

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

APPLICATION OF TEXAS GAS SERVICE COMPANY FOR TEST YEAR 2016 ANNUAL INTERIM RATE ADJUSTMENT FOR THE UNINCORPORATED AREAS OF THE WEST TEXAS SERVICE AREA	§ § § § §	GAS UTILITIES DOCKET NO. 10612
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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. The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders:

FINDINGS OF FACT

Background

1. Texas Gas Service Company (Texas Gas Service) is a "gas utility," as that term is defined in the TEXAS UTILITY CODE, and is subject to the jurisdiction of the Railroad Commission of Texas ("Commission").
2. Texas Gas Service owns and operates a natural gas distribution system.
3. On March 15, 2017, Texas Gas Service filed an application for an annual interim rate adjustment ("IRA") to its rates for gas service to customers of the Company's West Texas service area.
4. Texas Gas Service requested that the interim rate adjustments for all customer classes become effective on May 14, 2017.
5. On March 17, 2017, the Commission suspended implementation of Texas Gas Service's proposed interim rate adjustment until June 28, 2017, which would be 45 days following the 60th day after the application would be considered complete.
6. Neither TEX. UTIL. CODE § 104.301 nor 16 TEX. ADMIN. CODE § 7.7101 provides the opportunity for parties to intervene in the Commission's review of an application for an annual interim rate adjustment.

7. 16 TEX. ADMIN. CODE §7.7101 allows written comments or a protest concerning the proposed IRA to be filed with the Commission.
8. No letters of protest have been received as of the date of this order.
9. This docket represents the first annual IRA for Texas Gas Service since Gas Utility Docket (“GUD”) No. 10506.¹
10. Until promulgation of TEX. UTIL. CODE § 104.301, 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.
11. The proposed IRA will allow Texas Gas Service 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. 10506, without the necessity of filing a statement of intent rate case and without review by the Commission of Texas Gas Service’s comprehensive cost of service.

Applicability

12. This docket applies to only those rates over which the Commission has original jurisdiction, which includes the environs of the West Texas service area.
13. In 2016, the average monthly number of customers for TGS in the West Texas Service Area was approximately 259,632 customers. Of these, 244,358 were residential customers, 13,951 were commercial customers, 1,231 were public authority customers, 54 were industrial customers, 19 were water pumping customers, and 20 customers were Fort Bliss Customers.
14. In 2016, the average monthly number of customers for TGS in the West Texas Service Area unincorporated areas was approximately 19,680 customers. Of these, 18,841 were residential customers, 717 were commercial customers, 113 were public authority customers, 7 were industrial customers, and 2 were water pumping customers.

¹ *Statement of Intent of Texas Gas Service Company, a Division of One Gas, Inc. to Increase Gas Utility Rates Within the Unincorporated Areas of the El Paso Service Area (EPSA), Permian Service Area (PSA), and Dell City Service Area (DCSA).*

Most Recent Comprehensive Rate Case

15. Texas Gas Service's most recent rate case for the area in which the IRA will be implemented is GUD No. 10506, *Statement of Intent of Texas Gas Service Company, a Division of One Gas, Inc. to Increase Gas Utility Rates Within the Unincorporated Areas of the El Paso Service Area (EPSA), Permian Service Area (PSA), and Dell City Service Area (DCSA)*.
16. GUD No. 10506 was filed on March 30, 2016.
17. The Commission signed the GUD No. 10506 Final Order on September 27, 2016, and the rates became effective 25 days after the order was signed.
18. The following chart shows the factors that were established in GUD No. 10506 to calculate the return on investment, depreciation expense, ad valorem taxes, revenue related taxes, and federal income taxes for Texas Gas Service as applied in this IRA proceeding.

