BEFORE THE
RAILROAD COMMISSION OF TEXAS

APPLICATION FILED BY WEST TEXAS GAS, INC., FOR TEST YEAR 2013 ANNUAL INTERIM RATE ADJUSTMENT PROGRAM FOR THE UNINCORPORATED AREAS OF THE COMPANY'S TEXAS SERVICE AREAS.	§ § § § § §	**GAS UTILITIES DOCKET NO. 10418**

INTERIM RATE ADJUSTMENT 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 (Vernon 2010). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

Background

1. West Texas Gas, Inc. (WTG) is a "gas utility," as that term is defined in the TEXAS UTILITIES CODE, and is subject to the jurisdiction of the Railroad Commission of Texas (Commission).

2. WTG owns and operates a natural gas distribution system in Texas.

3. On January 13, 2015, WTG filed an application for an annual interim rate adjustment (IRA) applicable to the unincorporated customers located in its Texas service area.

4. WTG requested that the IRA for all customer classes become effective on March 14, 2015.

5. On January 15, 2015, the Commission suspended implementation of WTG's proposed IRA until April 28, 2015, which is 45 days following the 60th day after the application was filed and complete.

6. TEX. UTIL. CODE, §104.301 does not provide a remedy for parties that oppose an annual interim rate adjustment.

7. 16 TEX. ADMIN. CODE § 7.7101 (2010) allows written comments or a protest, concerning the proposed IRA, to be filed with the Oversight and Safety Division.

8. As of the date of this interim order, no comments or protests concerning this application have been received by the Commission.

9. Neither TEX. UTIL. CODE § 104.301 (Vernon 2010) nor 16 TEX. ADMIN. CODE § 7.7101 (2010) provide the opportunity for parties to intervene in the Commission's review of an application for an annual IRA.

10. This docket represents the first annual IRA for WTG since Gas Utilities Docket (GUD) No. 10235, the most recent rate case for the Company's environs or unincorporated service areas.

11. Until promulgation of TEX. UTIL. CODE § 104.301 (Vernon 2010), a utility could not increase its rates subject to the Commission's jurisdiction without filing with the Commission a formal statement of intent rate case, including a comprehensive cost of service rate review.

12. The proposed IRA will allow WTG an opportunity to recover, subject to refund, a return on investment, depreciation expense, and related taxes on the incremental cost of infrastructure investment since its last rate case, GUD No. 10235, without the necessity of filing a statement of intent rate case and without review by the Commission of WTG's comprehensive cost of service.

Applicability

13. This docket applies to only those rates over which the Commission has original jurisdiction, which includes the unincorporated areas of WTG's service area.

14. As of December 31, 2013, WTG had approximately 16,873 customers in the Company's unincorporated service area. Of these, 15,078 are domestic customers and 1,795 are non-domestic customers.

Most Recent Comprehensive Rate Case

15. WTG's most recent rate case for the area in which the IRA will be implemented is GUD No. 10235, *Statement of Intent of West Texas Gas, Inc. to Increase Gas Distribution Rates in the Unincorporated Areas of Texas.*

16. GUD No. 10235 was filed on January 24, 2013.

17. The data used in GUD No. 10235 was based on a test-year ending June 30, 2012.

18. The Commission signed the GUD No. 10235 Final Order on June 13, 2013, and the rates became effective the same day.

19. The following table shows the factors that were established in GUD No. 10235[1] to calculate the return on investment, depreciation expense, and incremental federal income taxes for WTG:

Table 1.0
Key IRA Factors

Rate of Return – IRA Filings	7.91%
Depreciation Rate[2]	Various
Federal Income Tax Rate	35%

Interim Rate Adjustment

20. WTG seeks approval from the Commission for an adjustment to its revenue, based on incremental net utility plant investment, with regard to the following components: return on investment; depreciation expense; ad valorem taxes; revenue related taxes; and federal income taxes, as shown in Exhibit B.

21. The revenue amounts to be recovered through the proposed annual IRA for WTG are incremental to the revenue requirement established in the most recent rate case for WTG for the area in which the IRA is to be implemented, GUD No. 10235.

22. In this docket, the first interim adjustment following the most recent rate case, GUD No. 10235, WTG adjusted its rates based on the difference between invested capital at the end of the most recent rate case test year, June 30, 2012, and the invested capital at the end of the calendar year following the end of the most recent rate case test-year, December 31, 2013.

23. The value of WTG's invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment.

24. WTG is required to use the same factors to calculate the interim return on investment, depreciation expense, and incremental federal income tax as those established or used in the final order setting rates for WTG in the most recent rate case for the area in which the IRA is to be implemented, GUD No. 10235.

25. WTG filed the Commission's Annual Earnings Monitoring Report (EMR) as required by 16 TEX. ADMIN. CODE § 7.7101 (2010). The Company's actual rate of return is 1.82%, which is less than 0.75% in excess of the 7.91% allowed rate of return established in GUD No. 10217.

1 GUD No. 10235 Final Order
2 GUD No. 10418 Schedule G

26. GUD No. 10235, WTG's most recent Statement of Intent rate case for the unincorporated areas of the Company's service area and the basis for the key factors in an IRA calculation, was approved by the Commission on June 13, 2013. Customer Charges are shown in Table 2.0, Column B, below.

27. This docket, GUD No. 10418, is the first IRA application for the unincorporated areas of WTG's service area. The proposed 2013 IRA adjustments are shown in Table 2.0, Column C, below.

28. Under TEX. UTIL. CODE § 7.7101(l), WTG must file a rate case, Statement of Intent, supporting the IRAs not later than 180 days after the fifth anniversary of the effective date of its initial IRA, or by October 25, 2020.

29. Under TEX. ADMIN. CODE § 7.7101(j), "any change in investment and related expenses and revenues that have been included in any interim rate adjustment shall be fully subject to review for reasonableness and prudence" in the next rate case. Per TEX. ADMIN. CODE § 7.7101(i), "all amounts collected from customers under an interim rate adjustment tariff" are subject to refund until the conclusion of the next rate case.

30. When the Customer Charge and proposed 2013 Interim Rate Adjustments (Columns B and C) are added, the resulting customer charge for affected customer classes is shown in Table 2.0, Column D, below.

Table 2.0
West Texas Gas Unincorporated Customer Charges and Interim Rate Adjustments (IRA)

Customer Class	Customer Charge (GUD 10235)	IRA - 2013 (GUD 10418)	New Customer Charge
A	B	C	D
Domestic	$ 10.00	$ 2.02	$ 12.02
Non-Domestic	$ 13.70	$ 5.33	$ 19.03

31. WTG filed its Annual Project Report as required by 16 TEX. ADMIN. CODE § 7.7101 (2010).
   a. Net capital additions included in this docket totaled $ 8,492,074.[1]
   b. Gross capital project additions totaled $ 12,704,547.[2]
   c. Safety-related improvements/infrastructure projects are 27.2% of total gross additions[3] and 40.7% of total net additions.

1 Schedule A Errata
2 Schedule A Errata and Schedule D Errata
3 Response to Staff's RFI No. 1-9 in GUD No. 10384 updated for GUD No. 10418

d. Integrity testing projects are 0.2% of total gross additions[1] and 0.3% of total net additions.
e. Distribution Integrity Management Program (DIMP) projects are 27.6% of total gross additions[2] 41.3% of total net additions.
f. Pipeline Integrity Management Program (IMP) projects are 0.00% of the total net additions[3]
g. Steel pipe replacement projects (SPRP) are 16.0% of the total gross additions[4] and 23.9% of total net additions.

32. WTG is required to allocate the revenue to be collected through the IRA among its customer classes in the same manner as the cost of service was allocated among its customer classes in its most recent rate case for the area in which the IRA is to be implemented, GUD No. 10235.

33. WTG proposed the IRA as a flat rate to be applied to the monthly Customer Charge rather than to the usage rate.

34. The following allocation among customer classes is used to allocate the interim rate adjustment, Table 3.0 below:

Table 3.0
Revenue Requirement Allocation for the unincorporated areas of WTG's Service Area

Customer Class	Allocation Factors
Domestic	0.7607
Non-Domestic	0.2393
Total	1.0

35. WTG is required to show its annual IRA on its customers' monthly billing statements as a surcharge.

36. The proposed IRA does not require an evidentiary proceeding; rather, TEX. UTIL. CODE § 104.301 (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.7101 (2010) require the regulatory authority to review a utility's method of calculating the IRA.

37. Due process protections are deferred until WTG files its next full statement of intent rate case.

Notice

1 Response to Staff's RFI No. 1-10 in GUD No. 10384 updated for GUD No. 10418
2 Response to Staff's RFI No. 1-11 in GUD No. 10384 updated for GUD No. 10418
3 Response to Staff's RFI No. 1-12 in GUD No. 10384 updated for GUD No. 10418
4 Response to Staff's RFI No. 1-13 in GUD No. 10384 updated for GUD No. 10418

38. The Company provided adequate notice to customers via direct mailing in the unincorporated areas of WTG's service area on February 5, 2015.

Comprehensive Rate Case Required

39. The Company is not required to initiate a rate case supporting a statement of intent, at the time it applies for an IRA.

40. Under 16 TEX. ADMIN. CODE § 7.7101 (l) (2010) a gas utility that implements an IRA and does not file a rate case before the fifth anniversary of the date its initial IRA became effective is required to file a rate case not later than the 180th day after that anniversary. WTG is required to file a statement of intent rate case not later than October 25, 2020.

Review of Interim Rate Adjustment

41. WTG presented its IRA calculation using the factors approved in GUD No. 10235 for rate of return, depreciation, and federal income tax.

42. WTG's 2013 system wide IRA for the unincorporated areas of the Company's service area is $1,297,178, based on an incremental net utility plant investment increase of $6,357,071[1], of which approximately $479,885 is attributed to the unincorporated area.

43. WTG's proposed allocation methodology complies with TEX. UTIL. CODE § 104.301 (Vernon 2010), and with 16 TEX. ADMIN. CODE § 7.7101 (2010).

Reimbursements of Expense

44. As provided for in the statute and the rule, a gas utility that implements an IRA is required to reimburse the Commission for the utility's proportionate share of the Commission's annual costs related to the administration of the IRA mechanism.

45. After the Commission has finally acted on WTG's application for an IRA, the Director of the Oversight and Safety Division will estimate WTG's proportionate share of the Commission's annual costs related to the processing of such applications.

46. In making the estimate of WTG's proportionate share of the Commission's annual costs related to the processing of such applications, the Director will take into account the number of utilities the Commission reasonably expects to file for IRAs during the fiscal year, and the costs expected to be incurred in processing such applications.

1 Schedule A Errata

47. WTG is required to reimburse the Commission for the amount determined by the Director of the Oversight and Safety Division, within thirty days after receipt of notice of the amount of the reimbursement.

CONCLUSIONS OF LAW

1. WTG is a "gas utility" as defined in TEX. UTIL. CODE ANN. § 101.003(7) (Vernon 2010) and § 121.001 (Vernon 2010), and is therefore subject to the jurisdiction of the Railroad Commission of Texas (Commission).

2. The Commission has jurisdiction over WTG's applications for IRAs for incremental changes in investment, and the subject matter of this case under TEX. UTIL. CODE ANN. §102.001, §104.001, §104.002, and §104.301 (Vernon 2010).

3. Under TEX. UTIL. CODE ANN. §102.001 (Vernon 2010), 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. Under the provisions of the TEX. UTIL. CODE ANN. § 104.301 (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.7101 (2010), WTG is required to seek Commission approval before implementing an IRA tariff to WTG's customers.

