BEFORE THE RAILROAD COMMISSION OF TEXAS

STATEMENT OF INTENT FII	ED BY
BLUEBONNET NATURAL GA	AS,LLC,
TO INCREASE RATES IN H	ARDIN,
JEFFERSON,LIBERTY,	
NACOGDOCHES, RUSK AND	TYLER
COUNTIES, TEXAS	

GAS UTILITIES DOCKET NO. 10196 AND CONSOLIDATED CASES

FINAL ORDER

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to Tex. Gov't Code Ann. Chapter 551, et seq. (Vernon 2008 & Supp. 2012). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

- 1. Bluebonnet Natural Gas, LLC, ("Bluebonnet") is a gas utility as that term is defined in the Texas Utility Code and is subject to the jurisdiction of the Railroad Commission of Texas (Commission).
- 2. On July 20, 2012, Bluebonnet filed a Statement of Intent to change gas utility rates in Hardin, Jefferson, Liberty, Nacogdoches, Rusk and Tyler Counties served by the Bluebonnet. The filing was docketed as GUD No. 10196.
- 3. Bluebonnet proposed that the increased rates become effective on August 24, 2012.
- 4. On August 21, 2012, the Commission suspended the implementation of Bluebonnet's proposed rates for up to 150 days.
- 5. Bluebonnet extended the proposed effective date of the proposed rates, thereby extending the statutory deadline to January 21, 2013.
- 6. Bluebonnet filed a municipal Statement of Intent with 3 cities: Mt. Enterprise, Devers and Nome (Affected Cities) served by Bluebonnet on August 27 and 28, 2012.
- 7. The City of Devers denied the proposed rate increase on September 11, 2011 and the City of Mt. Enterprise denied the proposed rate increase on September 26, 2011. The City of Nome provided no record of taking any action on the purposed rate increase by Bluebonnet.

- 8. Bluebonnet filed the following timely Petitions for De Novo Review of the denial of the Statement of Intent by the municipalities of Devers and Mt. Enterprise that denied that rate request:
 - a. GUD No. 10214, Petition for De Novo Review of the Denial of the Statement of Intent Filed by Bluebonnet by the City of Mt. Enterprise on October 8, 2012.
 - b. GUD No. 10215, Petition for De Novo Review of the Denial of the Statement of Intent Filed by Bluebonnet by the City Devers on October 8, 2012.
- 9. On October 8, 2012, Bluebonnet filed a Motion to Consolidate GUD No. 10214 and GUD No. 10215 into GUD No. 10196.
- 10. On October 11, 2012, GUD No. 10214 and GUD No. 10215 were consolidated into GUD No. 10196.
- 11. On July 27, 2012, Staff of the Railroad Commission of Texas (Staff) intervened in this proceeding.
- 12. Protest were filed with the Commission regarding the proposed new rate schedules on September 17 and 19, and October 23, 2012; no subsequent motions to intervene were filed in this proceeding.

Notice

- 13. Notice of the filing in this proceeding was provided to all customers served by U.S. Mail on September 12, 2012.
- 14. BNG's publication of notice meets the statutory and rule requirements of notice for the proposed increase of \$145,907 and the proposed rates of a \$18.00 customer charge and a volumetric rate of \$9.46 per Mcf for residential customers and a \$35.00 customer charge and a volumetric rate of \$9.460 per Mcf for commercial customers. Additionally, Bluebonnet's notice stated a desire to 'implement a surcharge to recover its reasonable and necessary rate case expenses."

Test Year

15. The test year in this case was the 12-month period ending March 31, 2012.

Books and Records

- 16. Bluebonnet established that the utility maintains its books and records in accordance with the Federal Energy Regulatory Commission's (FERC) Uniform System of Accounts prescribed for Natural Gas Companies.
- 17. Bluebonnet has established that the utility has fully complied with the books and records requirements of Rule 7.310 and the amounts included therein are therefore subject to the presumption encapsulated in Rule 7.503 that these amounts are reasonable and necessary.

Hearing and Settlement,

- 18. A prehearing conference was held on September 10, 2012.
- 19. On October 23, 2012, the following parties filed a Settlement Agreement: Bluebonnet and Staff. The Settlement Agreement is attached to this Final Order as Attachment A.
- 20. A notice of hearing was issued on October 25, 2012.
- 21. The hearing on the merits in this matter was conducted from November 8, 2012.
- 22. The evidentiary record was closed on November 9, 2012.

Overall Revenue Requirements

- 23. There are approximately 1,125 Residential, and 70 Commercial class customers that will be affected by Bluebonnet's rate changes.
- 24. Since BNG's last rate proceeding the total customer count has decreased from 1,268 to 1,195.
- 25. The 5.7% decrease in the total customer count has contributed to a decrease in the company's billing determinants: Volumes sold have decreased by 25% and the total number of bills have decreased by 3%.
- An overall revenue requirement, as reflected in the attached Settlement Agreement, of \$678,688 is just and reasonable.
- 27. The company originally requested an increase of \$146,079, excluding gas costs, over current revenues.
- 28. The Settlement Agreement of the parties limits the proposed increase to \$100,751 and is a decrease of \$45,330 of the increase originally requested.
- 29. The Settlement Agreement reflects a decrease of approximately 31% of the original increase requested.
- 30. The overall capital structure reflected in the Settlement Agreement of 52.00% Owner's