GUD No. 10506 CALCULATION FACTORS

Factor	Texas Gas Service
Rate of Return	7.28%
Depreciation Rate	By FERC Account
Federal Income Tax Rate	35%

Interim Rate Adjustment

19. The revenue amounts to be recovered through Texas Gas Service's proposed annual interim rate adjustments are incremental to the revenue requirement established in Texas Gas Service's most recent rate case for the area in which the interim rate adjustment is to be implemented, GUD No. 10506.
20. Under TEX. UTIL. CODE §7.7101(f)(3), for the first IRA following the most recent rate case, a utility may adjust its rates based on the difference between invested capital at the end of the most recent rate case test-year and the invested capital at the end of the calendar year following the end of the most recent rate case test-year.
21. In this docket, the first interim rate adjustment following the most recent statement of intent, Texas Gas Service adjusted its rates based on the difference between its invested capital at the end of its Statement of Intent rate case test year, September 30, 2015 and December 31, 2016.
22. The value of Texas Gas Service'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 for Texas Gas Service's interim rate adjustments.

23. Texas Gas Service's incremental revenue requirement under the proposed interim rate adjustment is **\$4,344,502**, as shown in Exhibit B.
24. Texas Gas Service is required to use the same factors to calculate the interim return on investment, depreciation expense, ad valorem taxes, and federal income taxes as those established or used in the final order setting rates in Texas Gas Service's most recent rate case for the area in which the interim rate adjustment is to be implemented, GUD No. 10506.
25. As required by TEX. UTIL. CODE, §104.301(f), Texas Gas Service filed the Commission's Annual Earnings Monitoring Report (EMR) with its application. The earnings monitoring report states that Texas Gas Service's actual rate of return was 4.403% for the test year ending December 31, 2016, which is less than the 7.28% allowed rate of return established in GUD No. 10506.
26. When the Customer Charge as established in Gas Utilities Docket No. 10506 and the Interim Rate Adjustment (Columns B and C) are added, the resulting customer charges for affected customer classes are as shown in Column D of the table below.

West Texas Division Customer Charges and Interim Rate Adjustment (IRA)

A	B	C	D
Customer Type	GUD 10506	GUD 10612 (2016 IRA)	Total Customer Charge
Residential	\$15.70	\$1.15	\$16.85
Commercial	\$39.00	\$3.55	\$42.55
Public Authority	\$100.00	\$13.98	\$113.98
Industrial	\$200.00	\$89.14	\$289.14
Water Pumping	\$426.44	\$49.72	\$476.16

27. Texas Gas Service filed its Annual Project Report as required by 16 TEX. ADMIN. CODE § 7.7101(d).
 - a. The change in utility plant investment for the test period is \$36,663,416² before retirements, transfers, and adjustments, and \$34,302,523 after retirements, transfers and adjustments.³ Net capital additions included in this docket totaled

² Response to Staff's RFI No. 2-23 Direct Investment Report and originally filed Corporate Investment Report

³ Schedule IRA – 9.

- \$30,772,461.⁴
- b. Safety-related improvements/infrastructure projects are 38.05% of total net additions.⁵
 - c. Integrity testing projects are 2.10% of total net additions.⁶
 - d. Distribution Integrity Management Program (DIMP) projects are 35.95% of net additions.⁷
 - e. Pipeline Integrity Management Program (IMP) projects are 2.10% of the total net additions.⁸
 - f. Steel Pipe Replacement projects are included in DIMP projects.
28. Texas Gas Service proposed the interim rate adjustment as a flat rate to be applied to the monthly customer charges and monthly meter charges rather than as a volumetric rate to be applied to the initial block usage rates.
29. Texas Gas Service is required to show its annual interim rate adjustments as a separate line item on its customers' monthly billing statements as a surcharge.
30. The proposed interim rate adjustment does not require an evidentiary proceeding; rather, TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE, §7.7101 require the regulatory authority to review a utility's method of calculating the interim rate adjustment.
31. Due process protections are deferred until Texas Gas Service files its next full statement of intent rate case.