5. WTG filed its application for an IRA for changes in investment in accordance with the provisions of TEX. UTIL. CODE ANN. § 104.301 (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.7101 (2010).

6. WTG's application for an IRA was processed in accordance with the requirements of TEX. UTIL. CODE ANN. § 104.301 (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.7101 (2010).

7. In accordance with 16 TEX. ADMIN. CODE § 7.315 (2010), within thirty days of the effective date of any change to rates or services, WTG is required to file with the Oversight and Safety Division of the Commission its revised tariffs.

8. WTG may not charge any rate that has not been successfully electronically filed and accepted as a tariff filing pursuant to TEX. UTIL. CODE ANN. §§ 102.151 and 104.002 (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.315 (2010).

9. In accordance with TEX. UTIL. CODE ANN. § 104.301(a) (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.7101(a) (2010), the filing date of WTG's most recent rate case, in

which there is a final order setting rates for the area in which the IRA will apply, was no more than two years prior to the date WTG filed its initial IRA.

10. WTG is required, under TEX. UTIL. CODE ANN. § 104.301(e) (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.7101(d) (2010), to file with the Commission an annual project report, including the cost, need, and customers benefited by the change in investment, and describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year.

11. WTG is required, under TEX. UTIL. CODE ANN. § 104.301(f) (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.7101(e) (2010), to file with the Commission an annual earnings-monitoring report demonstrating WTG' earnings during the preceding calendar year.

12. WTG is required, under 16 TEX. ADMIN. CODE § 7.7101(h) (2010), to recalculate its approved IRA annually and is required to file an application for an annual adjustment no later than 60 days prior to the one-year anniversary of the proposed implementation date of the previous IRA application.

13. In accordance with 16 TEX. ADMIN. CODE § 7.7101(i) (2010), all amounts collected from customers under WTG's IRA tariffs or rate schedules are subject to refund. The issues of refund amounts, if any, and whether interest should be included on refunded amounts and, if so, the rate of interest, shall be addressed in the rate case a gas utility files or the Commission initiates after the implementation of an IRA and shall be the subjects of specific findings of fact in the Commission's final order setting rates.

14. In accordance with 16 TEX. ADMIN. CODE § 7.7101(j) (2010), in the rate case that WTG files or the Commission initiates after the implementation of an IRA, any change in investment and related expenses and revenues that have been included in any IRA shall be fully subject to review for reasonableness and prudence. Upon issuance of a final order setting rates in the rate case that WTG files or the Commission initiates after the implementation of an IRA, any change in investment and related expenses and revenues that have been included in any IRA shall no longer be subject to review for reasonableness or prudence.

15. The Commission has authority to suspend the implementation of the IRA, under TEX. UTIL. CODE ANN. § 104.301(a) (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.7101(e) (2010).

16. WTG provided adequate notice of its IRA, in accordance with TEX. UTIL. CODE ANN. § 104.301(a) (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.7101(b) (2010).

17. WTG's application for an IRA, as proposed, complies with all provisions of TEX. UTIL. CODE ANN. § 104.301 (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.7101 (2010).

18. WTG's IRA set forth in the findings of fact and conclusions of law in this Order complies with the provisions of TEX UTIL. CODE ANN. § 104.301 (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.7101 (2010).

19. In accordance with TEX. UTIL. CODE ANN. § 104.301(h) (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.7101(l) (2010), WTG shall file a comprehensive rate case for the areas in which the IRA is implemented, no later than the 180th day after the fifth anniversary of the date its initial IRA became effective, or October 25, 2020.

20. The Commission has authority, under TEX. UTIL. CODE ANN. § 104.301(j) (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.7101(m) (2010), to recover from WTG the proportionate share of the Commission's annual costs related to the administration of the IRA mechanism.

IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS THAT West Texas Gas, Inc.'s IRA for the unincorporated areas of the Company's Service Area, to the extent recommended to be approved in the findings of fact and conclusions of law, is **HEREBY APPROVED**, subject to refund, to be effective for bills rendered on or after the date of this order.

IT IS FURTHER ORDERED THAT West Texas Gas, Inc. **SHALL** file with the Commission no later than October 25, 2020, a statement of intent to change rates as required under TEX. UTIL. CODE ANN. § 104.301(h) (Vernon 2010) and 16 TEX. ADMIN. CODE § 7.7101(l) (2010).

IT IS FURTHER ORDERED THAT within 30 days of this order West Texas Gas, Inc. **SHALL** electronically file its IRA tariff, Exhibit A, in proper form that accurately reflects the rates approved by the Commission in this Order.

IT IS FURTHER ORDERED THAT West Texas Gas, Inc. **SHALL** not charge any rate that has not been electronically filed and accepted by the Commission as a tariff.

IT IS FURTHER ORDERED THAT West Texas Gas, Inc. **SHALL** reimburse the Commission for the utility's proportionate share of the Commission's annual costs related to the administration of the IRA mechanism. The amount of this reimbursement shall be determined by the Director of the Oversight and Safety Division. 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 § 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.

Any portion of WTG's application not expressly granted herein is overruled. All requested findings of fact and conclusions of law, which are not expressly adopted herein, are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

SIGNED this 28th day of April, 2015.

RAILROAD COMMISSION OF TEXAS

Christi Craddick

CHRISTI CRADDICK
CHAIRMAN

DAVID PORTER
COMMISSIONER

RYAN SITTON
COMMISSIONER

ATTEST

Kathy Way

SECRETARY

WEST TEXAS GAS, INC.
WTG Distribution Systems
RRC Tariff No: 26583

RATE SCHEDULE:	**DOMESTIC GAS SERVICE – WTG RATE #900**
APPLICABLE TO:	**Environs of Hansford County, Environs of Ochiltree County, City of Canadian & Environs, City of Miami, City of Miami Environs, Environs of Lipscomb County, Environs of Hemphill County, Environs of Wheeler County, Dalhart Rural, Spearman Rural, City of Groom Environs, Unincorporated area of Farwell, Incorporated Area of Stratford, Unincorporated area of Stratford, City of Texhoma Environs, Unincorporated areas of Roberts County, Etter, Kerrick, City of Dalhart, City of Dalhart Environs, City of Canyon, City of Canyon Environs, *(Note, Incorporated Areas will go into effect by operation of law.)***
EFFECTIVE DATE:	**Bills Rendered on and after 03/14/2015**

Subject to applicable rate adjustment provisions listed below, the following rates are the maximum applicable to Domestic consumers per meter billing cycle or for any part of a billing cycle for which gas service is available at the same location.

Customer Charge	$10.00
2014 GRIP Charge	$ 2.32
Total Customer Charge	$12.32 per month
All Consumption @	$3.76 per Mcf

The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

Gas Cost Adjustment
Gas Cost Adjustment is intended to allow collection of the Company's gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that all amounts billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. This clause shall apply to customers in the North Gas Cost Zone.

Purchased Gas Cost Component
The Purchase Gas Cost for said Gas Cost Zone shall be computed utilizing the following components for the distribution system customers.

(i) Cost of gas purchased
(ii) Credits, Refunds, or out of Period Adjustments
(iii) Cost of gas withdrawn from storage
(iv) Interest on storage gas withdrawn
(v) Upstream gathering and Transportation Charges
(vi) Storage Deliverability Charges
(vii) Storage Capacity Charges

(viii) New Taxes on the purchased gas or the purchase transaction and not reflected on elsewhere on customer bills

The Company shall keep accurate records of all storage gas purchases, including the date, quantity, cost, and associated expenses. The Company shall account for storage gas purchases and withdrawals using a weighted average cost basis.

Purchased Gas Factor Calculation (PGF)
Each customer bill shall include a Purchased Gas Factor reflecting the estimated weighted average cost of gas, plus additional elements described in this section, during the period covered by the bill for said Gas Cost Zone. The PGF shall be determined to the nearest $0.001 per Mcf, and the following provisions shall apply:

(i) In addition to the estimated weighted average cost of gas for the current month's billing period, the PGF may include a pro rata portion of an amount reflecting the difference between the estimated WACOG and the actual WACOG during the previous billing period for said Gas Cost Zone
(ii) The PGF shall also include a "Reconciliation Factor", an amount reflecting the customer's share of any gas cost imbalances in the preceding reconciliation period for said Gas Cost Zone
(iii) The PGF factor may also include an amount reflecting any new taxes or levies specifically applied to gas costs or purchases and not otherwise reflected on the customer bill for said Gas Cost Zone

The Purchased Gas Factor is expressed as a formula as follows:

(A+/-B) + C + D = E

Where
A = Estimated WACOG
B = Estimated WACOG/Act. WACOG Difference
C = Reconciliation Factor
D = New Taxes
E = Total PGF

Gas Cost Reconciliation (GCR)
The Company shall keep accurate books and records of the Reconciliation Review and monthly PGF reports to the Railroad Commission of Texas and shall account for the Reconciliation Component and the Reconciliation Factors for said Gas Cost Zone.

A Reconciliation Review and calculation shall first determine whether the lost and unaccounted for gas is more or less than 5% of that metered into the system. The sales volumes shall be converted to the same pressure base as the purchase volumes. Calculations of the sales volumes furnished to its gas sales customers (from meters not corrected for pressure and/or temperature) shall be calculated utilizing the following service pressures (psia) for each listed municipality and associated environs:

Cactus 13.28, Canadian, 13.88, Canyon 13.45, Claude 13.38, Dalhart 13.07, Darrouzett 13.78, Farwell 13.18, Follett 13.68, Groom 13.38, Higgins 13.78, Miami 13.68, Mobeetie 13.78, Shamrock 13.88, Stratford 13.18, Texhoma 13.38, Texline 12.98, Wheeler 13.78

If the Reconciliation Review indicates a gas loss or gas gain of less than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Net Jurisdictional Cost of Gas and amount collected through the PGA billed on a monthly basis for said Gas Cost Zone. The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volumes by the Actual P/S Ratio to arrive at the Calculated Purchase Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Net Jurisdictional Cost of Gas.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the same as determined by the Public Utility Commission of Texas for refunds on customer deposits and in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for said Gas Cost Zone for the period under review shall be the Reconciliation Amount, the total amount to be refunded/surcharged in said Gas Cost Zone.

If the Reconciliation Review indicates a gas loss or gain of greater than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Purchase Gas Cost and Sales Amount on a monthly basis for said Gas Cost Zones Purchase Gas Cost amounts in excess of the 1.0526 ratio shall be disallowed by:

1) Dividing total Purchase Volumes for the 12-month review period by the total Sales Volumes for the same period in said Gas Cost Zone.
2) Subtracting that result from 1, which when expressed as a percentage, becomes said Gas Cost Zones Actual P/S Ratio.
3) Subtracting 5.26% from said Gas Cost Zones Actual P/S Ratio, results in a Disallowance Factor for the review period.
4) Multiplying the Disallowance Factor by the Purchase Volumes for each month and by the WACOG for each month, for said Gas Cost Zone will result in an amount to be disallowed each month.
5) The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volume by the Actual P/S Ratio to arrive at the Calculated Purchased Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Jurisdictional Cost of Gas. The Net Jurisdictional Cost of Gas is calculated by subtracting the Disallowed Amount calculated above.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the rate in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for the period under review shall be the Reconciliation Amount for said Gas Cost Zone or the total amount to be refunded or surcharged.

Reconciliation Factor Calculation (RFC)

The Reconciliation Amount for said Gas Cost Zone shall be divided by 12, resulting in the Reconciliation Component.