- Equity and 48.00% debt is just and reasonable.
- 31. A cost of long-term debt, as reflected in the Settlement Agreement for BNG of 7.65% percent is reasonable.
- 32. A return on equity, as reflected in the Settlement Agreement of 10.25% is just and reasonable.
- 33. An overall rate of return of 9.00% is just and reasonable.
- 34. The revenues generated by the rates encompassed in the Settlement Agreement will result in a prospective base revenue increase of \$97,075 and miscellaneous service charge revenue increase of \$3,676 for a total increase of \$100,751 to the company's revenues.
- 35. The proposed rates set out below are just and reasonable:

(Incorporated and Unincorporated Areas)

Customer Class	Customer Charge	Consumption Charge
Residential	\$18.00	\$0.826 per Ccf
Commercial	\$35.00	\$0.826 per Ccf

- 38. The Miscellaneous Service Charges as set forth in the Settlement Agreement in GUD No. 10196 are just and reasonable.
- 39. The total actual rate case expenses of BNG are \$33,281.42. As set forth in the Settlement Agreement between BNG and Staff, filed with the Commission on October 23, 2012, BNG limits its recovery of rate case expenses to \$25,000.
- 40. Although BNG has established \$33,281.42 in actual rate case expenses, \$25,000 in rate case expenses are just and reasonable.
- 41. Recovery of rate case expenses over an eighteen (18) month period, at a rate of \$0.0446 Ccf beginning December 1, 2012 for all consumption is reasonable.
- 42. Allocation based upon customer count is reasonable and consistent with Commission precedent and allocation of other utility expenses is just and reasonable.
- 43. Based upon the allocations set forth in Findings of Fact Nos. 39 through 42, the total amount of rate case expenses to be recovered by BNG not to exceed \$25,000 from the municipalities and environs is just and reasonable.
- 45. Based upon the allocations set forth in Findings of Fact Nos. 39 through 42, a rate case expenses surcharge of \$0.0446 per Ccf on all volumes sold until the entire rate case expenses are collected, but in no event shall that amount collected exceed \$25,000

is just and reasonable.

CONCLUSIONS OF LAW

- 1. Bluebonnet Natural Gas, LLC, ("Bluebonnet") is a Gas Utility as defined in Tex. UTIL. CODE ANN. §101.003(7) (Vernon 2007 and Supp. 2012) and §121.001(Vernon 2007) and is therefore subject to the jurisdiction of the Railroad Commission (Commission) of Texas.
- 2. The Commission has jurisdiction over Bluebonnet and Bluebonnet's Statement of Intent under Tex. Util. Code Ann. §§ 102.001, 103.022, 103.054, & 103.055, 104.001, 104.001 and 104.201 (Vernon 2007).
- 3. Under Tex. Util. Code Ann. §102.001 (Vernon 2007 and Supp. 2012), 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 gas to the public.
- 4. This proceeding 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 et seq. (Vernon 2008 and Supp. 2012) (APA).
- 5. Tex. Util. Code Ann. §104.107 (Vernon 2007 and Supp. 2012) 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. 2012).
- 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. 2012), 16 Tex. Admin. Code Ann. §§ 7.205 and 7.210, Bluebonnet filed its Statement of Intent to change gas distribution rates.
- 9. In this proceeding, Bluebonnet has the burden of proof under Tex. UTIL. CODE ANN. §104.008 (Vernon 2007 and Supp. 2012) to show that the proposed rate changes are just and reasonable.
- 10. Bluebonnet met its burden of proof in accordance with the provisions of Tex. UTIL. CODE ANN. §104.008 (Vernon 2007 and Supp. 2012) on the elements of its requested rate increase identified in this order.

- 11. The revenue, rates, rate design, and service charges proposed by Bluebonnet are found to be just and reasonable, not 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. 2012).
- 12. The revenue, rates, rate design, and service charges proposed by Bluebonnet, 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. 2012).
- 13. The Commission has assured that the rates, operations, and services established in this docket are just and reasonable to customers and to the utility in accordance with the stated purpose of the Texas Utilities Code, Subtitle A, expressed under Tex. UTIL. CODE ANN. §101.002 (Vernon 2007).
- 14. The overall revenues as established by the findings of fact and attached schedules are reasonable; fix an overall level of revenues for Bluebonnet 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. 2012); and otherwise comply with Chapter 104 of the Texas Utilities Code Annotated.
- 15. The revenue, rates, rate design, and service charges proposed will not yield to Bluebonnet 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. 2012).
- 16. The rates established in this docket comport with the requirements of Tex. UTIL. CODE ANN. §104.053 (Vernon 2007 and Supp. 2012) 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.
- 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. 2012). 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 expect 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 any rate proceeding, any utility and/or municipality claiming reimbursement for its rate case expenses pursuant to Texas Utilities Code, §103.022(b), shall have the burden to prove the reasonableness of such rate case expenses by a preponderance of the evidence. Evidence must be provided related to, but not limited to, the amount of work done, the time and labor required to accomplish the work, the nature, extent, and difficulty of the work done, the originality of the work, the charges by others for work of the same or similar nature, and any other factor taken into account in setting the amount of the compensation. 16 Tex. Admin. Code 7.5530(a).
- 19. Section 104.003(a) provides that a rate may not be unreasonably preferential, prejudicial, or discriminatory but must be sufficient, equitable, and consistent in application to each class of consumer. In establishing a gas utility's rates, the Commission "may treat as a single class two or more municipalities that a gas utility serves if the [C]ommission considers that treatment to be appropriate."
- 20. Bluebonnet 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.
- 21. Bluebonnet has established that the company's books and records conform with 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 and Bluebonnet is thus entitled to the presumption that the amounts included therein are reasonable and necessary in accordance with Commission Rule 7.503.