Notice

32. Texas Gas Service substantially complied with the notice requirements of the TEX. UTIL. CODE § 104.301(a). 93 environs customers did not receive notice within the required timeframe. Notice was mailed to these customers on May 10, 2017. To provide additional time for these customers to contact the Commission with any concerns regarding the filing, the Company will extend the implementation date of the tariffs an additional nine days from June 28, 2017 to July 12, 2017.

Comprehensive Rate Case Required

33. Texas Gas Service is not required to initiate a statement of intent rate case at the time it applies for an interim rate adjustment.

⁴ Schedule IRA – 3.

⁴ Response to Staff's RFI No. 1-14.

⁵ Response to Staff's RFI No. 1-15.

⁷ Response to Staff's RFI No. 1-16.

⁸ Response to Staff's RFI No. 1-17.

34. Under 16 TEX. UTIL. CODE § 7.7101(l), a gas utility that implements an interim rate adjustment and does not file a rate case before the fifth anniversary of the date its initial interim rate adjustment became effective is required to file a rate case no later than the 180th day after that anniversary.
35. Texas Gas Service is required to file a statement of intent rate case for the West Texas Service Area no later than December 3, 2022.
36. Under 16 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 16 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.

Review of Interim Rate Adjustment

37. Texas Gas Service's proposed allocation methodology complies with TEX. UTIL. CODE, § 104.301, and with 16 TEX. ADMIN. CODE § 7.7101.
38. It is reasonable for the Commission to approve use of the allocation methodology used to determine Texas Gas Service's overall cost of service (less other revenue, gas cost, and revenue related taxes) as determined in its most recent rate case. The following overall cost of service allocation factors for use in the calculation of Texas Gas Service's interim rate adjustment are reasonable:

Customer Class	Allocation Factors
Residential	78%
Commercial	14%
Public Authority	4.8%
Industrial	1.3%
Water Pumping	0.26%
Fort Bliss	2.2%

39. Texas Gas Service's proposed customer counts comply with TEX. UTIL. CODE, § 104.301, and with 16 TEX. ADMIN. CODE, § 7.7101. For calculating the number of customer charges per year, it is reasonable for the Commission to approve use of the 2016 customer counts. The following total number of customer charges for use in the calculation of the interim rate adjustment are reasonable:

Customer Class	Annual Number of Customer Charges
Residential	2,932,291
Commercial	167,409
Public Authority	14,773
Industrial	644
Water Pumping	231
Fort Bliss	239
Total	3,115,587

40. It is reasonable for the Commission to approve Texas Gas Service's applications for interim rate adjustments. The following amounts of interim rate adjustment revenue and additional customer charges by customer class are reasonable:

Customer Class	Interim Rate Adjustment Revenue	IRA Revenue From the Environs	Additional Customer Charge
Residential	\$3,380,563	\$260,653	\$1.15
Commercial	\$593,931	\$30,536	\$3.55
Public Authority	\$206,579	\$18,976	\$13.98
Industrial	\$57,406	\$7,488	\$89.14
Water Pumping	\$11,486	\$1,193	\$49.72
Fort Bliss	\$94,536	\$0	\$395.55
Total Increase	\$4,344,502	\$318,846	

Reimbursements of Expense

41. As provided for in the statute and the rule, a gas utility that implements an interim rate adjustment is required to reimburse the Commission for the utility's proportionate share of the Commission's annual costs related to the administration of the interim rate adjustment mechanism.
42. After the Commission has finally acted on Texas Gas Service's application for an interim rate adjustment, the Director of the Oversight and Safety Division will estimate Texas Gas Service's proportionate share of the Commission's annual costs related to the processing of such applications.

