners (NARUC) USOA. In so far as plant accounts, the primary difference is the accounting for acquisition adjustments. In the NARUC USOA there is a specific account on the Balance Sheet for acquisition adjustments. The Acquisition Adjustment Account will effectively net the original book cost to the purchase price of an acquired system. In other words, if the book cost is \$1,000 and the acquiring price is \$800, there would be an acquisition cost of \$200. The net effect is to recognize for rate setting purposes, as well as for other reasons, the actual cost to the present owners without losing the historical original cost of the assets. In the FERC USOA, the acquisition adjustment is included in the primary gas plant account. The effect is the same, there just isn't a specific account. A reviewer of the assets would discover this adjustment upon a detailed review of the plant account.

Atmos West Texas had an original book cost of \$32,790,409.19, accumulated depreciation of \$10,765,673.74 for an original net book cost of \$22,024,735.45.⁶³ The total consideration from Ibis Gas Services LLC to Atmos West Texas for the system and its customers was \$1,250,000.⁶⁴ The resulting net book value acquisition adjustment is \$20,774,735.45. For

⁶³ GUD No. 10107, p. 2

⁶⁴ GUD No. 10107, p. 2

rate setting purposes the Commission has historically used the lower of original book cost less accumulated depreciation or the net book value with the acquisition adjustment.⁶⁵

As applied to this case, AgriTex included the acquisition adjustment of \$20,774,735.45 to bring down the original net book *cost* of \$22,024,735.45 to reflect the purchase price for a net book *value* of \$1,250,000. And, it is this net book value of \$1,250,000 that is the beginning basis at the date of acquisition that the recommended rates are determined. The Examiners find that this recommended calculation of rate base is just and reasonable and consistent with Commission precedent.

(i) Cash Working Capital (CWC)

AgriTex has requested a cash working capital of \$428,085, which equates to one-eighth of the utility's Operation and Maintenance expense. The Railroad Commission Handbook provides for the use of 45-days or 12.50% of operating expense.⁶⁶ AgriTex allocated the total between jurisdictional, \$78,593 and non-jurisdictional, \$349,492, equating to \$428,085.⁶⁷ The Examiners find this amount of CWC is just and reasonable.

(ii) Depreciation

AgriTex did not perform a depreciation study. Instead, AgriTex is relying upon and utilizing the depreciation rates developed by Atmos West Texas.⁶⁸ The Examiners have reviewed the proposed depreciation rates and find that they are reasonable.⁶⁹ Given the expense of a CWC and depreciation study and its impact on ratepayers, the Examiners recommend accepting the utility's proposed CWC and depreciation expense.

(iii) Summary

Total rate base as requested by AgriTex is \$2,810,872, of which \$427,654 is allocated to the jurisdictional customers.⁷⁰ The total net cost of service before allocations to non-jurisdictional customers is \$4,229,786. The cost of service under existing rates is \$2,889,330. The revenue deficiency is \$1,340,456. The requested return is an increase over current rates of approximately 47.59%. After allocation to the jurisdictional customers, the increase is \$170,552 or approximately 29.23%.

⁶⁵ In GUD Nos. 9291 and 9810, the Commission included an acquisition adjustment when setting rates that, when included, lowered the original net book value to that of the purchase price to the new owner/operator.

⁶⁶ The Railroad Commission Handbook under Chapter III(E)(2) states, "The Commission prefers the use of a lead-lag study to determine working capital. If a utility does not have the means to perform or to hire a consultant to perform a lead-lag study, Commission practice is to provide for 45 days or 12.5 percent of operating expense, excluding cost of gas purchased, depreciation and taxes, plus the 13-month average amount of materials and supplies and the average prepayments."

⁶⁷ ATG Ex. 14, AgriTexGas COSS Model – RRC Adjusted, KJN – 3 p. 3 of 7

⁶⁸ ATG Ex. 1, Direct Testimony of Karl J. Nalepa (Update), p.24, Ins. 18 - 20

⁶⁹ ATG Ex. 14, AgriTexGas COSS Model – RRC Adjusted, KJN – 3 p. 6 of 7

⁷⁰ ATG Ex. 14, AgriTexGas COSS Model – RRC Adjusted, KJN – 3 p. 6 of 7

e. Current and Proposed Rates

AgriTex acquired approximately 6,572 customers from Atmos West Texas. The following table provides a breakdown by customer class:⁷¹

Table No. 8
Number of Customers and Types of Customers Served

Customer Class	# of Customers	Percent to Total	Total	Percent to Total
Residential	2,239	94.59%		
Sm. Commercial	120	5.07%		
Industrial	2	0.08%		
Public Authority	6	0.25%		
Sub-Total Jurisdictional			2,367	36.02%
Agriculture	35	0.83%		
Irrigation	4,170	99.17%		
Sub-Total Non-Jurisdictional			4,205	63.98%
Total			6,572	100.00%

The following table shows the sales volumes to the different customer classes:⁷²

Table No. 9
Volumes of Types of Customers Served

Customer Class	Volumes Sold - Mcf	Percent to Total	Total	Percent to Total
Residential	1,972,093	75.99%		
Sm. Commercial	567,499	21.87%		
Industrial	30,376	1.17%		
Public Authority	25,332	0.98%		
Sub-Total Jurisdictional			2,595,300	8.27%
Agriculture	672,403	2.34%		
Irrigation	28,117,097	97.66%		
Sub-Total Non-Jurisdictional			28,789,500	91.73%
Total			31,384,800	100.00%

⁷¹ ATG Ex. 1, Cost of Service Model, Customer Data

⁷² ATG Ex. 1, Cost of Service Model, COSS, Class Cost of Service Analysis

When AgriTex acquired the system from Atmos West Texas, AgriTex also acquired the existing rate structures (rate codes) of Atmos West Texas. Currently, there are six different rate codes for residential customers, three different rate codes for small commercial, one rate code for industrial and three different rate codes for public authority customers. In several instances, there is a single customer in a rate code. AgriTex proposes one rate structure for each class of customer. The following series of tables show the current rates in effect, the number of customers affected and the proposed rates by the different rate codes with a 6 Mcf, 30 Mcf, 300 Mcf and 30 Mcf comparison for Residential, Sm. Commercial, Industrial and Public Authority customers, respectively.

Table No. 10
Residential

	Base Rates			6 Mcf Calculation			
	Current	Proposed	# of Customers	Current	Proposed	\$ Increase	% Increase
Residential - IH1R			1				
Customer Charge	\$ 4.30	\$ 14.75					
Commodity Charge							
All Ccf		\$ 0.12350					
First 26 Ccf	\$ -						
Next 74 Ccf	\$ 0.11866						
Next 400 Ccf	\$ 0.09354						
Over 500 Ccf	\$ 0.07794						
6 Mcf Calculation				\$ 7.15	\$ 22.16	\$ 15.01	210.02%
Residential - IL1R			161				
Customer Charge	\$ 9.95	\$ 14.75					
Commodity Charge							
All Ccf	\$ 0.09668	\$ 0.12350					
6 Mcf Calculation				\$ 15.75	\$ 22.16	\$ 6.41	40.69%
Residential - AO1R			2				
Customer Charge	\$ 9.59	\$ 14.75					
Commodity Charge							
All Ccf	\$ 0.11035	\$ 0.12350					
6 Mcf Calculation				\$ 16.21	\$ 22.16	\$ 5.95	36.70%
Residential - RG1R			2				
Customer Charge	\$ 10.88	\$ 14.75					
Commodity Charge							
All Ccf	\$ 0.11035	\$ 0.12350					
6 Mcf Calculation				\$ 17.50	\$ 22.16	\$ 4.66	26.62%
Residential - IO1R			2,067				
Customer Charge	\$ 10.08	\$ 14.75					
Commodity Charge							
All Ccf	\$ 0.11035	\$ 0.12350					
6 Mcf Calculation				\$ 16.70	\$ 22.16	\$ 5.46	32.69%
Residential - IO2R			1				
Customer Charge *	\$ -	\$ -					
Commodity Charge							
All Ccf	\$ 0.11035	\$ 0.12350					
6 Mcf Calculation				\$ 6.62	\$ 7.41	\$ 0.79	11.92%
* Multiple meter customer							

Table No. 11
Sm. Commercial

	Base Rates			6 Mcf Calculation			
	Current	Proposed	# of Customers	Current	Proposed	\$ Increase	% Increase
Sm. Commercial - IL1C			6				
Customer Charge	\$ 15.75	\$ 30.00					
Commodity Charge							
All Ccf	\$ 0.09500	\$ 0.10860					
30 Mcf Calculation				\$ 44.25	\$ 62.58	\$ 18.33	41.42%
Sm. Commercial - IO1C			109				
Customer Charge	\$ 18.52	\$ 30.00					
Commodity Charge							
All Ccf	\$ 0.09700	\$ 0.10860					
30 Mcf Calculation				\$ 47.62	\$ 62.58	\$ 14.96	31.42%
Sm. Commercial - IO2C			5				
Customer Charge *	\$ -	\$ -					
Commodity Charge							
All Ccf	\$ 0.09700	\$ 0.10860					
30 Mcf Calculation				\$ 29.10	\$ 32.58	\$ 3.48	11.96%
* Multiple meter customer							

Table No. 12
Industrial

	Base Rates			6 Mcf Calculation			
	Current	Proposed	# of Customers	Current	Proposed	\$ Increase	% Increase
Industrial - IO1D			2				
Customer Charge	\$ 106.61	\$ 110.00					
Commodity Charge							
First 1000 Ccf	\$ 0.09650	\$ 0.10800					
Over 1000 Ccf	\$ 0.07500	\$ 0.08390					
300 Mcf Calculation				\$ 353.11	\$ 385.80	\$ 32.69	9.26%

Table No. 12
Public Authority

	Base Rates			6 Mcf Calculation			
	Current	Proposed	# of Customers	Current	Proposed	\$ Increase	% Increase
Public Authority - IL1P							
Customer Charge	\$ 47.22	\$ 55.00	4				
Commodity Charge							
All Ccf	\$ 0.09100	\$ 0.09290					
30 Mcf Calculation				\$ 74.52	\$ 82.87	\$ 8.35	11.21%
Public Authority - IO1P							
Customer Charge *	\$ -	\$ -	1				
Commodity Charge							
All Ccf	\$ 0.08300	\$ 0.09290					
30 Mcf Calculation				\$ 24.90	\$ 27.87	\$ 2.97	11.93%
* Multiple meter customer							

Table No. 13
Miscellaneous Service Charges

	During Business Hours	After Business Hours
Miscellaneous Service Charges		
Blind Removed by Customer	\$ 50.00	\$ 75.00
Door Tag	\$ 11.25	\$ 16.88
Lock Fee (Cut off by Customer)	\$ 71.25	\$ 106.88
Miscellaneous	\$ 11.25	\$ 16.88
Meter Set	\$ 40.00	\$ 60.00
Meter Set - New Customer	\$ 40.00	\$ 60.00
New Customer Set Up	\$ 30.00	\$ 45.00
Reconnect Customer Request	\$ 40.00	\$ 60.00
Reconnect Delinquent	\$ 71.25	\$ 106.88
Relocate Meter - Customer Request	\$ 40.00	\$ 60.00
Reconnect Temp Cut Off	\$ 40.00	\$ 60.00
Read & Run	\$ 15.00	\$ 22.50
Reconnect Seasonal Off	\$ 40.00	\$ 60.00
Turn Off - Seasonal	\$ 30.00	\$ 45.00
Turn On Shut In	\$ 30.00	\$ 45.00
Return Check	\$ 33.00	\$ 33.00
Deposit	Not to exceed 1/6 th of the estimated annual bill, as adjusted	

As previously discussed, Atmos West Texas considered these assets and customers to be non-jurisdictional to the Commission. Hence, Atmos West Texas had not included them in any rate setting proceedings. It is undeterminable how long the current rates shown above have been in effect and their history. While the increase may be substantial to some customers, attention to the rates is long overdue. Based on the evidence in the record and the reasonable approach to allocations to non-jurisdictional customers, the Examiners recommend the proposed increase.

9. Lost and Unaccounted for Gas

AgriTex has high Lost and Unaccounted for Gas (LUG).⁷³ The utility's LUG ranges from 7.5% to 31.53% depending upon the time period. This loss alone accounts for a significant financial loss to the utility. While gas cost is not included in any of the cost of service calculations, LUG in excess of 5% is not recoverable by Commission rule, 16 TEX. ADMIN. CODE Sec. 7.5525.⁷⁴ AgriTex proposes a Gas Cost Adjustment (GCA)⁷⁵ for the recovery of its gas cost.⁷⁶ AgriTex does not control the cost of gas provided to it for the consumer's consumption and therefore, qualifies for the recovery clause.

AgriTex, however, does have direct control over the loss of gas from its system. The proposed GCA Tariff provides for a limitation of recovery of LUG to 5%, in Provision B. 7. The GCA's annual calculation and reconciliation will include a credit to customers for losses of gas in excess of 5%. But, the audit results show that AgriTex has not calculated the annual reconciliation as required since becoming the operator.⁷⁷ Nor has the utility limited recovery of gas losses to a maximum of 5%.⁷⁸ As a result, the Examiners recommend that the utility not recover any loss of gas in excess of 5% and that the utility file its annual reconciliation report with the Commission each October to ensure compliance with this provision.

10. Tariffs

The proposed tariffs can be found in Attachment A to the Proposed Order. These tariffs, as amended by the Examiners, accurately reflect the Examiners recommendations. AgriTex is not proposing any changes to its miscellaneous service charges. However, the Examiners are suggesting several non-substantive changes to each tariff. For example, the word "Environ's" has been added to each proposed tariff after each customer class rate sheet identification to reflect the fact that this docket, and the utility's request, is for environs rates. The utility does not serve an incorporated area or any incorporated customers, so, the Commission is only being asked to approve rates for the environs.

The proposed Miscellaneous Service Charges Tariff fails to address customer deposits, which are administered pursuant to 16 TEX. ADMIN. CODE § 7.45(5). In accordance with this provision, the Examiners recommend updating the Miscellaneous Service Charge Tariff to

⁷³ Staff Ex. 1, p. 16-19 of AgriTex Audit, Audit No. 12-028

⁷⁴ 16 TEX. ADMIN. CODE § 7.5525 sets the maximum allowable for a distribution system to be 5%. Any excess is not recoverable.

⁷⁵ The proposed Gas Cost Adjustment Clause Tariff is included in this filing

⁷⁶ 16 TEX. ADMIN. CODE § 7.5519 allows a gas utility subject to the original jurisdiction of the Commission a purchased gas adjustment clause in its rates to provide for the flow-through of part or all of its gas costs above or below the cost of gas contained in its rates.

⁷⁷ Staff Ex. 1, p. 4 of the narrative report of Mr. Josh Settle

⁷⁸ Staff Ex. 1, p. 4 of the narrative report of Mr. Josh Settle

ensure compliance. Specifically, the Examiners recommend the addition of a provision that provides that the utility may not collect a deposit that exceeds one sixth of the estimated annual billings as set out in § 7.45(C)(ii).

The Examiners also recommend a change in the PS Inspection Fee section of the tariffs. Under Commission rule, 16 TEX. ADMIN. CODE § 8.201, a utility may recover the costs of administering the Pipeline Safety program under TEX. UTIL. CODE ANN. Chapter 121, excluding costs that are fully funded by federal sources for any fiscal year. The calculation of the fee and reporting requirements that the utility must adhere to are set out in 16 TEX. ADMIN. CODE §8.201, such as the calculation of the fee by \$0.75 for each service (service line) in service at the end of each calendar year with the report due annually to the Commission by March 15th. The Examiners are simply adding the reference of the Commission rule to each section and a non-substantive grammar change.

Finally, the Cost of Gas Adjustment Tariff should be clarified related to the interest factor under Tariff Section E. Currently, the utility proposes the following language:

If, on the average, the Company had over-collected during the period, it shall credit into the Reconciliation Account during September an amount equal to the average balance multiplied by a percentage representing interest. **This percentage shall be the same interest rate percentage that is set annually by the Public Utility Commission for Over/Under Charges.** If on the average, the Company had under-collected during the period, it shall debit into the Reconciliation Account during September an amount equal to the average balance multiplied by a percentage representing interest. This percentage shall be the same interest rate percentage that is set annually by the Public Utility Commission for Over/Under Charges. (emphasis added)

The Examiners recommend the following modification to the Cost of Gas Adjustment Tariff to clarify the interest factor:

...This percentage shall be the same interest rate percentage that is set annually in December, for the subsequent calendar year by the Public Utility Commission for Over/Under Charges...

AgriTex has established that the proposed customer charge and volumetric rate for each class of customer is just and reasonable, as modified by the Examiners. Thus, the Examiners recommend that the request, as modified by the Examiners, be approved by the Commission.

11. Conclusion

In this proceeding, AgriTex requested an overall revenue requirement increase of \$175,804 to its jurisdictional customers, which has been adjusted down to \$170,552 by the Examiners. The company also sought to apply the proposed rates uniformly to residential, small commercial, industrial, and public authority customer classes of its service area in the Texas Panhandle Region.

Additionally, AgriTex requested approval of a revised gas cost adjustment clause and the establishment of a line extension policy.

Upon review of the entire record, the Examiners find that the utility's request with the Examiners' recommended adjustments and modifications are just and reasonable and recommend approval of the requested rate changes and tariff modifications.

Respectfully submitted,



Cecile Hanna
Hearings Examiner
Office of General Counsel



Mark Brock
Technical Examiner
Gas Services Division

ATTACHMENT A

TARIFFS

AgriTexGas, LP
Rate Sheet
Residential Service - Environs

APPLICATION OF SCHEDULE

This schedule is applicable to general use by Residential customers for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas. Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations.

MONTHLY RATE

MONTHLY CUSTOMER CHARGE: \$14.75

Multiple metered customers will be assessed a single customer charge per month.

MONTHLY COMMODITY RATE:

The price payable by each residential customer for all consumption each month shall be \$0.1235 per Ccf (Commodity Rate), subject to the Cost of Gas Adjustment and other adjustments set forth below.

COST OF GAS ADJUSTMENT:

The customer's bill shall be adjusted upward (downward) based on the Company's Cost of Gas Adjustment Clause.

TAXES:

The Company shall collect from customers on each monthly bill an amount equal to the taxes, fees and other charges imposed by regulatory or governmental authorities.

PS INSPECTION FEE:

The Company shall pass on the Pipeline Safety Inspection Fee in an amount determined by the Commission for each service line reported to be in service at the end of each calendar year, pursuant to Texas Utilities Code § 121.211 and Texas Administrative Code § 8.201 of the Commission's Rules and Regulations.

RATE CASE EXPENSE SURCHARGE:

The Company shall recover approved rate case expenses through a surcharge on each customer's bill. The surcharge will be collected on a per Ccf basis from customers on each monthly bill.

OTHER SURCHARGES:

The Company shall collect from customers on each monthly bill other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements.

PAYMENT:

All bills shall be delinquent unless payment is received within fifteen (15) days from the date of the bill.

AgriTexGas, LP
Rate Sheet
Commercial Service - Environs

APPLICATION OF SCHEDULE

This schedule is applicable to Commercial type customers, including hospitals and churches, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas. Natural gas supplied is for the individual use of the customer at one point of delivery and shall not be resold or shared with others. Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations.

MONTHLY RATE

MONTHLY CUSTOMER CHARGE: \$30.00

Multiple metered customers will be assessed a single customer charge per month.

MONTHLY COMMODITY RATE:

The price payable by each commercial customer for all consumption each month shall be \$0.1086 per Ccf (Commodity Rate), subject to the Gas Cost Adjustment and other adjustments set forth below.

COST OF GAS ADJUSTMENT:

The customer's bill shall be adjusted upward (downward) based on the Company's Cost of Gas Adjustment Clause.

TAXES:

The Company shall collect from customers on each monthly bill an amount equal to the taxes, fees and other charges imposed by regulatory or governmental authorities.

PS INSPECTION FEE:

The Company shall pass on the Pipeline Safety Inspection Fee in an amount determined by the Commission for each service line reported to be in service at the end of each calendar year, pursuant to Texas Utilities Code § 121.211 and Texas Administrative Code § 8.201 of the Commission's Rules and Regulations.

RATE CASE EXPENSE SURCHARGE:

The Company shall recover approved rate case expenses through a surcharge on each customer's bill. The surcharge will be collected on a per Ccf basis from customers on each monthly bill.

OTHER SURCHARGES:

The Company shall collect from customers on each monthly bill other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements.

PAYMENT:

All bills shall be delinquent unless payment is received within fifteen (15) days from the date of the bill.

AgriTexGas, LP
Rate Sheet
Industrial Service - Environs

APPLICATION OF SCHEDULE

This schedule is applicable to the sales to any industrial or commercial customer whose predominant use of natural gas is other than space heating, cooking, water heating or other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas. Natural gas supplied is for the individual use of the customer at one point of delivery and shall not be resold or shared with others. Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations.

MONTHLY RATE

MONTHLY CUSTOMER CHARGE: \$110.00

MONTHLY COMMODITY RATE:

The price payable by each industrial customer for consumption each month shall be at the following rates, subject to the Cost of Gas Adjustment and other adjustments set forth below.

Commodity Charge (\$/Ccf)

First 1,000 Ccf	\$0.1080
Over 1,000 Ccf	\$0.0839

COST OF GAS ADJUSTMENT:

The customer's bill shall be adjusted upward (downward) based on the Company's Cost of Gas Adjustment Clause.

TAXES:

The Company shall collect from customers on each monthly bill an amount equal to the taxes, fees and other charges imposed by regulatory or governmental authorities.

PS INSPECTION FEE:

The Company shall pass on the Pipeline Safety Inspection Fee in an amount determined by the Commission for each service line reported to be in service at the end of each calendar year, pursuant to Texas Utilities Code § 121.211 and Texas Administrative Code § 8.201 of the Commission's Rules and Regulations.

RATE CASE EXPENSE SURCHARGE:

The Company shall recover approved rate case expenses through a surcharge on each customer's bill. The surcharge will be collected on a per Ccf basis from customers on each monthly bill.

OTHER SURCHARGES:

The Company shall collect from customers on each monthly bill other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements.

PAYMENT:

All bills shall be delinquent unless payment is received within fifteen (15) days from the date of the bill.

AgriTexGas, LP

Rate Sheet

Public Authority Service - Environs

APPLICATION OF SCHEDULE

This schedule is applicable to general use by Public Authority type customers, including public schools, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas. Natural gas supplied is for the individual use of the customer at one point of delivery and shall not be resold or shared with others. Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations.

MONTHLY RATE

MONTHLY CUSTOMER CHARGE: \$55.00

Multiple metered customers will be assessed a single customer charge per month.

MONTHLY COMMODITY RATE:

The price payable by each public authority customer for all consumption each month shall be \$0.0929 per Ccf (Commodity Rate), subject to the Cost of Gas Adjustment and other adjustments set forth below.

COST OF GAS ADJUSTMENT:

The customer's bill shall be adjusted upward (downward) based on the Company's Cost of Gas Adjustment Clause.

TAXES:

The Company shall collect from customers on each monthly bill an amount equal to the taxes, fees and other charges imposed by regulatory or governmental authorities.

PS INSPECTION FEE:

The Company shall pass on the Pipeline Safety Inspection Fee in an amount determined by the Commission for each service line reported to be in service at the end of each calendar year, pursuant to Texas Utilities Code § 121.211 and Texas Administrative Code § 8.201 of the Commission's Rules and Regulations.

RATE CASE EXPENSE SURCHARGE:

The Company shall recover approved rate case expenses through a surcharge on each customer's bill. The surcharge will be collected on a per Ccf basis from customers on each monthly bill.

OTHER SURCHARGES:

The Company shall collect from customers on each monthly bill other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements.

PAYMENT:

All bills shall be delinquent unless payment is received within fifteen (15) days from the date of the bill.

AgriTexGas, LP

Rate Sheet

Miscellaneous Service Charges - Environs

	<u>DURING BUSINESS HOURS</u>	<u>AFTER BUSINESS HOURS</u>
Blind Removed by Customer	\$50.00	\$75.00
Emergency — Carbon Monoxide	\$0.00	\$0.00
Turn Off — Company Action	\$0.00	\$0.00
Emergency — Cut Line	\$0.00	\$0.00
Meter Work (All)	\$0.00	\$0.00
Door Tag	\$11.25	\$16.88
Reread — Meter Read Exception	\$0.00	\$0.00
Emergency — Fire	\$0.00	\$0.00
High Bill Investigation	\$0.00	\$0.00
Turn Off — Hard Close	\$0.00	\$0.00
Meter Work — Index Change	\$0.00	\$0.00
System — Insulate Meter	\$0.00	\$0.00
Emergency — Leak	\$0.00	\$0.00
Lock Fee (Cut Off By Customer)	\$71.25	\$106.88
Verify Meter Mfg, Model, Dials	\$0.00	\$0.00
Miscellaneous	\$11.25	\$16.88
Meter Set	\$40.00	\$60.00
Meter Set — New Customer	\$40.00	\$60.00
New Location	\$0.00	\$0.00
New Customer Set Up	\$30.00	\$45.00
No Gas — Low Pressure	\$0.00	\$0.00
Periodic Maintenance Change	\$0.00	\$0.00
Pull Meter — Idle	\$0.00	\$0.00
Pull Meter — Periodic Change	\$0.00	\$0.00
System — Plug Riser	\$0.00	\$0.00
Pull Meter — Other Reason	\$0.00	\$0.00
Read For Billing	\$0.00	\$0.00
Reconnect Customer Request	\$40.00	\$60.00
Reconnect Delinquent	\$71.25	\$106.88
Relocate Meter — Customer Request	\$40.00	\$60.00
Reconnect Temp Off	\$40.00	\$60.00
Reconnect Temp Off No Charge	\$0.00	\$0.00
Repair/Replace Regulator	\$0.00	\$0.00
Read & Run	\$15.00	\$22.50
Reconnect Seasonal Off	\$40.00	\$60.00
Turn Off — Seasonal	\$30.00	\$45.00
Meter Size Change	\$0.00	\$0.00
Turn On Shut In	\$30.00	\$45.00
<u>Return Check Fee</u>	<u>\$33.00</u>	<u>\$33.00</u>
<u>Deposit</u>		<u>Not to exceed 1/6th of the estimated annual bill, as adjusted</u>

AgriTexGas, LP

Rate Sheet

Cost of Gas Adjustment Clause - Environs

A. APPLICABILITY

Gas bills issued under rate schedules to which this Rider applies will include adjustments to reflect decreases or increases in purchased gas costs. Any such adjustments shall be filed with the appropriate regulatory authority before the beginning of the month in which the adjustment will be applied to bills.