IT IS THEREFORE ORDERED that Bluebonnet's proposed schedule of rates are 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 reflected in the attached Settlement Agreement and shown on the attached tariffs for Bluebonnet 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, Bluebonnet 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.

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 4th day of December, 2012.

RAILROAD COMMISSION OF TEXAS

HAIRMAN BARRY T. SMITTEERMAN

COMMISSIONER DAVID PORTER

COMMISSIONER UDDY GARCIA

Settlement



SETTLEMENT AGREEMENT BETWEEN BLUEBONNET NATURAL GAS, LLC AND STAFF OF THE RAILROAD COMMISSION OF TEXAS IN GAS UTILITIES DOCKET NO. 10196

WHEREAS, this settlement agreement is entered into by Bluebonnet Natural Gas, LLC ("Bluebonnet") and the Staff of the Railroad Commission of Texas ("Staff"); and

WHEREAS, on July 20, 2012, Bluebonnet filed with the Railroad Commission of Texas ("Commission") an application, hereafter referred to as the 2012 Rate Filing, to adjust rates under the provisions of Subchapter C of Section 104 of the Texas Utilities Code and the rules of the Gas Services Division of the Railroad Commission; and

WHEREAS, concurrent rate filings have been made with the cities of Mt. Enterprise, Nome, and Devers, who have denied the proposed rate adjustments and whose rates have been consolidated with the 2012 Rate Filing; and

WHEREAS, proper notice has been made to all affected customers; and

WHEREAS, Staff has analyzed and proposed adjustments to the rates proposed by Bluebonnet in its 2012 Rate Filing; and

WHEREAS, Staff have engaged in discovery regarding the issues in dispute; and

WHEREAS, this Settlement Agreement resolves all issues between Bluebonnet and Staff ("the Signatories") regarding the 2012 Rate Filing, which is currently pending before the Commission, in a manner that the Signatories believe is consistent with the public interest; and

WHEREAS, the Signatories agree that resolution of this docket by settlement agreement will significantly reduce the amount of reimbursable rate case expenses associated with this docket; and

WHEREAS, the Signatories believe that the resolution of the issues raised in 2012 Rate Filing can best be accomplished by the Commission approving this Settlement Agreement and the rates, terms and conditions reflected in the tariffs attached to this Settlement Agreement as Exhibit A;

NOW, THEREFORE, in consideration of the mutual agreements and covenants established herein, the Signatories, through their undersigned representatives, agree to the following Settlement Terms as a means of fully resolving all issues between the Staff and Bluebonnet involving the 2012 Rate Filing:



Settlement Terms

- 1. Upon the execution of this Settlement Agreement, Signatories will recommend that an Order be issued to approve this Settlement Agreement and implement the rates, terms and conditions reflected in the tariffs attached to this Settlement Agreement as Exhibit A. Said tariffs should allow Bluebonnet an additional, prospective \$97,075 in annual base revenue and \$3,676 in miscellaneous service charge revenue by implementation of rates shown in the proof of revenues attached as Exhibit B and specified on the tariffs in Exhibit A.
- 2. Signatories agree that the revenue increase is a "black box" figure and is not tied to any specific expense in Bluebonnet's underlying cost of service. The Signatories further agree that the rates, terms and conditions reflected in Exhibit A to this Settlement Agreement comply with the rate-setting requirements of Chapter 104 of the Texas Utilities Code. The gas rates, terms and conditions established by this Settlement Agreement shall, subject to the Commission's approval, be effective for bills rendered on and after November 1, 2012.
- 3. Signatories agree to the following customer charges and consumption charges for customers served by Bluebonnet. These rates are reflected in the rate schedules attached as Exhibit A.

Customer Class	Customer Charge	Consumption Charge
Residential	\$18.00	\$0.826 per Ccf
Commercial	\$35.00	\$0.826 per Ccf

- 4. On a prospective basis, Bluebonnet will utilize a service life of 40 years for distribution mains investment (account 376) in calculating depreciation expense.
- 5. Signatories agree that the terms of this Settlement Agreement provide Bluebonnet a reasonable 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, Tex. UTIL. CODE § 104.051.
- 6. Signatories agree that the terms of this Settlement Agreement establish a rate that does not yield more than a fair return on the adjusted value of the invested capital used and useful in providing service to the public as shown below.