43. In making the estimate of Texas Gas Service'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 interim rate adjustments during the fiscal year, and the costs expected to be incurred in processing such applications.
44. Texas Gas Service 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

45. Texas Gas Service Company, a division of ONE Gas, Inc ("Texas Gas Service") is a "gas utility" as defined in TEX. UTIL. CODE §§ 101.003(7), and 121.001, and is therefore subject to the jurisdiction of the Railroad Commission of Texas ("Commission").
46. The Commission has jurisdiction over Texas Gas Service; Texas Gas Service's applications for interim adjustments for incremental changes in investment, and the subject matter of this case under TEX. UTIL. CODE §§ 102.001, 104.001, 104.002, and 104.301.
47. Under TEX. UTIL. CODE. § 102.001, 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.
48. Under the provisions of the TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101, Texas Gas Service is required to seek Commission approval before implementing an interim rate adjustment tariff for environs customers.
49. Texas Gas Service filed its application for interim rate adjustments for changes in investment in accordance with the provisions of TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
50. Texas Gas Service's application for an interim rate adjustment was processed in accordance with the requirements of TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
51. In accordance with 16 TEX. ADMIN. CODE § 7.315, within thirty days of the effective date of any change to rates or services, Texas Gas Service is required to file with the Commission its revised tariffs.
52. Texas Gas Service may not charge any rate that has not been successfully filed and accepted as a tariff filing electronically pursuant to TEX. UTIL. CODE §§ 102.151, and 104.002 and 16 TEX. ADMIN. CODE § 7.315.

53. In accordance with TEX. UTIL. CODE § 104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(a), the filing date of Texas Gas Service's most recent rate case, in which there is a final order setting rates for the area in which the interim rate adjustment will apply, was no more than two years prior to the date Texas Gas Service filed its initial interim rate adjustment.
54. Texas Gas Service is required, under TEX. UTIL. CODE § 104.301(e) and 16 TEX. ADMIN. CODE § 7.7101(d), 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.
55. Texas Gas Service shall include in all future annual interim rate adjustment filings, relocation project reports that provide additional information about relocation project costs included in investment projects, in the same format as required in this docket.
56. Texas Gas Service is required, under TEX. UTIL. CODE § 104.301(f) and 16 TEX. ADMIN. CODE § 7.7101(e), to file with the Commission an annual earnings monitoring report demonstrating Texas Gas Service's earnings during the preceding calendar year.
57. Texas Gas Service is required, under 16 TEX. ADMIN. CODE § 7.7101(h), to recalculate its approved interim rate adjustments 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 interim rate adjustment application.
58. In accordance with 16 TEX. ADMIN. CODE § 7.7101(i), all amounts collected from customers under Texas Gas Service's interim rate adjustment 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 interim rate adjustment and shall be the subject of specific findings of fact in the Commission's final order setting rates.
59. In accordance with 16 TEX. ADMIN. CODE § 7.7101(j), in the rate case that Texas Gas Service files or the Commission initiates after the implementation of an interim rate adjustment, 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. Upon issuance of a final order setting rates in the rate case that Texas Gas Service files or the Commission initiates after the implementation of an interim rate adjustment, any change in investment and related expenses and revenues that have been included in any interim rate adjustment shall no longer be subject to review for reasonableness or prudence.
60. The Commission has authority to suspend the implementation of the interim rate adjustment, under TEX. UTIL. CODE § 104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(e).

61. Texas Gas Service provided adequate notice, in accordance with TEX. UTIL. CODE § 104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(b).
62. Texas Gas Service's application for interim rate adjustments, as proposed, complies with all provisions of TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
63. Texas Gas Service's interim rate adjustments established in the findings of fact and conclusions of law, comply with the provisions of TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
64. In accordance with TEX. UTIL. CODE § 104.301(h) and 16 TEX. ADMIN. CODE § 7.7101(l), Texas Gas Service shall file a comprehensive rate case for the areas in which the interim rate adjustment is implemented, no later than the 180th day after the fifth anniversary of the date its initial interim rate adjustment became effective.
65. The Commission has authority, under TEX. UTIL. CODE § 104.301(j) and 16 TEX. ADMIN. CODE § 7.7101(m), to recover from Texas Gas Service the Utility's proportionate share of the Commission's annual costs related to the administration of the interim rate adjustment mechanism.

IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS THAT Texas Gas Service's interim rate adjustments as requested and to the extent recommended to be approved in the findings of fact and conclusions of law are **HEREBY APPROVED** to be effective for bills rendered on or after the date of this order, June 6, 2017.

IT IS FURTHER ORDERED THAT within 30 days of this order Texas Gas Service **SHALL** electronically file its interim rate adjustment tariffs in proper form that accurately reflect the rates, as expressed in Exhibit A, approved by the Commission in this Order.

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

IT IS FURTHER ORDERED THAT Texas Gas Service **SHALL** file with the Commission no later than December 3, 2022, a statement of intent to change rates as required under TEX. UTIL. CODE § 104.301(h) and 16 TEX. ADMIN. CODE § 7.7101(1).

IT IS FURTHER ORDERED THAT Texas Gas Service **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 the Texas Gas Service'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 6th day of June, 2017.

RAILROAD COMMISSION OF TEXAS



CHRISTI CRADDICK
CHAIRMAN



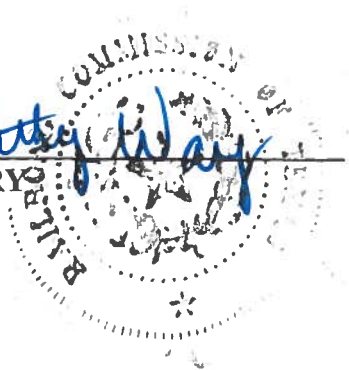
RYAN SITTON
COMMISSIONER



WAYNE CHRISTIAN
COMMISSIONER

ATTEST


SECRETARY



TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE 1Z
Page 1 of 2

RESIDENTIAL SERVICE RATE

APPLICABILITY

Applicable to a residential customer in a single dwelling, or in a dwelling unit of a multiple dwelling or residential apartment, for domestic purposes, including any public housing project and including apartment houses where service for more than one dwelling unit is served through a master meter. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

Environs of the West Texas Service Area, which includes the unincorporated areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thortonville, Vinton, Wickett, and Wink, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$15.70 plus -
Interim Rate Adjustment (IRA)	\$1.15 per month (Footnote 1)
Total Customer Charge	\$16.85 per month
All Ccf per monthly billing period @	
All Ccf @	\$0.12237 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-ENV or Rate Schedule No. 1-ENV-DC, as applicable, multiplied by the total Ccf consumed during the billing month.

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

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

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

TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE 1Z
Page 2 of 2

RESIDENTIAL SERVICE RATE (Continued)

Taxes: Plus applicable taxes and fees related to above.

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. The applicability section of this rate notwithstanding, if a customer, other than a full requirement customer, pays a standby charge, Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.

Footnote 1: 2016 IRA - \$1.15

TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE 2Z
Page 1 of 2

COMMERCIAL SERVICE RATE

APPLICABILITY

Applicable to commercial consumers and to consumers not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

Environs of the West Texas Service Area, which includes the unincorporated areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thortonville, Vinton, Wickett, and Wink, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of
Interim Rate Adjustment (IRA)
Total Customer Charge

\$39.00 plus -
\$3.55 per month (Footnote 1)
\$42.55 per month

All Ccf per monthly billing period @
First 500 Ccf @
All Over Ccf @

\$0.09520 per Ccf
\$0.07520 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-ENV or Rate Schedule No. 1-ENV-DC, as applicable, multiplied by the total Ccf consumed during the billing month.

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

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

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

TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE 2Z
Page 2 of 2

COMMERCIAL SERVICE RATE (Continued)

Taxes: Plus applicable taxes and fees related to above.

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. The applicability section of this rate notwithstanding, if a customer, other than a full requirement Customer, pays a standby charge, Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.

Footnote 1: 2016 IRA - \$3.55

Supersedes Same Rate Sheet Dated:
October 5, 2016

Meters Read On and After

TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE 2A
Page 1 of 2

COMMERCIAL AIR CONDITIONING SERVICE RATE

APPLICABILITY

Applicable to all commercial consumers who have and regularly operate a gas fired air conditioning system.