B. DEFINITIONS

1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component, and other purchased gas expenses.
2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase Sales Ratio.
3. Cost of Purchased Gas - The estimated cost for gas purchased by the Company from its supplier 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 commodity cost of natural gas, but shall also include all reasonable fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, and storage necessary for the movement of gas to the Company's city gate delivery point(s), and associated taxes.
4. Reconciliation Component – The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.
5. Reconciliation Audit - An annual review of the Company's books and records for each twelve month period ending with the production month of June to determine the amount of over or under collection occurring during such twelve month period. The audit shall determine: (a) the total amount paid for gas purchased by the Company per Section B(3) Cost of Purchased Gas to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of five (5) percent of purchases.
6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers during the same period. For the purpose of this computation all volumes shall be stated at 14.65 psia. Such ratio as determined shall in no event exceed 5 percent lost and unaccounted for gas.
7. Reconciliation Account - The account maintained by the Company to assure that over time it will neither over nor under collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect, (a) the total amounts paid to the

AgriTexGas, LP

Rate Sheet

Cost of Gas Adjustment Clause - Environs

Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records (per Section B(3), (b) the revenues produced by the operation of this Cost of Gas Clause, (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority, (d) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of five (5) percent of purchases.

8. General Service Customers - those customers served under the Residential, Commercial, Industrial and Public Authority rate schedules.

C. COST OF GAS

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

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

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

E. PAYMENT FOR FUNDS

If, on the average, the Company had over-collected during the period, it shall credit into the Reconciliation Account during September an amount equal to the average balance multiplied by a percentage representing interest. This percentage shall be the same interest rate percentage that is set annually each December, for the subsequent calendar year by the Public Utility Commission for Over/Under Charges. If on the average, the Company had under-collected during the period, it shall debit into the Reconciliation Account during September an amount equal to the average balance multiplied by a percentage representing interest. This percentage shall be the same interest rate percentage that is set annually by the Public Utility Commission for Over/Under Charges.

AgriTexGas, LP

Rate Sheet

Cost of Gas Adjustment Clause - Environs

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 general service customers. Similarly, the Company may surcharge its general service 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 surcharge component of the Cost of Gas and shall be subject to the calculation set forth in Section E. PAYMENT FOR FUNDS.

G. COST OF GAS STATEMENT

The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. (The Company shall file such initial statement as soon as is reasonably possible). 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 Reconciliation Component; and (e) the Cost of Gas calculation. The statement shall include all data necessary for the Regulatory Authority to review and verify the calculation of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement.

H. ANNUAL RECONCILIATION REPORT

The Company shall file an Annual 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 by month for the twelve months ending June 30. 2. A tabulation of gas units sold to general service customers and related Cost of Gas Clause revenues. 3. A description of all other costs and refunds made during the year and their effect on the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.

AgriTexGas, LP

Rate Sheet

Line Extension Policy - Environs

- (A) Standards of Construction. AgriTexGas will endeavor to construct, install, operate, and maintain its plant, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.
- (B) Line Extension and construction charge. When an extension line is necessary from our existing line to the customer's property line, the first seventy-five (75) feet will be free of charge to the customer. AgriTexGas may require, on a non-discriminatory basis, pre-payment, reimbursement, or adequate security for all costs (including, but not limited to, materials, labor, allocated overhead, permit costs and right-of-way acquisition costs) of extending its existing pipeline system to serve a new customer to the extent the extension would exceed the first seventy-five (75) feet. Costs referenced in this Line Extension Policy Rate Sheet are actual costs incurred by the utility and include zero mark-up. AgriTexGas will not receive or charge for any margin, profit or otherwise mark-up the actual cost of providing service.

AgriTexGas reserves the sole discretion to designate the routes of all new extensions and the construction materials and manner of fabrication and installation. AgriTexGas may, on a non-discriminatory basis, provide for refunds, credits or security releases based upon factors such as additional customers subsequently attaching, the level of sales experience through the new facility, or other criteria chosen by AgriTexGas. AgriTexGas may apply similar cost responsibility and arrangements to a customer requesting an increase in capacity of existing AgriTexGas facilities to accommodate an increase in the customer's service requirements.

ATTACHMENT B

COST OF SERVICE

AgriTexGas, Inc.
Development of Proposed Rates
For the Pro Forma Test Year Ended March 31, 2011

LINE NO.	RATE CLASS	BILLING UNITS	PROPOSED RATES	PROPOSED REVENUE	Cost of Service	Deviation
1	Residential					
2	Customer Charge					
3	Single Metered Accounts	26,856 Bills	\$14.75	\$396,126		
4	Multiple Metered Accounts	12 Bills	\$0.00	\$0		
5	Commodity Charge	1,972,093 CCF	\$0.1235	\$243,554		
6	Total Residential			\$639,680	\$640,523	(\$843)
7						
8	Commercial					
9	Customer Charge					
10	Single Metered Accounts	1,380 Bills	\$30.00	\$41,400		
11	Multiple Metered Accounts	60 Bills	\$0.00	\$0		
12	Commodity Charge	567,499 CCF	\$0.1086	\$61,630		
13	Total Commercial			\$103,030	\$102,816	\$214
14						
15	Industrial					
16	Customer Charge	24 Bills	\$110.00	\$2,640		
17	Commodity Charge					
18	First 1000 CCF	14,848 CCF	\$0.1080	\$1,604		
19	Over 1000 CCF	15,528 CCF	\$0.0839	\$1,303		
20	Total Industrial			\$5,547	\$5,327	\$220
21						
22						
23						
24	Public Authority					
25	Customer Charge					
26	Single Metered Accounts	60 Bills	\$55.00	\$3,300		
27	Multiple Metered Accounts	12 Bills	\$0.00	\$0		
28	Commodity Charge	25,332 CCF	\$0.0929	\$2,353		
29	Total Commercial			\$5,653	\$5,389	\$264
30						
31	Total Base Rate Revenue			\$753,910	\$754,055	(\$145)

AgriTexGas, Inc.
Typical Bill Comparisons
For the Pro Forma Test Year Ended March 31, 2011

Residential Service - IH1R

Charge	Present	Proposed	# of Cust.	% of Class
1 Customer Charge \$/Month			6	0.36%
2 Commodity \$/Ccf				
3 First 26	\$4.30	\$14.75		
4 Next 74	\$0.00000	\$0.12350		
5 Next 400	\$0.11866	\$0.12350		
6 Over 500	\$0.09354	\$0.12350		
7	\$0.07794	\$0.12350		
8 Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189		
9				

TYPICAL MONTHLY BILL COMPARISON

	Present	Proposed	Change
Ccf			(\$)
11			(%)
12	\$19.54	\$29.99	\$10.45 53.49%
13	\$45.24	\$55.81	\$10.57 23.35%
14	\$67.26	\$77.94	\$10.69 15.89%
15	\$89.27	\$100.08	\$10.81 12.11%
16	\$303.13	\$321.43	\$18.30 6.04%
17	\$557.42	\$587.04	\$29.63 5.31%
18			
19 Avg Ccf Use	\$84.87	\$95.65	\$10.78 12.71%
20			
21			
22			
23			
24			

Residential Service - IL1R

Charge	Present	Proposed	# of Cust.	% of Class
26			161	6.43%
27 Customer Charge \$/Month	\$9.95	\$14.75		
28 Commodity \$/Ccf	\$0.09668	\$0.12350		
29				
30 Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189		
31				

TYPICAL MONTHLY BILL COMPARISON

	Present	Proposed	Change
Ccf			(\$)
33			(%)
34	\$27.12	\$32.46	\$5.34 19.68%
35	\$52.88	\$59.02	\$6.14 11.61%
36	\$74.34	\$81.15	\$6.81 9.16%
37	\$95.81	\$103.29	\$7.48 7.81%
38	\$310.45	\$324.64	\$14.19 4.57%
39	\$568.02	\$590.25	\$22.23 3.91%
40			
41 Avg Ccf Use	\$63.16	\$69.62	\$6.46 10.23%
42			

AgriTexGas, Inc.
Typical Bill Comparisons
For the Pro Forma Test Year Ended March 31, 2011

Residential Service - AO1R						
Charge	Present	Proposed	# of Cust.	2	% of Class	
Customer Charge \$/Month	\$9.59	\$14.75			0.12%	
Commodity \$/Ccf	\$0.11035	\$0.12350				
Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189				
TYPICAL MONTHLY BILL COMPARISON						
Ccf	Present	Proposed	Change			
			(\$)	(%)		
20	\$27.03	\$32.46	\$5.42	20.06%		
50	\$53.20	\$59.02	\$5.82	10.93%		
75	\$75.01	\$81.15	\$6.15	8.19%		
100	\$96.81	\$103.29	\$6.47	6.69%		
350	\$314.87	\$324.64	\$9.76	3.10%		
650	\$576.55	\$590.25	\$13.71	2.38%		
Avg Ccf Use						
96	\$93.18	\$99.60	\$6.42	6.89%		
Residential Service - RG1R						
Charge	Present	Proposed	# of Cust.	2	% of Class	
Customer Charge \$/Month	\$10.88	\$14.75			0.13%	
Commodity \$/Ccf	\$0.11035	\$0.12350				
Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189				
TYPICAL MONTHLY BILL COMPARISON						
Ccf	Present	Proposed	Change			
			(\$)	(%)		
20	\$28.32	\$32.46	\$4.13	14.59%		
50	\$54.49	\$59.02	\$4.53	8.31%		
75	\$76.30	\$81.15	\$4.86	6.36%		
100	\$98.10	\$103.29	\$5.19	5.29%		
350	\$316.16	\$324.64	\$8.47	2.68%		
650	\$577.84	\$590.25	\$12.42	2.15%		
Avg Ccf Use						
104	\$101.96	\$107.20	\$5.24	5.14%		

AgriTexGas, Inc.
Typical Bill Comparisons
For the Pro Forma Test Year Ended March 31, 2011

Residential Service - IO1R					
	Charge	Present	Proposed	# of Cust.	% of Class
				2,067	92.91%
92	Customer Charge \$/Month	\$10.08	\$14.75		
93	Commodity \$/Ccf	\$0.11035	\$0.12350		
94					
95	Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189		
96					
97	TYPICAL MONTHLY BILL COMPARISON				
98	Ccf	Present	Proposed	Change (\$)	Change (%)
99	20	\$27.52	\$32.46	\$4.93	17.92%
100	50	\$53.69	\$59.02	\$5.33	9.92%
101	75	\$75.50	\$81.15	\$5.66	7.49%
102	100	\$97.30	\$103.29	\$5.98	6.15%
103	350	\$315.36	\$324.64	\$9.27	2.94%
104	650	\$577.04	\$590.25	\$13.22	2.29%
105					
106	Avg Ccf Use				
107	71	\$71.87	\$77.47	\$5.60	7.79%
108					
109					
110					
111					
112	Charge	Present	Proposed	# of Cust.	% of Class
113				1	0.04%
114	Customer Charge \$/Month	\$0.00	\$0.00		
115	Commodity \$/Ccf	\$0.11035	\$0.12350		
116					
117	Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189		
118					
119	TYPICAL MONTHLY BILL COMPARISON				
120	Ccf	Present	Proposed	Change (\$)	Change (%)
121	20	\$17.44	\$17.71	\$0.26	1.51%
122	50	\$43.61	\$44.27	\$0.66	1.51%
123	75	\$65.42	\$66.40	\$0.99	1.51%
124	100	\$87.22	\$88.54	\$1.32	1.51%
125	350	\$305.28	\$309.89	\$4.60	1.51%
126	650	\$566.96	\$575.50	\$8.55	1.51%
127					
128	Avg Ccf Use				
129	70	\$60.63	\$61.55	\$0.91	1.51%
130					
131					

Residential Service - IO2R

AgriTexGas, Inc.
Typical Bill Comparisons
For the Pro Forma Test Year Ended March 31, 2011

Small Commercial Service - IL1C					
Charge	Present	Proposed	# of Cust.	% of Class	
			6	3.20%	
Customer Charge \$/Month	\$15.75	\$30.00			
Commodity \$/Ccf	\$0.09500	\$0.10860			
Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189			
TYPICAL MONTHLY BILL COMPARISON					
Ccf	Present	Proposed	Change (\$)	Change (%)	
50	\$58.59	\$73.52	\$14.93	25.48%	
100	\$101.44	\$117.05	\$15.61	15.39%	
250	\$229.97	\$247.62	\$17.65	7.67%	
500	\$444.20	\$465.25	\$21.05	4.74%	
750	\$658.42	\$682.87	\$24.45	3.71%	
1,000	\$872.64	\$900.49	\$27.85	3.19%	
Avg Ccf Use					
247	\$227.25	\$244.86	\$17.61	7.75%	
Small Commercial Service - IO1C					
Charge	Present	Proposed	# of Cust.	% of Class	
			109	95.80%	
Customer Charge \$/Month	\$18.52	\$30.00			
Commodity \$/Ccf	\$0.09700	\$0.10860			
Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189			
TYPICAL MONTHLY BILL COMPARISON					
Ccf	Present	Proposed	Change (\$)	Change (%)	
50	\$61.46	\$73.52	\$12.06	19.62%	
100	\$104.41	\$117.05	\$12.64	12.11%	
250	\$233.24	\$247.62	\$14.38	6.17%	
500	\$447.97	\$465.25	\$17.28	3.86%	
750	\$662.69	\$682.87	\$20.18	3.05%	
1,000	\$877.41	\$900.49	\$23.08	2.63%	
Avg Ccf Use					
414	\$373.73	\$390.00	\$16.28	4.36%	

AgriTexGas, Inc.
Typical Bill Comparisons
For the Pro Forma Test Year Ended March 31, 2011

Small Commercial Service - IO2C					
Charge	Present	Proposed	# of Cust.	5	% of Class
Customer Charge \$/Month	\$0.00	\$0.00			0.99%
Commodity \$/Ccf	\$0.09700	\$0.10860			
Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189			
TYPICAL MONTHLY BILL COMPARISON					
Ccf	Present	Proposed	Change		(%)
			(\$)		
50	\$42.94	\$43.52	\$0.58		1.35%
100	\$85.89	\$87.05	\$1.16		1.35%
250	\$214.72	\$217.62	\$2.90		1.35%
500	\$429.45	\$435.25	\$5.80		1.35%
750	\$644.17	\$652.87	\$8.70		1.35%
1,000	\$858.89	\$870.49	\$11.60		1.35%
Avg Ccf Use					
92	\$78.77	\$79.84	\$1.06		1.35%
Industrial Service - IO1D					
Charge	Present	Proposed	# of Cust.	2	% of Class
Customer Charge \$/Month	\$106.61	\$110.00			
Commodity \$/Ccf	\$0.09650	\$0.10800			
First 1000 CCF	\$0.07500	\$0.08390			
Excess Ccf					
Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189			
TYPICAL MONTHLY BILL COMPARISON					
Ccf	Present	Proposed	Change		(%)
			(\$)		
250	\$321.21	\$327.47	\$6.26		1.95%
500	\$535.81	\$544.95	\$9.14		1.71%
1,000	\$965.00	\$979.89	\$14.89		1.54%
1,500	\$1,383.45	\$1,402.79	\$19.34		1.40%
2,000	\$1,801.89	\$1,825.68	\$23.79		1.32%
2,500	\$2,220.34	\$2,248.58	\$28.24		1.27%
Avg Ccf Use					
1,266	\$1,187.33	\$1,204.58	\$17.25		1.45%

AgriTexGas, Inc.
Typical Bill Comparisons
For the Pro Forma Test Year Ended March 31, 2011

Public Authority - IL1P					
	Charge	Present	Proposed	# of Cust.	% of Class
				1	25.98%
225	Customer Charge \$/Month	\$47.22	\$55.00		
227	Commodity \$/Ccf	\$0.09100	\$0.09290		
228					
229	Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189		
230					
231	TYPICAL MONTHLY BILL COMPARISON				
232	Ccf	Present	Proposed	Change (\$)	Change (%)
233	50	\$89.86	\$97.74	\$7.88	8.76%
234	100	\$132.51	\$140.48	\$7.97	6.01%
235	250	\$260.44	\$268.70	\$8.26	3.17%
236	500	\$473.67	\$482.40	\$8.73	1.84%
237	750	\$686.89	\$696.09	\$9.20	1.34%
238	1,000	\$900.11	\$909.79	\$9.68	1.08%
239					
240	Avg Ccf Use				
241	532	\$501.15	\$509.94	\$8.79	1.75%
242					
243					
244					
245					
246	Charge	Present	Proposed	# of Cust.	% of Class
247				4	70.25%
248	Customer Charge \$/Month	\$53.19	\$55.00		
249	Commodity \$/Ccf	\$0.08300	\$0.09290		
250					
251	Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189		
252					
253	TYPICAL MONTHLY BILL COMPARISON				
254	Ccf	Present	Proposed	Change (\$)	Change (%)
255	50	\$95.43	\$97.74	\$2.31	2.42%
256	100	\$137.68	\$140.48	\$2.80	2.03%
257	250	\$264.41	\$268.70	\$4.29	1.62%
258	500	\$475.64	\$482.40	\$6.76	1.42%
259	750	\$686.86	\$696.09	\$9.23	1.34%
260	1,000	\$898.08	\$909.79	\$11.71	1.30%
261					
262	Avg Ccf Use				
263	360	\$357.10	\$362.48	\$5.37	1.50%
264					
265					

Public Authority - IO1P

AgriTexGas, Inc.
Typical Bill Comparisons
For the Pro Forma Test Year Ended March 31, 2011

Public Authority - IO2P					
	Charge	Present	Proposed	# of Cust.	% of Class
				1	3.77%
269	Customer Charge \$/Month	\$0.00	\$0.00		
271	Commodity \$/Ccf	\$0.08300	\$0.09290		
273	Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189		
274					
275	TYPICAL MONTHLY BILL COMPARISON				
276	Ccf	Present	Proposed	Change	
277	50	\$42.24	\$42.74	\$0.49	1.17%
278	100	\$84.49	\$85.48	\$0.99	1.17%
279	250	\$211.22	\$213.70	\$2.47	1.17%
280	500	\$422.45	\$427.40	\$4.95	1.17%
281	750	\$633.67	\$641.09	\$7.42	1.17%
282	1,000	\$844.89	\$854.79	\$9.90	1.17%
283					
284	Avg Ccf Use	\$65.20	\$65.96	\$0.76	1.17%
285	77				

AgriTexGas, Inc.
Class Cost of Service Analysis
For the Pro Forma Test Year Ended March 31, 2011

Ref. #	Description	Allocation Factor	Total	Residential	Commercial	Industrial	Public Authority	Agriculture	Irrigation	Total At Issue
1001	75% Volumes / 25% Demand	1	1,0000	0.0987	0.0255	0.0014	0.0014	0.0299	0.8432	0.1269
1002	Sales Volumes	2	1,0000	0.0628	0.0181	0.0010	0.0008	0.0214	0.8959	0.0827
1003	Sales Volumes	3	31,384,801	1,972,093	567,499	30,376	25,332	672,403	28,117,097	2,595,301
1004	Customers-Billing	4	6,282	2,239	120	2	6	36	3,879	2,367
1005	Customers	5	6,282	2,239	120	2	6	36	3,879	2,367
1006	Customers - Weighted Meters	6	21,272	2,239	564	41	28	169	18,231	2,872
1007	Customers - Weighted Meter Installations	7	7,500	2,239	156	7	8	47	5,043	2,410
1008	Customers - Weighted Regulators	8	31,843	2,239	876	104	44	263	28,317	3,263
1009	Customers - Weighted Services	9	8,310	2,239	180	9	9	54	5,819	2,437
1010	Mains & Regulators	10	907,537	89,563	23,129	1,244	1,232	27,145	785,224	115,188
1011	Meters	11	60,955	6,416	1,616	116	81	485	52,241	8,229
1012	House Regulators	12	19,363	1,362	533	63	27	160	17,219	1,984
1013	Services	13	79,840	21,512	1,729	88	86	519	55,905	23,417
1014	Total Intangible Plant	14	0	0	0	0	0	0	0	0
1015	Total Distribution Plant	15	1,206,024	148,384	30,163	1,674	1,588	30,521	993,694	181,809
1016	Total General Plant	16	943,697	119,839	23,508	1,293	1,237	23,570	774,251	145,876
1017	Total Plant in Service	17	2,149,721	268,223	53,670	2,968	2,825	54,091	1,767,944	327,685
1018	Total Rate Base	18	2,810,872	349,884	70,237	3,840	3,694	70,128	2,313,090	427,654
1019	Meters & House Regulators	19	80,318	7,777	2,149	180	107	645	69,460	10,213
1020	Mains & Services	20	960,153	108,389	24,165	1,295	1,281	26,849	798,174	135,130
1021	M & R Industrial	21	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0
1022	M & R General	22	959	95	24	1	1	29	808	122
1023	Net Plant in Service	23	1,916,544	237,916	47,876	2,647	2,520	48,395	1,577,190	290,959
1024	Labor & Management Fees	24	1,351,890	171,675	33,676	1,852	1,772	33,765	1,109,150	208,975
1025	Direct Assignment to Residential	25	100	100	0	0	0	0	0	100
1026	Open	26	0	0	0	0	0	0	0	0
1027	Open	27	0	0	0	0	0	0	0	0
1028	Open	28	0	0	0	0	0	0	0	0
1029	Open	29	0	0	0	0	0	0	0	0
1030	Distribution Expense Excluding Labor	30	1,179,591	145,132	29,502	1,638	1,553	29,852	971,914	177,824
1031	Total Distribution & Customer Related Expenses	31	2,831,729	441,796	68,458	3,503	3,584	63,830	2,250,559	517,340
1032	Total Expenses Excluding Labor & Management Fee	32	2,072,716	365,795	49,035	2,370	2,557	43,164	1,609,795	419,757
1033	Open	33	0	0	0	0	0	0	0	0
1034	Open	34	0	0	0	0	0	0	0	0
1035	Open	35	0	0	0	0	0	0	0	0
1036	Open	36	0	0	0	0	0	0	0	0
1037	Open	37	0	0	0	0	0	0	0	0
1038	Open	38	0	0	0	0	0	0	0	0
1039	Open	39	0	0	0	0	0	0	0	0
1040	Net Cost of Service	40	4,229,786	640,523	102,816	5,327	5,389	97,109	3,378,622	754,055
1041	Open	41	0	0	0	0	0	0	0	0

Category	Percentage
0.00%	0.00%
79.88%	17.83%
0.00%	0.00%

AgriTexGas, Inc.
Class Cost of Service Analysis
For the Pro Forma Test Year Ended March 31, 2011

Ref. #	Description	Allocation Factor	Total	Residential	Commercial	Industrial	Public Authority	Agriculture	Irrigation	Total At Issue
2001 Plant in Service										
2002 Intangible Plant		15	0	0	0	0	0	0	0	0
2002 Distribution Plant										
2003 37402-Land and Land Rights		1	56,878	5,613	1,450	78	77	1,701	47,959	7,218
2004 37600 Mains-Cathodic Protection		1	26,266	2,592	669	36	36	786	22,147	3,333
2005 37601 Mains - Steel		1	37,967	3,747		52		1,136	32,014	4,818
2006 37602 Mains - Plastic		1	842,345	83,130	21,468	1,155	1,143	25,195	710,255	106,895
2007 37800 Meas. & Reg. Sta. Eq. - General		1	959	95	24	1	1	29	808	122
2008 38000 Services		9	79,840	21,512	1,729	88	86	519	55,905	23,417
2009 38100 Meters		6	60,955	6,416	1,616	116	81	485	52,241	8,229
2010 38200 Meter Installations		7	79,701	23,794	1,658	79	83	497	53,590	25,614
2011 38300 House Regulators		8	19,363	1,362	533	63	27	160	17,219	1,984
2012 38400 House Reg. Installations		8	1,749	123	48	6	2	14	1,556	179
2013 Total Distribution Plant			1,206,024	148,384 0.12	30,163	1,674	1,588	30,521	993,694	181,809
2014 General Plant										
2015 39200 Transportation Equipment		24	671,413	85,262	16,725	920	880	16,769	550,857	103,787
2016 39800 Misc. & Other Equipment		24	214,806	27,278	5,351	294	282	5,365	176,236	33,205
2017 39900 Other Tangible Property - Computers		24	57,478	7,299	1,432	79	75	1,436	47,157	8,885
2018 Total General Plant			943,697	119,839	23,508	1,293	1,237	23,570	774,251	145,876
2019 Total Plant in Service			2,149,721	268,223	53,670	2,968	2,825	54,091	1,767,944	327,685
2020 Accumulated Depreciation										
2021 37402-Land and Land Rights		1	0	0	0	0	0	0	0	0
2022 37600 Mains-Cathodic Protection		1	1,088	107	28	1	1	33	918	138
2023 37601 Mains - Steel		1	1,573	155	40	2	2	47	1,326	200
2024 37602 Mains - Plastic		1	32,873	3,244	838	45	45	983	27,718	4,172
2025 37800 Meas. & Reg. Sta. Eq. - General		1	71	7	2	0	0	2	60	9
2026 38000 Services		9	5,943	1,601	129	7	6	39	4,161	1,743
2027 38100 Meters		6	3,292	347	87	6	4	26	2,822	444
2028 38200 Meter Installations		7	5,932	1,771	123	6	6	37	3,989	1,907
2029 38300 House Regulators		8	1,441	101	40	5	2	12	1,282	148
2030 38400 House Reg. Installations		8	130	9	4	0	0	1	116	13
2031 39200 Transportation Equipment		24	149,256	18,954	3,718	205	196	3,728	122,456	23,072
2032 39800 Misc. & Other Equipment		24	16,776	2,130	418	23	22	419	13,764	2,593
2033 39900 Other Tangible Property - Computers		24	14,800	1,879	369	20	19	370	12,142	2,288
2034 Total Accumulated Depreciation			233,177	30,307	5,795	320	304	5,696	190,754	36,726
2035 Net Plant			1,916,544	237,916	47,876	2,647	2,520	48,395	1,577,190	290,959
2036 Working Capital										
2037 Cash Working Capital Allowance (1/8 O&M)			428,085	67,185	10,339	528	541	9,616	339,876	78,593
2038 Material Inventory		17	477,617	59,593	11,924	659	628	12,018	392,796	72,804
2039 Prepaid Expenses		17	2,300	287	57	3	3	58	1,892	351
2040 Property Deposits		17	1,625	203	41	2	2	41	1,336	248
2041 235-Customer Deposits		25	(15,300)	(15,300)	0	0	0	0	0	(15,300)
2042 Total Working Capital			894,328	111,968	22,361	1,193	1,174	21,733	735,900	136,695
2043 Total Rate Base			2,810,872	349,884 0.12	70,237	3,840	3,694	70,128	2,313,090	427,654