The Reconciliation Component shall be reflected in a refund or surcharge on each customer bill, according to Gas Cost Zone, over a twelve-month period beginning with the first billing cycle in September following the period covered by the review.

The Reconciliation Component for each month of the reconciliation period shall be calculated by dividing the Reconciliation Amount by the estimated Sales Volumes for the applicable billing period. The result will be a monthly Reconciliation Factor, expressed in Mcf for each Gas Cost Zone. Any under or over collection from the prior month may be factored in subsequent months Reconciliation Component.

Each month during the reconciliation period, the PGF for each Gas Cost Zone on consumer bills shall be increased or reduced by the product of the number of Mcf billed to the customer and the monthly Reconciliation Factor, as indicated in the section of PGF calculations. Any under or over collections remaining at the end of the gas reconciliation period will be carried forward to the next gas reconciliation period.

Recovery of Existing Purchased Gas Cost Imbalances

The Company shall determine the amount of unrecovered purchased gas costs applicable to the customers served in each incorporated city or rural area immediately prior to the effectiveness of new Gas Cost Zones. Any resulting over-recovery or under-recovery in excess of $25,000 shall be charged or credited, as appropriate, to the customers in each such city or rural area. Any over-recovery or under-recovery of less than $25,000 in any incorporated city of rural area shall be recovered along with any Purchase Gas Costs in the applicable Gas Cost Zone.

Revenue Related Tax Adjustment

Each monthly bill, as adjusted above shall also be adjusted by an amount equivalent to the various revenue related taxes, franchise fees, rentals, or other fees and charges imposed by regulatory or governmental authorities. This includes, but not limited to, Gross Receipts Taxes, Municipal Taxes, Fees, or any other governmental imposition, rental fee or charge levied that is based on any portion of revenues billed by Company.

Rate Case Expense Surcharge

Rate case expenses will be recovered through a surcharge designed for a sixty month recovery period. A $0.0984 per Mcf surcharge shall be added to each monthly billing until the approved rate case expenses are recovered.

WEST TEXAS GAS, INC.
WTG Distribution Systems
RRC Tariff No: 26584

RATE SCHEDULE:	**NON-DOMESTIC GAS SERVICE – WTG RATE #901**
APPLICABLE TO:	**Environs of Hansford County, Environs of Ochiltree County, City of Canadian & Environs, City of Miami, City of Miami Environs, Environs of Lipscomb County, Environs of Hemphill County, Environs of Wheeler County, Dalhart Rural, Spearman Rural, City of Groom Environs, Unincorporated area of Farwell, Incorporated Area of Stratford, Unincorporated area of Stratford, City of Texhoma Environs, Unincorporated areas of Roberts County, Etter, Kerrick, City of Dalhart, City of Dalhart Environs, City of Canyon, City of Canyon Environs, *(Note, Incorporated Areas will go into effect by operation of law)***
EFFECTIVE DATE:	**Bills Rendered on and after 03/14/2015**

Subject to applicable rate adjustment provisions listed below, the following rates are the maximum applicable to Non-Domestic consumers per meter billing cycle or for any part of a billing cycle for which gas service is available at the same location.

Customer Charge	$13.70
2014 GRIP Charge	$ 7.28
Total Customer Charge	$20.98 per month
All Consumption @	$2.59 per Mcf

The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

Gas Cost Adjustment
Gas Cost Adjustment is intended to allow collection of the Company's gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that all amounts billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. This clause shall apply to customers in the North Gas Cost Zone.

Purchased Gas Cost Component
The Purchase Gas Cost for said Gas Cost Zone shall be computed utilizing the following components for the distribution system customers.

(i) Cost of gas purchased
(ii) Credits, Refunds, or out of Period Adjustments
(iii) Cost of gas withdrawn from storage
(iv) Interest on storage gas withdrawn
(v) Upstream gathering and Transportation Charges
(vi) Storage Deliverability Charges
(vii) Storage Capacity Charges

(viii) New Taxes on the purchased gas or the purchase transaction and not reflected on elsewhere on customer bills

The Company shall keep accurate records of all storage gas purchases, including the date, quantity, cost, and associated expenses. The Company shall account for storage gas purchases and withdrawals using a weighted average cost basis.

Purchased Gas Factor Calculation (PGF)
Each customer bill shall include a Purchased Gas Factor reflecting the estimated weighted average cost of gas, plus additional elements described in this section, during the period covered by the bill for said Gas Cost Zone. The PGF shall be determined to the nearest $0.001 per Mcf, and the following provisions shall apply:

(i) In addition to the estimated weighted average cost of gas for the current month's billing period, the PGF may include a pro rata portion of an amount reflecting the difference between the estimated WACOG and the actual WACOG during the previous billing period for said Gas Cost Zone
(ii) The PGF shall also include a "Reconciliation Factor", an amount reflecting the customer's share of any gas cost imbalances in the preceding reconciliation period for said Gas Cost Zone
(iii) The PGF factor may also include an amount reflecting any new taxes or levies specifically applied to gas costs or purchases and not otherwise reflected on the customer bill for said Gas Cost Zone

The Purchased Gas Factor is expressed as a formula as follows:

(A+/-B) + C + D = E

Where
A = Estimated WACOG
B = Estimated WACOG/Act. WACOG Difference
C = Reconciliation Factor
D = New Taxes
E = Total PGF

Gas Cost Reconciliation (GCR)
The Company shall keep accurate books and records of the Reconciliation Review and monthly PGF reports to the Railroad Commission of Texas and shall account for the Reconciliation Component and the Reconciliation Factors for said Gas Cost Zone.

A Reconciliation Review and calculation shall first determine whether the lost and unaccounted for gas is more or less than 5% of that metered into the system. The sales volumes shall be converted to the same pressure base as the purchase volumes. Calculations of the sales volumes furnished to its gas sales customers (from meters not corrected for pressure and/or temperature) shall be calculated utilizing the following service pressures (psia) for each listed municipality and associated environs:

Cactus 13.28, Canadian, 13.88, Canyon 13.45, Claude 13.38, Dalhart 13.07, Darrouzett 13.78, Farwell 13.18, Follett 13.68, Groom 13.38, Higgins 13.78, Miami 13.68, Mobeetie 13.78, Shamrock 13.88, Stratford 13.18, Texhoma 13.38, Texline 12.98, Wheeler 13.78

If the Reconciliation Review indicates a gas loss or gas gain of less than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Net Jurisdictional Cost of Gas and amount collected through the PGA billed on a monthly basis for said Gas Cost Zone. The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volumes by the Actual P/S Ratio to arrive at the Calculated Purchase Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Net Jurisdictional Cost of Gas.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the same as determined by the Public Utility Commission of Texas for refunds on customer deposits and in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for said Gas Cost Zone for the period under review shall be the Reconciliation Amount, the total amount to be refunded/surcharged in said Gas Cost Zone.

If the Reconciliation Review indicates a gas loss or gain of greater than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Purchase Gas Cost and Sales Amount on a monthly basis for said Gas Cost Zones Purchase Gas Cost amounts in excess of the 1.0526 ratio shall be disallowed by:

1) Dividing total Purchase Volumes for the 12-month review period by the total Sales Volumes for the same period in said Gas Cost Zone.
2) Subtracting that result from 1, which when expressed as a percentage, becomes said Gas Cost Zones Actual P/S Ratio.
3) Subtracting 5.26% from said Gas Cost Zones Actual P/S Ratio, results in a Disallowance Factor for the review period.
4) Multiplying the Disallowance Factor by the Purchase Volumes for each month and by the WACOG for each month, for said Gas Cost Zone will result in an amount to be disallowed each month.
5) The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volume by the Actual P/S Ratio to arrive at the Calculated Purchased Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Jurisdictional Cost of Gas. The Net Jurisdictional Cost of Gas is calculated by subtracting the Disallowed Amount calculated above.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the rate in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for the period under review shall be the Reconciliation Amount for said Gas Cost Zone or the total amount to be refunded or surcharged.

Reconciliation Factor Calculation (RFC)
The Reconciliation Amount for said Gas Cost Zone shall be divided by 12, resulting in the Reconciliation Component.

The Reconciliation Component shall be reflected in a refund or surcharge on each customer bill, according to Gas Cost Zone, over a twelve-month period beginning with the first billing cycle in September following the period covered by the review.

The Reconciliation Component for each month of the reconciliation period shall be calculated by dividing the Reconciliation Amount by the estimated Sales Volumes for the applicable billing period. The result will be a monthly Reconciliation Factor, expressed in Mcf for each Gas Cost Zone. Any under or over collection from the prior month may be factored in subsequent months Reconciliation Component.

Each month during the reconciliation period, the PGF for each Gas Cost Zone on consumer bills shall be increased or reduced by the product of the number of Mcf billed to the customer and the monthly Reconciliation Factor, as indicated in the section of PGF calculations. Any under or over collections remaining at the end of the gas reconciliation period will be carried forward to the next gas reconciliation period.

Recovery of Existing Purchased Gas Cost Imbalances
The Company shall determine the amount of unrecovered purchased gas costs applicable to the customers served in each incorporated city or rural area immediately prior to the effectiveness of new Gas Cost Zones. Any resulting over-recovery or under-recovery in excess of $25,000 shall be charged or credited, as appropriate, to the customers in each such city or rural area. Any over-recovery or under-recovery of less than $25,000 in any incorporated city of rural area shall be recovered along with any Purchase Gas Costs in the applicable Gas Cost Zone.

Revenue Related Tax Adjustment
Each monthly bill, as adjusted above shall also be adjusted by an amount equivalent to the various revenue related taxes, franchise fees, rentals, or other fees and charges imposed by regulatory or governmental authorities. This includes, but not limited to, Gross Receipts Taxes, Municipal Taxes, Fees, or any other governmental imposition, rental fee or charge levied that is based on any portion of revenues billed by Company.

Rate Case Expense Surcharge
Rate case expenses will be recovered through a surcharge designed for a sixty month recovery period. A $0.0984 per Mcf surcharge shall be added to each monthly billing until the approved rate case expenses are recovered.

WEST TEXAS GAS, INC.
WTG Distribution Systems
RRC Tariff No: 26585

RATE SCHEDULE:	**DOMESTIC GAS SERVICE – WTG RATE #904**
APPLICABLE TO:	**WTG Rural Domestic, Lubbock Rural, City of Kermit & Environs, City of Imperial & Environs (*Note, Incorporated Areas will go into effect by operation of law*)**
EFFECTIVE DATE:	**Bills Rendered on and after 03/14/2015**

Subject to applicable rate adjustment provisions listed below, the following rates are the maximum applicable to Domestic consumers per meter billing cycle or for any part of a billing cycle for which gas service is available at the same location.

Customer Charge	$10.00
2014 GRIP Charge	$ 2.32
Total Customer Charge	$12.32 per month
All Consumption @	$3.76 per Mcf

The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

Gas Cost Adjustment

Gas Cost Adjustment is intended to allow collection of the Company's gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that all amounts billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. This clause shall apply to customers in the West Gas Cost Zone.

Purchased Gas Cost Component

The Purchase Gas Cost for said Gas Cost Zone shall be computed utilizing the following components for the distribution system customers.

(i) Cost of gas purchased
(ii) Credits, Refunds, or out of Period Adjustments
(iii) Cost of gas withdrawn from storage
(iv) Interest on storage gas withdrawn
(v) Upstream gathering and Transportation Charges
(vi) Storage Deliverability Charges
(vii) Storage Capacity Charges
(viii) New Taxes on the purchased gas or the purchase transaction and not reflected on elsewhere on customer bills

The Company shall keep accurate records of all storage gas purchases, including the date, quantity, cost, and associated expenses. The Company shall account for storage gas purchases and withdrawals using a weighted average cost basis.