TERRITORY

Environs of the West Texas Service Area, which includes the unincorporated areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thortonville, Vinton, Wickett, and Wink, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$39.00 plus -
Interim Rate Adjustment (IRA)	\$3.55 per month (Footnote 1)
Total Customer Charge	\$42.55 per month

All Ccf per monthly billing period @

		Winter <u>Oct. – April</u>	Summer <u>May - Sept.</u>
The First	500 Ccf @	\$0.09520 per Ccf	\$0.07520 per Ccf
All Over	500 Ccf @	\$0.07520 per Ccf	\$0.05520 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-ENV or Rate Schedule No. 1-ENV-DC, as applicable, multiplied by the total Ccf consumed during the billing month.

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

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

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

TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE 2A
Page 2 of 2

COMMERCIAL AIR CONDITIONING SERVICE RATE (Continued)

Taxes: Plus applicable taxes and fees related to above.

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Service under this schedule applies only to usage from a separately metered gas fired air conditioning system. Non-air conditioning usage is subject to the cost of service rate on Rate Schedule No. 2Z.
3. Air conditioning equipment must be inspected and verified as to capacity by qualified company personnel.

Footnote 1: 2016 IRA - \$3.55

TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE 3Z
Page 1 of 2

INDUSTRIAL SERVICE RATE

APPLICABILITY

Applicable to industrial consumers and to consumers not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

Environs of the West Texas Service Area, which includes the unincorporated areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thortonville, Vinton, Wickett, and Wink, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of

Interim Rate Adjustment (IRA)

Total Customer Charge

\$200.00 plus -

\$89.14 per month (Footnote 1)

\$289.14 per month

All Ccf per monthly billing period @

The First

500 Ccf @

\$0.13202 per Ccf

All Over

500 Ccf @

\$0.11202 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-ENV or Rate Schedule No. 1-ENV-DC, as applicable, multiplied by the total Ccf consumed during the billing month.

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

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

Taxes: Plus applicable taxes and fees related to above.

TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE 3Z
Page 2 of 2

INDUSTRIAL SERVICE RATE (Continued)

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. The applicability section of this rate notwithstanding, if a customer, other than a full requirements customer, pays a standby charge, Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.

Footnote 1: 2016 IRA - \$89.14

Supersedes Same Rate Sheet Dated:
October 5, 2016

Meters Read On and After

TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE 4Z
Page 1 of 2

PUBLIC AUTHORITY SERVICE RATE

APPLICABILITY

Applicable to all public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

Environs of the West Texas Service Area which includes the unincorporated areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thortonville, Vinton, Wickett, and Wink, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of		\$100.00 plus -
Interim Rate Adjustment (IRA)		\$13.98 per month (Footnote 1)
Total Customer Charge		\$113.98 per month
All Ccf per monthly billing period @		
The First	500 Ccf @	\$ 0.12499 per Ccf
All Over	500 Ccf @	\$ 0.10499 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-ENV or Rate Schedule No. 1-ENV-DC, as applicable, multiplied by the total Ccf consumed during the billing month.

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

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

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

TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE 4Z
Page 2 of 2

PUBLIC AUTHORITY SERVICE RATE (Continued)

Taxes: Plus applicable taxes and fees related to above.

CONDITIONS

1. Subject in all respects to applicable laws, rules and regulations from time to time in effect.
2. The applicability section of this rate notwithstanding, if a customer, other than a full requirements customer, pays a standby charge, Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.

Footnote 1: 2016 IRA - \$13.98

Supersedes Same Rate Sheet Dated:
October 5, 2016

Meters Read On and After

TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE 4A
Page 1 of 2

PUBLIC AUTHORITY AIR CONDITIONING SERVICE RATE

APPLICABILITY

Applicable to all public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts who have and regularly operate a gas fired central air conditioning system.