AgriTexGas, Inc.
Class Cost of Service Analysis
For the Pro Forma Test Year Ended March 31, 2011

Ref. #	Description	Allocation Factor	Total	Residential	Commercial	Industrial	Public Authority	Agriculture	Irrigation	Total At Issue
3001 Operation and Maintenance Expense										
3002	Distribution Expense									
3003	Operation									
3004	Automobile Expense	15	319,961	39,367	8,002	444	421	8,097	263,629	48,234
3005	Material Costs	15	0	0	0	0	0	0	0	0
3006	Meters	15	0	0	0	0	0	0	0	0
3007	Labor	30	1,251,890	154,027	31,310	1,738	1,648	31,682	1,031,484	188,723
3008	Other Payroll Expense	30	75	9	2	0	0	2	62	11
3009	Repairs and Maintenance	15	50,043	6,157	1,252	69	66	1,266	41,232	7,544
3010	Supplies	15	75,252	9,259	1,882	104	99	1,904	62,004	11,344
3011	Training	15	19,577	2,409	490	27	26	495	16,130	2,951
3012	Travel Expenses	15	1,708	210	43	2	2	43	1,407	257
3013	Uniforms	15	733	90	18	1	1	19	604	110
3014	Contract Work	15	68,013	8,368	1,701	94	90	1,721	56,039	10,253
3015	Pilot Flyover Fee	15	20,169	2,482	504	28	27	510	16,618	3,041
3016	Pipeline Services	15	608,276	74,840	15,213	845	801	15,394	501,184	91,698
3017	Small Tools	15	15,859	1,951	397	22	21	401	13,067	2,391
3018	Total Distribution O&M		2,431,556	299,168	60,813	3,376	3,202	61,537	2,003,460	366,559
3019	Customer Accounting & Collection									
3020	Accounting	4	69,523	24,779	1,328	22	66	398	42,929	26,195
3021	Billing Services	4	329,525	117,448	6,295	105	315	1,888	203,475	124,162
3022	Total Customer Accounting & Collection		399,048	142,227	7,623	127	381	2,287	246,403	150,357
3023	Advertising & Promotion	4	1,125	401	21	0	1	6	695	424
3024	Administrative and General Exp.									
3025	Computer and Internet Expenses	31	6,064	946	147	8	8	137	4,820	1,108
3026	Auto Insurance	31	14,778	2,306	357	18	19	333	11,745	2,700
3027	Insurance Expense Other	31	0	0	0	0	0	0	0	0
3028	Bank Service Charges	31	29	5	1	0	0	1	23	5
3029	Workers Compensation Insurance	31	42,396	6,614	1,025	52	54	956	33,695	7,746
3030	Dues & Subscriptions	31	120	19	3	0	0	3	95	22
3031	Licenses and Fees	31	39,196	6,115	948	48	50	884	31,152	7,161
3032	Management Fee	32	100,000	17,648	2,366	114	123	2,082	77,866	20,252
3033	Meals and Entertainment	31	6,740	1,052	163	8	9	152	5,357	1,231
3034	Office Supplies	31	16,888	2,635	408	21	21	381	13,422	3,085
3035	Health Insurance	31	166,285	25,943	4,020	206	210	3,748	132,157	30,379
3036	Cleaning Services	31	3,505	547	85	4	4	79	2,786	640
3037	Legal Fees	31	0	0	0	0	0	0	0	0
3038	Transitional Services Agreement	31	0	0	0	0	0	0	0	0
3039	Professional Fees - Other	31	0	0	0	0	0	0	0	0
3040	Postage and Delivery	31	1,297	202	31	2	2	29	1,031	237
3041	Telephone Expense	31	54,074	8,436	1,307	67	68	1,219	42,976	9,879
3042	Utilities	31	6,362	993	154	8	8	143	5,057	1,162
3043	Bad Debts	40	21,959	3,325	534	28	28	504	17,540	3,915
3044	Drug Screenings	31	9,734	1,519	235	12	12	219	7,736	1,778
3045	Rent Expense	31	33,787	5,271	817	42	43	762	26,853	6,173
3046	Dallas G&A	32	60,000	10,589	1,419	69	74	1,249	46,600	12,151
3047	Donation	31	100	16	2	0	0	2	79	18
3048	Miscellaneous Expenses	31	9,638	1,504	233	12	12	217	7,660	1,761
3049	Total A&G Expenses		592,953	95,684	14,255	719	746	13,100	468,449	111,403
3050	Total O&M Expenses		3,424,681	537,479	82,712	4,222	4,329	76,930	2,719,008	628,744

AgriTexGas, Inc.
Class Cost of Service Analysis
For the Pro Forma Test Year Ended March 31, 2011

Ref. #	Description	Allocation Factor	Total	Residential	Commercial	Industrial	Public Authority	Agriculture	Irrigation	Total At Issue
3051	Depreciation Expense									
3052	37402-Land and Land Rights	1	0	0	0	0	0	0	0	0
3053	37600 Mains-Catholic Protection	1	594	59	15	1	1	18	501	75
3054	37601 Mains - Steel	1	858	85	22	1	1	26	724	109
3055	37602 Mains - Plastic	1	19,037	1,879	485	26	26	569	16,052	2,416
3056	37800 Meas. & Reg. Sta. Eq. - General	1	39	4	1	0	0	1	33	5
3057	38000 Services	9	3,242	873	70	4	4	21	2,270	951
3058	38100 Meters	6	1,829	192	48	3	2	15	1,567	247
3059	38200 Meter Installations	7	3,236	966	67	3	3	20	2,176	1,040
3060	38300 House Regulators	8	71	55	22	3	1	6	699	81
3061	38400 House Reg. Installations	8	134,283	17,052	3,345	184	0	1	63	7
3062	39200 Transportation Equipment	24	21,481	2,728	535	29	28	536	110,171	20,757
3063	39800 Misc. & Other Equipment	24	11,496	1,460	286	16	15	287	17,624	3,320
3064	39900 Other Tangible Property - Computers	24							9,431	1,777
3065	Total Depreciation Expense		196,950	25,358	4,899	270	258	4,854	161,310	30,785
3066	Taxes Other Than Income									
3067	Payroll Taxes	24	102,449	13,010	2,552	140	134	2,559	84,053	15,837
3068	Property Taxes	17	3,756	469	94	5	5	95	3,089	573
3069	Pipeline Safety Fee	17	0	0	0	0	0	0	0	0
3070	Gas Utility Tax		0	0	0	0	0	0	0	0
3071	Gross Margin Tax		44,546	7,614	1,228	79	73	1,730	33,822	8,994
3072	Total Taxes Other Than Income		150,751	21,083	3,873	225	212	4,384	120,965	25,403
3073	431-Interest on Customer Deposits	25	29	29	0	0	0	0	0	29
3074	Total Oper. Exp. Before Inc. Tax		3,772,411	583,959	91,485	4,718	4,799	86,168	3,001,282	684,961
4001	Other Operating Revenue									
4002	Acct. 487 - Forfeited Discounts	40	0	0	0	0	0	0	0	0
4003	Acct. 488 - Misc. Service Revenues	40	6,188	937	150	8	8	142	4,942	1,103
4004	Total Other Operating Revenue		6,188	937	150	8	8	142	4,942	1,103

AgriTexGas, Inc.
Class Cost of Service Analysis
For the Pro Forma Test Year Ended March 31, 2011

Ref. #	Description	Allocation Factor	Total	Residential	Commercial	Industrial	Public Authority	Agriculture	Irrigation	Total At Issue
5001 Return Under Existing Rates										
5002	Total Present Base Rate Revenue		2,889,330	493,986	79,647	5,156	4,714	112,339	2,193,488	583,502
5003	Other Operating Revenue		6,188	937	150	8	8	142	4,942	1,103
5004	Total Operating Revenue		2,895,518	494,923	79,797	5,164	4,722	112,482	2,198,431	584,606
5005	Operation and Maintenance Expenses		3,424,681	537,479	82,712	4,222	4,329	76,930	2,719,008	628,744
5006	Depreciation and Amortization Expense		196,950	25,358	4,899	270	258	4,854	161,310	30,785
5007	Taxes Other than Income Tax		150,751	21,093	3,873	225	212	4,384	120,965	25,403
5008	Estimated Federal Income Tax		(306,913)	(31,163)	(4,091)	156	(27)	9,210	(280,998)	(35,124)
5009	Interest on Customer Deposits		29	29	0	0	0	0	0	29
5010	Total Operating Expense		3,465,498	552,796	87,394	4,874	4,772	95,378	2,720,284	649,836
5011	Return		(569,981)	(57,874)	(7,597)	290	(50)	17,104	(521,854)	(65,231)
5012	Rate Base		2,810,872	349,884	70,237	3,840	3,694	70,128	2,313,090	427,654
5013	Rate of Return, Existing Rates		-20.28%	-16.54%	-10.82%	7.55%	-1.35%	24.39%	-22.56%	-15.25%
6001 Return at Claimed ROR										
6002	Rate Base		2,810,872	349,884	70,237	3,840	3,694	70,128	2,313,090	427,654
6003	Rate of Return		11.85%	11.85%	11.85%	11.85%	11.85%	11.85%	11.85%	11.85%
6004	Return		333,088	41,461	8,323	455	438	8,310	274,101	50,677
6005	Operation and Maintenance Expenses		3,424,681	537,479	82,712	4,222	4,329	76,930	2,719,008	628,744
6006	Depreciation and Amortization Expense		196,950	25,358	4,899	270	258	4,854	161,310	30,785
6007	Taxes Other than Income Tax		164,645	22,621	4,118	228	219	4,248	133,210	27,186
6008	Estimated Federal Income Tax		116,581	14,511	2,913	159	153	2,909	95,935	17,737
6009	Interest on Customer Deposits		29	29	0	0	0	0	0	29
6010	Total Cost of Service		4,235,974	641,460	102,966	5,335	5,397	97,252	3,383,564	755,158
6011	Less: Other Operating Revenue		6,188	937	150	8	8	142	4,942	1,103
6012	Net Cost of Service		4,229,786	640,523	102,816	5,327	5,389	97,109	3,378,622	754,055
6013	Base Rate Revenue Deficiency		1,340,456	146,537	23,169	171	675	(15,230)	1,185,134	170,552
6014	Percent Increase (Decrease)		46.39%	29.66%	29.09%	3.31%	14.32%	-13.56%	54.03%	29.23%

AgriTexGas, Inc.
Class Cost of Service Analysis
For the Pro Forma Test Year Ended March 31, 2011

Ref. #	Description	Allocation Factor	Total	Residential	Commercial	Industrial	Public Authority	Agriculture	Irrigation	Total At Issue
7001 Return at Proposed Rates										
7002	Total Base Rate Revenue at Proposed Rates		4,229,641	639,680	103,030	5,547	5,653	97,109	3,378,622	753,910
7003	Present Other Operating Revenue		6,186	937	150	8	8	142	4,942	1,103
7004	Proposed Increase in Other Operating Revenue		0	0	0	0	0	0	0	0
7005	Total Proposed Operating Revenue		4,235,829	640,617	103,180	5,555	5,661	97,252	3,383,564	755,013
7006	Revenue Increase									
7007	Revenue from Present Base Rates		2,889,330	493,986	79,647	5,156	4,714	112,339	2,193,488	583,502
7008	Proposed Revenue Increase		1,340,311	145,694	23,383	391	939	(15,230)	1,185,134	170,408
7009	Percent Increase/(Decrease)		46.39%	29.49%	29.36%	7.58%	19.92%	-13.56%	54.03%	29.20%
7010	Operation and Maintenance Expense		3,424,681	537,479	82,712	4,222	4,329	76,930	2,719,008	628,744
7011	Depreciation and Amortization Expense		196,950	25,358	4,899	270	258	4,854	161,310	30,785
7012	Taxes Other than Income Tax		164,639	22,608	4,120	230	222	4,248	133,210	27,180
7013	Estimated Federal Income Tax		116,545	14,296	2,968	216	221	2,909	95,935	17,701
7014	Interest on Customer Deposits		29	29	0	0	0	0	0	29
7015	Total Operating Expenses		3,902,844	599,771	94,700	4,938	5,030	88,941	3,109,463	704,439
7016	Return									
7017	Rate Base		332,985	40,846	8,480	616	631	8,310	274,101	50,574
7018	Rate of Return		2,810,872	349,884	70,237	3,840	3,694	70,128	2,313,090	427,654
7019	Relative Rate of Return		11.85%	11.67%	12.07%	16.06%	17.09%	11.85%	11.85%	11.83%
			1.00	0.99	1.02	1.36	1.44	1.00	1.00	1.00

[illegible]

AgnTexGas, Inc.
Class Data
For the Pro Forma Test Year Ended March 31, 2011

Line No.	UNADJUSTED Gf CONSUMPTION	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	TOTAL 12 mo Ended Mar-11
37	Residential - 1H1R	668.0	221.0	234.0	147.0	114.0	134.0	215.0	671.0	1,066.0	2,157.0	674.0	612.0	6,913.0
38	Residential - 1L1R	7,781.1	3,553.0	3,312.0	2,101.0	2,709.3	3,045.9	3,785.0	13,840.0	24,793.3	27,620.0	20,221.7	10,508.4	123,270.6
39	Residential - A01R	124.0	58.0	30.0	38.0	27.0	37.0	117.0	283.0	479.0	561.0	313.0	233.0	2,300.0
40	Residential - RG1R	124.0	69.0	87.0	42.0	67.0	68.0	490.0	281.0	379.0	527.0	228.0	194.0	2,506.0
41	Residential - 101R	108,428.0	50,050.0	77,355.0	43,084.0	40,230.0	42,954.7	65,780.0	201,509.5	334,913.3	406,279.2	248,970.2	165,321.6	1,779,875.5
42	Residential - 102R	37.0	24.0	22.0	20.0	19.0	21.0	25.0	135.0	126.0	135.0	171.2	166.0	834.2
43	Total Residential	117,162.09	53,975.00	76,040.00	45,431.98	43,166.27	46,260.58	70,411.95	216,652.53	361,706.63	437,279.2	270,578.0	177,035.0	1,915,699.3
44	Small Commercial - 1L1C	712.0	664.0	534.0	307.1	405.3	561.2	708.0	1,930.1	3,349.3	3,923.0	3,215.0	1,462.1	17,771.2
45	Small Commercial - 101C	36,102.0	27,007.1	31,864.6	32,582.2	30,843.1	28,830.6	28,759.6	50,337.4	70,394.0	86,968.2	56,704.0	51,036.0	531,428.8
46	Small Commercial - 102C	375.0	325.0	652.0	214.0	272.0	273.0	218.0	439.0	714.0	793.0	719.0	509.0	5,503.0
47	Total Small Commercial	37,189.0	27,996.1	33,050.6	33,103.3	31,520.5	29,664.8	29,685.6	52,706.5	74,457.3	91,684.3	60,638.0	53,007.1	554,703.0
48	Industrial - IO1D	2,010.3	1,073.7	1,352.5	1,148.3	1,455.8	2,399.0	2,434.3	2,970.7	4,787.0	4,749.0	3,164.2	2,830.8	30,375.8
49	Public Authority - 1L1P	505.3	90.0	201.0	163.2	129.0	201.0	185.0	512.0	1,357.0	1,205.0	379.0	1,459.2	6,386.8
50	Public Authority - 101P	1,098.0	1,407.0	22.0	204.0	216.0	386.0	421.0	1,073.0	2,710.0	6,401.0	1,988.0	1,340.0	17,286.0
51	Public Authority - 102P	0.0	0.0	0.0	0.0	100.0	0.0	1.0	20.0	76.0	403.0	326.0	0.0	926.0
52	Total Public Authority	1,603.3	1,497.0	223.0	367.2	445.0	587.0	607.0	1,605.0	4,143.0	8,009.0	2,693.0	2,799.2	24,578.8
53	Agriculture - 1L1D	270.5	67.0	21.2	17.2	32.0	1,303.0	14,318.2	11,523.4	9,254.0	7,885.0	1,717.0	1,542.3	47,950.7
54	Agriculture - 101D	20,768.7	24,733.3	24,576.5	21,464.8	16,874.2	58,763.0	101,377.5	122,028.3	73,160.0	50,230.0	27,902.0	32,936.3	574,814.6
55	Agriculture - 102D	560.0	1,274.0	556.0	240.0	391.0	349.0	3,023.0	4,903.2	6,696.0	14,539.0	15,840.2	1,265.5	49,638.0
56	Total Agriculture	21,599.2	26,074.3	25,153.7	21,722.0	17,297.2	60,415.0	118,718.8	138,454.9	89,110.0	72,654.0	45,459.2	35,745.1	672,403.3
57	Irrigation - TA1I	616,229.3	795,859.0	2,403,045.0	2,888,767.0	3,747,335.6	868,841.7	256,342.0	112,545.4	154,195.9	192,061.0	354,292.0	1,798,836.0	14,188,349.9
58	Irrigation - TA2I	472,530.0	629,425.8	1,684,127.0	1,771,870.1	2,623,326.0	568,481.0	186,932.9	94,792.4	127,662.2	137,027.3	254,360.7	1,332,700.3	9,883,235.7
59	Irrigation - TF1I	23,832.3	5,678.0	30,550.0	38,253.5	62,349.9	10,822.0	1,882.1	4,256.6	3,643.0	2,601.5	4,521.0	29,805.0	218,194.9
60	Irrigation - TF2I	6,361.5	3,565.0	9,121.0	16,554.0	19,317.0	13,185.0	4,349.1	3,578.0	4,810.0	3,696.0	4,153.0	20,476.0	109,165.6
61	Irrigation - T407	173,866.0	231,602.6	489,297.9	524,570.0	938,916.1	350,039.0	93,728.3	111,638.4	132,310.8	87,959.4	151,208.4	433,114.3	3,718,151.1
62	Total Irrigation	1,292,819.2	1,666,130.4	4,616,140.9	5,240,014.6	7,391,144.6	1,811,368.7	543,234.5	326,810.7	422,621.9	423,345.2	768,535.2	3,614,931.6	28,117,097.3
63	Total Company	1,472,383.02	1,776,746.47	4,751,960.64	5,341,787.46	7,485,029.27	1,950,695.13	765,092.06	739,200.31	956,825.79	1,037,720.77	1,151,067.63	3,886,348.82	31,314,857.37

AgriTexGas, Inc.
Class Data
For the Pro Forma Test Year Ended March 31, 2011

Line No.		Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	TOTAL 12 mo Ended Mar-11
73	BOOKED BASE RATE REVENUE													
74	Residential - 1H1R													
75	Residential - 1L1R	84	36	38	28	26	27	36	84	120	225	83	78	864
76	Residential - A01R	2,285	1,886	1,803	1,735	1,804	1,837	1,898	2,890	3,889	4,134	3,487	2,498	30,147
77	Residential - RG1R	23	16	13	14	13	14	23	41	62	71	44	35	369
78	Residential - 101R	33	26	28	24	26	26	30	50	55	77	44	40	460
79	Residential - 102R	33,163	26,857	28,794	25,747	25,334	25,695	28,203	43,392	57,923	65,794	48,395	39,058	448,355
80	Total Residential	14	13	13	12	12	12	13	18	24	25	29	28	213
81		35,601	28,834	30,689	27,561	27,215	27,611	30,202	46,474	62,075	70,326	52,082	41,738	480,407
82	Small Commercial - 1L1C													
83	Small Commercial - 101C	83	79	66	45	54	69	83	199	334	388	321	155	1,877
84	Small Commercial - 102C	5,428	4,546	4,961	5,142	4,918	4,723	4,697	6,790	8,791	10,455	7,482	6,932	74,865
85	Total Small Commercial	92	87	119	76	82	82	77	98	125	132	125	105	1,201
86		5,604	4,712	5,146	5,263	5,054	4,874	4,857	7,088	9,250	10,976	7,928	7,192	77,943
87	Industrial - 101D													
88		390	316	337	322	344	416	421	464	607	602	485	452	5,156
89	Public Authority - 1L1P													
90	Public Authority - 101P	93	55	66	62	59	66	64	94	171	157	82	180	1,148
91	Public Authority - 102P	198	223	108	123	124	138	141	195	331	638	271	218	2,710
92	Total Public Authority	53	53	53	53	61	53	53	55	60	87	80	53	715
93		344	332	227	239	245	257	259	344	562	881	433	451	4,573
94	Agriculture - 1L1D													
95	Agriculture - 101D	95	75	71	71	72	257	1,233	1,024	853	751	288	275	5,065
96	Agriculture - 102D	5,514	5,684	5,625	5,514	5,049	8,472	13,024	14,337	10,438	8,021	6,283	6,767	94,729
97	Total Agriculture	587	656	693	663	677	673	1,000	1,276	1,422	2,015	2,121	762	12,545
98		6,197	6,416	6,389	6,248	5,799	9,403	15,256	16,637	12,713	10,786	8,692	7,804	112,339
99	Irrigation - TA11													
100	Irrigation - TA21	59,656	72,375	184,729	205,175	279,026	77,275	34,072	24,158	26,538	29,345	40,400	141,158	1,173,907
101	Irrigation - TF11	33,077	44,060	117,889	124,031	183,632	39,793	13,085	6,635	8,936	9,592	17,805	93,289	691,825
102	Irrigation - TF21	2,137	756	2,681	3,229	5,016	1,152	481	719	593	535	639	2,545	20,485
103	Irrigation - T407	477	267	684	1,167	1,449	989	326	268	361	277	311	1,536	8,113
104	Total Irrigation	15,562	19,596	37,541	39,978	69,047	27,721	9,835	11,085	12,438	9,269	13,704	33,381	298,158
105		110,910	137,054	343,525	373,580	538,170	146,930	57,800	42,867	48,666	49,017	72,860	271,910	2,193,488
106	Total Company	159,045	177,663	386,312	413,212	576,827	189,490	108,795	113,873	134,072	142,589	142,481	329,547	2,873,906