Purchased Gas Factor Calculation (PGF)

Each customer bill shall include a Purchased Gas Factor reflecting the estimated weighted average cost of gas, plus additional elements described in this section, during the period covered by the bill for said Gas Cost Zone. The PGF shall be determined to the nearest $0.001 per Mcf, and the following provisions shall apply:

(i) In addition to the estimated weighted average cost of gas for the current month's billing period, the PGF may include a pro rata portion of an amount reflecting the difference between the estimated WACOG and the actual WACOG during the previous billing period for said Gas Cost Zone

(ii) The PGF shall also include a "Reconciliation Factor", an amount reflecting the customer's share of any gas cost imbalances in the preceding reconciliation period for said Gas Cost Zone

(iii) The PGF factor may also include an amount reflecting any new taxes or levies specifically applied to gas costs or purchases and not otherwise reflected on the customer bill for said Gas Cost Zone

The Purchased Gas Factor is expressed as a formula as follows:

(A+/-B) + C + D = E

Where
A = Estimated WACOG
B = Estimated WACOG/Act. WACOG Difference
C = Reconciliation Factor
D = New Taxes
E = Total PGF

Gas Cost Reconciliation (GCR)

The Company shall keep accurate books and records of the Reconciliation Review and monthly PGF reports to the Railroad Commission of Texas and shall account for the Reconciliation Component and the Reconciliation Factors for said Gas Cost Zone.

A Reconciliation Review and calculation shall first determine whether the lost and unaccounted for gas is more or less than 5% of that metered into the system. The sales volumes shall be converted to the same pressure base as the purchase volumes. Calculations of the sales volumes furnished to its gas sales customers (from meters not corrected for pressure and/or temperature) shall be calculated utilizing the following service pressures (psia) for each listed municipality and associated environs:

Balmorhea 13.48, Kermit 13.68

If the Reconciliation Review indicates a gas loss or gas gain of less than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Net Jurisdictional Cost of Gas and amount collected through the PGA billed on a monthly basis for said Gas Cost Zone. The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volumes by the Actual P/S Ratio to arrive at the Calculated Purchase Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Net Jurisdictional Cost of Gas.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the same as determined by the Public Utility Commission of Texas for refunds on customer deposits and in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for said Gas Cost Zone for the period under review shall be the Reconciliation Amount, the total amount to be refunded/surcharged in said Gas Cost Zone.

If the Reconciliation Review indicates a gas loss or gain of greater than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Purchase Gas Cost and Sales Amount on a monthly basis for said Gas Cost Zones Purchase Gas Cost amounts in excess of the 1.0526 ratio shall be disallowed by:

1) Dividing total Purchase Volumes for the 12-month review period by the total Sales Volumes for the same period in said Gas Cost Zone.
2) Subtracting that result from 1, which when expressed as a percentage, becomes said Gas Cost Zones Actual P/S Ratio.
3) Subtracting 5.26% from said Gas Cost Zones Actual P/S Ratio, results in a Disallowance Factor for the review period.
4) Multiplying the Disallowance Factor by the Purchase Volumes for each month and by the WACOG for each month, for said Gas Cost Zone will result in an amount to be disallowed each month.
5) The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volume by the Actual P/S Ratio to arrive at the Calculated Purchased Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Jurisdictional Cost of Gas. The Net Jurisdictional Cost of Gas is calculated by subtracting the Disallowed Amount calculated above.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the rate in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for the period under review shall be the Reconciliation Amount for said Gas Cost Zone or the total amount to be refunded or surcharged.

<u>Reconciliation Factor Calculation (RFC)</u>
The Reconciliation Amount for said Gas Cost Zone shall be divided by 12, resulting in the Reconciliation Component.

The Reconciliation Component shall be reflected in a refund or surcharge on each customer bill, according to Gas Cost Zone, over a twelve-month period beginning with the first billing cycle in September following the period covered by the review.

The Reconciliation Component for each month of the reconciliation period shall be calculated by dividing the Reconciliation Amount by the estimated Sales Volumes for the applicable billing period. The result will be a monthly Reconciliation Factor, expressed in Mcf for each Gas Cost Zone. Any under or over collection from the prior month may be factored in subsequent months Reconciliation Component.

Each month during the reconciliation period, the PGF for each Gas Cost Zone on consumer bills shall be increased or reduced by the product of the number of Mcf billed to the customer and the monthly Reconciliation Factor, as indicated in the section of PGF calculations. Any under or over collections remaining at the end of the gas reconciliation period will be carried forward to the next gas reconciliation period.

Recovery of Existing Purchased Gas Cost Imbalances

The Company shall determine the amount of unrecovered purchased gas costs applicable to the customers served in each incorporated city or rural area immediately prior to the effectiveness of new Gas Cost Zones. Any resulting over-recovery or under-recovery in excess of $25,000 shall be charged or credited, as appropriate, to the customers in each such city or rural area. Any over-recovery or under-recovery of less than $25,000 in any incorporated city of rural area shall be recovered along with any Purchase Gas Costs in the applicable Gas Cost Zone.

Revenue Related Tax Adjustment

Each monthly bill, as adjusted above shall also be adjusted by an amount equivalent to the various revenue related taxes, franchise fees, rentals, or other fees and charges imposed by regulatory or governmental authorities. This includes, but not limited to, Gross Receipts Taxes, Municipal Taxes, Fees, or any other governmental imposition, rental fee or charge levied that is based on any portion of revenues billed by Company.

Rate Case Expense Surcharge

Rate case expenses will be recovered through a surcharge designed for a sixty month recovery period. A $0.0984 per Mcf surcharge shall be added to each monthly billing until the approved rate case expenses are recovered.

WEST TEXAS GAS, INC.
WTG Distribution Systems
RRC Tariff No: 26586

RATE SCHEDULE:	**NON-DOMESTIC GAS SERVICE – WTG RATE #905**
APPLICABLE TO:	**WTG Rural Domestic, Lubbock Rural, City of Kermit & Environs, City of Imperial & Environs (*Note, Incorporated Areas will go into effect by operation of law*)**
EFFECTIVE DATE:	**Bills Rendered on and after 03/14/2015**

Subject to applicable rate adjustment provisions listed below, the following rates are the maximum applicable to Non-Domestic consumers per meter billing cycle or for any part of a billing cycle for which gas service is available at the same location.

Customer Charge	$13.70
2014 GRIP Charge	$ 7.28
Total Customer Charge	$20.98 per month
All Consumption @	$2.59 per Mcf

The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

Gas Cost Adjustment
Gas Cost Adjustment is intended to allow collection of the Company's gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that all amounts billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. This clause shall apply to customers in the West Gas Cost Zone.

Purchased Gas Cost Component
The Purchase Gas Cost for said Gas Cost Zone shall be computed utilizing the following components for the distribution system customers.

(i) Cost of gas purchased
(ii) Credits, Refunds, or out of Period Adjustments
(iii) Cost of gas withdrawn from storage
(iv) Interest on storage gas withdrawn
(v) Upstream gathering and Transportation Charges
(vi) Storage Deliverability Charges
(vii) Storage Capacity Charges
(viii) New Taxes on the purchased gas or the purchase transaction and not reflected on elsewhere on customer bills

The Company shall keep accurate records of all storage gas purchases, including the date, quantity, cost, and associated expenses. The Company shall account for storage gas purchases and withdrawals using a weighted average cost basis.

Purchased Gas Factor Calculation (PGF)

Each customer bill shall include a Purchased Gas Factor reflecting the estimated weighted average cost of gas, plus additional elements described in this section, during the period covered by the bill for said Gas Cost Zone. The PGF shall be determined to the nearest $0.001 per Mcf, and the following provisions shall apply:

(i) In addition to the estimated weighted average cost of gas for the current month's billing period, the PGF may include a pro rata portion of an amount reflecting the difference between the estimated WACOG and the actual WACOG during the previous billing period for said Gas Cost Zone

(ii) The PGF shall also include a "Reconciliation Factor", an amount reflecting the customer's share of any gas cost imbalances in the preceding reconciliation period for said Gas Cost Zone

(iii) The PGF factor may also include an amount reflecting any new taxes or levies specifically applied to gas costs or purchases and not otherwise reflected on the customer bill for said Gas Cost Zone

The Purchased Gas Factor is expressed as a formula as follows:

(A+/-B) + C + D = E

Where
A = Estimated WACOG
B = Estimated WACOG/Act. WACOG Difference
C = Reconciliation Factor
D = New Taxes
E = Total PGF

Gas Cost Reconciliation (GCR)

The Company shall keep accurate books and records of the Reconciliation Review and monthly PGF reports to the Railroad Commission of Texas and shall account for the Reconciliation Component and the Reconciliation Factors for said Gas Cost Zone.

A Reconciliation Review and calculation shall first determine whether the lost and unaccounted for gas is more or less than 5% of that metered into the system. The sales volumes shall be converted to the same pressure base as the purchase volumes. Calculations of the sales volumes furnished to its gas sales customers (from meters not corrected for pressure and/or temperature) shall be calculated utilizing the following service pressures (psia) for each listed municipality and associated environs:

Balmorhea 13.48, Kermit 13.68

If the Reconciliation Review indicates a gas loss or gas gain of less than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Net Jurisdictional Cost of Gas and amount collected through the PGA billed on a monthly basis for said Gas Cost Zone. The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volumes by the Actual P/S Ratio to arrive at the Calculated Purchase Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Net Jurisdictional Cost of Gas.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the same as determined by the Public Utility Commission of Texas for refunds on customer deposits and in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for said Gas Cost Zone for the period under review shall be the Reconciliation Amount, the total amount to be refunded/surcharged in said Gas Cost Zone.

If the Reconciliation Review indicates a gas loss or gain of greater than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Purchase Gas Cost and Sales Amount on a monthly basis for said Gas Cost Zones Purchase Gas Cost amounts in excess of the 1.0526 ratio shall be disallowed by:

1) Dividing total Purchase Volumes for the 12-month review period by the total Sales Volumes for the same period in said Gas Cost Zone.
2) Subtracting that result from 1, which when expressed as a percentage, becomes said Gas Cost Zones Actual P/S Ratio.
3) Subtracting 5.26% from said Gas Cost Zones Actual P/S Ratio, results in a Disallowance Factor for the review period.
4) Multiplying the Disallowance Factor by the Purchase Volumes for each month and by the WACOG for each month, for said Gas Cost Zone will result in an amount to be disallowed each month.
5) The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volume by the Actual P/S Ratio to arrive at the Calculated Purchased Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Jurisdictional Cost of Gas. The Net Jurisdictional Cost of Gas is calculated by subtracting the Disallowed Amount calculated above.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the rate in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for the period under review shall be the Reconciliation Amount for said Gas Cost Zone or the total amount to be refunded or surcharged.

<u>Reconciliation Factor Calculation (RFC)</u>

The Reconciliation Amount for said Gas Cost Zone shall be divided by 12, resulting in the Reconciliation Component.

The Reconciliation Component shall be reflected in a refund or surcharge on each customer bill, according to Gas Cost Zone, over a twelve-month period beginning with the first billing cycle in September following the period covered by the review.

The Reconciliation Component for each month of the reconciliation period shall be calculated by dividing the Reconciliation Amount by the estimated Sales Volumes for the applicable billing period. The result will be a monthly Reconciliation Factor, expressed in Mcf for each Gas Cost Zone. Any under or over collection from the prior month may be factored in subsequent months Reconciliation Component.