Capital Structure

Owner's Equity:	52.00%
Debt:	48.00%
Return on Equity:	10.25%
Cost of Debt:	7.65%
Rate of Return:	9.00%



- 7. Signatories agree that the charges for the service provided by Guadalupe Management, an affiliate of Bluebonnet, are reasonable and necessary. Signatories agree that the prices to Bluebonnet by Guadalupe Management are not higher than the prices charged by Guadalupe Management to its other affiliates or divisions or to a non-affiliated person for the same item or class of items pursuant to Tex. UTIL. CODE § 104.055.
- 8. Signatories agree that the Settlement Agreement does not include expenses for business gifts, entertainment, charitable donations, legislative advocacy, advertising expense that exceeds one-half of 1 percent of the gross receipts of the utility, funds for support or membership in social, recreational, fraternal, or religious organizations pursuant to Tex. UTIL. CODE § 104.057 and Tex. ADMIN. CODE § 7.5414.
- 9. Signatories agree that the Purchased Gas Adjustment Tariff does not allow for recovery of more than 5% unaccounted for gas loss and does not allow for recovery of more than actual gas cost pursuant to Tex. ADMIN. CODE § 7.5519.
- 10. Signatories agree that rate base reflects an acquisition adjustment (goodwill) and an adjustment for contributions in aid of construction. These adjustments serve to reduce rate base.
- 11. Signatories agree that it is reasonable to allow Bluebonnet to implement a rate surcharge to recover rate case expenses of \$25,000. Interest will not be added to the unrecovered rate case expense balance. The surcharge will be \$0.0446 per Ccf on all volumes sold until the entire rate case expense amount is collected, but in no event shall the amount collected exceed \$25,000.
- 12. Signatories agree that the terms of the Settlement Agreement are interdependent and indivisible, and that if the Commission issues an Order that is inconsistent with this Settlement Agreement, then either Signatory may withdraw without being deemed to have waived any procedural right or to have taken any substantive position on any fact or issue by virtue of that Signatory's entry into the Settlement Agreement or its subsequent withdrawal.
- 13. Signatories agree that neither this Settlement Agreement nor any oral or written statements made during the course of settlement negotiations may be used for any purpose other than as necessary to support the entry by the Commission of an Order implementing this Settlement Agreement.
- 14. Signatories agree that this Settlement Agreement is binding on each Signatory only for the purpose of settling the issues set forth herein and for no other purposes, and, except to the extent the Settlement Agreement governs a Signatory's rights and obligations for future periods, this Settlement Agreement shall not be binding or precedential upon a Signatory outside this proceeding.





16. Signatories agree that this Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile signatures.

Agreed to this 22 day of October, 2012.

BLUEBONNET NATURAL GAS, LLC

By:

President

Agreed to this 22 day of October, 2012.

ATTORNEY FOR RAILROAD COMMISSION STAFF

Ву:

Exhibit A Tariffs

Bluebonnet Natural Gas, LLC Rate Sheet Residential Customers Environs

APPLICATION OF SCHEDULE

- 1. TARIFF APPLICABILITY Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood, and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.
- 2. RATE SCHEDULES All Customers shall be served under rate schedules filed with the Railroad Commission of Texas. Customers shall be assigned to rate schedules in accordance with the class of the particular Customer, the usage which will be made of the gas and that Customer's volume requirements. The Company shall advise the Applicant or customer regarding the most advantageous rate for his usage if more than one rate is applicable. A Customer assigned to a rate schedule shall remain on that schedule for a minimum of one year except that an assignment made in error may be corrected immediately. In the event of a question regarding the Customer's classification, the questions shall be resolved by reference to the coding of the Customer's primary business in the latest edition of the Standard Industrial Classification Manual of the United States Government's Office of Management and Budget.
- 3. DEFINITIONS The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

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

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

The Commission: The Railroad Commission of Texas.

The Regulatory Authority: The Railroad Commission of Texas.

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

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

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

Agricultural Farm Service and Irrigation or Irrigation Pumping Service: Service to Consumers engaged in agricultural production (SIC Division A - Major Group 01) who use gas for operating engine driven pumping equipment.



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

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

MONTHLY RATE

MINIMUM MONTHLY: \$18.00 monthly meter fee; \$0.8260 per CCF cost of service usage rate; plus CGA

COST OF GAS ADJUSTMENT (CGA):

See Cost of Gas Adjustment Tariff.

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 the bill per Ccf. The surcharge per Ccf will be collected monthly from the customer as a separate line item on the customer's bill.

OTHER SURCHARGES

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

PAYMENT

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





Bluebonnet Natural Gas, LLC Rate Sheet Residential Customers Incorporated Areas

APPLICATION OF SCHEDULE

- 1. TARIFF APPLICABILITY Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the incorporated municipalities of Devers, Nome and Mt. Enterprise. Service under this Tariff is subject to the original jurisdiction of the municipalities of Devers, Nome and Mt. Enterprise. The Company will provide service to any person and/or business within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.
- 2. RATE SCHEDULES All Customers shall be served under rate schedules filed with the Municipality. Customers shall be assigned to rate schedules in accordance with the class of the particular Customer, the usage which will be made of the gas and that Customer's volume requirements. The Company shall advise the Applicant or customer regarding the most advantageous rate for his usage if more than one rate is applicable. A Customer assigned to a rate schedule shall remain on that schedule for a minimum of one year except that an assignment made in error may be corrected immediately. In the event of a question regarding the Customer's classification, the questions shall be resolved by reference to the coding of the Customer's primary business in the latest edition of the Standard Industrial Classification Manual of the United States Government's Office of Management and Budget.
- 3. DEFINITIONS The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

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

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

The Commission: The Railroad Commission of Texas.