TERRITORY

Environs of the West Texas Service Area, which includes the unincorporated areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thortonville, Vinton, Wickett, and Wink, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of
Interim Rate Adjustment (IRA)

Total Customer Charge

\$100.00 plus -
\$13.98 per month (Footnote 1)
\$113.98 per month

All Ccf per monthly billing period @

The First 500 Ccf @

All Over 500 Ccf @

Winter

Oct. – April

\$0.12499 per Ccf

\$0.10499 per Ccf

Summer

May - Sept.

\$0.09499 per Ccf

\$0.07499 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-ENV or Rate Schedule No. 1-ENV-DC, as applicable, multiplied by the total Ccf consumed during the billing month.

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

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

TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE 4A
Page 2 of 2

PUBLIC AUTHORITY AIR CONDITIONING SERVICE RATE (Continued)

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

Taxes: Plus applicable taxes and fees related to above.

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Service under this schedule applies only to usage from a separately metered gas fired air conditioning system.
Non-air conditioning usage is subject to the cost of service rate on Rate Schedule No. 4Z.
3. Air conditioning equipment must be inspected and verified as to capacity by qualified company personnel.

Footnote 1: 2016 IRA - \$13.98

TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE 4B
Page 1 of 2

MUNICIPAL WATER PUMPING SERVICE RATE

APPLICABILITY

Applicable to gas used in internal combustion engines by various municipal agencies in the WTSA environs area. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

Environs of the West Texas Service Area, which includes the unincorporated areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thortonville, Vinton, Wickett, and Wink, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of
Interim Rate Adjustment (IRA)
Total Customer Charge

\$426.44 plus -
\$49.72 per month (Footnote 1)
\$476.16 per month

All Ccf per monthly billing period @

The First

5000 Ccf @

\$0.06817 per Ccf

All Over

5000 Ccf @

\$0.05817 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-ENV or Rate Schedule No. 1-ENV-DC, as applicable, multiplied by the total Ccf consumed during the billing month.

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

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

Taxes: Plus applicable taxes and fees related to above.

TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE 4B
Page 2 of 2

MUNICIPAL WATER PUMPING SERVICE RATE (Continued)

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. The applicability section of this rate notwithstanding, if a customer, other than a full requirement customer, pays a standby charge, Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.

Footnote 1: 2016 IRA - \$49.72

TEXAS GAS SERVICE COMPANY
West Texas Service Area

RATE SCHEDULE C-1-ENV
Page 1 of 2

ELECTRICAL COGENERATION

APPLICABILITY

Service under this rate schedule is available to any customer who enters into a contract with the Company to use natural gas for the purpose of cogeneration. Cogeneration is defined as the use of thermal energy to produce electricity with recapture of by-product heat in the form of steam, exhaust heat, etc. for industrial process use, space heating, food processing or other purposes.

TERRITORY

This rate shall be available in the unincorporated areas of the West Texas Service Area which includes Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thortonville, Wickett, Wink and Vinton, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A Customer Charge of	\$300.50 plus -
Interim Rate Adjustment (IRA)	\$3.55 per month (Footnote 1)
Total Customer Charge	\$304.05 per month

	Oct. - April <u>Winter</u>	May - Sept. <u>Summer</u>
The First 5,000 Ccf	\$ 0.06993 per Ccf	\$ 0.05992 per Ccf
The Next 95,000 Ccf	0.05993 per Ccf	0.04991 per Ccf
The Next 300,000 Ccf	0.04993 per Ccf	0.03992 per Ccf
All Over 400,000 Ccf	0.03993 per Ccf	0.02991 per Ccf

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-ENV or Rate Schedule No. 1-ENV-DC, as applicable, multiplied by the total Ccf consumed during the billing month.

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

Supersedes Same Rate Schedule Dated
 October 5, 2016

Meters Read On and After

Taxes: Plus applicable taxes and fees related to above.