Each month during the reconciliation period, the PGF for each Gas Cost Zone on consumer bills shall be increased or reduced by the product of the number of Mcf billed to the customer and the monthly Reconciliation Factor, as indicated in the section of PGF calculations. Any under or over collections remaining at the end of the gas reconciliation period will be carried forward to the next gas reconciliation period.

Recovery of Existing Purchased Gas Cost Imbalances

The Company shall determine the amount of unrecovered purchased gas costs applicable to the customers served in each incorporated city or rural area immediately prior to the effectiveness of new Gas Cost Zones. Any resulting over-recovery or under-recovery in excess of $25,000 shall be charged or credited, as appropriate, to the customers in each such city or rural area. Any over-recovery or under-recovery of less than $25,000 in any incorporated city of rural area shall be recovered along with any Purchase Gas Costs in the applicable Gas Cost Zone.

Revenue Related Tax Adjustment

Each monthly bill, as adjusted above shall also be adjusted by an amount equivalent to the various revenue related taxes, franchise fees, rentals, or other fees and charges imposed by regulatory or governmental authorities. This includes, but not limited to, Gross Receipts Taxes, Municipal Taxes, Fees, or any other governmental imposition, rental fee or charge levied that is based on any portion of revenues billed by Company.

Rate Case Expense Surcharge

Rate case expenses will be recovered through a surcharge designed for a sixty month recovery period. A $0.0984 per Mcf surcharge shall be added to each monthly billing until the approved rate case expenses are recovered.

WEST TEXAS GAS, INC.
WTG Distribution Systems
RRC Tariff No: 26587

RATE SCHEDULE:	**DOMESTIC GAS SERVICE – WTG RATE #906**
APPLICABLE TO:	**City of Sonora & Environs, Tom Green County Environs, Miles Environs, City of LaVernia, City of LaVernia Environs, TGU System General Service, City of LaPryor, City of Paint Rock Environs, City of Eden, WTG Rural Domestic, Brady Environs, City of Eden Environs *(Note, Incorporated Areas will go into effect by operation of law.)***
EFFECTIVE DATE:	**Bills Rendered on and after 03/14/2015**

Subject to applicable rate adjustment provisions listed below, the following rates are the maximum applicable to Domestic consumers per meter billing cycle or for any part of a billing cycle for which gas service is available at the same location.

Customer Charge	$10.00
2014 GRIP Charge	$ 2.32
Total Customer Charge	$12.32 per month
All Consumption @	$3.76 per Mcf

The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

Gas Cost Adjustment

Gas Cost Adjustment is intended to allow collection of the Company's gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that all amounts billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. This clause shall apply to customers in the South Gas Cost Zone.

Purchased Gas Cost Component

The Purchase Gas Cost for said Gas Cost Zone shall be computed utilizing the following components for the distribution system customers.

(i) Cost of gas purchased
(ii) Credits, Refunds, or out of Period Adjustments
(iii) Cost of gas withdrawn from storage
(iv) Interest on storage gas withdrawn
(v) Upstream gathering and Transportation Charges
(vi) Storage Deliverability Charges
(vii) Storage Capacity Charges
(viii) New Taxes on the purchased gas or the purchase transaction and not reflected on elsewhere on customer bills

The Company shall keep accurate records of all storage gas purchases, including the date, quantity, cost, and associated expenses. The Company shall account for storage gas purchases and withdrawals using a weighted average cost basis.

Purchased Gas Factor Calculation (PGF)

Each customer bill shall include a Purchased Gas Factor reflecting the estimated weighted average cost of gas, plus additional elements described in this section, during the period covered by the bill for said Gas Cost Zone. The PGF shall be determined to the nearest $0.001 per Mcf, and the following provisions shall apply:

(i) In addition to the estimated weighted average cost of gas for the current month's billing period, the PGF may include a pro rata portion of an amount reflecting the difference between the estimated WACOG and the actual WACOG during the previous billing period for said Gas Cost Zone

(ii) The PGF shall also include a "Reconciliation Factor", an amount reflecting the customer's share of any gas cost imbalances in the preceding reconciliation period for said Gas Cost Zone

(iii) The PGF factor may also include an amount reflecting any new taxes or levies specifically applied to gas costs or purchases and not otherwise reflected on the customer bill for said Gas Cost Zone

The Purchased Gas Factor is expressed as a formula as follows:

(A+/-B) + C + D = E

Where
A = Estimated WACOG
B = Estimated WACOG/Act. WACOG Difference
C = Reconciliation Factor
D = New Taxes
E = Total PGF

Gas Cost Reconciliation (GCR)

The Company shall keep accurate books and records of the Reconciliation Review and monthly PGF reports to the Railroad Commission of Texas and shall account for the Reconciliation Component and the Reconciliation Factors for said Gas Cost Zone.

A Reconciliation Review and calculation shall first determine whether the lost and unaccounted for gas is more or less than 5% of that metered into the system. The sales volumes shall be converted to the same pressure base as the purchase volumes. Calculations of the sales volumes furnished to its gas sales customers (from meters not corrected for pressure and/or temperature) shall be calculated utilizing the following service pressures (psia) for each listed municipality and associated environs:

Devine 14.68, Eden 14.08, Junction 14.18, LaVernia 14.68, Menard 14.08, Natalia 14.68, Paint Rock 14.28, Somerset 14.68, Sonora 13.98

If the Reconciliation Review indicates a gas loss or gas gain of less than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Net Jurisdictional Cost of Gas and amount collected through the PGA billed on a monthly basis for said Gas Cost Zone. The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volumes by the Actual P/S Ratio to arrive at the Calculated Purchase Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Net Jurisdictional Cost of Gas.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the same as determined by the Public Utility Commission of Texas for refunds on customer deposits and in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for said Gas Cost Zone for the period under review shall be the Reconciliation Amount, the total amount to be refunded/surcharged in said Gas Cost Zone.

If the Reconciliation Review indicates a gas loss or gain of greater than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Purchase Gas Cost and Sales Amount on a monthly basis for said Gas Cost Zones Purchase Gas Cost amounts in excess of the 1.0526 ratio shall be disallowed by:

1) Dividing total Purchase Volumes for the 12-month review period by the total Sales Volumes for the same period in said Gas Cost Zone.
2) Subtracting that result from 1, which when expressed as a percentage, becomes said Gas Cost Zones Actual P/S Ratio.
3) Subtracting 5.26% from said Gas Cost Zones Actual P/S Ratio, results in a Disallowance Factor for the review period.
4) Multiplying the Disallowance Factor by the Purchase Volumes for each month and by the WACOG for each month, for said Gas Cost Zone will result in an amount to be disallowed each month.
5) The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volume by the Actual P/S Ratio to arrive at the Calculated Purchased Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Jurisdictional Cost of Gas. The Net Jurisdictional Cost of Gas is calculated by subtracting the Disallowed Amount calculated above.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the rate in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for the period under review shall be the Reconciliation Amount for said Gas Cost Zone or the total amount to be refunded or surcharged.

<u>Reconciliation Factor Calculation (RFC)</u>

The Reconciliation Amount for said Gas Cost Zone shall be divided by 12, resulting in the Reconciliation Component.

The Reconciliation Component shall be reflected in a refund or surcharge on each customer bill, according to Gas Cost Zone, over a twelve-month period beginning with the first billing cycle in September following the period covered by the review.

The Reconciliation Component for each month of the reconciliation period shall be calculated by dividing the Reconciliation Amount by the estimated Sales Volumes for the applicable billing period. The result will be a monthly Reconciliation Factor, expressed in Mcf for each Gas Cost Zone. Any under or over collection from the prior month may be factored in subsequent months Reconciliation Component.

Each month during the reconciliation period, the PGF for each Gas Cost Zone on consumer bills shall be increased or reduced by the product of the number of Mcf billed to the customer and the monthly Reconciliation Factor, as indicated in the section of PGF calculations. Any under or over collections remaining at the end of the gas reconciliation period will be carried forward to the next gas reconciliation period.

<u>Recovery of Existing Purchased Gas Cost Imbalances</u>
The Company shall determine the amount of unrecovered purchased gas costs applicable to the customers served in each incorporated city or rural area immediately prior to the effectiveness of new Gas Cost Zones. Any resulting over-recovery or under-recovery in excess of $25,000 shall be charged or credited, as appropriate, to the customers in each such city or rural area. Any over-recovery or under-recovery of less than $25,000 in any incorporated city of rural area shall be recovered along with any Purchase Gas Costs in the applicable Gas Cost Zone.

<u>Revenue Related Tax Adjustment</u>
Each monthly bill, as adjusted above shall also be adjusted by an amount equivalent to the various revenue related taxes, franchise fees, rentals, or other fees and charges imposed by regulatory or governmental authorities. This includes, but not limited to, Gross Receipts Taxes, Municipal Taxes, Fees, or any other governmental imposition, rental fee or charge levied that is based on any portion of revenues billed by Company.

<u>Rate Case Expense Surcharge</u>
Rate case expenses will be recovered through a surcharge designed for a sixty month recovery period. A $0.0984 per Mcf surcharge shall be added to each monthly billing until the approved rate case expenses are recovered.

WEST TEXAS GAS, INC.
WTG Distribution Systems
RRC Tariff No: 26588

RATE SCHEDULE:	**NON-DOMESTIC GAS SERVICE – WTG RATE #907**
APPLICABLE TO:	**City of Sonora & Environs, Tom Green County Environs, Miles Environs, City of LaVernia, City of LaVernia Environs, TGU System General Service, City of LaPryor, City of Paint Rock Environs, City of Eden, WTG Rural Non-Domestic, Brady Environs, City of Eden Environs *(Note, Incorporated Areas will go into effect by operation of law.)***
EFFECTIVE DATE:	**Bills Rendered on and after 03/14/2015**

Subject to applicable rate adjustment provisions listed below, the following rates are the maximum applicable to Non-Domestic consumers per meter billing cycle or for any part of a billing cycle for which gas service is available at the same location.

Customer Charge	$13.70
2014 GRIP Charge	$ 7.28
Total Customer Charge	$20.98 per month
All Consumption @	$2.59 per Mcf

The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

Gas Cost Adjustment

Gas Cost Adjustment is intended to allow collection of the Company's gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that all amounts billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. This clause shall apply to customers in the South Gas Cost Zone.

Purchased Gas Cost Component

The Purchase Gas Cost for said Gas Cost Zone shall be computed utilizing the following components for the distribution system customers.

(i) Cost of gas purchased
(ii) Credits, Refunds, or out of Period Adjustments
(iii) Cost of gas withdrawn from storage
(iv) Interest on storage gas withdrawn
(v) Upstream gathering and Transportation Charges
(vi) Storage Deliverability Charges
(vii) Storage Capacity Charges
(viii) New Taxes on the purchased gas or the purchase transaction and not reflected on elsewhere on customer bills

The Company shall keep accurate records of all storage gas purchases, including the date, quantity, cost, and associated expenses. The Company shall account for storage gas purchases and withdrawals using a weighted average cost basis.