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

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

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

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



Agricultural Farm Service and Irrigation or Irrigation Pumping Service: Service to Consumers engaged in agricultural production (SIC Division A - Major Group 01) who use gas for operating engine driven pumping equipment.



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

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

MONTHLY RATE

MINIMUM MONTHLY: \$18.00 monthly meter fee; \$0.8260 per CCF cost of service usage rate; plus CGA

COST OF GAS ADJUSTMENT (CGA):

See Cost of Gas Adjustment Tariff.

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 the bill per Ccf. The surcharge per Ccf will be collected monthly from the customer as a separate line item on the customer's bill.

OTHER SURCHARGES

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

PAYMENT

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



APPLICATION OF SCHEDULE

- 1. TARIFF APPLICABILITY Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the unincorporated environs of Devers, Douglass, Hull, Nome, Mt. Enterprise, Raywood, and Wildwood. Service under this Tariff is subject to the original jurisdiction of the Railroad Commission of Texas. The Company will provide service to any person and/or business within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.
- 2. RATE SCHEDULES All Customers shall be served under rate schedules filed with the Railroad Commission of Texas. Customers shall be assigned to rate schedules in accordance with the class of the particular Customer, the usage which will be made of the gas and that Customer's volume requirements. The Company shall advise the Applicant or customer regarding the most advantageous rate for his usage if more than one rate is applicable. A Customer assigned to a rate schedule shall remain on that schedule for a minimum of one year except that an assignment made in error may be corrected immediately. In the event of a question regarding the Customer's classification, the questions shall be resolved by reference to the coding of the Customer's primary business in the latest edition of the Standard Industrial Classification Manual of the United States Government's Office of Management and Budget.
- 3. DEFINITIONS The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

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

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The Commission: The Railroad Commission of Texas.

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

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

Agricultural Farm Service and Irrigation or Irrigation Pumping Service: Service to Consumers engaged in agricultural production (SIC Division A - Major Group 01) who use gas for operating engine driven pumping equipment.





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

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

MONTHLY RATE

MINIMUM MONTHLY: \$35.00 monthly meter fee; \$0.8260 per CCF cost of service usage rate; plus CGA

COST OF GAS ADJUSTMENT (CGA):

See Cost of Gas Adjustment Tariff.

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 the bill per Ccf. The surcharge per Ccf will be collected monthly from the customer as a separate line item on the customer's bill.

OTHER SURCHARGES

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

PAYMENT

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



Rate Sheet Commercial Customers Incorporated Areas

APPLICATION OF SCHEDULE

- 1. TARIFF APPLICABILITY Bluebonnet Natural Gas, LLC is a gas utility operating within the State of Texas. This tariff is applicable to the incorporated municipalities of Devers, Nome and Mt. Enterprise. Service under this Tariff is subject to the original jurisdiction of the municipalities of Devers, Nome and Mt. Enterprise. The Company will provide service to any person and/or business within its service area in accordance with the prices, terms, and conditions provided for in its Tariff and regulations.
- 2. RATE SCHEDULES All Customers shall be served under rate schedules filed with the Municipality. Customers shall be assigned to rate schedules in accordance with the class of the particular Customer, the usage which will be made of the gas and that Customer's volume requirements. The Company shall advise the Applicant or customer regarding the most advantageous rate for his usage if more than one rate is applicable. A Customer assigned to a rate schedule shall remain on that schedule for a minimum of one year except that an assignment made in error may be corrected immediately. In the event of a question regarding the Customer's classification, the questions shall be resolved by reference to the coding of the Customer's primary business in the latest edition of the Standard Industrial Classification Manual of the United States Government's Office of Management and Budget.
- 3. DEFINITIONS The following definitions shall apply to the indicated words as used in this Tariff:

Company: Bluebonnet Natural Gas, LLC.

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

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

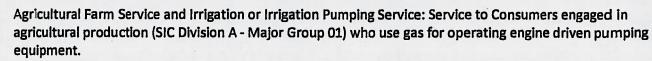
The Commission: The Railroad Commission of Texas.

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

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

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

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





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

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

MONTHLY RATE

MINIMUM MONTHLY: \$35.00 monthly meter fee; \$0.8260 per CCF cost of service usage rate; plus CGA

COST OF GAS ADJUSTMENT (CGA):

See Cost of Gas Adjustment Tariff.

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.



The Company shall recover approved rate case expenses through a surcharge on the bill per Ccf. The surcharge per Ccf will be collected monthly from the customer as a separate line item on the customer's bill.

OTHER SURCHARGES

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

PAYMENT

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



BLUEBONNET NATURAL GAS, LLC COST OF GAS ADJUSTMENT

A. APPLICABILITY. This Cost of Gas Clause shall apply to all general service rate schedules of the Company and charged on a \$ per Ccf basis.