AgriTexGas, Inc.
Class Data
For the Pro Forma Test Year Ended March 31, 2011

Line No.		Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	TOTAL 12 mo Ended Mar-11
YEAR END CUSTOMER C&F ADJUSTMENT														
110	Residential	(2,358.6)	(1,636.3)	(203.2)	(620.4)	(794.8)	(631.8)	(685.1)	(5,562.4)	(3,519.5)	(5,210.3)	(2,632.8)	0.0	(23,855.3)
111	Small Commercial	442.7	331.3	1,026.4	398.8	377.5	526.6	536.5	919.3	459.6	0.0	0.0	0.0	5,018.8
112	Industrial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
113	Public Authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
114	Agriculture	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
115	Irrigation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
116														
117														
118	Total Company	(1,915.9)	(1,305.0)	823.2	(221.6)	(417.3)	(105.2)	(148.6)	(4,643.1)	(3,059.9)	(5,210.3)	(2,632.8)	0.0	(18,836.5)
119														
120														
YEAR END CUSTOMER ADJUSTED C&F														
121	Residential	114,803.5	52,338.7	75,838.6	44,811.5	42,371.5	45,628.8	69,726.8	211,090.1	358,187.1	432,068.9	267,945.2	177,035.0	1,891,844.0
122	Small Commercial	37,631.7	28,327.4	34,077.0	33,502.2	31,897.9	30,191.4	30,222.0	53,625.8	74,916.9	91,684.3	60,638.0	53,007.1	559,721.8
123	Industrial	2,010.3	1,073.7	1,352.5	1,148.3	1,455.8	2,399.0	2,434.3	2,970.7	4,787.0	4,749.0	3,164.2	2,830.8	4,749.0
124	Public Authority	1,603.3	1,497.0	223.0	367.2	445.0	587.0	607.0	1,605.0	4,143.0	8,009.0	2,693.0	2,799.2	24,578.8
125	Agriculture	21,599.2	26,074.3	25,153.7	21,722.0	17,297.2	60,415.0	118,718.8	138,454.9	89,110.0	72,654.0	45,459.2	35,745.1	672,403.3
126	Irrigation	1,292,819.2	1,666,130.4	4,616,140.9	5,240,014.6	7,391,144.6	1,811,368.7	543,234.5	326,610.7	422,621.9	423,345.2	768,535.2	3,614,931.6	28,117,097.3
127														
128														
129	Total Company	1,470,467.1	1,775,441.5	4,752,783.8	5,341,565.9	7,484,611.9	1,950,590.0	764,943.4	734,557.2	953,785.9	1,032,510.5	1,146,434.8	3,886,348.8	31,296,020.8
130														
131														
YEAR END CUSTOMER REVENUE ADJUSTMENT														
132	Residential	(716.7)	(874.1)	(82.0)	(376.4)	(501.1)	(377.1)	(283.9)	(1,193.2)	(604.0)	(838.0)	(506.8)	0.0	(6,363.2)
133	Small Commercial	66.7	55.8	159.8	63.4	60.5	86.5	87.8	123.6	57.1	0.0	0.0	0.0	761.2
134	Industrial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
135	Public Authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
136	Agriculture	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
137	Irrigation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
138														
139														
140	Total Company	(650.0)	(818.4)	77.8	(313.0)	(440.6)	(290.5)	(206.1)	(1,069.6)	(546.9)	(838.0)	(506.8)	0.0	(5,601.9)
141														
142														
YEAR END CUSTOMER ADJUSTED REVENUE														
143	Residential	34,884	27,959	30,607	27,184	26,714	27,234	29,908	45,281	61,471	69,489	51,575	41,738	474,044
144	Small Commercial	5,670	4,767	5,306	5,327	5,115	4,960	4,945	7,211	9,307	10,976	7,928	7,192	78,704
145	Industrial	390	316	337	322	344	416	464	607	607	602	485	452	5,156
146	Public Authority	1,467	344	227	239	245	257	259	344	562	881	433	451	4,573
147	Agriculture	6,197	6,416	6,389	6,248	5,799	9,403	15,256	16,637	12,713	10,786	8,692	7,804	112,339
148	Irrigation	110,910	137,054	343,525	373,580	538,170	146,930	57,800	42,867	48,866	49,017	72,660	271,910	2,193,488
149														
150														
151	Total Company	158,395	176,845	396,390	412,899	576,387	189,200	108,589	112,803	133,525	141,751	141,974	329,547	2,868,305

Line No.		Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	TOTAL 12 mo Ended Mar-11
WEATHER C&F ADJUSTMENT														
154	Residential	(8,574.0)	(649.3)	(8,668.5)	0.0	0.0	0.0	34,052.3	30,423.5	31,648.7	19,031.3	(18,004.3)	989.7	80,249.4
155	Small Commercial	(701.1)	0.0	(607.8)	0.0	0.0	0.0	0.0	3,968.8	4,340.6	2,935.7	(2,316.1)	157.6	7,777.7
156	Industrial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
157	Public Authority	(138.2)	(82.9)	0.0	0.0	0.0	0.0	188.1	207.6	370.2	370.2	(179.2)	17.4	753.6
158	Agriculture	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
159	Irrigation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
160														
161														
162	Total Company	(9,413.4)	(732.3)	(9,276.2)	0.0	0.0	0.0	34,240.4	34,599.9	36,360.0	22,337.2	(20,499.7)	1,164.7	88,780.6
163														
WEATHER ADJUSTED C&F														
164	Residential	106,229.4	51,689.4	67,168.3	44,811.5	42,371.5	45,628.8	103,779.1	241,513.5	398,835.9	451,100.2	249,940.9	178,024.7	1,972,093.4
165	Small Commercial	36,930.6	28,327.4	33,469.2	33,502.2	31,897.9	30,191.4	30,222.0	57,594.6	79,257.5	94,620.0	58,321.9	53,164.7	567,499.4
166	Industrial	2,010.3	1,073.7	1,352.5	1,148.3	1,455.8	2,399.0	2,434.3	2,970.7	4,749.0	4,749.0	3,164.2	2,830.8	30,375.8
167	Public Authority	1,465.1	1,414.1	223.0	367.2	445.0	587.0	795.1	1,812.6	8,379.2	2,513.8	2,816.6	2,816.6	25,332.3
168	Agriculture	21,599.2	26,074.3	25,153.7	21,722.0	17,297.2	60,415.0	118,718.8	138,454.9	89,110.0	72,654.0	45,459.2	35,745.1	672,403.3
169	Irrigation	1,292,819.2	1,666,130.4	4,616,140.9	5,240,014.6	7,391,144.6	1,811,368.7	543,234.5	326,910.7	422,621.9	423,345.2	768,535.2	3,614,931.6	28,117,097.3
170														
171														
172	Total Company	1,461,053.7	1,774,709.2	4,743,507.6	5,341,565.9	7,484,611.9	1,950,590.0	799,183.8	769,157.1	990,125.9	1,054,847.6	1,127,935.2	3,887,513.6	31,384,801.4
173														
174														
175														
WEATHER REVENUE ADJUSTMENT														
176	Residential	(2,605.3)	(346.9)	(3,498.5)	0.0	0.0	0.0	14,606.1	6,526.1	5,431.4	3,060.8	(3,465.6)	233.3	19,941.4
177	Small Commercial	(105.6)	0.0	(94.6)	0.0	0.0	0.0	0.0	533.7	539.2	351.4	(302.6)	21.4	942.7
178	Industrial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
179	Public Authority	(29.6)	(18.4)	0.0	0.0	0.0	0.0	80.1	44.5	50.2	40.7	(28.8)	2.8	141.6
180	Agriculture	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
181	Irrigation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
182														
183														
184	Total Company	(2,740.6)	(365.2)	(3,593.1)	0.0	0.0	0.0	14,686.2	7,104.3	6,020.9	3,452.9	(3,797.2)	257.5	21,025.6
185														
186														
WEATHER ADJUSTED REVENUE														
187	Residential	32,279	27,613	27,108	27,184	26,714	27,234	44,514	51,807	66,902	72,549	48,110	41,972	483,986
188	Small Commercial	5,565	4,767	5,211	5,327	5,115	4,960	4,945	7,745	9,846	11,327	7,625	7,213	79,647
189	Industrial	390	316	337	322	344	416	421	464	607	607	485	452	5,156
190	Public Authority	314	313	227	239	245	257	339	389	612	922	404	454	4,714
191	Agriculture	6,197	6,416	6,389	6,248	5,799	9,403	16,637	16,637	12,713	10,786	8,692	7,804	112,339
192	Irrigation	110,910	137,054	343,525	373,580	538,170	146,930	57,800	42,867	48,866	49,017	72,860	271,910	2,193,488
193														
194	Total Company	155,654	176,479	362,797	412,899	576,387	189,200	123,275	119,908	139,546	145,204	138,177	329,804	2,899,330
195														
196														

AgriTexGas, Inc.
Class Data
For the Pro Forma Test Year Ended March 31, 2011

[illegible]

AgriTexGas, Inc.
For the Pro Forma Test Year Ended March 31, 2011

RATE OF RETURN

Line No.	Description	Proposed Rates
1	<u>Net Operating Income/Return</u>	
2		
3	Cost of LT Debt	Interest Rate
4	Return on Equity	0.00%
5		11.85%
6		
7		
8	Rate Base - Capitalization Structure	
9		
10	LT Debt	\$0
11	Common Equity at Book Value	\$5,750,000
12	Total Invested Capital	100.00%
13		100.00%
14	Percent Return	
15		
16	LT Debt	0.00%
17	Common Equity at Book Value	11.85%
	Percent Return on Rate Base	11.85%

AgriTexGas, Inc.
For the Pro Forma Test Year Ended March 31, 2011

INTEREST ON CUSTOMER DEPOSITS

Line No.	Description	Adjusted Test Year
1	Customer Deposits	15,300
2		
3	Current Interest Rate (1)	0.19%
4		
5	Interest on Customer Deposits (Ln. 1 times Ln. 3)	<u>\$29</u>
6		
7		
8	Note (1)	
9	Interest rate is per RRC, Gas Services Division,	
10	Gas Utilities Information Bulletin No. 919, Dated April, 22, 2011	

AgriTexGas, Inc.
Compliance With Commission Rule 7.5414
Adjustment Calculation for Advertising Limitation

Line No.	Description	Per Books Amount
1	Advertising & Promotion	1,125
5		
6		
7	Total Operating Revenue	4,235,974
8	Less: Uncollectible Accounts	21,959
9		
10	Total Gross Receipts	<u>4,214,015</u>
11		
12	Allowable Percentage for Advertising per Substantive Rule 7.5414	0.500%
13		
14	Calculated Allowable Advertising Expense	<u><u>21,070</u></u>

AgriTexGas, Inc.
Plant in Service and Depreciation Rate Summary

Line No.	FERC Acct. No.	Description	Tax Service Life	Regulatory Service Life	Depreciation Rate 1/	In Service Date	Plant Balance	Annual Depreciation Expense	Months In Service	Accumulated Depreciation
1	37402	Land and Land Rights				5/1/2009	56,878.03	2/		
2	37600	Mains-Catholic Protection	7	44.25	2.26%	5/1/2009	26,265.77	2/	22	1,088.28
3	37601	Mains-Steel	7	44.25	2.26%	5/1/2009	37,967.27	2/	22	1,573.11
4	37602	Mains-Plastic	7	44.25	2.26%	5/1/2009	787,524.75	2/	22	32,629.78
5	37602	New Pipeline	7	44.25	2.26%	12/31/2009	2,890.00		15	81.64
6	37602	New Pipeline	7	44.25	2.26%	12/31/2010	13,514.82		3	76.36
7	37602	New Pipeline	7	44.25	2.26%	1/24/2011	5,911.56		2	22.27
8	37602	New Pipeline	7	44.25	2.26%	1/25/2011	4,737.50		2	17.84
9	37602	New Pipeline	7	44.25	2.26%	1/28/2011	1,565.06		2	5.90
10	37602	New Pipeline	7	44.25	2.26%	1/29/2011	2,433.13		2	9.16
11	37602	New Pipeline	7	44.25	2.26%	2/11/2011	2,093.28		1	3.94
12	37602	New Pipeline	7	44.25	2.26%	2/16/2011	1,240.97		1	2.34
13	37602	New Pipeline	7	44.25	2.26%	2/18/2011	720.56		1	1.36
14	37602	New Pipeline	7	44.25	2.26%	2/25/2011	12,065.40		1	22.72
15	37602	New Pipeline	7	44.25	2.26%	3/14/2011	1,921.50		0	0.00
16	37602	New Pipeline	7	44.25	2.26%	3/29/2011	2,709.38		0	0.00
17	37602	New Pipeline	7	44.25	2.26%	3/29/2011	1,115.63		0	0.00
18	37602	New Pipeline	7	44.25	2.26%	3/31/2011	637.50		0	0.00
19	37602	New Pipeline	7	44.25	2.26%	3/31/2011	1,264.38		0	0.00
20	37800	Meas. & Reg. Sta. Eq. - General	7	24.63	4.06%	5/1/2009	958.69	2/	22	71.36
21	38000	Services	7	24.63	4.06%	5/1/2009	79,840.28	2/	22	5,942.78
22	38100	Meters	7	33.33	3.00%	5/1/2009	59,751.31	2/	22	3,286.32
23	38100	Meters	7	33.33	3.00%	1/31/2011	1,203.75		2	6.02
24	38200	Meter Installations	7	24.63	4.06%	5/1/2009	79,701.14	2/	22	5,932.42
25	38300	House Regulators	7	24.63	4.06%	5/1/2009	19,363.30	2/	22	1,441.27
26	38400	House Reg. Installations	7	24.63	4.06%	5/1/2009	1,749.47	2/	22	130.22
27	39200	Transportation Equipment	5	5.00	20.00%	6/24/2009	56,224.92		21	19,678.72
28	39200	Transportation Equipment	5	5.00	20.00%	6/30/2009	170,165.48		21	59,557.92
29	39200	Transportation Equipment	5	5.00	20.00%	7/2/2009	54,147.44		20	18,049.15
30	39200	Transportation Equipment	5	5.00	20.00%	7/24/2009	38,089.64		20	12,696.55
31	39200	Transportation Equipment	5	5.00	20.00%	7/30/2009	57,658.00		20	19,219.33
32	39200	Transportation Equipment	5	5.00	20.00%	8/18/2009	54,721.74		19	17,328.55
33	39200	Transportation Equipment	5	5.00	20.00%	9/10/2009	57,408.00		18	17,222.40
34	39200	Transportation Equipment	5	5.00	20.00%	11/18/2009	11,465.40		16	3,057.44
35	39200	Transportation Equipment	5	5.00	20.00%	11/18/2009	28,980.96		16	7,728.26
36	39200	Transportation Equipment	5	5.00	20.00%	12/11/2009	29,863.24		15	7,465.81
37	39200	Transportation Equipment	5	5.00	20.00%	12/15/2009	4,500.00		15	1,125.00
38	39200	Transportation Equipment	5	5.00	20.00%	12/16/2009	(35,109.38)		15	(35,109.38)
39	39200	Transportation Equipment	5	5.00	20.00%	12/30/2009	30,418.79		15	7,604.70
40	39200	Transportation Equipment	5	5.00	20.00%	12/31/2009	13,625.00		15	3,406.25
41	39200	Transportation Equipment	5	5.00	20.00%	12/31/2009	8,035.66		15	2,008.92
42	39200	Transportation Equipment	5	5.00	20.00%	2/10/2010	5,592.94		13	1,211.80
43	39200	Transportation Equipment	5	5.00	20.00%	2/28/2010	2,000.00		13	433.33
44	39200	Transportation Equipment	5	5.00	20.00%	4/14/2010	1,840.25		11	337.38
45	39200	Transportation Equipment	5	5.00	20.00%	4/26/2010	28,245.97		11	5,178.43
46	39200	Transportation Equipment	5	5.00	20.00%	4/29/2010	300.00		11	55.00
47	39200	Transportation Equipment	5	5.00	20.00%	5/4/2010	1,022.96		10	170.49
48	39200	Transportation Equipment	5	5.00	20.00%	5/5/2010	25,500.10		10	4,250.02
49	39200	Transportation Equipment	5	5.00	20.00%	5/5/2010	(20,268.75)		10	(20,268.75)
50	39200	Transportation Equipment	5	5.00	20.00%	8/11/2010	8,297.23		7	968.01

AgriTexGas, Inc.
Plant in Service and Depreciation Rate Summary

Line No.	FERC Acct. No.	Description	Tax Service Life	Regulatory Service Life	Depreciation Rate _1/	In Service Date	Plant Balance	Annual Depreciation Expense	Months In Service	Accumulated Depreciation
51	39200	Transportation Equipment	5	5.00	20.00%	9/17/2010	30,473.44	6,094.69	6	3,047.34
52	39200	Transportation Equipment	5	5.00	20.00%	12/31/2010	8,494.40	1,698.88	3	424.72
53	39200	Transportation Equipment	5	5.00	20.00%	12/31/2010	(7,843.71)	(1,568.74)	3	(7,843.71)
54	39200	Transportation Equipment	5	5.00	20.00%	1/6/2011	5,592.94	1,118.59	2	186.43
55	39200	Transportation Equipment	5	5.00	20.00%	1/11/2011	1,372.66	274.53	2	45.76
56	39200	Transportation Equipment	5	5.00	20.00%	1/11/2011	597.24	119.45	2	19.91
57	39800	Misc. & Other Equipment	7	10.00	10.00%	7/8/2009	10,343.15	1,034.32	20	1,723.86
58	39800	Misc. & Other Equipment	7	10.00	10.00%	7/20/2009	3,900.00	390.00	20	650.00
59	39800	Misc. & Other Equipment	7	10.00	10.00%	7/29/2009	10,229.27	1,022.93	20	1,704.88
60	39800	Misc. & Other Equipment	7	10.00	10.00%	8/31/2009	159.00	15.90	19	25.18
61	39800	Misc. & Other Equipment	7	10.00	10.00%	8/31/2009	2,814.50	281.45	19	445.63
62	39800	Misc. & Other Equipment	7	10.00	10.00%	8/31/2009	39,021.39	3,902.14	19	6,178.39
63	39800	Misc. & Other Equipment	7	10.00	10.00%	9/15/2009	6,213.90	621.39	18	932.09
64	39800	Misc. & Other Equipment	7	10.00	10.00%	9/30/2009	12,427.80	1,242.78	18	1,864.17
65	39800	Misc. & Other Equipment	7	10.00	10.00%	9/30/2009	13,125.31	1,312.53	18	1,968.80
66	39800	Misc. & Other Equipment	7	10.00	10.00%	10/9/2009	1,089.18	108.92	17	154.30
67	39800	Misc. & Other Equipment	7	10.00	10.00%	10/21/2009	3,027.19	302.72	17	428.85
68	39800	Misc. & Other Equipment	7	10.00	10.00%	10/23/2009	87.16	8.72	17	12.35
69	39800	Misc. & Other Equipment	7	10.00	10.00%	10/27/2009	(12,990.00)	(1,299.00)	17	(12,990.00)
70	39800	Misc. & Other Equipment	7	10.00	10.00%	10/27/2009	18,547.86	1,854.79	17	2,627.61
71	39800	Misc. & Other Equipment	7	10.00	10.00%	11/30/2009	1,402.19	140.22	16	186.96
72	39800	Misc. & Other Equipment	7	10.00	10.00%	12/3/2009	18,003.11	1,800.31	15	2,250.39
73	39800	Misc. & Other Equipment	7	10.00	10.00%	12/15/2009	2,133.25	213.33	15	266.66
74	39800	Misc. & Other Equipment	7	10.00	10.00%	1/8/2010	5,054.27	505.43	14	589.66
75	39800	Misc. & Other Equipment	7	10.00	10.00%	1/13/2010	4,650.42	465.04	14	542.55
76	39800	Misc. & Other Equipment	7	10.00	10.00%	1/13/2010	18,013.27	1,801.33	14	2,101.55
77	39800	Misc. & Other Equipment	7	10.00	10.00%	1/19/2010	4,882.44	488.24	14	569.62
78	39800	Misc. & Other Equipment	7	10.00	10.00%	1/26/2010	3,762.41	376.24	14	438.95
79	39800	Misc. & Other Equipment	7	10.00	10.00%	1/31/2010	910.66	91.07	14	106.24
80	39800	Misc. & Other Equipment	7	10.00	10.00%	2/28/2010	4,148.97	414.90	13	449.47
81	39800	Misc. & Other Equipment	7	10.00	10.00%	3/8/2010	18,402.50	1,840.25	12	1,840.25
82	39800	Misc. & Other Equipment	7	10.00	10.00%	3/11/2010	6,870.11	687.01	12	687.01
83	39800	Misc. & Other Equipment	7	10.00	10.00%	4/14/2010	4,905.89	490.59	11	449.71
84	39800	Misc. & Other Equipment	7	10.00	10.00%	5/23/2010	3,215.03	321.50	10	267.92
85	39800	Misc. & Other Equipment	7	10.00	10.00%	5/31/2010	155.90	15.59	10	12.99
86	39800	Misc. & Other Equipment	7	10.00	10.00%	9/27/2010	3,745.46	374.55	6	187.27
87	39800	Misc. & Other Equipment	7	10.00	10.00%	10/5/2010	1,754.36	175.44	5	73.10
88	39800	Misc. & Other Equipment	7	10.00	10.00%	11/19/2010	633.37	63.34	4	21.11
89	39800	Misc. & Other Equipment	7	10.00	10.00%	2/28/2011	1,012.56	101.26	1	8.44
90	39800	Misc. & Other Equipment	7	10.00	10.00%	3/9/2011	3,154.25	315.43	0	0.00
91	39900	Other Tangible Property - Computers	5	5.00	20.00%	7/29/2009	1,968.97	393.79	20	656.32
92	39900	Other Tangible Property - Computers	5	5.00	20.00%	9/18/2009	1,547.94	309.59	18	464.38
93	39900	Other Tangible Property - Computers	5	5.00	20.00%	10/23/2009	3,397.40	679.48	17	962.60
94	39900	Other Tangible Property - Computers	5	5.00	20.00%	10/26/2009	2,271.09	454.22	17	643.48
95	39900	Other Tangible Property - Computers	5	5.00	20.00%	12/4/2009	48,292.49	9,658.50	15	12,073.12
96										
97										
Total							2,149,721.01	196,949.51		233,176.70

AgriTexGas, Inc.
Plant in Service and Depreciation Rate Summary

Line No.	FERC Acct. No.	Description	Tax Service Life	Regulatory Service Life	Depreciation Rate _1/	In Service Date	Plant Balance	Annual Depreciation Expense	Months In Service	Accumulated Depreciation
98		<u>Summary By Account</u>								
99		Land and Land Rights					56,878.03	0.00		0.00
100	37402	37600 Mains-Catholic Protection					26,265.77	593.61		1,088.28
101	37601	Mains-Steel					37,967.27	858.06		1,573.11
102	37602	Mains-Plastic					842,345.42	19,037.01		32,873.31
103	37800	Meas. & Reg. Sta. Eq. - General					958.69	38.92		71.36
104	38000	Services					79,840.28	3,241.52		5,942.78
105	38100	Meters					60,955.06	1,828.65		3,292.34
106	38200	Meter Installations					79,701.14	3,235.87		5,932.42
107	38300	House Regulators					19,363.30	786.15		1,441.27
108	38400	House Reg. Installations					1,749.47	71.03		130.22
109	39200	Transportation Equipment					671,412.56	134,282.51		149,255.77
110	39800	Misc. & Other Equipment					214,806.13	21,480.61		16,775.94
111	39900	Other Tangible Property - Computers					57,477.89	11,495.58		14,799.90
112										
113										
114		Total					<u>2,149,721.01</u>	<u>196,949.51</u>		<u>233,176.70</u>

_1/ Source: Atmos West Texas 2010 RRM, Schedule F-3

_2/ Ibis Pipeline System (\$1,150,000) Ref: WP-2

AgriTexGas
Proportional Responsibility

MONTH	GAS COST	% Max	MIN LOAD	NEXT HI - PREV / 11	NEXT HI - PREV / 10	NEXT HI - PREV / 9	NEXT HI - PREV / 8	NEXT HI - PREV / 7	NEXT HI - PREV / 6	NEXT HI - PREV / 5	NEXT HI - PREV / 4	NEXT HI - PREV / 3	NEXT HI - PREV / 2	NEXT HI - PREV / 1	TOTAL MONTHLY WEIGHT
JAN	9.950	1.00000	0.623116	0.633166	0.651759	0.682915	0.683417	0.683920	0.751256	0.796482	0.798995	0.839196	0.861809	1.000000	0.24209
FEB	8.575	0.861809	0.051926	0.000914	0.001859	0.003462	0.000063	0.000072	0.011223	0.009045	0.000628	0.013400	0.011307	0.138191	0.10390
MAR	7.925	0.796482	0.051926	0.000914	0.001859	0.003462	0.000063	0.000072	0.011223	0.009045	0.000628	0.000000	0.000000	0.000000	0.07856
APR	7.950	0.798995	0.051926	0.000914	0.001859	0.003462	0.000063	0.000072	0.011223	0.009045	0.000628	0.000000	0.000000	0.000000	0.07919
MAY	6.805	0.683920	0.051926	0.000914	0.001859	0.003462	0.000063	0.000072	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.05830
JUN	6.795	0.682915	0.051926	0.000914	0.001859	0.003462	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.05816
JUL	6.485	0.651759	0.051926	0.000914	0.001859	0.003462	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.05470
AUG	6.300	0.633166	0.051926	0.000914	0.001859	0.003462	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.05284
SEP	6.200	0.623116	0.051926	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.05193
OCT	6.800	0.683417	0.051926	0.000914	0.001859	0.003462	0.000063	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.05822
NOV	7.475	0.751256	0.051926	0.000914	0.001859	0.003462	0.000063	0.000072	0.011223	0.000000	0.000000	0.000000	0.000000	0.000000	0.06952
DEC	8.350	0.839196	0.051926	0.000914	0.001859	0.003462	0.000063	0.000072	0.011223	0.009045	0.000628	0.013400	0.000000	0.000000	0.09259
															1.00000

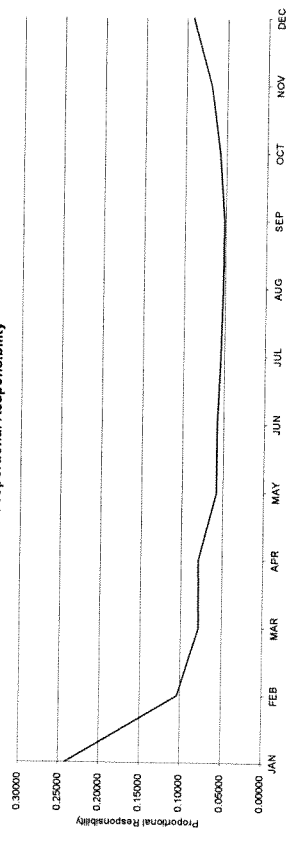
May 2009 -
Apr 2010

Avg.
\$/Mcf

% of
Max

11.950	7.950	JAN
9.500	7.650	FEB
8.900	6.950	MAR
7.950	7.950	APR
5.810	7.800	MAY
5.790	7.800	JUN
5.220	7.750	JUL
5.000	7.600	AUG
4.950	7.450	SEP
6.150	7.450	OCT
7.150	7.800	NOV
8.750	7.950	DEC

Proportional Responsibility



AgriTexGas
Beginning Plant Balances

FERC Account (A)	Cost Balance 02/29/08 (B)	Reserve Balance 02/29/08 (C)	NBV 02/29/08 (D)	Allocated AgriTexGas Original Cost (E)
37402 Land Rights	\$56,883.36	\$56,878.03	\$5.33	\$56,878.03
37600 Mains-Cathodic Protection	534,040.90	4,832.83	529,208.07	\$26,265.77
37601 Mains-Steel	1,590,583.70	825,611.33	764,972.37	\$37,967.27
37602 Mains-Plastic	22,880,720.19	7,013,510.24	15,867,209.95	\$787,524.75
37800 Meas. & Reg. Sta. Eq-General	231,516.68	212,200.86	19,315.82	\$958.69
38000 Services	2,760,957.53	1,152,319.21	1,608,638.32	\$79,840.28
38100 Meters	1,906,649.90	702,768.24	1,203,881.66	\$59,751.31
38200 Meter Installations	807,856.11	(797,978.73)	1,605,834.84	\$79,701.14
38300 House Regulators	1,956,554.69	1,566,419.05	390,135.64	\$19,363.30
38400 House Reg. Installations	48,425.06	13,176.30	35,248.76	\$1,749.47
39400 Tools, Shop, & Garage Equip.	2,940.00	2,940.00	0.00	
39606 NGE Equipment	3,645.00	3,645.00	0.00	
39701 Comm. Equip.-Mobile Radios	0.00	79.31	(79.31)	
39906 Oth Tang Prop-PC Hardware.	9,272.07	9,272.07	0.00	
Total	\$32,790,045.19	\$10,765,673.74	\$22,024,371.45	\$1,150,000.00

Source: Col. (B), (C) & (D) August 11, 2011 Atmos Report of Sale Under Tex. Util. Code § 102.051
_1/ Atmos Energy typo error reported \$ 5,867,209.95.