Purchased Gas Factor Calculation (PGF)

Each customer bill shall include a Purchased Gas Factor reflecting the estimated weighted average cost of gas, plus additional elements described in this section, during the period covered by the bill for said Gas Cost Zone. The PGF shall be determined to the nearest $0.001 per Mcf, and the following provisions shall apply:

(i) In addition to the estimated weighted average cost of gas for the current month's billing period, the PGF may include a pro rata portion of an amount reflecting the difference between the estimated WACOG and the actual WACOG during the previous billing period for said Gas Cost Zone

(ii) The PGF shall also include a "Reconciliation Factor", an amount reflecting the customer's share of any gas cost imbalances in the preceding reconciliation period for said Gas Cost Zone

(iii) The PGF factor may also include an amount reflecting any new taxes or levies specifically applied to gas costs or purchases and not otherwise reflected on the customer bill for said Gas Cost Zone

The Purchased Gas Factor is expressed as a formula as follows:

(A+/-B) + C + D = E

Where
A = Estimated WACOG
B = Estimated WACOG/Act. WACOG Difference
C = Reconciliation Factor
D = New Taxes
E = Total PGF

Gas Cost Reconciliation (GCR)

The Company shall keep accurate books and records of the Reconciliation Review and monthly PGF reports to the Railroad Commission of Texas and shall account for the Reconciliation Component and the Reconciliation Factors for said Gas Cost Zone.

A Reconciliation Review and calculation shall first determine whether the lost and unaccounted for gas is more or less than 5% of that metered into the system. The sales volumes shall be converted to the same pressure base as the purchase volumes. Calculations of the sales volumes furnished to its gas sales customers (from meters not corrected for pressure and/or temperature) shall be calculated utilizing the following service pressures (psia) for each listed municipality and associated environs:

Devine 14.68, Eden 14.08, Junction 14.18, LaVernia 14.68, Menard 14.08, Natalia 14.68, Paint Rock 14.28, Somerset 14.68, Sonora 13.98

If the Reconciliation Review indicates a gas loss or gas gain of less than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Net Jurisdictional Cost of Gas and amount collected through the PGA billed on a monthly basis for said Gas Cost Zone. The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volumes by the Actual P/S Ratio to arrive at the Calculated Purchase Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Net Jurisdictional Cost of Gas.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the same as determined by the Public Utility Commission of Texas for refunds on customer deposits and in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for said Gas Cost Zone for the period under review shall be the Reconciliation Amount, the total amount to be refunded/surcharged in said Gas Cost Zone.

If the Reconciliation Review indicates a gas loss or gain of greater than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Purchase Gas Cost and Sales Amount on a monthly basis for said Gas Cost Zones Purchase Gas Cost amounts in excess of the 1.0526 ratio shall be disallowed by:

1) Dividing total Purchase Volumes for the 12-month review period by the total Sales Volumes for the same period in said Gas Cost Zone.
2) Subtracting that result from 1, which when expressed as a percentage, becomes said Gas Cost Zones Actual P/S Ratio.
3) Subtracting 5.26% from said Gas Cost Zones Actual P/S Ratio, results in a Disallowance Factor for the review period.
4) Multiplying the Disallowance Factor by the Purchase Volumes for each month and by the WACOG for each month, for said Gas Cost Zone will result in an amount to be disallowed each month.
5) The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volume by the Actual P/S Ratio to arrive at the Calculated Purchased Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Jurisdictional Cost of Gas. The Net Jurisdictional Cost of Gas is calculated by subtracting the Disallowed Amount calculated above.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the rate in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for the period under review shall be the Reconciliation Amount for said Gas Cost Zone or the total amount to be refunded or surcharged.

<u>Reconciliation Factor Calculation (RFC)</u>

The Reconciliation Amount for said Gas Cost Zone shall be divided by 12, resulting in the Reconciliation Component.

The Reconciliation Component shall be reflected in a refund or surcharge on each customer bill, according to Gas Cost Zone, over a twelve-month period beginning with the first billing cycle in September following the period covered by the review.

The Reconciliation Component for each month of the reconciliation period shall be calculated by dividing the Reconciliation Amount by the estimated Sales Volumes for the applicable billing period. The result will be a monthly Reconciliation Factor, expressed in Mcf for each Gas Cost Zone. Any under or over collection from the prior month may be factored in subsequent months Reconciliation Component.

Each month during the reconciliation period, the PGF for each Gas Cost Zone on consumer bills shall be increased or reduced by the product of the number of Mcf billed to the customer and the monthly Reconciliation Factor, as indicated in the section of PGF calculations. Any under or over collections remaining at the end of the gas reconciliation period will be carried forward to the next gas reconciliation period.

Recovery of Existing Purchased Gas Cost Imbalances
The Company shall determine the amount of unrecovered purchased gas costs applicable to the customers served in each incorporated city or rural area immediately prior to the effectiveness of new Gas Cost Zones. Any resulting over-recovery or under-recovery in excess of $25,000 shall be charged or credited, as appropriate, to the customers in each such city or rural area. Any over-recovery or under-recovery of less than $25,000 in any incorporated city of rural area shall be recovered along with any Purchase Gas Costs in the applicable Gas Cost Zone.

Revenue Related Tax Adjustment
Each monthly bill, as adjusted above shall also be adjusted by an amount equivalent to the various revenue related taxes, franchise fees, rentals, or other fees and charges imposed by regulatory or governmental authorities. This includes, but not limited to, Gross Receipts Taxes, Municipal Taxes, Fees, or any other governmental imposition, rental fee or charge levied that is based on any portion of revenues billed by Company.

Rate Case Expense Surcharge
Rate case expenses will be recovered through a surcharge designed for a sixty month recovery period. A $0.0984 per Mcf surcharge shall be added to each monthly billing until the approved rate case expenses are recovered.

WEST TEXAS GAS, INC.
WTG Distribution Systems
RRC Tariff No: 26589

RATE SCHEDULE:	**DOMESTIC GAS SERVICE – WTG RATE #910**
APPLICABLE TO:	**Incorporated Area of Cactus, Unincorporated Area of Cactus *(Note, Incorporated areas will go into effect by operation of law.)***
EFFECTIVE DATE:	**Bills Rendered on and after 03/14/2015**

Subject to applicable rate adjustment provisions listed below, the following rates are the maximum applicable to Domestic consumers per meter billing cycle or for any part of a billing cycle for which gas service is available at the same location.

Customer Charge	$10.00
2014 GRIP Charge	$ 2.32
Total Customer Charge	$12.32 per month
All Consumption @	$3.76 per Mcf

The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

Gas Cost Adjustment

Gas Cost Adjustment is intended to allow collection of the Company's gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that all amounts billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. This clause shall apply to customers in the North Gas Cost Zone.

Purchased Gas Cost Component

The Purchase Gas Cost for said Gas Cost Zone shall be computed utilizing the following components for the distribution system customers.

- (i) Cost of gas purchased
- (ii) Credits, Refunds, or out of Period Adjustments
- (iii) Cost of gas withdrawn from storage
- (iv) Interest on storage gas withdrawn
- (v) Upstream gathering and Transportation Charges
- (vi) Storage Deliverability Charges
- (vii) Storage Capacity Charges
- (viii) New Taxes on the purchased gas or the purchase transaction and not reflected on elsewhere on customer bills

The Company shall keep accurate records of all storage gas purchases, including the date, quantity, cost, and associated expenses. The Company shall account for storage gas purchases and withdrawals using a weighted average cost basis.

Purchased Gas Factor Calculation (PGF)

Each customer bill shall include a Purchased Gas Factor reflecting the estimated weighted average cost of gas, plus additional elements described in this section, during the period covered by the bill for said Gas Cost Zone. The PGF shall be determined to the nearest $0.001 per Mcf, and the following provisions shall apply:

(i) In addition to the estimated weighted average cost of gas for the current month's billing period, the PGF may include a pro rata portion of an amount reflecting the difference between the estimated WACOG and the actual WACOG during the previous billing period for said Gas Cost Zone

(ii) The PGF shall also include a "Reconciliation Factor", an amount reflecting the customer's share of any gas cost imbalances in the preceding reconciliation period for said Gas Cost Zone

(iii) The PGF factor may also include an amount reflecting any new taxes or levies specifically applied to gas costs or purchases and not otherwise reflected on the customer bill for said Gas Cost Zone

The Purchased Gas Factor is expressed as a formula as follows:

$(A+/-B) + C + D = E$

Where
A = Estimated WACOG
B = Estimated WACOG/Act. WACOG Difference
C = Reconciliation Factor
D = New Taxes
E = Total PGF

Gas Cost Reconciliation (GCR)

The Company shall keep accurate books and records of the Reconciliation Review and monthly PGF reports to the Railroad Commission of Texas and shall account for the Reconciliation Component and the Reconciliation Factors for said Gas Cost Zone.

A Reconciliation Review and calculation shall first determine whether the lost and unaccounted for gas is more or less than 5% of that metered into the system. The sales volumes shall be converted to the same pressure base as the purchase volumes. Calculations of the sales volumes furnished to its gas sales customers (from meters not corrected for pressure and/or temperature) shall be calculated utilizing the following service pressures (psia) for each listed municipality and associated environs:

Cactus 13.28, Canadian, 13.88, Canyon 13.45, Claude 13.38, Dalhart 13.07, Darrouzett 13.78, Farwell 13.18, Follett 13.68, Groom 13.38, Higgins 13.78, Miami 13.68, Mobeetie 13.78, Shamrock 13.88, Stratford 13.18, Texhoma 13.38, Texline 12.98, Wheeler 13.78

If the Reconciliation Review indicates a gas loss or gas gain of less than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Net Jurisdictional Cost of Gas and amount collected through the PGA billed on a monthly basis for said Gas Cost Zone. The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volumes by the Actual P/S Ratio to arrive at the Calculated Purchase Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Net Jurisdictional Cost of Gas.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the same as determined by the Public Utility Commission of Texas for refunds on customer deposits and in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for said Gas Cost Zone for the period under review shall be the Reconciliation Amount, the total amount to be refunded/surcharged in said Gas Cost Zone.

If the Reconciliation Review indicates a gas loss or gain of greater than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Purchase Gas Cost and Sales Amount on a monthly basis for said Gas Cost Zones Purchase Gas Cost amounts in excess of the 1.0526 ratio shall be disallowed by:

1) Dividing total Purchase Volumes for the 12-month review period by the total Sales Volumes for the same period in said Gas Cost Zone.
2) Subtracting that result from 1, which when expressed as a percentage, becomes said Gas Cost Zones Actual P/S Ratio.
3) Subtracting 5.26% from said Gas Cost Zones Actual P/S Ratio, results in a Disallowance Factor for the review period.
4) Multiplying the Disallowance Factor by the Purchase Volumes for each month and by the WACOG for each month, for said Gas Cost Zone will result in an amount to be disallowed each month.
5) The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volume by the Actual P/S Ratio to arrive at the Calculated Purchased Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Jurisdictional Cost of Gas. The Net Jurisdictional Cost of Gas is calculated by subtracting the Disallowed Amount calculated above.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the rate in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for the period under review shall be the Reconciliation Amount for said Gas Cost Zone or the total amount to be refunded or surcharged.

<u>Reconciliation Factor Calculation (RFC)</u>

The Reconciliation Amount for said Gas Cost Zone shall be divided by 12, resulting in the Reconciliation Component.

The Reconciliation Component shall be reflected in a refund or surcharge on each customer bill, according to Gas Cost Zone, over a twelve-month period beginning with the first billing cycle in September following the period covered by the review.

The Reconciliation Component for each month of the reconciliation period shall be calculated by dividing the Reconciliation Amount by the estimated Sales Volumes for the applicable billing period. The result will be a monthly Reconciliation Factor, expressed in Mcf for each Gas Cost Zone. Any under or over collection from the prior month may be factored in subsequent months Reconciliation Component.