B. DEFINITIONS

- Cost of Gas The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component and related fees and taxes.
- 2. Commodity Cost The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio.
- 3. Cost of Purchased Gas The cost for gas purchased by the Company from its suppliers or the estimated weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas, but shall also include all reasonable fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, storage, balancing, and swing services necessary for the movement of gas to the Company's citygate delivery points.
- 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 to provide service to its general service customers during the period,
 - (b) the revenues received from operation of the provisions of this cost of gas clause reduced by the amount of revenue associated fees and taxes paid on those revenues,
 - (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted-for gas during the period in excess of five (5) percent of purchases.
- 6. Purchase/Sales Ratio A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers and the known volumes of gas that may be otherwise accounted for, including but not limited to Company used gas, liquid extraction, meter errors due to inaccurate calibration or temperature fluctuations and accidental discharges of gas from the Company's system during the same period. For the purpose of this computation, all volumes shall be stated at 14.65 psia. Such ratio as determined shall fluctuate on an annual period but in no event shall the utility recover more than five (5) percent lost and unaccounted For gas unless expressly authorized by the applicable regulatory authority.
- 7. Reconciliation Account The account maintained by the Company to assure that, over time, it will neither over- nor under-collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect:
 - (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records,
 - (b) the revenues produced by the operation of this cost of gas clause,
 - (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority, and
 - (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 general service 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 below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle last preceding through the June billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following October billing cycle and continuing through the next following June billing cycle at which time it will terminate until a new Reconciliation Component is determined.
- E. PAYMENT FOR FUNDS. if, on average, the Company had over collected during the period, it shall credit into the Reconcillation 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 Deposit Interest. if on 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 Deposit.
- F. SURCHARGE OR REFUND PROCEDURES. In the event that the rates and charges of the Company's suppliers are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. Any surcharge or refund amount will be included in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section E. Payment for Funds, above.
- G. **COST OF GAS STATEMENT.** The Company shall file electronically on a monthly basis its Cost of Gas rate with the Regulatory Authority.
- H. ANNUAL RECONCILIATION REPORT. The Company shall file an annual report with the Regulatory Authority which shall include but not necessarily be limited to:
 - (a) the Cost of Purchased Gas,
 - (b) the Cost of Purchased Gas multiplied by the Purchase/Sales Ratio,
 - (c) the amount of the cost of gas caused by any surcharge or refund;
 - (d) the Reconciliation Component,
 - (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas, and
 - (f) the Cost of Gas calculation, which is the total of items (b) through (e).
 - (g) 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.
 - (h) a tabulation of gas units sold to general service customers and related Cost of Gas clause revenues, and
 - (I) a summary of all other costs and refunds made during the year and the effect of the other costs and refunds on the Cost of Gas Clause to date.



This report shall be filed concurrently with the Cost of Gas Statement for October.

Bluebonnet Natural Gas, LLC Rate Sheet Rate Case Expense (RCE)



APPLICATION OF SCHEDULE

This schedule is applicable to any customer served under residential or commercial rate schedules in all cities and environs served by Bluebonnet Natural Gas, LLC. This schedule is for the recovery of rate case expenses and shall be in effect beginning on or after December 1, 2012, for an eighteen (18) month period or until all approved expenses are collected.

MONTHLY RATE RECOVERY FACTOR

The price payable by each customer for all consumption each month shall be \$0.0446 per Ccf.

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations; as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from the Company's office located at 1717 St. James Place, Suite 340, Houston, TX 77056.



COMPLIANCE

The Company will file annually, due on the 15th of each December, a report with the RRC Gas Services Division. The report shall detail the monthly collections for the RCE surcharge and show the outstanding balance. No interest will accumulate on the outstanding balance.



Bluebonnet Natural Gas, LLC Rate Sheet



APPLICATION

The service charges listed below are in addition to any other charges made under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's cost plus appropriate adders.

Charge No.	Description	Amount
.1	Institution of Service – Charged to any Applicant for the cost involved in initiation of service. This fee shall be charged when only a meter reading is required.	\$50.00
2	Institution of Service — Charged to any Applicant for the cost involved in initiation of service. This fee shall be charged when a meter is set and/or gas turned on.	\$75.00
3	Customer requested reading of meter for any purpose other than initiation of service	\$20.00
4	Customer Requested Meter Test – test outside normal range – N/C	\$40.00
5	Restore Service after termination for non-payment	\$40.00
6	After Hours Reconnect Fee	\$60.00
7	Meter Tampering – No Company Meters, equipment, or other property, whether on Customer's premises or elsewhere, are to be tampered with or interfered with for any reason. A Tampering Charge is made for unauthorized reconnection or other tampering with Company metering facilities or a theft of gas service by a person on the customer's premises or evidence by whomsoever at customer's premises. An additional cost for the cost of repairs and/or replacement of damaged facilities and the installation of protective facilities or relocation of meter are made at cost.	\$125,00
8	Replace or re-build meter installation damaged by someone other than gas dept.: Requiring construction crew (one hour minimum)	\$\$75/hr + Costs
9	Replace or re-build meter installation damaged by someone other than gas dept.: Not requiring construction crew (one hour minimum)	\$25/hr + Costs
10	Repair damaged meters and regulators. Damage to top cover and/or index (Broken seal)	\$25 + Costs
11	Repair damaged meters and regulators. Damage in excess of top cover and/or index	\$50 + Costs
12	Change residential meter location at customer request, normal conditions. Normal conditions are those normally found in extending or installing gas lines without encountering obstacles, or difficult conditions. Examples of other than normal conditions include, but are not limited to, street and road crossings, railroad track crossings, lines under concrete, rocky areas and ponds, lakes or chronically wet areas.	\$75.00
13	Re-route or extend yard lines under normal conditions. 1 ¼ or smaller (includes pipe — cost of additional materials is extra). Normal conditions are those normally found in extending or installing gas lines without encountering obstacles, or difficult conditions. Examples of other than normal conditions include, but are not limited to, street and road crossings, railroad track	\$3.00/ft