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

**STATEMENT OF INTENT OF §
AGRITEXGAS, LP TO INCREASE §
RATES FOR GAS SERVICE IN §
ARMSTRONG, BAILEY, BORDEN, §
BRISCOE, CARSON, CASTRO, §
COCHRAN, CROSBY, DAWSON, DEAF §
SMITH, DICKENS, DONLEY, FLOYD, §
GAINES, GARZA, HALE, HALL, §
HOCKLEY, KENT, LAMB, LUBBOCK, §
LYNN, MOTLEY, OLDHAM, PARMER, §
POTTER, RANDALL, SWISHER, §
TERRY AND YOAKUM COUNTIES, §
TEXAS §**

GAS UTILITIES DOCKET NO. 10021

PROPOSED 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 TEX. GOV'T CODE ANN. CHAP 551, *et seq.* (Vernon 2008 & Supp. 2011). The Railroad Commission adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

1. AgriTexGas, LP ("AgriTex") is a gas utility as that term is defined TEX. UTIL. CODE ANN. §101.003(7) (Vernon 2007 & Supp. 2011) and §121.001(2007).
2. The Commission has jurisdiction over AgriTex and over the matters at issue in this proceeding pursuant to TEX. UTIL. CODE ANN. §§ 102.001, 103.003, 103.051, 104.001, 121.051, 121.052, and 121.151 (Vernon 2007 and Supp. 2011). The statutes and rules involved in this proceeding include, but are not limited to TEX. UTIL. CODE ANN. §§104.101, 104.102, 104.103, 104.105, 104.106, 104.107, 104.110, 104.301, and 16 TEX. ADMIN. CODE Chapter 7.
3. AgriTex operates its regulated activities through approximately 30 counties in the Panhandle Region of Texas.
4. AgriTex serves unincorporated residential, small commercial, industrial, and public authority customers that are within the original jurisdiction of the Railroad Commission of Texas ("Commission").

5. AgriTex also serves agricultural and irrigation customers that are specifically exempt from economic regulation by the Commission, in accordance with TEX. UTIL. CODE ANN. §§ 101.003(7)(B)(iii), 123.001, *et seq.*, and 16 TEX. ADMIN. CODE § 7.351(d)(3), however, the Commission maintains safety jurisdiction over the pipeline operations, pursuant to TEX. UTIL. CODE ANN. §§ 121.001, *et seq.*, and 16 TEX. ADMIN. CODE Chapter 8.
6. On October 8, 2010, AgriTexGas, LP filed a *Statement of Intent* to establish initial rates and related tariffs.
7. On October 3, 2011, AgriTexGas, LP filed an Amended *Statement of Intent* to increase rates and related tariffs.
8. Notice of the proposed increase was provided as a separate mailing for all affected customers on November 9, 2011, satisfying the requirements of 16 TEX. ADMIN. CODE §§ 1.45, 7.230 and 7.235, TEX. UTIL. CODE ANN. § 104.103, and TEX. GOV'T. CODE ANN. § 2001.052.
9. AgriTex requested approval of uniform rates for its residential, commercial, industrial and public authority customer classes throughout the unincorporated areas of its service area.
10. AgriTex seeks an increase in revenues of approximately \$170,552 from customers in the unincorporated areas within the original jurisdiction of the Commission.
11. The proposed rate increase would increase the company's revenues from the unincorporated areas by 29.23% within the original jurisdiction of the Commission.
12. The test year in this case was the 12-month period ending March 31, 2011.
13. AgriTex seeks approval of a revised gas cost adjustment clause (GCA) for the unincorporated service areas.
14. AgriTex requests establishment of a line extension policy.
15. AgriTex requests recovery of rate case expenses, which have been severed into a separate docket.
16. The implementation of the proposed rates was suspended on November 2, 2010.
17. The docket was abated for a period of time and the company extended the proposed effective date of the environs rates.

18. Commission Staff intervened in this proceeding on November 4, 2011, for the limited purpose of providing evidence on a Railroad Commission of Texas Audit Section Routine Audit No. 12-028 of AgriTexGas, LP.
19. Notice of the Hearing was given to all parties entitled to notice and the hearing on the merits in this matter was held on February 2, 2012, and February 14, 2012.
20. AgriTex is currently charging the rates inherited from Atmos when AgriTex purchased the system in 2009, and all of AgriTex's customers are located in the environs.

Books and Records

21. The preponderance of the credible evidence demonstrates that AgriTex failed to maintain its books and records in accordance with Federal Energy Regulatory Commission (FERC) Uniform System of Accounts (USOA) and Commission Rule 7.310 prior to the filing of the October 8, 2010, Statement of Intent.
22. AgriTex is not entitled to the presumption of Commission Rule 7.503 allowing amounts shown on the company's books and records, as well as, summaries and excerpts taken from those records to be *prima facie* evidence of the amount of investment or expense reflected and reasonably incurred.
23. AgriTex is currently in compliance with the FERC USOA.

Audit Section, Railroad Commission of Texas, Routine Audit No. 12-028

24. Josh Settle, Railroad Commission of Texas Senior Auditor, Fort Worth District Office, performed an audit of AgriTex, which was filed on December 19, 2011 and identified as Audit No. 12-028.
25. The audit resulted in 15 violations by AgriTex.
26. All audit results and corrective action was reviewed with Norman Smith on December 16, 2011.
27. The Audit Section intends to complete the audit process and ensure compliance through agency procedures and does not require enforcement or compliance of the cited violations through this rate case proceeding.

Affiliate Transaction Expenses

28. AgriTexGas, LP is an affiliate to Ozona Energy Pipeline Company ("Ozona") and NatGas, Inc.

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29. There is common ownership and management between AgriTexGas, LP, Ozona Energy Pipeline Company and NatGas, Inc.
 30. AgriTexGas, LP receives its supply of natural gas for resale from Ozona Energy Pipeline Company in the Panhandle of Texas.
 31. NatGas, Inc. receives a supply of natural gas from Ozona Energy Pipeline Company on Ozona's pipeline system in West Texas.
 32. Ozona Energy Pipeline Company supplies over 95 percent of AgriTexGas, LP's supply.
 33. Ozona Energy Pipeline Company supply to NatGas Inc. is an alternate supply.
 34. Ozona Energy Pipeline Company acts as a marketer to AgriTexGas, LP and does not physically handle the gas delivered to AgriTexGas, LP.
 35. Ozona Energy Pipeline Company owns and operates a pipeline system which delivers gas sold to NatGas, Inc.
 36. Ozona Energy Pipeline Company purchases natural gas and sells natural gas to third party purchasers on its West Texas pipeline system.
 37. Ozona Energy Pipeline Company does not have other transactions in the Panhandle of Texas.
 38. Ozona Energy Pipeline Company charges AgriTexGas, LP its Weighted Average Cost of Gas (WACOG) plus \$0.05 per MMBtu for the gas delivered to AgriTexGas, LP.
 39. Ozona Energy Pipeline Company charges its other affiliate, NatGas Inc. and its third party purchasers, a bundled price for natural gas.
 40. Ozona has provided the service of backup available credit to AgriTex.
 41. AgriTex could not secure a natural gas supply without the assistance of Ozona.
 42. The expenses of Ozona Energy Pipeline Company, an affiliate of AgriTex, are reasonable and necessary for the provision of natural gas service provided by the company.
 43. The price charged by Ozona Energy Pipeline Company to AgriTex is not higher than the price charged by Ozona to its affiliates and other nonaffiliated persons for the provision of natural gas service for the same item or class of items.

Firm Versus Interruptible Gas Supply

44. Ozona purchases gas from four suppliers for delivery to AgriTex, and the utility has not demonstrated that it has a firm supply for the human needs base load customers.
45. The utility should be directed to implement a policy requiring a firm supply at all times for its human needs customers.

Cost of Service

46. It is just and reasonable that AgriTex use a growth adjustment to compensate for customer growth.
47. It is just and reasonable that AgriTex use a weather normalization adjustment to adjust for normal weather temperatures.
48. It is just and reasonable to use 10-year weather data for the weather normalization adjustment.
49. It is reasonable not to use a weather normalization adjustment for industrial, agriculture and irrigation customers.
50. An 11.85 percent return on equity is just and reasonable.
51. The original book cost of the system when IBIS Gas Services, LLC acquired the assets ultimately owned and operated by AgriTex was \$32,790,409.19.
52. The accumulated depreciation of the system when IBIS Gas Services, LLC acquired the assets ultimately owned and operated by AgriTex was \$10,765,63.74.
53. The original net book cost of the system when IBIS Gas Services, LLC acquired the assets ultimately owned and operated by AgriTex was \$22,024,735.45.
54. The total consideration from IBIS Gas Services, LLC to Atmos West Texas was \$1,250,000.
55. An acquisition adjustment of \$20,774,735.45 is just and reasonable.
56. It is just and reasonable to calculate the cost of service on a system wide basis.
57. It is just and reasonable to allocate the cost of service between jurisdictional and non-jurisdictional customers.
58. The system wide cash working capital of \$428,085 is just and reasonable.

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59. The depreciation rates proposed by AgriTex are just and reasonable.
 60. The proposed system wide rate base of \$2,810,872 is just and reasonable.
 61. It is just and reasonable to allocate \$427,654 of the system wide rate base to the jurisdictional customers for rate setting purposes.
 62. The proposed system wide cost of service of \$4,229,786 is just and reasonable.
 63. After allocation to the jurisdictional customers, a cost of service of \$754,055 is just and reasonable.
 64. The system wide cost of service under current rates of \$2,889,330 is just and reasonable.
 65. A revenue deficiency of \$1,340,456 is just and reasonable.
 66. After allocation to the jurisdictional customers, a revenue deficiency of \$170,552 is just and reasonable.
 67. A \$14.75 customer charge and a \$0.12350 per Ccf commodity charge for residential customers is just and reasonable.
 68. A \$30.00 customer charge and a \$0.10860 per Ccf commodity charge for small commercial customers is just and reasonable.
 69. A \$110.00 customer charge and a \$0.10800 per Ccf for the first 1,000 Ccf and \$0.08390 per Ccf for all over 1,000 Ccf commodity charge for industrial customers is just and reasonable.
 70. A \$55.00 customer charge and a \$0.09290 per Ccf commodity charge for public authority customers is just and reasonable.
 71. The proposed Gas Cost Adjustment Clause is just and reasonable.
 72. It is just and reasonable for AgriTex to use an interest rate equal to that set by the Public Utility Commission each December for Over/Under Charges for the subsequent year's calculations of any over or under collections under the Gas Cost Adjustment clause.
 73. The proposed Miscellaneous Service Charges in the attached tariff are just and reasonable.
 74. The proposed Line Extension Policy in the attached tariff is reasonable.

Tariffs

75. It is reasonable to reference on the tariffs the applicability to the environs for the Residential, Small Commercial, Industrial and Public Authority service.
76. It is reasonable that each tariff containing the PS Inspection Fee reference the 16 TEX. ADMIN. CODE § 8.201.
77. It is reasonable that the utility's deposit policy state that the utility may not collect a deposit that exceeds one sixth of the estimated annual billings as set out in § 7.45(C)(ii).
78. It is reasonable that the utility recover the approved cost of service of \$4,229,786, of which \$754,055 is applicable to the jurisdictional customers.
79. It is just and reasonable that the rates and design for each jurisdictional customer class identified in Attachment A, recover the \$754,055 as follows:
 - a. Residential

Customer Charge:	\$14.75
Commodity Charge:	\$0.1235 per Ccf
 - b. Small Commercial

Customer Charge:	\$30.00
Commodity Charge:	\$0.1086 per Ccf
 - c. Industrial

Customer Charge:	\$110.00
Commodity Charge:	\$0.1080 per Ccf for the 1st 1,000 Ccf
	\$0.0839 Per Ccf over 1,000 Ccf
 - d. Public Authority

Customer Charge:	\$55.00
Commodity Charge:	\$0.0929 per Ccf

CONCLUSIONS OF LAW

1. AgriTexGas, LP is a "Gas Utility" as defined in TEX. UTIL. CODE ANN. §101.003(7) (Vernon 2007 & Supp. 2011) and §121.001(2007) and is therefore subject to the jurisdiction of the Railroad Commission of Texas (Commission).
2. The Commission has jurisdiction over AgriTexGas, LP and its *Statement of Intent* (original and amended statement of intent) under TEX. UTIL. CODE ANN.

§§ 102.001, 103.022, 103.054, & 103.055, 104.001, and 104.201 (Vernon 2007 and Supp. 2011).

3. Under TEX. UTIL. CODE ANN. §102.001 (Vernon 2007 and Supp. 2011), the Commission has exclusive original jurisdiction over the rates and services of a gas utility that distributes natural gas in areas outside of a municipality and over the rates and services of a gas utility that transmits, transports, delivers, or sells natural gas to a gas utility that distributes the gas to the public.
4. This Statement of Intent was conducted in accordance with the requirements of the Gas Utility Regulatory Act (GURA), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. §§2001.001-2001.902 (Vernon 2008 and Supp. 2011) (APA).
5. TEX. UTIL. CODE ANN. §104.107 (Vernon 2007 and Supp. 2011) provides the Commission's authority to suspend the operation of the schedule of proposed rates for 150 days from the date the schedule would otherwise go into effect.
6. The proposed rates constitute a major change as defined by TEX. UTIL. CODE ANN. §104.101 (Vernon 2007 and Supp. 2011).
7. In accordance with TEX. UTIL. CODE ANN. §104.103 (Vernon 2007 and Supp. 2011), 16 TEX. ADMIN. CODE ANN. §§ 7.230 and 7.235, adequate notice was properly provided.
8. In accordance with TEX. UTIL. CODE ANN. §104.102 (Vernon 2007 and Supp. 2011), 16 TEX. ADMIN. CODE ANN. §§ 7.205 and 7.210, AgriTexGas, LP filed its Statement of Intent to change gas distribution rates.
9. AgriTexGas, LP failed to meet its burden of proof in accordance with the provisions of TEX. UTIL. CODE ANN. §104.008 (Vernon 2007 and Supp. 2011) on the elements of its requested rate increase identified in this order.
10. The revenue, rates, rate design, and service charges proposed by AgriTexGas, LP are not found to be just and reasonable. The proposed revenue, rates, rate design, and service charges are unreasonably preferential, prejudicial, or discriminatory, and are not sufficient, equitable, and consistent in application to each class of consumer, as required by TEX. UTIL. CODE ANN. §104.003 (Vernon 2007 and Supp. 2011).
11. The revenue, rates, rate design, and service charges proposed by AgriTexGas, LP, as amended by the Commission and identified in the schedules attached to this order, 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 TEX. UTIL. CODE ANN. (Vernon 2007 and Supp. 2011).

12. In accordance with the stated purpose of the Texas Utilities Code, Subtitle A, expressed under TEX. UTIL. CODE ANN. §101.002 (Vernon 2007 and Supp. 2011), the Commission has assured that the rates, operations, and services established in this docket are just and reasonable to customers and to the utilities.
13. The overall revenues as established by the findings of fact and attached schedules are reasonable; fix an overall level of revenues for AgriTexGas, LP that will permit the company 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 TEX. UTIL. CODE ANN. § 104.051 (Vernon 2007 and Supp. 2011); and otherwise comply with Chapter 104 of the Texas Utilities Code Annotated.
14. The revenue, rates, rate design, and service charges proposed will not yield to AgriTexGas, LP 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 TEX. UTIL. CODE ANN. §104.052 (Vernon 2007 and Supp. 2011).
15. The rates established in this docket comport with the requirements of TEX. UTIL. CODE ANN. §104.053 (Vernon 2007 and Supp. 2011) 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.
16. In accordance with TEX. UTIL. CODE ANN. § 104.054 (Vernon 2007 and Supp. 2011) and TEX. ADMIN. CODE § 7.5252, book depreciation and amortization was calculated on a straight line basis over the useful life expectancy of AgriTexGas' property and facilities.
17. The rates established in this case comply with the affiliate transaction standard set out in TEX. UTIL. CODE ANN. § 104.055 (Vernon 2007 and Supp. 2011). Namely, in establishing a gas utility's rates, the regulatory authority may not allow a gas utility's payment to an affiliate for the cost of a service, property, right or other item or for an interest expense to be included as capital cost or an expense related to gas utility service except to the extent that the regulatory authority finds the payment is reasonable and necessary for each item or class of items as determined by the regulatory authority. That finding must include (1) a specific finding of reasonableness and necessity to each class of items allowed; and (2) a finding that the price to the gas utility is not higher than the prices charged by the supplying affiliate to its other affiliates or divisions or to a nonaffiliated person for the same item or class of items.
18. In this proceeding, AgriTexGas, LP has the burden of proof under TEX. UTIL. CODE ANN. §104.008 (Vernon 2007 and Supp. 2011) to show that the proposed rate changes are just and reasonable.

19. Rate case expenses for GUD No. 10021 will be considered by the Commission in accordance with TEX. UTIL. CODE ANN. §104.008 (Vernon 2007 and Supp. 2011), and 16 TEX. ADMIN. CODE §7.5530 (2008), in a separate proceeding.
20. It is reasonable for the Commission to allow AgriTexGas, LP to include a Purchased Gas Adjustment Clause in its rates to provide for the recovery of all of its gas costs, in accordance with 16 TEX. ADMIN. CODE § 7.5519.
21. All expenses for lost and unaccounted for gas in excess of 5.0 percent shall be disallowed, consistent with TEX. ADMIN. CODE § 7.5519.
22. AgriTexGas, LP is required by 16 TEX. ADMIN. CODE §7.315 to file electronic tariffs incorporating rates consistent with this Order within thirty days of the date of this Order.
23. AgriTexGas, LP is required by 16 TEX. ADMIN. CODE § 7.310 to utilize the Federal Energy Regulatory Commission's (FERC) Uniform System of Accounts (USOA) prescribed for natural gas companies.
24. Under TEX. UTIL. CODE ANN. §§ 102.101, 102.003, and 102.202, the Commission has the authority to prescribe the records, reports and forms for reports to be kept by a utility.

IT IS THEREFORE ORDERED that AgriTexGas, LP's proposed schedule of rates is hereby **DENIED**.

IT IS FURTHER ORDERED that the rates, rate design, and service charges established in the findings of fact and conclusions of law and shown on the attached Schedules for AgriTexGas, LP are **APPROVED**.

IT IS FURTHER ORDERED that, in accordance with 16 TEX. ADMIN. CODE §7.315, within 30 days of the date this Order is signed, AgriTexGas, LP shall electronically file tariffs and rate schedules with the Gas Services Division. The tariffs shall incorporate rates, rate design, and service charges consistent with this Order, as stated in the findings of fact and conclusions of law and shown on the attached Schedules and Tariffs.

IT IS FURTHER ORDERED THAT AgriTexGas, LP **SHALL NOT** recover more than its gas cost, limited the recovery of lost and unaccounted for gas losses to a maximum of 5% and file an annual reconciliation report as provided in the GCA Clause as set out in the attached tariffs.

IT IS FURTHER ORDERED THAT AgriTexGas, LP **SHALL** implement a policy of requiring a firm gas supply at all times for its human needs customers.

IT IS FURTHER ORDERED THAT AgriTexGas, LP **SHALL** implement a policy of requiring a firm gas supply at all times for its human needs customers.

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

This Order will not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at 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. Pursuant to TEX. GOV'T CODE ANN. §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

SIGNED this 24th day of April, 2012.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN BARRY T. SMITHERMAN

COMMISSIONER DAVID PORTER

ATTEST:

SECRETARY

ATTACHMENT A

TARIFFS

AgriTexGas, LP
Rate Sheet
Residential Service - Environs

APPLICATION OF SCHEDULE

This schedule is applicable to general use by Residential customers for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas. Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations.

MONTHLY RATE

MONTHLY CUSTOMER CHARGE: \$14.75

Multiple metered customers will be assessed a single customer charge per month.

MONTHLY COMMODITY RATE:

The price payable by each residential customer for all consumption each month shall be \$0.1235 per Ccf (Commodity Rate), subject to the Cost of Gas Adjustment and other adjustments set forth below.

COST OF GAS ADJUSTMENT:

The customer's bill shall be adjusted upward (downward) based on the Company's Cost of Gas Adjustment Clause.

TAXES:

The Company shall collect from customers on each monthly bill an amount equal to the taxes, fees and other charges imposed by regulatory or governmental authorities.

PS INSPECTION FEE:

The Company shall pass on the Pipeline Safety Inspection Fee in an amount determined by the Commission for each service line reported to be in service at the end of each calendar year, pursuant to Texas Utilities Code § 121.211 and Texas Administrative Code § 8.201 of the Commission's Rules and Regulations.

RATE CASE EXPENSE SURCHARGE:

The Company shall recover approved rate case expenses through a surcharge on each customer's bill. The surcharge will be collected on a per Ccf basis from customers on each monthly bill.

OTHER SURCHARGES:

The Company shall collect from customers on each monthly bill other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements.

PAYMENT:

All bills shall be delinquent unless payment is received within fifteen (15) days from the date of the bill.

AgriTexGas, LP
Rate Sheet
Commercial Service - Environs

APPLICATION OF SCHEDULE

This schedule is applicable to Commercial type customers, including hospitals and churches, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas. Natural gas supplied is for the individual use of the customer at one point of delivery and shall not be resold or shared with others. Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations.

MONTHLY RATE

MONTHLY CUSTOMER CHARGE: \$30.00

Multiple metered customers will be assessed a single customer charge per month.

MONTHLY COMMODITY RATE:

The price payable by each commercial customer for all consumption each month shall be \$0.1086 per Ccf (Commodity Rate), subject to the Gas Cost Adjustment and other adjustments set forth below.

COST OF GAS ADJUSTMENT:

The customer's bill shall be adjusted upward (downward) based on the Company's Cost of Gas Adjustment Clause.

TAXES:

The Company shall collect from customers on each monthly bill an amount equal to the taxes, fees and other charges imposed by regulatory or governmental authorities.

PS INSPECTION FEE:

The Company shall pass on the Pipeline Safety Inspection Fee in an amount determined by the Commission for each service line reported to be in service at the end of each calendar year, pursuant to Texas Utilities Code § 121.211 and Texas Administrative Code § 8.201 of the Commission's Rules and Regulations.

RATE CASE EXPENSE SURCHARGE:

The Company shall recover approved rate case expenses through a surcharge on each customer's bill. The surcharge will be collected on a per Ccf basis from customers on each monthly bill.

OTHER SURCHARGES:

The Company shall collect from customers on each monthly bill other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements.

PAYMENT:

All bills shall be delinquent unless payment is received within fifteen (15) days from the date of the bill.

AgriTexGas, LP
Rate Sheet
Industrial Service - Environs

APPLICATION OF SCHEDULE

This schedule is applicable to the sales to any industrial or commercial customer whose predominant use of natural gas is other than space heating, cooking, water heating or other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas. Natural gas supplied is for the individual use of the customer at one point of delivery and shall not be resold or shared with others. Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations.

MONTHLY RATE

MONTHLY CUSTOMER CHARGE: \$110.00

MONTHLY COMMODITY RATE:

The price payable by each industrial customer for consumption each month shall be at the following rates, subject to the Cost of Gas Adjustment and other adjustments set forth below.

Commodity Charge (\$/Ccf)

First 1,000 Ccf	\$0.1080
Over 1,000 Ccf	\$0.0839

COST OF GAS ADJUSTMENT:

The customer's bill shall be adjusted upward (downward) based on the Company's Cost of Gas Adjustment Clause.

TAXES:

The Company shall collect from customers on each monthly bill an amount equal to the taxes, fees and other charges imposed by regulatory or governmental authorities.

PS INSPECTION FEE:

The Company shall pass on the Pipeline Safety Inspection Fee in an amount determined by the Commission for each service line reported to be in service at the end of each calendar year, pursuant to Texas Utilities Code § 121.211 and Texas Administrative Code § 8.201 of the Commission's Rules and Regulations.

RATE CASE EXPENSE SURCHARGE:

The Company shall recover approved rate case expenses through a surcharge on each customer's bill. The surcharge will be collected on a per Ccf basis from customers on each monthly bill.

OTHER SURCHARGES:

The Company shall collect from customers on each monthly bill other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements.

PAYMENT:

All bills shall be delinquent unless payment is received within fifteen (15) days from the date of the bill.

AgriTexGas, LP
Rate Sheet
Public Authority Service - Environs

APPLICATION OF SCHEDULE

This schedule is applicable to general use by Public Authority type customers, including public schools, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas. Natural gas supplied is for the individual use of the customer at one point of delivery and shall not be resold or shared with others. Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations.