Each month during the reconciliation period, the PGF for each Gas Cost Zone on consumer bills shall be increased or reduced by the product of the number of Mcf billed to the customer and the monthly Reconciliation Factor, as indicated in the section of PGF calculations. Any under or over collections remaining at the end of the gas reconciliation period will be carried forward to the next gas reconciliation period.

Recovery of Existing Purchased Gas Cost Imbalances
The Company shall determine the amount of unrecovered purchased gas costs applicable to the customers served in each incorporated city or rural area immediately prior to the effectiveness of new Gas Cost Zones. Any resulting over-recovery or under-recovery in excess of $25,000 shall be charged or credited, as appropriate, to the customers in each such city or rural area. Any over-recovery or under-recovery of less than $25,000 in any incorporated city of rural area shall be recovered along with any Purchase Gas Costs in the applicable Gas Cost Zone.

Revenue Related Tax Adjustment
Each monthly bill, as adjusted above shall also be adjusted by an amount equivalent to the various revenue related taxes, franchise fees, rentals, or other fees and charges imposed by regulatory or governmental authorities. This includes, but not limited to, Gross Receipts Taxes, Municipal Taxes, Fees, or any other governmental imposition, rental fee or charge levied that is based on any portion of revenues billed by Company.

Rate Case Expense Surcharge
Rate case expenses will be recovered through a surcharge designed for a sixty month recovery period. A $0.0984 per Mcf surcharge shall be added to each monthly billing until the approved rate case expenses are recovered.

WEST TEXAS GAS, INC.
WTG Distribution Systems
RRC Tariff No: 26590

RATE SCHEDULE:	**NON-DOMESTIC GAS SERVICE – WTG RATE #911**
APPLICABLE TO:	**Incorporated Area of Cactus, Unincorporated Area of Cactus *(Note, Incorporated Areas will go into effect by operation of law.)***
EFFECTIVE DATE:	**Bills Rendered on and after 03/14/2015**

Subject to applicable rate adjustment provisions listed below, the following rates are the maximum applicable to Non-Domestic consumers per meter billing cycle or for any part of a billing cycle for which gas service is available at the same location.

Customer Charge	$13.70
2014 GRIP Charge	$ 7.28
Total Customer Charge	$20.98 per month
All Consumption @	$2.59 per Mcf

The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

Gas Cost Adjustment
Gas Cost Adjustment is intended to allow collection of the Company's gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that all amounts billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. This clause shall apply to customers in the North Gas Cost Zone.

Purchased Gas Cost Component
The Purchase Gas Cost for said Gas Cost Zone shall be computed utilizing the following components for the distribution system customers.

(i) Cost of gas purchased
(ii) Credits, Refunds, or out of Period Adjustments
(iii) Cost of gas withdrawn from storage
(iv) Interest on storage gas withdrawn
(v) Upstream gathering and Transportation Charges
(vi) Storage Deliverability Charges
(vii) Storage Capacity Charges
(viii) New Taxes on the purchased gas or the purchase transaction and not reflected on elsewhere on customer bills

The Company shall keep accurate records of all storage gas purchases, including the date, quantity, cost, and associated expenses. The Company shall account for storage gas purchases and withdrawals using a weighted average cost basis.

<u>Purchased Gas Factor Calculation (PGF)</u>
Each customer bill shall include a Purchased Gas Factor reflecting the estimated weighted average cost of gas, plus additional elements described in this section, during the period covered by the bill for said Gas Cost Zone. The PGF shall be determined to the nearest $0.001 per Mcf, and the following provisions shall apply:

(i) In addition to the estimated weighted average cost of gas for the current month's billing period, the PGF may include a pro rata portion of an amount reflecting the difference between the estimated WACOG and the actual WACOG during the previous billing period for said Gas Cost Zone
(ii) The PGF shall also include a "Reconciliation Factor", an amount reflecting the customer's share of any gas cost imbalances in the preceding reconciliation period for said Gas Cost Zone
(iii) The PGF factor may also include an amount reflecting any new taxes or levies specifically applied to gas costs or purchases and not otherwise reflected on the customer bill for said Gas Cost Zone

The Purchased Gas Factor is expressed as a formula as follows:

(A+/-B) + C + D = E

Where
A = Estimated WACOG
B = Estimated WACOG/Act. WACOG Difference
C = Reconciliation Factor
D = New Taxes
E = Total PGF

<u>Gas Cost Reconciliation (GCR)</u>
The Company shall keep accurate books and records of the Reconciliation Review and monthly PGF reports to the Railroad Commission of Texas and shall account for the Reconciliation Component and the Reconciliation Factors for said Gas Cost Zone.

A Reconciliation Review and calculation shall first determine whether the lost and unaccounted for gas is more or less than 5% of that metered into the system. The sales volumes shall be converted to the same pressure base as the purchase volumes. Calculations of the sales volumes furnished to its gas sales customers (from meters not corrected for pressure and/or temperature) shall be calculated utilizing the following service pressures (psia) for each listed municipality and associated environs:

Cactus 13.28, Canadian, 13.88, Canyon 13.45, Claude 13.38, Dalhart 13.07, Darrouzett 13.78, Farwell 13.18, Follett 13.68, Groom 13.38, Higgins 13.78, Miami 13.68, Mobeetie 13.78, Shamrock 13.88, Stratford 13.18, Texhoma 13.38, Texline 12.98, Wheeler 13.78

If the Reconciliation Review indicates a gas loss or gas gain of less than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Net Jurisdictional Cost of Gas and amount collected through the PGA billed on a monthly basis for said Gas Cost Zone. The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volumes by the Actual P/S Ratio to arrive at the Calculated Purchase Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Net Jurisdictional Cost of Gas.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the same as determined by the Public Utility Commission of Texas for refunds on customer deposits and in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for said Gas Cost Zone for the period under review shall be the Reconciliation Amount, the total amount to be refunded/surcharged in said Gas Cost Zone.

If the Reconciliation Review indicates a gas loss or gain of greater than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Purchase Gas Cost and Sales Amount on a monthly basis for said Gas Cost Zones Purchase Gas Cost amounts in excess of the 1.0526 ratio shall be disallowed by:

1) Dividing total Purchase Volumes for the 12-month review period by the total Sales Volumes for the same period in said Gas Cost Zone.
2) Subtracting that result from 1, which when expressed as a percentage, becomes said Gas Cost Zones Actual P/S Ratio.
3) Subtracting 5.26% from said Gas Cost Zones Actual P/S Ratio, results in a Disallowance Factor for the review period.
4) Multiplying the Disallowance Factor by the Purchase Volumes for each month and by the WACOG for each month, for said Gas Cost Zone will result in an amount to be disallowed each month.
5) The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volume by the Actual P/S Ratio to arrive at the Calculated Purchased Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Jurisdictional Cost of Gas. The Net Jurisdictional Cost of Gas is calculated by subtracting the Disallowed Amount calculated above.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the rate in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for the period under review shall be the Reconciliation Amount for said Gas Cost Zone or the total amount to be refunded or surcharged.

<u>Reconciliation Factor Calculation (RFC)</u>

The Reconciliation Amount for said Gas Cost Zone shall be divided by 12, resulting in the Reconciliation Component.

The Reconciliation Component shall be reflected in a refund or surcharge on each customer bill, according to Gas Cost Zone, over a twelve-month period beginning with the first billing cycle in September following the period covered by the review.

The Reconciliation Component for each month of the reconciliation period shall be calculated by dividing the Reconciliation Amount by the estimated Sales Volumes for the applicable billing period. The result will be a monthly Reconciliation Factor, expressed in Mcf for each Gas Cost Zone. Any under or over collection from the prior month may be factored in subsequent months Reconciliation Component.

Each month during the reconciliation period, the PGF for each Gas Cost Zone on consumer bills shall be increased or reduced by the product of the number of Mcf billed to the customer and the monthly Reconciliation Factor, as indicated in the section of PGF calculations. Any under or over collections remaining at the end of the gas reconciliation period will be carried forward to the next gas reconciliation period.

<u>Recovery of Existing Purchased Gas Cost Imbalances</u>
The Company shall determine the amount of unrecovered purchased gas costs applicable to the customers served in each incorporated city or rural area immediately prior to the effectiveness of new Gas Cost Zones. Any resulting over-recovery or under-recovery in excess of $25,000 shall be charged or credited, as appropriate, to the customers in each such city or rural area. Any over-recovery or under-recovery of less than $25,000 in any incorporated city of rural area shall be recovered along with any Purchase Gas Costs in the applicable Gas Cost Zone.

<u>Revenue Related Tax Adjustment</u>
Each monthly bill, as adjusted above shall also be adjusted by an amount equivalent to the various revenue related taxes, franchise fees, rentals, or other fees and charges imposed by regulatory or governmental authorities. This includes, but not limited to, Gross Receipts Taxes, Municipal Taxes, Fees, or any other governmental imposition, rental fee or charge levied that is based on any portion of revenues billed by Company.

<u>Rate Case Expense Surcharge</u>
Rate case expenses will be recovered through a surcharge designed for a sixty month recovery period. A $0.0984 per Mcf surcharge shall be added to each monthly billing until the approved rate case expenses are recovered.

WEST TEXAS GAS, INC.
WTG Distribution Systems
RRC Tariff No: 26593

RATE SCHEDULE:	**DOMESTIC GAS SERVICE – WTG RATE #916**
APPLICABLE TO:	**City of Natalia, City of Somerset, City of Somerset Environs, City of Natalia Environs, City of Devine Environs *(Note, Incorporated Areas will go into effect by operation of law.)***
EFFECTIVE DATE:	**Bills Rendered on and after 03/14/2015**

Subject to applicable rate adjustment provisions listed below, the following rates are the maximum applicable to Domestic consumers per meter billing cycle or for any part of a billing cycle for which gas service is available at the same location.

Customer Charge	$10.00
2014 GRIP Charge	$ 2.32
Total Customer Charge	$12.32 per month
All Consumption @	$3.76 per Mcf

The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

Gas Cost Adjustment

Gas Cost Adjustment is intended to allow collection of the Company's gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that all amounts billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. This clause shall apply to customers in the South Gas Cost Zone.

Purchased Gas Cost Component

The Purchase Gas Cost for said Gas Cost Zone shall be computed utilizing the following components for the distribution system customers.

- (i) Cost of gas purchased
- (ii) Credits, Refunds, or out of Period Adjustments
- (iii) Cost of gas withdrawn from storage
- (iv) Interest on storage gas withdrawn
- (v) Upstream gathering and Transportation Charges
- (vi) Storage Deliverability Charges
- (vii) Storage Capacity Charges
- (viii) New Taxes on the purchased gas or the purchase transaction and not reflected on elsewhere on customer bills

The Company shall keep accurate records of all storage gas purchases, including the date, quantity, cost, and associated expenses. The Company shall account for storage gas purchases and withdrawals using a weighted average cost basis.