Bluebonnet Natural Gas, LLC Rate Sheet Schedule of Miscellaneous Service Charges

	crossings, lines under concrete, rocky areas and ponds, lakes or chronically wet areas.	
14	Service Lines - Under normal conditions when extending or installing a gas line without encountering obstacles, or difficult conditions the Company will charge a \$3.00 per foot fee to install service lines up to the meter set. If other than normal conditions including but not limited to, street and road crossing, railroad tracks crossing, lines under concrete, rocky areas and ponds, lakes or chronically wet areas. The Company will bill the customer for all additional costs associated with non-normal conditions.	\$3.00/ft
15	Tap Charge (½ charge for additional meter on existing meter set)	\$250.00
16	Set meter at existing tap	\$25.00
17	Labor for all other service work on Customer's installation (no charge for leak check or bill inquiry) (one hour minimum)	\$55/hr
18	Labor for all other service work on Customer's installation (no charge for leak check or bill inquiry) (one hour minimum) Fee for each additional ½ after 1 st hour.	\$27/hr
19	Labor for all other service work on Customer's installation (no charge for leak check or bill inquiry) (one hour minimum) Saturdays, Sundays, holidays, after hour call-outs.	\$75/hr
20	Labor for all other service work on Customer's installation (no charge for leak check or bill inquiry) (one hour minimum) Saturdays, Sundays, holidays, after hour call-outs. Fee for each additional ½ after 1 st hour.	\$35/hr
21.	Residential Deposit – Deposits are returned at termination of service. Deposits required of all customers. Larger deposits may be required from delinquent customers.	\$100.00
22	Commercial Deposit – Deposits are returned at termination of service. Deposits required of all customers. Larger deposits may be required from delinquent customers	\$225.00
23	Turning service on or off at customers request (per trip)	\$25.00
24	Returned Check Charge	\$30.00
25	Collection Call, Missed Appointment, or second re-read	\$15.00
26	On-line Transaction Fee	\$3.25

Exhibit BProof of Revenue

BLUEBONNET NATURAL GAS REVENUE BY CUSTOMER CLASSIFICATION

	Commodity	100 H		CI ISOCO VINIO I ON I	מבובו	SELLLEMENI REVENUE	₹UE
No. Customer Classification	Sales - MCF	Revenue - \$	Sales - MCF	Billing Revenue - \$	Billing Revenue - \$	Increase	% se
Sales of Gas - Total Residential							
Incorporated	7,879	\$144.668	8.211	C148 ans	4400	600	
Environs	23,506	\$435,887	24.516	\$446.796	\$508 705	\$20,483 661 040	13.81%
I otal Residential	31,385	\$580,556	32,727	\$595,101	\$677,494	\$82,393	13.85%
Commercial							
Incorporated	2,403	\$39,337	2.587	541 289	CAB REE	. 200	44 040
9 Environs	2,258	\$38,474	2,340	\$38,928	S46.245	97,300 57,316	12.04%
i otal Commercial	4,661	\$77,811	4,907	\$80,218	\$94,900	\$14,682	18.30%
12 Total Res & Com	36,047	\$658,367	37,634	\$675,319	\$772,393	\$97,075	14.37%
		\$73,473		873.473	573 673	8	2000
15 Contract Sales Revenue		\$4,430		\$4,430	\$4.430		0.00%
		\$13,848		\$13,848	\$17,525	\$3,676	26.55%
18 Total Sales of Gas	36,047	\$750,118	37.634	\$767.070	E867 824	E400 754	40 400
79						10/00/0	200
Sales of Gas - Base Rates							
Residential							
Incorporated	7,879	\$104,888	8,211	\$107.172	\$127.655	S20 483	10 1102
Environs	23,506	\$316.861	24.516	\$323 764	E385 674	EB4 040	40 420/
Total Residential	31,385	\$421,750	32,727	\$430,936	\$513,329	\$82,393	19.12%
Commercial							
Incorporated	2,403	\$26.950	2.567	\$28.114	£35.480	23 25B	2000
Environs	2,258	\$27,012	2,340	\$27,135	534.451	S7.316	28 98 82
I otal Commercial	4,661	\$53,962	4,907	\$55,249	\$69,931	\$14,682	26.57%
Total Res & Com	36,047	\$475,711	37,634	\$486,186	\$583,261	\$97,075	19.97%
Total Base Rate Sales of Gas	36,047	\$475,711	37,634	\$486.186	CER3 264	E07 07E	40 0797