MONTHLY RATE

MONTHLY CUSTOMER CHARGE: \$55.00

Multiple metered customers will be assessed a single customer charge per month.

MONTHLY COMMODITY RATE:

The price payable by each public authority customer for all consumption each month shall be \$0.0929 per Ccf (Commodity Rate), subject to the Cost of Gas Adjustment and other adjustments set forth below.

COST OF GAS ADJUSTMENT:

The customer's bill shall be adjusted upward (downward) based on the Company's Cost of Gas Adjustment Clause.

TAXES:

The Company shall collect from customers on each monthly bill an amount equal to the taxes, fees and other charges imposed by regulatory or governmental authorities.

PS INSPECTION FEE:

The Company shall pass on the Pipeline Safety Inspection Fee in an amount determined by the Commission for each service line reported to be in service at the end of each calendar year, pursuant to Texas Utilities Code § 121.211 and Texas Administrative Code § 8.201 of the Commission's Rules and Regulations.

RATE CASE EXPENSE SURCHARGE:

The Company shall recover approved rate case expenses through a surcharge on each customer's bill. The surcharge will be collected on a per Ccf basis from customers on each monthly bill.

OTHER SURCHARGES:

The Company shall collect from customers on each monthly bill other surcharges as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements.

PAYMENT:

All bills shall be delinquent unless payment is received within fifteen (15) days from the date of the bill.

AgriTexGas, LP

Rate Sheet

Miscellaneous Service Charges - Environs

	<u>DURING BUSINESS HOURS</u>	<u>AFTER BUSINESS HOURS</u>
Blind Removed by Customer	\$50.00	\$75.00
Door Tag	\$11.25	\$16.88
Lock Fee (Cut Off By Customer)	\$71.25	\$106.88
Miscellaneous	\$11.25	\$16.88
Meter Set	\$40.00	\$60.00
Meter Set – New Customer	\$40.00	\$60.00
New Customer Set Up	\$30.00	\$45.00
Reconnect Customer Request	\$40.00	\$60.00
Reconnect Delinquent	\$71.25	\$106.88
Relocate Meter – Customer Request	\$40.00	\$60.00
Reconnect Temp Off	\$40.00	\$60.00
Read & Run	\$15.00	\$22.50
Reconnect Seasonal Off	\$40.00	\$60.00
Turn Off – Seasonal	\$30.00	\$45.00
Turn On Shut In	\$30.00	\$45.00
Return Check Fee	\$33.00	\$33.00
Deposit		Not to exceed 1/6 th of the estimated annual bill, as adjusted

AgriTexGas, LP
Rate Sheet
Cost of Gas Adjustment Clause - Environs

A. APPLICABILITY

Gas bills issued under rate schedules to which this Rider applies will include adjustments to reflect decreases or increases in purchased gas costs. Any such adjustments shall be filed with the appropriate regulatory authority before the beginning of the month in which the adjustment will be applied to bills.

B. DEFINITIONS

1. **Cost of Gas** - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component, and other purchased gas expenses.
2. **Commodity Cost** - The Cost of Purchased Gas multiplied by the Purchase Sales Ratio.
3. **Cost of Purchased Gas** - The estimated cost for gas purchased by the Company from its supplier 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 commodity cost of natural gas, but shall also include all reasonable fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, and storage necessary for the movement of gas to the Company's city gate delivery point(s), and associated taxes.
4. **Reconciliation Component** – The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.
5. **Reconciliation Audit** - An annual review of the Company's books and records for each twelve month period ending with the production month of June to determine the amount of over or under collection occurring during such twelve month period. The audit shall determine:
(a) the total amount paid for gas purchased by the Company per Section B(3) Cost of Purchased Gas to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of five (5) percent of purchases.
6. **Purchase/Sales Ratio** - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers during the same period. For the purpose of this computation all volumes shall be stated at 14.65 psia. Such ratio as determined shall in no event exceed 5 percent lost and unaccounted for gas.
7. **Reconciliation Account** - The account maintained by the Company to assure that over time it will neither over nor under collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect, (a) the total amounts paid to the

AgriTexGas, LP

Rate Sheet

Cost of Gas Adjustment Clause - Environs

Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records (per Section B(3)), (b) the revenues produced by the operation of this Cost of Gas Clause, (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority, (d) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of five (5) percent of purchases.

8. General Service Customers - those customers served under the Residential, Commercial, Industrial and Public Authority rate schedules.

C. COST OF GAS

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

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

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

E. PAYMENT FOR FUNDS

If, on the average, the Company had over-collected during the period, it shall credit into the Reconciliation Account during September an amount equal to the average balance multiplied by a percentage representing interest. This percentage shall be the same interest rate percentage that is set annually each December, for the subsequent calendar year by the Public Utility Commission for Over/Under Charges. If on the average, the Company had under-collected during the period, it shall debit into the Reconciliation Account during September an amount equal to the average balance multiplied by a percentage representing interest. This percentage shall be the same interest rate percentage that is set annually by the Public Utility Commission for Over/Under Charges.

AgriTexGas, LP
Rate Sheet
Cost of Gas Adjustment Clause - Environs

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 general service customers. Similarly, the Company may surcharge its general service 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 surcharge component of the Cost of Gas and shall be subject to the calculation set forth in Section E. PAYMENT FOR FUNDS.

G. COST OF GAS STATEMENT

The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. (The Company shall file such initial statement as soon as is reasonably possible). 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 Reconciliation Component; and (e) the Cost of Gas calculation. The statement shall include all data necessary for the Regulatory Authority to review and verify the calculation of the Cost of Gas. The date on which billing using the Cost of Gas is to begin (bills prepared) is to be specified in the statement.

H. ANNUAL RECONCILIATION REPORT

The Company shall file an Annual 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 by month for the twelve months ending June 30. 2. A tabulation of gas units sold to general service customers and related Cost of Gas Clause revenues. 3. A description of all other costs and refunds made during the year and their effect on the Cost of Gas Clause to date. This report shall be filed concurrently with the Cost of Gas Statement for October.

AgriTexGas, LP
Rate Sheet
Line Extension Policy - Environs

- (A) Standards of Construction. AgriTexGas will endeavor to construct, install, operate, and maintain its plant, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.
- (B) Line Extension and construction charge. When an extension line is necessary from our existing line to the customer's property line, the first seventy-five (75) feet will be free of charge to the customer. AgriTexGas may require, on a non-discriminatory basis, pre-payment, reimbursement, or adequate security for all costs (including, but not limited to, materials, labor, allocated overhead, permit costs and right-of-way acquisition costs) of extending its existing pipeline system to serve a new customer to the extent the extension would exceed the first seventy-five (75) feet. Costs referenced in this Line Extension Policy Rate Sheet are actual costs incurred by the utility and include zero mark-up. AgriTexGas will not receive or charge for any margin, profit or otherwise mark-up the actual cost of providing service.

AgriTexGas reserves the sole discretion to designate the routes of all new extensions and the construction materials and manner of fabrication and installation. AgriTexGas may, on a non-discriminatory basis, provide for refunds, credits or security releases based upon factors such as additional customers subsequently attaching, the level of sales experience through the new facility, or other criteria chosen by AgriTexGas. AgriTexGas may apply similar cost responsibility and arrangements to a customer requesting an increase in capacity of existing AgriTexGas facilities to accommodate an increase in the customer's service requirements.

ATTACHMENT B
COST OF SERVICE

AgriTexGas, Inc.
Development of Proposed Rates
For the Pro Forma Test Year Ended March 31, 2011

LINE NO.	RATE CLASS	BILLING UNITS	PROPOSED RATES	PROPOSED REVENUE	Cost of Service	Deviation
1	Residential					
2	Customer Charge					
3	Single Metered Accounts	26,856 Bills	\$14.75	\$396,126		
4	Multiple Metered Accounts	12 Bills	\$0.00	\$0		
5	Commodity Charge	1,972,093 CCF	\$0.1235	\$243,554		
6	Total Residential			\$639,680	\$640,523	(\$843)
7						
8	Commercial					
9	Customer Charge					
10	Single Metered Accounts	1,380 Bills	\$30.00	\$41,400		
11	Multiple Metered Accounts	60 Bills	\$0.00	\$0		
12	Commodity Charge	567,499 CCF	\$0.1086	\$61,630		
13	Total Commercial			\$103,030	\$102,816	\$214
14						
15	Industrial					
17	Customer Charge	24 Bills	\$110.00	\$2,640		
19	Commodity Charge					
20	First 1000 CCF	14,848 CCF	\$0.1080	\$1,604		
21	Over 1000 CCF	15,528 CCF	\$0.0839	\$1,303		
22	Total Industrial			\$5,547	\$5,327	\$220
23						
24	Public Authority					
25	Customer Charge					
26	Single Metered Accounts	60 Bills	\$55.00	\$3,300		
27	Multiple Metered Accounts	12 Bills	\$0.00	\$0		
28	Commodity Charge	25,332 CCF	\$0.0929	\$2,353		
29	Total Commercial			\$5,653	\$5,389	\$264
30						
31	Total Base Rate Revenue			\$753,910	\$754,055	(\$145)

AgriTexGas, Inc.
Typical Bill Comparisons
For the Pro Forma Test Year Ended March 31, 2011

Residential Service - IH1R					
Charge	Present	Proposed	# of Cust.	% of Class	
1 Customer Charge \$/Month			6	0.36%	
2 Commodity \$/Ccf					
3 First 26	\$4.30	\$14.75			
4 Next 74	\$0.00000	\$0.12350			
5 Next 400	\$0.11866	\$0.12350			
6 Over 500	\$0.09354	\$0.12350			
7	\$0.07794	\$0.12350			
8 Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189			
9					
TYPICAL MONTHLY BILL COMPARISON					
Ccf	Present	Proposed	Change		
20	\$19.54	\$29.99	\$10.45	53.49%	
50	\$45.24	\$55.81	\$10.57	23.35%	
75	\$67.26	\$77.94	\$10.69	15.89%	
100	\$89.27	\$100.08	\$10.81	12.11%	
350	\$303.13	\$321.43	\$18.30	6.04%	
650	\$557.42	\$587.04	\$29.63	5.31%	
Avg Ccf Use					
95	\$84.87	\$95.65	\$10.78	12.71%	
19					
20					
21					
22					
23					
Residential Service - IL1R					
Charge	Present	Proposed	# of Cust.	% of Class	
27 Customer Charge \$/Month			161	6.43%	
28 Commodity \$/Ccf					
29	\$9.95	\$14.75			
30 Gas Cost Adjustment \$/Ccf	\$0.09668	\$0.12350			
31	\$0.76189	\$0.76189			
TYPICAL MONTHLY BILL COMPARISON					
Ccf	Present	Proposed	Change		
20	\$27.12	\$32.46	\$5.34	19.68%	
50	\$52.88	\$59.02	\$6.14	11.61%	
75	\$74.34	\$81.15	\$6.81	9.16%	
100	\$95.81	\$103.29	\$7.48	7.81%	
350	\$310.45	\$324.64	\$14.19	4.57%	
650	\$568.02	\$590.25	\$22.23	3.91%	
Avg Ccf Use					
62	\$63.16	\$69.62	\$6.46	10.23%	
41					
42					

AgriTexGas, Inc.
Typical Bill Comparisons
For the Pro Forma Test Year Ended March 31, 2011

Residential Service - AO1R					
Charge	Present	Proposed	# of Cust	% of Class	
			2	0.12%	
Customer Charge \$/Month	\$9.59	\$14.75			
Commodity \$/Ccf	\$0.11035	\$0.12350			
Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189			
TYPICAL MONTHLY BILL COMPARISON					
Ccf	Present	Proposed	Change (\$)	Change (%)	
20	\$27.03	\$32.46	\$5.42	20.06%	
50	\$53.20	\$59.02	\$5.82	10.93%	
75	\$75.01	\$81.15	\$6.15	8.19%	
100	\$96.81	\$103.29	\$6.47	6.69%	
350	\$314.87	\$324.64	\$9.76	3.10%	
650	\$576.55	\$590.25	\$13.71	2.38%	
Avg Ccf Use					
96	\$93.18	\$99.60	\$6.42	6.89%	
Residential Service - RG1R					
Charge	Present	Proposed	# of Cust	% of Class	
			2	0.13%	
Customer Charge \$/Month	\$10.88	\$14.75			
Commodity \$/Ccf	\$0.11035	\$0.12350			
Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189			
TYPICAL MONTHLY BILL COMPARISON					
Ccf	Present	Proposed	Change (\$)	Change (%)	
20	\$28.32	\$32.46	\$4.13	14.59%	
50	\$54.49	\$59.02	\$4.53	8.31%	
75	\$76.30	\$81.15	\$4.86	6.36%	
100	\$98.10	\$103.29	\$5.19	5.29%	
350	\$316.16	\$324.64	\$8.47	2.68%	
650	\$577.84	\$590.25	\$12.42	2.15%	
Avg Ccf Use					
104	\$101.96	\$107.20	\$5.24	5.14%	

AgriTexGas, Inc.
Typical Bill Comparisons
For the Pro Forma Test Year Ended March 31, 2011

Residential Service - IO1R					
Charge	Present	Proposed	# of Cust.	% of Class	
			2,067	92.91%	
Customer Charge \$/Month	\$10.08	\$14.75			
Commodity \$/Ccf	\$0.11035	\$0.12350			
Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189			
TYPICAL MONTHLY BILL COMPARISON					
Ccf	Present	Proposed	Change		
			(\$)	(%)	
20	\$27.52	\$32.46	\$4.93	17.92%	
50	\$53.69	\$59.02	\$5.33	9.92%	
75	\$75.50	\$81.15	\$5.66	7.49%	
100	\$97.30	\$103.29	\$5.98	6.15%	
350	\$315.36	\$324.64	\$9.27	2.94%	
650	\$577.04	\$590.25	\$13.22	2.29%	
Avg Ccf Use					
71	\$71.87	\$77.47	\$5.60	7.79%	
Residential Service - IO2R					
Charge	Present	Proposed	# of Cust.	% of Class	
			1	0.04%	
Customer Charge \$/Month	\$0.00	\$0.00			
Commodity \$/Ccf	\$0.11035	\$0.12350			
Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189			
TYPICAL MONTHLY BILL COMPARISON					
Ccf	Present	Proposed	Change		
			(\$)	(%)	
20	\$17.44	\$17.71	\$0.26	1.51%	
50	\$43.61	\$44.27	\$0.66	1.51%	
75	\$65.42	\$66.40	\$0.99	1.51%	
100	\$87.22	\$88.54	\$1.32	1.51%	
350	\$305.28	\$309.89	\$4.60	1.51%	
650	\$566.96	\$575.50	\$8.55	1.51%	
Avg Ccf Use					
70	\$60.63	\$61.55	\$0.91	1.51%	

AgriTexGas, Inc.
Typical Bill Comparisons
For the Pro Forma Test Year Ended March 31, 2011

Small Commercial Service - IL1C					
	Charge	Present	Proposed	# of Cust.	% of Class
				6	3.20%
136	Customer Charge \$/Month	\$15.75	\$30.00		
137	Commodity \$/Ccf	\$0.09500	\$0.10860		
139	Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189		
TYPICAL MONTHLY BILL COMPARISON					
	Ccf	Present	Proposed	Change	
	50	\$58.59	\$73.52	\$14.93	25.48%
	100	\$101.44	\$117.05	\$15.61	15.39%
	250	\$229.97	\$247.62	\$17.65	7.67%
	500	\$444.20	\$465.25	\$21.05	4.74%
	750	\$658.42	\$682.87	\$24.45	3.71%
	1,000	\$872.64	\$900.49	\$27.85	3.19%
	Avg Ccf Use				
	247	\$227.25	\$244.86	\$17.61	7.75%
Small Commercial Service - IO1C					
	Charge	Present	Proposed	# of Cust.	% of Class
				109	95.80%
158	Customer Charge \$/Month	\$18.52	\$30.00		
159	Commodity \$/Ccf	\$0.09700	\$0.10860		
161	Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189		
TYPICAL MONTHLY BILL COMPARISON					
	Ccf	Present	Proposed	Change	
	50	\$61.46	\$73.52	\$12.06	19.62%
	100	\$104.41	\$117.05	\$12.64	12.11%
	250	\$233.24	\$247.62	\$14.38	6.17%
	500	\$447.97	\$465.25	\$17.28	3.86%
	750	\$662.69	\$682.87	\$20.18	3.05%
	1,000	\$877.41	\$900.49	\$23.08	2.63%
	Avg Ccf Use				
	414	\$373.73	\$390.00	\$16.28	4.36%

AgriTexGas, Inc.
Typical Bill Comparisons
For the Pro Forma Test Year Ended March 31, 2011

Small Commercial Service - IO2C					
	Charge	Present	Proposed	# of Cust.	% of Class
				5	0.99%
180	Customer Charge \$/Month	\$0.00	\$0.00		
181	Commodity \$/Ccf	\$0.09700	\$0.10860		
183	Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189		
TYPICAL MONTHLY BILL COMPARISON					
	Ccf	Present	Proposed	Change (\$)	Change (%)
187	50	\$42.94	\$43.52	\$0.58	1.35%
188	100	\$85.89	\$87.05	\$1.16	1.35%
189	250	\$214.72	\$217.62	\$2.90	1.35%
190	500	\$429.45	\$435.25	\$5.80	1.35%
191	750	\$644.17	\$652.87	\$8.70	1.35%
192	1,000	\$858.89	\$870.49	\$11.60	1.35%
194	Avg Ccf Use				
195	92	\$78.77	\$79.84	\$1.06	1.35%
Industrial Service - IO1D					
	Charge	Present	Proposed	# of Cust.	% of Class
				2	100.00%
202	Customer Charge \$/Month	\$106.61	\$110.00		
203	Commodity \$/Ccf	\$0.09650	\$0.10800		
204	First 1000 CCF	\$0.07500	\$0.08390		
205	Excess Ccf				
207	Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189		
TYPICAL MONTHLY BILL COMPARISON					
	Ccf	Present	Proposed	Change (\$)	Change (%)
211	250	\$321.21	\$327.47	\$6.26	1.95%
212	500	\$535.81	\$544.95	\$9.14	1.71%
213	1,000	\$965.00	\$979.89	\$14.89	1.54%
214	1,500	\$1,383.45	\$1,402.79	\$19.34	1.40%
215	2,000	\$1,801.89	\$1,825.68	\$23.79	1.32%
216	2,500	\$2,220.34	\$2,248.58	\$28.24	1.27%
217					
218	Avg Ccf Use				
219	1,266	\$1,187.33	\$1,204.58	\$17.25	1.45%

AgriTexGas, Inc.
Typical Bill Comparisons
For the Pro Forma Test Year Ended March 31, 2011

Public Authority - IL1P					
	Charge	Present	Proposed	# of Cust.	% of Class
				1	25.98%
226	Customer Charge \$/Month	\$47.22	\$55.00		
227	Commodity \$/Ccf	\$0.09100	\$0.09290		
228					
229	Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189		
230					
231	TYPICAL MONTHLY BILL COMPARISON				
232	Ccf	Present	Proposed	Change	(%)
233	50	\$89.86	\$97.74	\$7.88	8.76%
234	100	\$132.51	\$140.48	\$7.97	6.01%
235	250	\$260.44	\$268.70	\$8.26	3.17%
236	500	\$473.67	\$482.40	\$8.73	1.84%
237	750	\$686.89	\$696.09	\$9.20	1.34%
238	1,000	\$900.11	\$909.79	\$9.68	1.08%
239					
240	Avg Ccf Use				
241	532	\$501.15	\$509.94	\$8.79	1.75%
242					
243					
244					
245					
246	Charge	Present	Proposed	# of Cust.	% of Class
247				4	70.25%
248	Customer Charge \$/Month	\$53.19	\$55.00		
249	Commodity \$/Ccf	\$0.08300	\$0.09290		
250					
251	Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189		
252					
253	TYPICAL MONTHLY BILL COMPARISON				
254	Ccf	Present	Proposed	Change	(%)
255	50	\$95.43	\$97.74	\$2.31	2.42%
256	100	\$137.68	\$140.48	\$2.80	2.03%
257	250	\$264.41	\$268.70	\$4.29	1.62%
258	500	\$475.64	\$482.40	\$6.76	1.42%
259	750	\$686.86	\$696.09	\$9.23	1.34%
260	1,000	\$898.08	\$909.79	\$11.71	1.30%
261					
262	Avg Ccf Use				
263	360	\$357.10	\$362.48	\$5.37	1.50%
264					
265					

Public Authority - IO1P

AgriTexGas, Inc.
Typical Bill Comparisons
For the Pro Forma Test Year Ended March 31, 2011

Public Authority - IO2P					
	Charge	Present	Proposed	# of Cust.	% of Class
				1	3.77%
269	Customer Charge \$/Month	\$0.00	\$0.00		
270	Commodity \$/Ccf	\$0.08300	\$0.09290		
271	Gas Cost Adjustment \$/Ccf	\$0.76189	\$0.76189		
272					
273					
274					
275	TYPICAL MONTHLY BILL COMPARISON				
276	Ccf	Present	Proposed	Change	
277	50	\$42.24	\$42.74	\$0.49	1.17%
278	100	\$84.49	\$85.48	\$0.99	1.17%
279	250	\$211.22	\$213.70	\$2.47	1.17%
280	500	\$422.45	\$427.40	\$4.95	1.17%
281	750	\$633.67	\$641.09	\$7.42	1.17%
282	1,000	\$844.89	\$854.79	\$9.90	1.17%
283					
284	Avg Ccf Use	\$65.20	\$65.96	\$0.76	1.17%
285	77				

AgriTexGas, Inc.

Class Cost of Service Analysis

For the Pro Forma Test Year Ended March 31, 2011

Ref. #	Description	Allocation Factor	Total	Residential	Commercial	Industrial	Public Authority	Agriculture	Irrigation	Total At Issue
1001	75% Volumes / 25% Demand	1	1,000	0.0987	0.0255	0.0014	0.0014	0.0299	0.8432	0.1269
1002	Sales Volumes	2	1,000	0.0628	0.0181	0.0010	0.0008	0.0214	0.8959	0.0827
1003	Sales Volumes	3	31,384,801	1,972,093	567,499	30,376	25,332	672,403	28,117,097	2,595,301
1004	Customers-Billing	4	6,282	2,239	120	2	6	36	3,879	2,367
1005	Customers	5	6,282	2,239	120	2	6	36	3,879	2,367
1006	Customers - Weighted Meters	6	21,272	2,239	564	41	28	169	18,231	2,872
1007	Customers - Weighted Meter Installations	7	7,500	2,239	156	7	8	47	5,043	2,410
1008	Customers - Weighted Regulators	8	31,843	2,239	876	104	44	263	28,317	3,263
1009	Customers - Weighted Services	9	8,310	2,239	180	9	9	54	5,819	2,437
1010	Mains & Regulators	10	907,537	89,563	23,129	1,244	1,232	27,145	765,224	115,168
1011	Meters	11	60,955	6,416	1,616	116	81	485	52,241	8,229
1012	House Regulators	12	19,363	1,362	533	63	27	160	17,219	1,984
1013	Services	13	79,840	21,512	1,729	88	86	519	55,905	23,417
1014	Total Intangible Plant	14	0	0	0	0	0	0	0	0
1015	Total Distribution Plant	15	1,206,024	148,384	30,163	1,674	1,588	30,521	993,694	181,809
1016	Total General Plant	16	943,697	119,839	23,508	1,293	1,237	23,570	774,251	145,876
1017	Total Plant in Service	17	2,149,721	268,223	53,670	2,968	2,825	54,091	1,767,944	327,685
1018	Total Rate Base	18	2,810,872	349,884	70,237	3,840	3,694	70,128	2,313,090	427,654
1019	Meters & House Regulators	19	80,318	7,777	2,149	180	107	645	69,460	10,213
1020	Mains & Services	20	960,153	108,389	24,165	1,295	1,281	26,849	798,174	135,130
1021	M & R Industrial	21	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0
1022	M & R General	22	959	95	24	1	1	29	808	122
1023	Net Plant in Service	23	1,916,544	237,916	47,876	2,647	2,520	48,395	1,577,190	290,959
1024	Labor & Management Fees	24	1,351,890	171,675	33,676	1,852	1,772	33,765	1,109,150	208,975
1025	Direct Assignment to Residential	25	100	100	0	0	0	0	0	100
1026	Open	26	0	0	0	0	0	0	0	0
1027	Open	27	0	0	0	0	0	0	0	0
1028	Open	28	0	0	0	0	0	0	0	0
1029	Open	29	0	0	0	0	0	0	0	0
1030	Distribution Expense Excluding Labor	30	1,179,591	145,132	29,502	1,638	1,553	29,852	971,914	177,824
1031	Total Distribution & Customer Related Expenses	31	2,831,729	441,796	68,458	3,503	3,584	63,830	2,250,559	517,340
1032	Total Expenses Excluding Labor & Management Fee	32	2,072,716	365,795	49,035	2,370	2,557	43,164	1,609,795	419,757
1033	Open	33	0	0	0	0	0	0	0	0
1034	Open	34	0	0	0	0	0	0	0	0
1035	Open	35	0	0	0	0	0	0	0	0
1036	Open	36	0	0	0	0	0	0	0	0
1037	Open	37	0	0	0	0	0	0	0	0
1038	Open	38	0	0	0	0	0	0	0	0
1039	Open	39	0	0	0	0	0	0	0	0
1040	Net Cost of Service	40	4,229,786	640,523	102,816	5,327	5,389	97,109	3,378,622	754,055
1041	Open	41	0	0	0	0	0	0	0	0