Purchased Gas Factor Calculation (PGF)

Each customer bill shall include a Purchased Gas Factor reflecting the estimated weighted average cost of gas, plus additional elements described in this section, during the period covered by the bill for said Gas Cost Zone. The PGF shall be determined to the nearest $0.001 per Mcf, and the following provisions shall apply:

(i) In addition to the estimated weighted average cost of gas for the current month's billing period, the PGF may include a pro rata portion of an amount reflecting the difference between the estimated WACOG and the actual WACOG during the previous billing period for said Gas Cost Zone

(ii) The PGF shall also include a "Reconciliation Factor", an amount reflecting the customer's share of any gas cost imbalances in the preceding reconciliation period for said Gas Cost Zone

(iii) The PGF factor may also include an amount reflecting any new taxes or levies specifically applied to gas costs or purchases and not otherwise reflected on the customer bill for said Gas Cost Zone

The Purchased Gas Factor is expressed as a formula as follows:

(A+/-B) + C + D = E

Where
A = Estimated WACOG
B = Estimated WACOG/Act. WACOG Difference
C = Reconciliation Factor
D = New Taxes
E = Total PGF

Gas Cost Reconciliation (GCR)

The Company shall keep accurate books and records of the Reconciliation Review and monthly PGF reports to the Railroad Commission of Texas and shall account for the Reconciliation Component and the Reconciliation Factors for said Gas Cost Zone.

A Reconciliation Review and calculation shall first determine whether the lost and unaccounted for gas is more or less than 5% of that metered into the system. The sales volumes shall be converted to the same pressure base as the purchase volumes. Calculations of the sales volumes furnished to its gas sales customers (from meters not corrected for pressure and/or temperature) shall be calculated utilizing the following service pressures (psia) for each listed municipality and associated environs:

Devine 14.68, Eden 14.08, Junction 14.18, LaVernia 14.68, Menard 14.08, Natalia 14.68, Paint Rock 14.28, Somerset 14.68, Sonora 13.98

If the Reconciliation Review indicates a gas loss or gas gain of less than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Net Jurisdictional Cost of Gas and amount collected through the PGA billed on a monthly basis for said Gas Cost Zone. The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volumes by the Actual P/S Ratio to arrive at the Calculated Purchase Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Net Jurisdictional Cost of Gas.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the same as determined by the Public Utility Commission of Texas for refunds on customer deposits and in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for said Gas Cost Zone for the period under review shall be the Reconciliation Amount, the total amount to be refunded/surcharged in said Gas Cost Zone.

If the Reconciliation Review indicates a gas loss or gain of greater than 5% of that metered into the system, the following methodology shall apply:

(i) The Company shall calculate the imbalance between its Purchase Gas Cost and Sales Amount on a monthly basis for said Gas Cost Zones Purchase Gas Cost amounts in excess of the 1.0526 ratio shall be disallowed by:

1) Dividing total Purchase Volumes for the 12-month review period by the total Sales Volumes for the same period in said Gas Cost Zone.
2) Subtracting that result from 1, which when expressed as a percentage, becomes said Gas Cost Zones Actual P/S Ratio.
3) Subtracting 5.26% from said Gas Cost Zones Actual P/S Ratio, results in a Disallowance Factor for the review period.
4) Multiplying the Disallowance Factor by the Purchase Volumes for each month and by the WACOG for each month, for said Gas Cost Zone will result in an amount to be disallowed each month.
5) The Net Jurisdictional Cost of Gas shall be calculated by multiplying the Total Jurisdictional Sales Volume by the Actual P/S Ratio to arrive at the Calculated Purchased Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Jurisdictional Cost of Gas. The Net Jurisdictional Cost of Gas is calculated by subtracting the Disallowed Amount calculated above.

(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

(iii) The interest rate shall be the rate in effect during the last month of the audit period (June).

(iv) The sum of the monthly imbalances, plus interest for the period under review shall be the Reconciliation Amount for said Gas Cost Zone or the total amount to be refunded or surcharged.

<u>Reconciliation Factor Calculation (RFC)</u>
The Reconciliation Amount for said Gas Cost Zone shall be divided by 12, resulting in the Reconciliation Component.

The Reconciliation Component shall be reflected in a refund or surcharge on each customer bill, according to Gas Cost Zone, over a twelve-month period beginning with the first billing cycle in September following the period covered by the review.

The Reconciliation Component for each month of the reconciliation period shall be calculated by dividing the Reconciliation Amount by the estimated Sales Volumes for the applicable billing period. The result will be a monthly Reconciliation Factor, expressed in Mcf for each Gas Cost Zone. Any under or over collection from the prior month may be factored in subsequent months Reconciliation Component.

Each month during the reconciliation period, the PGF for each Gas Cost Zone on consumer bills shall be increased or reduced by the product of the number of Mcf billed to the customer and the monthly Reconciliation Factor, as indicated in the section of PGF calculations. Any under or over collections remaining at the end of the gas reconciliation period will be carried forward to the next gas reconciliation period.

Recovery of Existing Purchased Gas Cost Imbalances

The Company shall determine the amount of unrecovered purchased gas costs applicable to the customers served in each incorporated city or rural area immediately prior to the effectiveness of new Gas Cost Zones. Any resulting over-recovery or under-recovery in excess of $25,000 shall be charged or credited, as appropriate, to the customers in each such city or rural area. Any over-recovery or under-recovery of less than $25,000 in any incorporated city of rural area shall be recovered along with any Purchase Gas Costs in the applicable Gas Cost Zone.

Revenue Related Tax Adjustment

Each monthly bill, as adjusted above shall also be adjusted by an amount equivalent to the various revenue related taxes, franchise fees, rentals, or other fees and charges imposed by regulatory or governmental authorities. This includes, but not limited to, Gross Receipts Taxes, Municipal Taxes, Fees, or any other governmental imposition, rental fee or charge levied that is based on any portion of revenues billed by Company.

Rate Case Expense Surcharge

Rate case expenses will be recovered through a surcharge designed for a sixty month recovery period. A $0.0984 per Mcf surcharge shall be added to each monthly billing until the approved rate case expenses are recovered.

WEST TEXAS GAS, INC.
WTG Distribution Systems
RRC Tariff No: 26594

RATE SCHEDULE:	**NON-DOMESTIC GAS SERVICE – WTG RATE #917**
APPLICABLE TO:	**City of Natalia, City of Somerset, City of Somerset Environs, City of Natalia Environs, City of Devine Environs *(Note, Incorporated Areas will go into effect by operation of law.)***
EFFECTIVE DATE:	**Bills Rendered on and after 03/14/2015**

Subject to applicable rate adjustment provisions listed below, the following rates are the maximum applicable to Non-Domestic consumers per meter billing cycle or for any part of a billing cycle for which gas service is available at the same location.

Customer Charge	$13.70
2014 GRIP Charge	$ 7.28
Total Customer Charge	$20.98 per month
All Consumption @	$2.59 per Mcf

The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

Gas Cost Adjustment

Gas Cost Adjustment is intended to allow collection of the Company's gas purchase costs in a manner that will lessen monthly fluctuations in the gas cost factor and ensure that all amounts billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. This clause shall apply to customers in the South Gas Cost Zone.

Purchased Gas Cost Component

The Purchase Gas Cost for said Gas Cost Zone shall be computed utilizing the following components for the distribution system customers.

(i) Cost of gas purchased
(ii) Credits, Refunds, or out of Period Adjustments
(iii) Cost of gas withdrawn from storage
(iv) Interest on storage gas withdrawn
(v) Upstream gathering and Transportation Charges
(vi) Storage Deliverability Charges
(vii) Storage Capacity Charges
(viii) New Taxes on the purchased gas or the purchase transaction and not reflected on elsewhere on customer bills

The Company shall keep accurate records of all storage gas purchases, including the date, quantity, cost, and associated expenses. The Company shall account for storage gas purchases and withdrawals using a weighted average cost basis.

Purchased Gas Factor Calculation (PGF)

Each customer bill shall include a Purchased Gas Factor reflecting the estimated weighted average cost of gas, plus additional elements described in this section, during the period covered by the bill for said Gas Cost Zone. The PGF shall be determined to the nearest $0.001 per Mcf, and the following provisions shall apply:

(i) In addition to the estimated weighted average cost of gas for the current month's billing period, the PGF may include a pro rata portion of an amount reflecting the difference between the estimated WACOG and the actual WACOG during the previous billing period for said Gas Cost Zone

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(iii) The interest rate shall be the same as determined by the Public Utility Commission of Texas for refunds on customer deposits and in effect during the last month of the audit period (June).

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(ii) Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.

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GUD 10418
Exhibit B
Schedule A-Errata

WEST TEXAS GAS, INC.
INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
IRA FILING PERIOD JULY 2012 - DECEMBER 2013

Line	Description (a)	Texas Plant Per GUD 10235 At 06/30/2012 (b)	Net Texas Additions/Provision (Jul 12-Dec 13) (c)	Other Allocation Adjustments (Jul 12-Dec 13) (d)	Adjustment for CIAC (Jul 12-Dec 13) (e)	Texas Retirements (Jul 12-Dec 13) (f)	Texas Plant Adjusted As of 12/31/2013 (g)	Ref (h)		Change in Investment (Col f - Col h) (i)
1	Utility Plant Investment	104,831,595	12,704,547	(4,895)		754,265	116,776,982	6/	$	11,945,387
2	Accumulated Depreciation	29,636,000	4,212,473			747,765	33,100,708	7/		3,464,708
3	Other Adjustments	-	-	-	(2,123,608)	-	(2,123,608)			(2,123,608)
4	Net Utility Plant Investment - Texas Plant (Line 1-2+3)	75,195,595	8,492,074	(4,895)	(2,123,608)	6,500	81,552,666		$	6,357,071
		1/	2/	3/	4/	5/				

Line	Description	Reference		Amount
5	Calculation of Interim Rate Adjustment Amount Texas Operations:			
6	Return	(Schedule A, Col (h), Line 4) times (Schedule B, Col (b), Line 1)	$	502,844
7	Depreciation Expense	(Schedule B, Col (b), Line 4)		355,925
8	Non-Revenue Related Taxes (Ad Valorem Tax)	(Schedule A, Col (h), Line 4) times (Schedule B, Col (b), Line 7)		76,921
9	Revenue Related Taxes	(Schedule B, Col (b), Line 9)		-
10	Federal Income Tax	(Schedule C, Col (b), Line 5)		361,489
11				
12	Interim Rate Adjustment - Total Texas Operations	(Schedule A, Col (h), Lines 6+7+8+ 9+10)		1,297,178
13	Percentage Texas Operations - Jurisdictional	(Schedule B, Col (b), Line 16)		36.99%
14				
15	Interim Rate Adjustment - Texas Jurisdictional Operations	Line 12 X Line 13)	$	479,885
16	Total Interim Rate Adjustment Amount times Allocation Factors:			
17	Rate Schedule - Texas Domestic	(Schedule A, Col (h), Line 15) times (Sched B, Col (b), Line 21)	$	365,048
18	Rate Schedule - Texas Non Domestic	(Schedule A, Col (h), Line 15) times (Sched B, Col (b), Line 22)		114,836
19	Total	Line 17 + Line 18	$	479,885
20	Total Change in Customer Charge:			
21	Rate Schedule - Texas Domestic	(Schedule A, Col (h), Line 17 divided by (Schedule B, Col (b), Line 26 X 12)	$	2.02
22	Rate Schedule - Texas Non Domestic	(Schedule A, Col (h), Line 18 divided by (Schedule B, Col (b), Line 27 X 12)	$	5.33

1/ Schedule D Errata, Col (c), Line 34 and Schedule E Errata, Col (c), Line 34
2/ WP Plant Additions, Line 363, Col (w) and Schedule E, Col (d), Line 34
3/ Additional Allocation Adjustment for prior year non Texas Plant. Schedule D 2.1 Errata, Line 147, Col (g)
4/ CIAC shown on Schedule J Errata, Line 22, Col (g)
5/ WP Retirements Errata Line 181, Col (r), (s), (t)
6/ Schedule D Errata, Line 34, Col (h)
7/ Schedule E Errata, Line 34, Col (g)