BLUEBONNET NATURAL GAS REVENUE BY CUSTOMER CLASSIFICATION

	PROPOSED	\$20.66 \$20.75 \$20.70	\$18.96 \$19.76 \$19.34 \$23.06	\$15.55 \$15.73 \$15.69	\$13.82 \$14.72 \$14.25 \$15.50
AVERAGE COST PER MCF	PRO FORMA ADJUSTED	\$18.06 \$18.22 \$18.18	\$18.09 \$18.63 \$16.35 \$20.38	\$13.05	\$10.95 \$11.59 \$11.26
	PER BOOKS	\$18.36 \$18.54 \$18.50	\$16.37 \$17.04 \$16.69 \$20.81	\$13.31 \$13.48 \$13.44	\$11.21 \$11.96 \$11.58 \$13.20
	Line No. Customer Classification	2 Sales of Gas - Total 3 Residential 4 Incorporated 5 Environs 6 Total Residential 7	8 Commercial 9 Incorporated 10 Environs 11 Total Commercial 13 Total Sales of Gas 14	ගී ක	22 Commercial 23 Incorporated 24 Environs 25 Total Commercial 27 Total Sales of Gas









NO.	RATE CLASS	BILLING	PROPOSED RATES	SETTLEMENT REVENUE
88	Residential Service - Nome (Incorporated)			
30	Base Rate			
9	Customer Charge	1,044 Bills	18.00 / Month	\$18,792
4	Commodity	2,015 MCF	8.26000 / MCF	16,648
42	Total			\$35,440
43				
4	Residential Service - Wildwood (Environs)			
45	Base Rate			
4	Customer Charge		18.00 / Month	\$28,728
47	Commodity	2,493 MCF	8.26000 / MCF	\$20,589
8	Total		41	\$49,317
8				
20	Residential Service - Mt. Enterprise (Incorporated)			
51	Base Rate			
25	Customer Charge	1,152 Bills	18.00 / Month	\$20,736
23	Commodity	3,367 MCF	8.26000 / MCF	27,810
2	Total			\$48,546
22				
26	Residential Service - Mt. Enterprise (Environs)			
21	Base Rate			
28	Customer Charge	4,164 Bills	18.00 / Month	\$74,952
20	Commodity	11,022 MCF	8.26000 / MCF	91,041
9	Total			\$165,993
6				
62	Residential Service - Douglass (Environs)			
8	Base Rate			
2	Customer Charge	1,188 Bills	18.00 / Month	
92	Commodity	3,734 MCF	8.26000 / MCF	
8 6	Otal			\$52,230
5				





BLUEBONNET NATURAL GAS SETTLEMENT PROOF OF REVENUE

SETTLEMENT REVENUE	\$5,040 4,649 \$9,689	\$1,680 1,529 \$3,209	\$3,780 1,961 \$5,741	\$2,940 3,222 \$6,162	\$1,680 \$1,500 \$3,180
PROPOSED RATES	35.00 / Month 8.26000 / MCF	35.00 / Month 8.26000 / MCF	35.00 / Month 8.26000 / MCF	35.00 / Month 8.26000 / MCF	35.00 / Month 8.26000 / MCF
BILLING UNITS	144 Bills 563 MCF	48 Bills 185 MCF	108 Bills 237 MCF	84 Bills 390 MCF	48 Bills 182 MCF
RATE CLASS	Commercial Service - Devers (Incorporated) Base Rate Customer Charge Commodity Total	Commercial Service - Hull (Environs) Base Rate Customer Charge Commodity Total Commercial Service - Raywood (Environs)	Rate omer Charge nodity nercial Service - Nome	Base Rate Customer Charge Commodity Total Commercial Service - Wildwood (Environce)	Base Rate Customer Charge Commodity Total
RATI	Com Com Total	Comr Comr Comr Comr	Base Custa Comr Total	Base Cust Com Total	Base Cust Com Total

BILLING PROPOSED SETTLEMENT UNITS RATES REVENIE	Enterprise (incorporated)	180 Bills 35.00 / Month	WGF	if or Entransian (Fernancian)	-,	120 Bills		ice - Douglass (Environs)		100 Bills 35.00 / Month	The state of the s	
LINE NO. RATE CLASS	Commercial Service - Mt. Base Rate	Customer Charge	Total	Commercial Service - M+	Base Rate	Sustomer Charge	Total	Commercial Service - Doug	base Kate Customer Charo	Commodity	otal	Total





BLUEBONNET NATURAL GAS SETTLEMENT PROOF OF REVENUE

SETTLEMENT REVENUE					\$127,665 \$385,674 \$513,329	\$35,480 \$34,451 \$69,931 \$583,261
PROPOSED RATES						
BILLING	3,324 10,176 13,500	408 432 840 14.340	8,211 24,516 32,727	2,567 2,340 4,907 37,634		
RATE CLASS	Number of Bills Summary Residential Incorporated Environs Total Residential Bills	Commercial Incorporated Environs Total Commercial Bills Total Bills	MCF Summary Residential Incorporated Environs Total Residential MCF	Commercial Incorporated Environs Total Commercial MCF	Pase rate revenue Summary Residential Incorporated Environs Total Residential Base Rate Revenue	Incorporated Environs Total Commercial Base Rate Revenue Total Base Rate Revenue
NO.	81 12 12 12 12 13 13 13 13 13 13 13 13 13 13 13 13 13	25		85 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5		151 153 154 155 155