Ref. #	Description	Allocation Factor	Total	Residential	Commercial	Industrial	Public Authority	Agriculture	Irrigation	Total At Issue
1		1	2	3	4	5	6	7	8	
1042	75% Volumes / 25% Demand	1	100%	9.87%	2.55%	0.14%	0.14%	2.99%	84.32%	12.69%
1043	Sales Volumes	2	100%	6.28%	1.81%	0.10%	0.10%	2.14%	89.59%	8.27%
1044	Sales Volumes	3	100%	6.28%	1.81%	0.10%	0.08%	2.14%	89.59%	8.27%
1045	Customers-Billing	4	100%	35.64%	1.91%	0.03%	0.10%	0.57%	61.75%	37.68%
1046	Customers	5	100%	35.64%	1.91%	0.03%	0.10%	0.57%	61.75%	37.68%
1047	Customers - Weighted Meters	6	100%	10.53%	2.65%	0.19%	0.13%	0.80%	85.70%	13.50%
1048	Customers - Weighted Meter Installations	7	100%	29.85%	2.08%	0.10%	0.10%	0.62%	67.24%	32.14%
1049	Customers - Weighted Regulators	8	100%	7.03%	2.75%	0.33%	0.14%	0.83%	88.93%	10.25%
1050	Customers - Weighted Services	9	100%	26.94%	2.17%	0.11%	0.11%	0.65%	70.02%	29.33%
1051	Mains & Regulators	10	100%	9.87%	2.55%	0.14%	0.14%	2.99%	84.32%	12.69%
1052	Meters	11	100%	10.53%	2.65%	0.19%	0.13%	0.80%	85.70%	13.50%
1053	House Regulators	12	100%	7.03%	2.75%	0.33%	0.14%	0.83%	88.93%	10.25%
1054	Services	13	100%	26.94%	2.17%	0.11%	0.11%	0.65%	70.02%	29.33%
1055	Total Intangible Plant	14	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1056	Total Distribution Plant	15	100%	12.30%	2.50%	0.14%	0.13%	2.53%	82.39%	15.08%
1057	Total General Plant	16	100%	12.70%	2.49%	0.14%	0.13%	2.50%	82.04%	15.46%
1058	Total Plant in Service	17	100%	12.48%	2.50%	0.14%	0.13%	2.52%	82.24%	15.24%
1059	Total Rate Base	18	100%	12.45%	2.50%	0.14%	0.13%	2.49%	82.29%	15.21%
1060	Meters & House Regulators	19	100%	9.68%	2.68%	0.22%	0.13%	0.80%	86.48%	12.72%
1061	Mains & Services	20	100%	11.29%	2.52%	0.13%	0.13%	2.80%	83.13%	14.07%
1062	M & R Industrial	21	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1063	M & R General	22	100%	9.87%	2.55%	0.14%	0.14%	2.99%	84.32%	12.69%
1064	Net Plant In Service	23	100%	12.41%	2.50%	0.14%	0.13%	2.53%	82.29%	15.18%
1065	Labor & Management Fees	24	100%	12.70%	2.49%	0.14%	0.13%	2.50%	82.04%	15.46%
1066	Direct Assignment to Residential	25	100%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
1067	Open	26	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1068	Open	27	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1069	Open	28	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1070	Open	29	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1071	Distribution Expense Excluding Labor	30	100%	12.30%	2.50%	0.14%	0.13%	2.53%	82.39%	15.08%
1072	Total Distribution & Customer Related Expenses	31	100%	15.60%	2.42%	0.12%	0.12%	2.25%	79.48%	18.27%
1073	Total Expenses Excluding Labor & Management Fee	32	100%	17.65%	2.37%	0.11%	0.12%	2.08%	77.67%	20.25%
1074	Open	33	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1075	Open	34	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1076	Open	35	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1077	Open	36	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1078	Open	37	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1079	Open	38	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1080	Open	39	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1081	Net Cost of Service	40	100%	15.14%	2.43%	0.13%	0.13%	2.30%	79.88%	17.83%
1082	Open	41	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

AgriTexGas, Inc.
Class Cost of Service Analysis
For the Pro Forma Test Year Ended March 31, 2011

Ref. #	Description	Allocation Factor	Total	Residential	Commercial	Industrial	Public Authority	Agriculture	Irrigation	Total At Issue
2001 Plant in Service										
2002 Intangible Plant		15	0	0	0	0	0	0	0	0
2002 Distribution Plant										
2003 37402-Land and Land Rights		1	56,878	5,613	1,450	78	77	1,701	47,959	7,218
2004 37600 Mains-Catholic Protection		1	26,266	2,592	669	36	36	786	22,147	3,333
2005 37601 Mains - Steel		1	37,967	3,747	968	52	52	1,136	32,014	4,818
2006 37602 Mains - Plastic		1	842,345	83,130	21,468	1,155	1,143	25,195	710,255	106,895
2007 37800 Meas. & Reg. Sta. Eq. - General		1	959	95	24	1	1	29	808	122
2008 38000 Services		9	79,840	21,512	1,729	88	86	519	55,905	23,417
2009 38100 Meters		6	60,955	6,416	1,616	116	81	485	52,241	8,229
2010 38200 Meter Installations		7	79,701	23,794	1,658	79	83	497	53,590	25,614
2011 38300 House Regulators		8	19,363	1,362	533	63	27	160	17,219	1,984
2012 38400 House Reg. Installations		8	1,749	123	48	6	2	14	1,556	179
2013 Total Distribution Plant			1,206,024	148,384	30,163	1,674	1,588	30,521	993,694	181,809
			0.12							
2014 General Plant										
2015 39200 Transportation Equipment		24	671,413	85,262	16,725	920	880	16,769	550,857	103,787
2016 39800 Misc. & Other Equipment		24	214,806	27,278	5,351	294	282	5,365	176,236	33,205
2017 39900 Other Tangible Property - Computers		24	57,478	7,299	1,432	79	75	1,436	47,157	8,885
2018 Total General Plant			943,697	119,839	23,508	1,293	1,237	23,570	774,251	145,876
2019 Total Plant in Service			2,149,721	268,223	53,670	2,968	2,825	54,091	1,767,944	327,685
2020 Accumulated Depreciation										
2021 37402-Land and Land Rights		1	0	0	0	0	0	0	0	0
2022 37600 Mains-Catholic Protection		1	1,088	107	28	1	1	33	918	138
2023 37601 Mains - Steel		1	1,573	155	40	2	2	47	1,326	200
2024 37602 Mains - Plastic		1	32,873	3,244	838	45	45	983	27,718	4,172
2025 37800 Meas. & Reg. Sta. Eq. - General		1	71	7	2	0	0	2	60	9
2026 38000 Services		9	5,943	1,601	129	7	6	39	4,161	1,743
2027 38100 Meters		6	3,292	347	87	6	4	26	2,822	444
2028 38200 Meter Installations		7	5,932	1,771	123	6	6	37	3,989	1,907
2029 38300 House Regulators		8	1,441	101	40	5	2	12	1,282	148
2030 38400 House Reg. Installations		8	130	9	4	0	0	1	116	13
2031 39200 Transportation Equipment		24	149,256	18,954	3,718	205	196	3,728	122,456	23,072
2032 39800 Misc. & Other Equipment		24	16,776	2,130	418	23	22	419	13,764	2,593
2033 39900 Other Tangible Property - Computers		24	14,800	1,879	369	20	19	370	12,142	2,288
2034 Total Accumulated Depreciation			233,177	30,307	5,795	320	304	5,696	190,754	36,726
2035 Net Plant			1,916,544	237,916	47,876	2,647	2,520	48,395	1,577,190	290,959
2036 Working Capital										
2037 Cash Working Capital Allowance (1/8 O&M)			428,085	67,185	10,339	528	541	9,616	339,876	78,593
2038 Material Inventory	17		477,617	59,593	11,924	659	628	12,018	392,796	72,804
2039 Prepaid Expenses	17		2,300	287	57	3	3	58	1,892	351
2040 Property Deposits	17		1,625	203	41	2	2	41	1,336	248
2041 235-Customer Deposits	25		(15,300)	(15,300)	0	0	0	0	0	(15,300)
2042 Total Working Capital			894,328	111,968	22,361	1,193	1,174	21,733	735,900	136,695
2043 Total Rate Base			2,810,872	349,884	70,237	3,840	3,694	70,128	2,313,090	427,654
			0.12							

AgriTexGas, Inc.
Class Cost of Service Analysis
For the Pro Forma Test Year Ended March 31, 2011

Ref. #	Description	Allocation Factor	Total	Residential	Commercial	Industrial	Public Authority	Agriculture	Irrigation	Total At Issue
3001	Operation and Maintenance Expense									
3003	Operation									
3004	Automobile Expense	15	319,961	39,367	8,002	444	421	8,097	263,629	48,234
3005	Material Costs	15	0	0	0	0	0	0	0	0
3006	Meters	15	0	0	0	0	0	0	0	0
3007	Labor	30	1,251,890	154,027	31,310	1,738	1,648	31,682	1,031,484	188,723
3008	Other Payroll Expense	30	75	9	2	0	0	2	62	11
3009	Repairs and Maintenance	15	50,043	6,157	1,252	69	66	1,266	41,232	7,544
3010	Supplies	15	75,252	9,259	1,882	104	99	1,904	62,004	11,344
3011	Training	15	19,577	2,409	490	27	26	495	16,130	2,951
3012	Travel Expenses	15	1,708	210	43	2	2	43	1,407	257
3013	Uniforms	15	733	90	18	1	1	19	604	110
3014	Contract Work	15	68,013	8,368	1,701	94	90	1,721	56,039	10,253
3015	Pilot Flyover Fee	15	20,169	2,482	504	28	27	510	16,618	3,041
3016	Pipeline Services	15	608,276	74,840	15,213	845	801	15,394	501,184	91,688
3017	Small Tools	15	15,859	1,951	397	22	21	401	13,067	2,391
3018	Total Distribution O&M		2,431,556	299,168	60,813	3,376	3,202	61,537	2,003,460	366,559
3019	Customer Accounting & Collection									
3020	Accounting	4	69,523	24,779	1,328	22	66	398	42,929	26,195
3021	Billing Services	4	329,525	117,448	6,295	105	315	1,888	203,475	124,162
3022	Total Customer Accounting & Collection		399,048	142,227	7,623	127	381	2,287	246,403	150,357
3023	Advertising & Promotion									
3024	Advertising & Promotion	4	1,125	401	21	0	1	6	695	424
3024	Administrative and General Exp.									
3025	Computer and Internet Expenses	31	6,064	946	147	8	8	137	4,820	1,108
3026	Auto Insurance	31	14,778	2,306	357	18	19	333	11,745	2,700
3027	Insurance Expense Other	31	0	0	0	0	0	0	0	0
3028	Bank Service Charges	31	29	5	1	0	0	1	23	5
3029	Workers Compensation Insurance	31	42,396	6,614	1,025	52	54	956	33,695	7,746
3030	Dues & Subscriptions	31	120	19	3	0	0	3	95	22
3031	Licenses and Fees	31	39,196	6,115	948	48	50	884	31,152	7,161
3032	Management Fee	32	100,000	17,648	2,366	114	123	2,082	77,666	20,252
3033	Meals and Entertainment	31	6,740	1,052	163	8	9	152	5,357	1,231
3034	Office Supplies	31	16,888	2,635	408	21	21	381	13,422	3,085
3035	Health Insurance	31	166,285	25,943	4,020	206	210	3,748	132,157	30,379
3036	Cleaning Services	31	3,505	547	85	4	4	79	2,786	640
3037	Legal Fees	31	0	0	0	0	0	0	0	0
3038	Transitional Services Agreement	31	0	0	0	0	0	0	0	0
3039	Professional Fees - Other	31	0	0	0	0	0	0	0	0
3040	Postage and Delivery	31	1,297	202	31	2	2	29	1,031	237
3041	Telephone Expense	31	54,074	8,436	1,307	67	68	1,219	42,976	9,879
3042	Utilities	31	6,362	993	154	8	8	143	5,057	1,162
3043	Bad Debts	40	21,959	3,325	534	28	28	504	17,540	3,915
3044	Drug Screenings	31	9,734	1,519	235	12	12	219	7,736	1,778
3045	Rent Expense	31	33,787	5,271	817	42	43	762	26,853	6,173
3046	Dallas G&A	32	60,000	10,589	1,419	69	74	1,249	46,600	12,151
3047	Donation	31	100	16	2	0	0	2	79	18
3048	Miscellaneous Expenses	31	9,638	1,504	233	12	12	217	7,660	1,761
3049	Total A&G Expenses		592,953	95,684	14,255	719	746	13,100	468,449	111,403
3050	Total O&M Expenses		3,424,681	537,479	82,712	4,222	4,329	76,930	2,719,008	628,744

AgriTexGas, Inc.
Class Cost of Service Analysis
For the Pro Forma Test Year Ended March 31, 2011

Ref. #	Description	Allocation Factor	Total	Residential	Commercial	Industrial	Public Authority	Agriculture	Irrigation	Total At Issue
3051	Depreciation Expense									
3052	37402-Land and Land Rights	1	0	0	0	0	0	0	0	0
3053	37600 Mains-Catholic Protection	1	594	59	15	1	1	18	501	75
3054	37601 Mains - Steel	1	858	85	22	1	1	26	724	109
3055	37602 Mains - Plastic	1	19,037	1,879	485	26	26	569	16,052	2,416
3056	37800 Meas. & Reg. Sta. Eq. - General	1	39	4	1	0	0	1	33	5
3057	38000 Services	9	3,242	873	70	4	4	21	2,270	951
3058	38100 Meters	6	1,829	192	48	3	2	15	1,567	247
3059	38200 Meter Installations	7	3,236	966	67	3	3	20	2,176	1,040
3060	38300 House Regulators	8	786	55	22	3	1	6	699	81
3061	38400 House Reg. Installations	8	71	5	2	0	0	1	63	7
3062	39200 Transportation Equipment	24	134,283	17,052	3,345	184	176	3,354	110,171	20,757
3063	39800 Misc. & Other Equipment	24	21,481	2,728	535	29	28	536	17,624	3,320
3064	39900 Other Tangible Property - Computers	24	11,496	1,460	286	16	15	287	9,431	1,777
3065	Total Depreciation Expense		196,950	25,358	4,899	270	258	4,854	161,310	30,785
3066	Taxes Other Than Income									
3067	Payroll Taxes	24	102,449	13,010	2,552	140	134	2,559	84,053	15,837
3068	Property Taxes	17	3,756	469	94	5	5	95	3,089	573
3069	Pipeline Safety Fee	17	0	0	0	0	0	0	0	0
3070	Gas Utility Tax		0	0	0	0	0	0	0	0
3071	Gross Margin Tax		44,546	7,614	1,228	79	73	1,730	33,822	8,994
3072	Total Taxes Other Than Income		150,751	21,093	3,873	225	212	4,384	120,965	25,403
3073	431-Interest on Customer Deposits	25	29	29	0	0	0	0	0	29
3074	Total Oper. Exp. Before Inc. Tax		3,772,411	583,959	91,485	4,718	4,799	86,168	3,001,282	684,961
4001	Other Operating Revenue									
4002	Acct. 487 - Forfeited Discounts	40	0	0	0	0	0	0	0	0
4003	Acct. 488 - Misc. Service Revenues	40	6,188	937	150	8	8	142	4,942	1,103
4004	Total Other Operating Revenue		6,188	937	150	8	8	142	4,942	1,103

AgriTexGas, Inc.
Class Cost of Service Analysis
For the Pro Forma Test Year Ended March 31, 2011

Ref. #	Description	Allocation Factor	Total	Residential	Commercial	Industrial	Public Authority	Agriculture	Irrigation	Total At Issue
5001 Return Under Existing Rates										
5002	Total Present Base Rate Revenue		2,889,330	493,986	79,647	5,156	4,714	112,339	2,193,488	583,502
5003	Other Operating Revenue		6,188	937	150	8	8	142	4,942	1,103
5004	Total Operating Revenue		2,895,518	494,923	79,797	5,164	4,722	112,482	2,198,431	584,606
5005	Operation and Maintenance Expenses		3,424,681	537,479	82,712	4,222	4,329	76,930	2,719,008	628,744
5006	Depreciation and Amortization Expense		196,950	25,358	4,899	270	258	4,854	161,310	30,785
5007	Taxes Other than Income Tax		150,751	3,873	212	225	212	4,384	120,965	25,403
5008	Estimated Federal Income Tax		(306,913)	(31,163)	(4,091)	156	(27)	9,210	(280,988)	(35,124)
5009	Interest on Customer Deposits		29	29	0	0	0	0	0	29
5010	Total Operating Expense		3,465,498	552,796	87,394	4,874	4,772	95,378	2,720,284	649,836
5011	Return		(569,981)	(57,874)	(7,597)	290	(50)	17,104	(521,854)	(65,231)
5012	Rate Base		2,810,872	349,884	70,237	3,840	3,694	70,128	2,313,090	427,654
5013	Rate of Return, Existing Rates		-20.28%	-16.54%	-10.82%	7.55%	-1.35%	24.39%	-22.56%	-15.25%
6001 Return at Claimed ROR										
6002	Rate Base		2,810,872	349,884	70,237	3,840	3,694	70,128	2,313,090	427,654
6003	Rate of Return		11.85%	11.85%	11.85%	11.85%	11.85%	11.85%	11.85%	11.85%
6004	Return		333,088	41,461	8,323	455	438	8,310	274,101	50,677
6005	Operation and Maintenance Expenses		3,424,681	537,479	82,712	4,222	4,329	76,930	2,719,008	628,744
6006	Depreciation and Amortization Expense		196,950	25,358	4,899	270	258	4,854	161,310	30,785
6007	Taxes Other than Income Tax		164,645	22,621	4,118	228	219	4,248	133,210	27,186
6008	Estimated Federal Income Tax		116,581	14,511	2,913	159	153	2,909	95,935	17,737
6009	Interest on Customer Deposits		29	29	0	0	0	0	0	29
6010	Total Cost of Service		4,235,974	641,460	102,966	5,335	5,397	97,252	3,383,564	755,158
6011	Less: Other Operating Revenue		6,188	937	150	8	8	142	4,942	1,103
6012	Net Cost of Service		4,229,786	640,523	102,816	5,327	5,389	97,109	3,378,622	754,055
6013	Base Rate Revenue Deficiency		1,340,456	146,537	23,169	171	675	(15,230)	1,185,134	170,552
6014	Percent Increase (Decrease)		46.39%	29.66%	29.09%	3.31%	14.32%	-13.56%	54.03%	29.23%

AgriTexGas, Inc.
Class Cost of Service Analysis
For the Pro Forma Test Year Ended March 31, 2011

Ref. #	Description	Allocation Factor	Total	Residential	Commercial	Industrial	Public Authority	Agriculture	Irrigation	Total At Issue
7001	Return at Proposed Rates									
7002	Total Base Rate Revenue at Proposed Rates		4,229,641	639,680	103,030	5,547	5,653	97,109	3,378,622	753,910
7003	Present Other Operating Revenue		6,188	937	150	8	8	142	4,942	1,103
7004	Proposed Increase in Other Operating Revenue		0	0	0	0	0	0	0	0
7005	Total Proposed Operating Revenue		4,235,829	640,617	103,180	5,555	5,661	97,252	3,383,564	755,013
7006	Revenue Increase									
7007	Revenue from Present Base Rates		2,889,330	493,986	79,647	5,156	4,714	112,339	2,193,488	583,502
7008	Proposed Revenue Increase		1,340,311	145,694	23,383	391	939	(15,230)	1,185,134	170,408
7009	Percent Increase/(Decrease)		46.39%	29.49%	29.36%	7.58%	19.92%	-13.56%	54.03%	29.20%
7010	Operation and Maintenance Expense		3,424,681	537,479	82,712	4,222	4,329	76,930	2,719,008	628,744
7011	Depreciation and Amortization Expense		196,950	25,358	4,899	270	258	4,854	161,310	30,785
7012	Taxes Other than Income Tax		164,639	22,608	4,120	230	222	4,248	133,210	27,180
7013	Estimated Federal Income Tax		116,545	14,296	2,968	216	221	2,909	95,935	17,701
7014	Interest on Customer Deposits		29	29	0	0	0	0	0	29
7015	Total Operating Expenses		3,902,844	599,771	94,700	4,938	5,030	88,941	3,109,463	704,439
7016	Return									
7017	Rate Base		332,985	40,846	8,480	616	631	8,310	274,101	50,574
7018	Rate of Return		2,810,872	349,884	70,237	3,840	3,694	70,128	2,313,090	427,654
7019	Relative Rate of Return		11.85%	11.67%	12.07%	16.06%	17.09%	11.85%	11.85%	11.83%
			1.00	0.99	1.02	1.36	1.44	1.00	1.00	1.00

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AgriTexGas, Inc.
Class Data
For the Pro Forma Test Year Ended March 31, 2011

Line No.	UNADJUSTED Ccf CONSUMPTION	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	TOTAL 12 mo Ended Mar-11
37	Residential - 1H1R	668.0	221.0	234.0	147.0	114.0	134.0	215.0	671.0	1,066.0	2,157.0	674.0	612.0	6,913.0
38	Residential - 1L1R	7,781.1	3,553.0	3,312.0	2,101.0	2,709.3	3,045.9	3,785.0	13,840.0	24,793.3	27,620.0	20,221.7	10,508.4	123,270.6
39	Residential - A01R	124.0	58.0	30.0	38.0	27.0	37.0	117.0	283.0	479.0	561.0	313.0	233.0	2,300.0
40	Residential - RG1R	124.0	69.0	87.0	42.0	68.0	67.0	490.0	281.0	329.0	527.0	228.0	194.0	2,506.0
41	Residential - 101R	108,428.0	50,050.0	72,355.0	43,084.0	40,230.0	42,954.7	65,780.0	201,509.5	334,913.3	406,279.2	248,970.2	165,321.6	1,779,875.5
42	Residential - 102R	37.0	24.0	22.0	20.0	19.0	21.0	25.0	68.0	126.0	135.0	171.2	166.0	834.2
43	Total Residential	117,162.09	53,975.00	76,040.00	45,431.98	43,166.27	46,260.58	70,411.95	216,652.53	361,706.63	437,279.2	270,578.0	177,035.0	1,915,699.3
44	Small Commercial - 1L1C	712.0	664.0	534.0	307.1	405.3	561.2	708.0	1,930.1	3,349.3	3,923.0	3,215.0	1,462.1	17,771.2
45	Small Commercial - 101C	36,102.0	27,007.1	31,864.6	32,582.2	30,843.1	28,830.6	28,759.6	50,337.4	70,394.0	86,968.2	56,704.0	51,036.0	531,428.8
46	Small Commercial - 102C	375.0	325.0	652.0	214.0	272.0	273.0	218.0	439.0	714.0	793.0	719.0	509.0	5,503.0
47	Total Small Commercial	37,189.0	27,996.1	33,050.6	33,103.3	31,520.5	29,664.8	29,685.6	52,706.5	74,457.3	91,684.3	60,638.0	53,007.1	554,703.0
48	Industrial - IO1D	2,010.3	1,073.7	1,352.5	1,148.3	1,455.8	2,399.0	2,434.3	2,970.7	4,787.0	4,749.0	3,164.2	2,830.8	30,375.8
49	Public Authority - 1L1P	505.3	90.0	201.0	163.2	129.0	201.0	185.0	512.0	1,357.0	1,205.0	379.0	1,459.2	6,386.8
50	Public Authority - 101P	1,098.0	1,407.0	22.0	204.0	216.0	386.0	421.0	1,073.0	2,710.0	6,401.0	1,988.0	1,340.0	17,286.0
51	Public Authority - 102P	0.0	0.0	0.0	0.0	100.0	0.0	1.0	20.0	76.0	403.0	326.0	0.0	926.0
52	Total Public Authority	1,603.3	1,497.0	223.0	367.2	445.0	587.0	607.0	1,605.0	4,143.0	8,009.0	2,693.0	2,799.2	24,578.8
53	Agriculture - 1L1D	270.5	67.0	21.2	17.2	32.0	1,303.0	14,318.2	11,523.4	9,254.0	7,885.0	1,717.0	1,542.3	47,950.7
54	Agriculture - 101D	20,768.7	24,733.3	24,576.5	21,464.8	16,874.2	58,763.0	101,377.5	122,028.3	73,160.0	50,230.0	27,902.0	32,936.3	574,814.6
55	Agriculture - 102D	560.0	1,274.0	556.0	240.0	391.0	349.0	3,023.0	4,903.2	6,696.0	14,539.0	15,840.2	1,266.5	49,638.0
56	Total Agriculture	21,599.2	26,074.3	25,153.7	21,722.0	17,297.2	60,415.0	118,718.8	138,454.9	89,110.0	72,654.0	45,459.2	35,745.1	672,403.3
57	Irrigation - TA1I	616,229.3	795,859.0	2,403,045.0	2,888,767.0	3,747,335.6	868,841.7	256,342.0	112,545.4	154,195.9	192,061.0	354,292.0	1,798,836.0	14,188,349.9
58	Irrigation - TA2I	472,530.0	629,425.8	1,684,127.0	1,771,870.1	2,623,326.0	568,481.0	186,932.9	94,792.4	127,662.2	137,027.3	254,360.7	1,332,700.3	9,883,235.7
59	Irrigation - TF1I	23,832.3	5,678.0	30,550.0	38,253.5	62,349.9	10,822.0	1,882.1	4,256.6	3,643.0	2,601.5	4,521.0	29,805.0	218,194.9
60	Irrigation - TF2I	6,361.5	3,565.0	9,121.0	16,554.0	19,317.0	13,185.0	4,349.1	3,578.0	4,810.0	3,696.0	4,153.0	20,476.0	109,165.6
61	Irrigation - T407	173,866.0	231,602.6	489,297.9	524,570.0	938,816.1	350,039.0	93,728.3	111,638.4	132,310.8	87,959.4	151,208.4	433,114.3	3,718,151.1
62	Total Irrigation	1,292,819.2	1,666,130.4	4,616,140.9	5,240,014.6	7,391,144.6	1,811,368.7	543,234.5	326,810.7	422,621.9	423,345.2	768,555.2	3,614,931.6	28,117,097.3
63	Total Company	1,472,383.02	1,776,746.47	4,751,960.64	5,341,787.46	7,485,029.27	1,950,695.13	765,092.06	739,200.31	966,825.79	1,037,720.77	1,151,067.63	3,886,348.82	31,314,857.37

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For the Pro Forma Test Year Ended March 31, 2011													
Line No.	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	TOTAL 12 mo Ended Mar-11
YEAR END CUSTOMER C&I ADJUSTMENT													
110 Residential	(2,358.6)	(1,636.3)	(203.2)	(620.4)	(794.8)	(631.8)	(685.1)	(5,562.4)	(3,519.5)	(5,210.3)	(2,632.8)	0.0	(23,855.3)
111 Small Commercial	442.7	331.3	1,026.4	398.8	377.5	526.6	536.5	919.3	459.6	0.0	0.0	0.0	5,018.8
112 Industrial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
113 Public Authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
114 Agriculture	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
115 Irrigation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
117 Total Company	(1,915.9)	(1,305.0)	823.2	(221.6)	(417.3)	(105.2)	(148.6)	(4,643.1)	(3,059.9)	(5,210.3)	(2,632.8)	0.0	(18,836.5)
YEAR END CUSTOMER ADJUSTED C&I													
121 Residential	114,803.5	52,338.7	75,896.8	44,811.5	42,371.5	45,628.8	69,726.8	211,090.1	358,187.1	432,068.9	267,945.2	177,035.0	1,891,844.0
122 Small Commercial	37,631.7	28,327.4	34,077.0	33,502.2	31,897.9	30,191.4	30,222.0	53,625.8	74,916.9	91,684.3	60,638.0	53,007.1	559,721.8
123 Industrial	2,010.3	1,073.7	1,352.5	1,148.3	1,455.8	2,399.0	2,434.3	2,970.7	4,787.0	4,749.0	3,164.2	2,830.8	30,375.8
124 Public Authority	1,603.3	1,497.0	223.0	367.2	445.0	587.0	607.0	1,605.0	4,143.0	8,009.0	2,593.0	2,799.2	24,578.8
125 Agriculture	21,599.2	26,074.3	25,153.7	21,722.0	17,297.2	60,415.0	118,718.8	138,454.9	89,110.0	72,654.0	45,459.2	35,745.1	672,403.3
126 Irrigation	1,292,819.2	1,666,130.4	4,616,140.9	5,240,014.6	7,391,144.6	1,811,368.7	543,234.5	326,810.7	422,621.9	423,345.2	768,535.2	3,614,931.6	28,117,097.3
128 Total Company	1,470,467.1	1,775,441.5	4,752,783.8	5,341,565.9	7,484,611.9	1,950,590.0	764,943.4	734,557.2	953,765.9	1,032,510.5	1,148,434.8	3,886,348.8	31,296,020.8
YEAR END CUSTOMER REVENUE ADJUSTMENT													
132 Residential	(716.7)	(874.1)	(82.0)	(376.4)	(501.1)	(377.1)	(293.9)	(1,193.2)	(604.0)	(838.0)	(506.8)	0.0	(6,363.2)
133 Small Commercial	66.7	55.8	159.8	63.4	60.5	86.5	87.8	123.6	57.1	0.0	0.0	0.0	761.2
134 Industrial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
135 Public Authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
136 Agriculture	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
137 Irrigation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
139 Total Company	(650.0)	(818.4)	77.8	(313.0)	(440.6)	(290.5)	(206.1)	(1,069.6)	(546.9)	(838.0)	(506.8)	0.0	(5,601.9)
YEAR END CUSTOMER ADJUSTED REVENUE													
143 Residential	34,884	27,959	30,607	27,184	26,714	27,234	29,908	45,281	61,471	69,489	51,575	41,738	474,044
144 Small Commercial	5,670	4,767	5,306	5,327	5,115	4,960	4,945	7,211	9,307	10,976	7,928	7,192	78,704
145 Industrial	390	316	337	322	344	416	421	464	607	602	485	452	5,156
146 Public Authority	344	332	227	239	245	257	259	344	562	881	433	451	4,573
147 Agriculture	6,197	6,416	6,369	6,248	5,799	9,403	15,256	16,637	12,713	10,786	8,692	7,804	112,339
148 Irrigation	110,910	137,054	343,525	373,580	538,170	146,930	57,800	42,867	48,866	49,017	72,960	271,910	2,193,488
150 Total Company	158,395	176,845	386,390	412,899	576,387	189,200	108,569	112,803	133,525	141,751	141,974	329,547	2,868,305
151													
152													

[illegible]

AgriTexGas, Inc.
For the Pro Forma Test Year Ended March 31, 2011

RATE OF RETURN

Line No.	Description	Proposed Rates
1	Net Operating Income/Return	
2		
3	Cost of LT Debt	Interest Rate
4	Return on Equity	0.00%
5		11.85%
6		
7		
8	Rate Base - Capitalization Structure	
9		
10	LT Debt	\$0
11	Common Equity at Book Value	\$5,750,000
12	Total Invested Capital	\$5,750,000
13		
14	Percent Return	
15		
16	LT Debt	0.00%
17	Common Equity at Book Value	11.85%
	Percent Return on Rate Base	11.85%

AgriTexGas, Inc.
For the Pro Forma Test Year Ended March 31, 2011

INTEREST ON CUSTOMER DEPOSITS

Line No.	Description	Adjusted Test Year
1	Customer Deposits	15,300
2		
3	Current Interest Rate (1)	0.19%
4		
5	Interest on Customer Deposits (Ln. 1 times Ln. 3)	<u>\$29</u>
6		
7		
8	Note (1)	
9	Interest rate is per RRC, Gas Services Division,	
10	Gas Utilities Information Bulletin No. 919, Dated April, 22, 2011	

AgriTexGas, Inc.
Compliance With Commission Rule 7.5414
Adjustment Calculation for Advertising Limitation

Line No.	Description	Per Books Amount
1	Advertising & Promotion	1,125
5		
6		
7	Total Operating Revenue	4,235,974
8	Less: Uncollectible Accounts	21,959
9		
10	Total Gross Receipts	<u>4,214,015</u>
11		
12	Allowable Percentage for Advertising per Substantive Rule 7.5414	0.500%
13		
14	Calculated Allowable Advertising Expense	<u><u>21,070</u></u>

AgriTexGas, Inc.
Plant in Service and Depreciation Rate Summary

Line No.	FERC Acct. No.	Description	Tax Service Life	Regulatory Service Life	Depreciation Rate %	In Service Date	Plant Balance	Annual Depreciation Expense	Months In Service	Accumulated Depreciation
1	37402	Land and Land Rights				5/1/2009	56,878.03	2/	22	1,088.28
2	37600	Mains-Catholic Protection	7	44.25	2.26%	5/1/2009	26,265.77	2/	22	1,573.11
3	37601	Mains-Steel	7	44.25	2.26%	5/1/2009	37,967.27	2/	22	32,629.78
4	37602	Mains-Plastic	7	44.25	2.26%	5/1/2009	787,524.75	2/	15	81.64
5	37602	New Pipeline	7	44.25	2.26%	12/31/2009	2,890.00		3	76.36
6	37602	New Pipeline	7	44.25	2.26%	12/31/2010	13,514.82		2	22.27
7	37602	New Pipeline	7	44.25	2.26%	1/24/2011	5,911.56		2	17.84
8	37602	New Pipeline	7	44.25	2.26%	1/25/2011	4,737.50		2	5.90
9	37602	New Pipeline	7	44.25	2.26%	1/28/2011	1,565.06		2	9.16
10	37602	New Pipeline	7	44.25	2.26%	1/29/2011	2,433.13		1	3.94
11	37602	New Pipeline	7	44.25	2.26%	2/11/2011	2,093.28		1	2.34
12	37602	New Pipeline	7	44.25	2.26%	2/16/2011	1,240.97		1	1.36
13	37602	New Pipeline	7	44.25	2.26%	2/18/2011	720.56		1	22.72
14	37602	New Pipeline	7	44.25	2.26%	2/25/2011	12,065.40		0	0.00
15	37602	New Pipeline	7	44.25	2.26%	3/14/2011	1,921.50		0	0.00
16	37602	New Pipeline	7	44.25	2.26%	3/29/2011	2,709.38		0	0.00
17	37602	New Pipeline	7	44.25	2.26%	3/29/2011	1,115.63		0	0.00
18	37602	New Pipeline	7	44.25	2.26%	3/31/2011	637.50		0	0.00
19	37602	New Pipeline	7	44.25	2.26%	3/31/2011	1,264.38		0	0.00
20	37800	Meas. & Reg. Sta. Eq. - General	7	24.63	4.06%	5/1/2009	958.69	2/	22	71.36
21	38000	Services	7	24.63	4.06%	5/1/2009	79,840.28	2/	22	5,942.78
22	38100	Meters	7	33.33	3.00%	5/1/2009	59,751.31	2/	22	3,286.32
23	38100	Meters	7	33.33	3.00%	1/31/2011	1,203.75		2	6.02
24	38200	Meter Installations	7	24.63	4.06%	5/1/2009	79,701.14	2/	22	5,932.42
25	38300	House Regulators	7	24.63	4.06%	5/1/2009	19,363.30	2/	22	1,441.27
26	38400	House Reg. Installations	7	24.63	4.06%	5/1/2009	1,749.47		22	130.22
27	39200	Transportation Equipment	5	5.00	20.00%	6/24/2009	56,224.92		21	19,678.72
28	39200	Transportation Equipment	5	5.00	20.00%	6/30/2009	170,165.48		21	59,557.92
29	39200	Transportation Equipment	5	5.00	20.00%	7/2/2009	54,147.44		20	18,049.15
30	39200	Transportation Equipment	5	5.00	20.00%	7/24/2009	38,089.64		20	12,696.55
31	39200	Transportation Equipment	5	5.00	20.00%	7/30/2009	57,658.00		20	19,219.33
32	39200	Transportation Equipment	5	5.00	20.00%	8/18/2009	54,721.74		19	17,328.55
33	39200	Transportation Equipment	5	5.00	20.00%	9/10/2009	57,408.00		18	17,222.40
34	39200	Transportation Equipment	5	5.00	20.00%	11/18/2009	11,465.40		16	3,057.44
35	39200	Transportation Equipment	5	5.00	20.00%	11/18/2009	28,980.96		16	7,728.26
36	39200	Transportation Equipment	5	5.00	20.00%	12/11/2009	29,863.24		15	7,465.81
37	39200	Transportation Equipment	5	5.00	20.00%	12/15/2009	4,500.00		15	1,125.00
38	39200	Transportation Equipment	5	5.00	20.00%	12/16/2009	(35,109.38)		15	(35,109.38)
39	39200	Transportation Equipment	5	5.00	20.00%	12/30/2009	30,418.79		15	7,604.70
40	39200	Transportation Equipment	5	5.00	20.00%	12/31/2009	13,625.00		15	3,406.25
41	39200	Transportation Equipment	5	5.00	20.00%	12/31/2009	8,035.66		15	2,008.92
42	39200	Transportation Equipment	5	5.00	20.00%	2/10/2010	5,592.94		13	1,211.80
43	39200	Transportation Equipment	5	5.00	20.00%	2/28/2010	2,000.00		13	433.33
44	39200	Transportation Equipment	5	5.00	20.00%	4/14/2010	1,840.25		11	337.38
45	39200	Transportation Equipment	5	5.00	20.00%	4/26/2010	28,245.97		11	5,178.43
46	39200	Transportation Equipment	5	5.00	20.00%	4/29/2010	300.00		11	55.00
47	39200	Transportation Equipment	5	5.00	20.00%	5/4/2010	1,022.96		10	170.49
48	39200	Transportation Equipment	5	5.00	20.00%	5/5/2010	25,500.10		10	4,250.02
49	39200	Transportation Equipment	5	5.00	20.00%	5/5/2010	(20,268.75)		10	(20,268.75)
50	39200	Transportation Equipment	5	5.00	20.00%	8/11/2010	8,297.23		7	968.01

AgriTexGas, Inc.
Plant in Service and Depreciation Rate Summary

Line No.	FERC Acct. No.	Description	Tax Service Life	Regulatory Service Life	Depreciation Rate %/yr	In Service Date	Plant Balance	Annual Depreciation Expense	Months In Service	Accumulated Depreciation
51	39200	Transportation Equipment	5	5.00	20.00%	9/17/2010	30,473.44	6,094.69	6	3,047.34
52	39200	Transportation Equipment	5	5.00	20.00%	12/31/2010	8,494.40	1,698.88	3	424.72
53	39200	Transportation Equipment	5	5.00	20.00%	12/31/2010	(7,843.71)	(1,568.74)	3	(7,843.71)
54	39200	Transportation Equipment	5	5.00	20.00%	1/6/2011	5,592.94	1,118.59	2	186.43
55	39200	Transportation Equipment	5	5.00	20.00%	1/11/2011	1,372.66	274.53	2	45.76
56	39200	Transportation Equipment	5	5.00	20.00%	1/11/2011	597.24	119.45	2	19.91
57	39800	Misc. & Other Equipment	7	10.00	10.00%	7/8/2009	10,343.32	1,034.32	20	1,723.86
58	39800	Misc. & Other Equipment	7	10.00	10.00%	7/20/2009	3,900.00	390.00	20	650.00
59	39800	Misc. & Other Equipment	7	10.00	10.00%	7/29/2009	10,229.27	1,022.93	20	1,704.88
60	39800	Misc. & Other Equipment	7	10.00	10.00%	8/31/2009	159.00	15.90	19	25.18
61	39800	Misc. & Other Equipment	7	10.00	10.00%	8/31/2009	2,814.50	281.45	19	445.63
62	39800	Misc. & Other Equipment	7	10.00	10.00%	8/31/2009	39,021.39	3,902.14	19	6,178.39
63	39800	Misc. & Other Equipment	7	10.00	10.00%	9/15/2009	6,213.90	621.39	18	932.09
64	39800	Misc. & Other Equipment	7	10.00	10.00%	9/30/2009	12,427.80	1,242.78	18	1,864.17
65	39800	Misc. & Other Equipment	7	10.00	10.00%	9/30/2009	13,125.31	1,312.53	18	1,968.80
66	39800	Misc. & Other Equipment	7	10.00	10.00%	10/9/2009	1,089.18	108.92	17	154.30
67	39800	Misc. & Other Equipment	7	10.00	10.00%	10/21/2009	3,027.19	302.72	17	428.85
68	39800	Misc. & Other Equipment	7	10.00	10.00%	10/23/2009	87.16	8.72	17	12.35
69	39800	Misc. & Other Equipment	7	10.00	10.00%	10/27/2009	(12,990.00)	(1,299.00)	17	(12,990.00)
70	39800	Misc. & Other Equipment	7	10.00	10.00%	10/27/2009	18,547.86	1,854.79	17	2,627.61
71	39800	Misc. & Other Equipment	7	10.00	10.00%	11/30/2009	1,402.19	140.22	16	186.96
72	39800	Misc. & Other Equipment	7	10.00	10.00%	12/3/2009	18,003.11	1,800.31	15	2,250.39
73	39800	Misc. & Other Equipment	7	10.00	10.00%	12/15/2009	2,133.25	213.33	15	266.66
74	39800	Misc. & Other Equipment	7	10.00	10.00%	1/8/2010	5,054.27	505.43	14	589.66
75	39800	Misc. & Other Equipment	7	10.00	10.00%	1/13/2010	4,650.42	465.04	14	542.55
76	39800	Misc. & Other Equipment	7	10.00	10.00%	1/13/2010	4,882.44	488.24	14	2,101.55
77	39800	Misc. & Other Equipment	7	10.00	10.00%	1/13/2010	18,013.27	1,801.33	14	569.62
78	39800	Misc. & Other Equipment	7	10.00	10.00%	1/26/2010	3,762.41	376.24	14	438.95
79	39800	Misc. & Other Equipment	7	10.00	10.00%	1/31/2010	910.66	91.07	14	106.24
80	39800	Misc. & Other Equipment	7	10.00	10.00%	2/28/2010	4,148.97	414.90	13	449.47
81	39800	Misc. & Other Equipment	7	10.00	10.00%	3/8/2010	18,402.50	1,840.25	12	1,840.25
82	39800	Misc. & Other Equipment	7	10.00	10.00%	3/11/2010	6,870.11	687.01	12	687.01
83	39800	Misc. & Other Equipment	7	10.00	10.00%	4/14/2010	4,905.89	490.59	11	449.71
84	39800	Misc. & Other Equipment	7	10.00	10.00%	5/23/2010	3,215.03	321.50	10	267.92
85	39800	Misc. & Other Equipment	7	10.00	10.00%	5/31/2010	155.90	15.59	10	12.99
86	39800	Misc. & Other Equipment	7	10.00	10.00%	9/27/2010	3,745.46	374.55	6	187.27
87	39800	Misc. & Other Equipment	7	10.00	10.00%	10/5/2010	1,754.36	175.44	5	73.10
88	39800	Misc. & Other Equipment	7	10.00	10.00%	11/19/2010	633.37	63.34	4	21.11
89	39800	Misc. & Other Equipment	7	10.00	10.00%	2/28/2011	1,012.56	101.26	1	8.44
90	39800	Misc. & Other Equipment	7	10.00	10.00%	3/9/2011	3,154.25	315.43	0	0.00
91	39900	Other Tangible Property - Computers	5	5.00	20.00%	7/29/2009	1,968.97	393.79	20	656.32
92	39900	Other Tangible Property - Computers	5	5.00	20.00%	9/18/2009	1,547.94	309.59	18	464.38
93	39900	Other Tangible Property - Computers	5	5.00	20.00%	10/23/2009	3,397.40	679.48	17	962.60
94	39900	Other Tangible Property - Computers	5	5.00	20.00%	10/26/2009	2,271.09	454.22	17	643.48
95	39900	Other Tangible Property - Computers	5	5.00	20.00%	12/4/2009	48,292.49	9,658.50	15	12,073.12
96										
97		Total					2,149,721.01	196,949.51		233,176.70

AgriTexGas, Inc.
Plant in Service and Depreciation Rate Summary

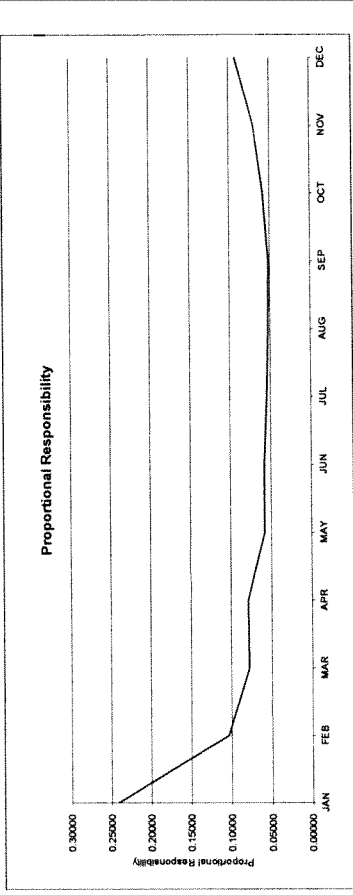
Line No.	FERC Acct. No.	Description	Tax Service Life	Regulatory Service Life	Depreciation Rate _1/	In Service Date	Plant Balance	Annual Depreciation Expense	Months In Service	Accumulated Depreciation
98		Summary By Account								
99		37402 Land and Land Rights					56,878.03	0.00		0.00
100		37600 Mains-Cathodic Protection					26,265.77	593.61		1,088.28
101		37601 Mains-Steel					37,967.27	858.06		1,573.11
102		37602 Mains-Plastic					842,345.42	19,037.01		32,873.31
103		37800 Meas. & Reg. Sta. Eq. - General					958.69	38.92		71.36
104		38000 Services					79,840.28	3,241.52		5,942.78
105		38100 Meters					60,955.06	1,828.65		3,292.34
106		38200 Meter Installations					79,701.14	3,235.87		5,932.42
107		38300 House Regulators					19,363.30	786.15		1,441.27
108		38400 House Reg. Installations					1,749.47	71.03		130.22
109		39200 Transportation Equipment					671,412.56	134,282.51		149,255.77
110		39800 Misc. & Other Equipment					214,806.13	21,480.61		16,775.94
111		39900 Other Tangible Property - Computers					57,477.89	11,495.58		14,799.90
112										
113										
114		Total					2,149,721.01	196,949.51		233,176.70

_1/ Source: Atmos West Texas 2010 RRM, Schedule F-3

_2/ Ibis Pipeline System (\$1,150,000) Ref: WP-2

AgriTexGas
Proportional Responsibility

MONTH	GAS COST	% Max	MIN LOAD	Proportional Responsibility												TOTAL MONTHLY WEIGHT	
				NEXT HI - PREV / 12	NEXT HI - PREV / 11	NEXT HI - PREV / 10	NEXT HI - PREV / 9	NEXT HI - PREV / 8	NEXT HI - PREV / 7	NEXT HI - PREV / 6	NEXT HI - PREV / 5	NEXT HI - PREV / 4	NEXT HI - PREV / 3	NEXT HI - PREV / 2	NEXT HI - PREV / 1		
JAN	9.950	1.000000	0.051926	0.000914	0.001859	0.001859	0.003462	0.000063	0.000072	0.000072	0.011223	0.009045	0.000628	0.013400	0.011307	0.138191	0.24209
FEB	8.575	0.861809	0.051926	0.000914	0.001859	0.001859	0.003462	0.000063	0.000072	0.000072	0.011223	0.009045	0.000628	0.013400	0.011307	0.000000	0.10390
MAR	7.925	0.796482	0.051926	0.000914	0.001859	0.001859	0.003462	0.000063	0.000072	0.000072	0.011223	0.009045	0.000000	0.000000	0.000000	0.000000	0.07856
APR	7.950	0.798995	0.051926	0.000914	0.001859	0.001859	0.003462	0.000063	0.000072	0.000072	0.011223	0.009045	0.000628	0.000000	0.000000	0.000000	0.07919
MAY	6.805	0.683920	0.051926	0.000914	0.001859	0.001859	0.003462	0.000063	0.000072	0.000072	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.05830
JUN	6.795	0.682915	0.051926	0.000914	0.001859	0.001859	0.003462	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.05816
JUL	6.485	0.651759	0.051926	0.000914	0.001859	0.001859	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.05470
AUG	6.300	0.633166	0.051926	0.000914	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.05284
SEP	6.200	0.623116	0.051926	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.05193
OCT	6.800	0.683417	0.051926	0.000914	0.001859	0.001859	0.003462	0.000063	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.05822
NOV	7.475	0.751256	0.051926	0.000914	0.001859	0.001859	0.003462	0.000063	0.000072	0.000072	0.011223	0.000000	0.000000	0.000000	0.000000	0.000000	0.06952
DEC	8.350	0.839196	0.051926	0.000914	0.001859	0.001859	0.003462	0.000063	0.000072	0.000072	0.011223	0.009045	0.000628	0.013400	0.000000	0.000000	1.00000



	May 2009 - Apr 2010	Apr 2010 - Mar 2011	Avg. \$/Mcf	% of Max
JAN	11.950	7.950	9.950	1.000000
FEB	9.500	7.650	8.575	0.861809
MAR	8.900	6.950	7.925	0.796482
APR	7.950	7.950	7.950	0.798995
MAY	5.810	7.800	6.805	0.683920
JUN	5.790	7.800	6.795	0.682915
JUL	5.220	7.750	6.485	0.651759
AUG	5.000	7.600	6.300	0.633166
SEP	4.950	7.450	6.200	0.623116
OCT	6.150	7.450	6.800	0.683417
NOV	7.150	7.800	7.475	0.751256
DEC	8.750	7.950	8.350	0.839196

AgriTexGas
Beginning Plant Balances

FERC Account	Cost Balance 02/29/08 (B)	Reserve Balance 02/29/08 (C)	NBV 02/29/08 (D)	Allocated AgriTexGas Original Cost (E)
37402 Land Rights	\$56,883.36	\$56,878.03	\$5.33	\$56,878.03
37600 Mains-Cathodic Protection	534,040.90	4,832.83	529,208.07	\$26,265.77
37601 Mains-Steel	1,590,583.70	825,611.33	764,972.37	\$37,967.27
37602 Mains-Plastic	22,880,720.19	7,013,510.24	15,867,209.95	\$787,524.75
37800 Meas. & Reg. Sta. Eq-General	231,516.68	212,200.86	19,315.82	\$958.69
38000 Services	2,760,957.53	1,152,319.21	1,608,638.32	\$79,840.28
38100 Meters	1,906,649.90	702,768.24	1,203,881.66	\$59,751.31
38200 Meter Installations	807,856.11	(797,978.73)	1,605,834.84	\$79,701.14
38300 House Regulators	1,956,554.69	1,566,419.05	390,135.64	\$19,363.30
38400 House Reg. Installations	48,425.06	13,176.30	35,248.76	\$1,749.47
39400 Tools, Shop, & Garage Equip.	2,940.00	2,940.00	0.00	
39606 NGE Equipment	3,645.00	3,645.00	0.00	
39701 Comm. Equip.-Mobile Radios	0.00	79.31	(79.31)	
39906 Oth Tang Prop-PC Hardware.	9,272.07	9,272.07	0.00	
Total	\$32,790,045.19	\$10,765,673.74	\$22,024,371.45	\$1,150,000.00

Source: Col. (B), (C) & (D) August 11, 2011 Atmos Report of Sale Under Tex. Util. Code § 102.051
_1/ Atmos Energy typo error reported \$ 5,867,209.95.