CONDITIONS

1. Gas taken under this rate shall be used exclusively for the purpose of cogeneration as defined in the Applicability section of this rate schedule and not for other purposes. The gas taken under this rate will be separately metered.
2. This rate will not be available for standby use.
3. For the purpose of this rate, the annual load factor must be 60 percent or greater. The annual load factor is defined as the customer's total annual consumption divided by the customer's peak month consumption times twelve. If less than 60 percent load factor occurs for a twelve-month period, the rate charged will revert back to the rate that the customer would have otherwise been served under. A continuous twelve-month period of 60 percent or better load factor must precede a return to the cogeneration rate.
4. To qualify for the summer discounts, the customers' peak summer months load must be at least 75 percent of the customers' peak winter months load. Failure to meet this requirement will result in an adjustment to the customers' October bill equal to the difference between the winter and summer rates times that year's total May through September consumption by that customer.
5. Subject in all respects to applicable laws, rules and regulations from time to time in effect.

Footnote 1: 2016 IRA - \$3.55

Supersedes Same Rate Schedule Dated
October 5, 2016

Meters Read On and After
May 14, 2017

TEXAS GAS SERVICE COMPANY
West Texas Service Area

GUD No. 10612
Exhibit A
RATE SCHEDULE S.S.

STANDBY SERVICE RATE

APPLICABILITY

Applicable to all customers who have alternative natural gas transmission or distribution facilities physically conformed to supply natural gas service to them and who are not full requirements Texas Gas Service Company customers.

TERRITORY

The incorporated and unincorporated areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett and Wink, Texas.

RATE

During each monthly billing period:

A customer charge per meter per month of	\$125.00 plus –
Interim Rate Adjustments (IRA)	\$89.14 per month (Footnote 1)
Total Customer Charge	\$214.14 per month

plus \$20.00 per Mcf/Hour of connected rated capacity of natural gas consuming equipment

OTHER ADJUSTMENTS

In addition to the Cost of Service charges set forth above, each customer's bill shall include the following:

CONDITIONS

1. This charge shall cause the Company to maintain a connection with the customer including metering and regulation facilities. The Company will also arrange with suppliers for sufficient gas reserve assurance so that the customer can resume service upon reasonable notice to the Company.
2. Company engineers shall have the right and be afforded the opportunity by the customer to inspect the facilities to properly ascertain the gas-using capacity on the customer's premises.
3. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.

Footnote 1: 2016 IRA - \$89.14

Supersedes Same Rate Schedule:

October 5, 2016 (All Areas Except
Incorporated Areas Of Andrews,
Barstow, Crane McCamey,
Monahans, Pecos, Pyote,
Thortonville, Wickett, Wink)
December 1, 2016 (Andrews,
Barstow, Crane McCamey,
Monahans, Pecos, Pyote,
Thortonville, Wickett, Wink)

Meters Read On and After:

TRANSPORTATION SERVICE RATE

Applicability

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

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

Availability

Natural gas service under this rate schedule is available to any individually metered, non-residential customer for the transportation of customer owned natural gas through the Company's unincorporated areas of the West Texas Service Area distribution system which includes the environs of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett and Wink, Texas. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.

Cost of Service Rate

During each monthly billing period, a customer charge per meter per month listed by customer class as follows:

Commercial	\$ 400.00 per month		
plus Interim Rate Adjustments	\$3.55 (Footnote 1)	Total Rate	\$403.55
Cogeneration	\$ 400.00 per month		
plus Interim Rate Adjustments	\$3.55 (Footnote 2)	Total Rate	\$403.55
Industrial	\$ 400.00 per month		
plus Interim Rate Adjustments	\$89.14 (Footnote 3)	Total Rate	\$489.14
Public Authority	\$ 400.00 per month		
plus Interim Rate Adjustments	\$13.98 (Footnote 4)	Total Rate	\$413.98

Plus – All Ccf per monthly billing period listed by customer class as follows:

TEXAS GAS SERVICE COMPANY
West Texas Service Area

GUD No. 10612
Exhibit A
RATE SCHEDULE T-1-ENV
Page 2 of 3

Commercial	The First 500 Ccf @	\$ 0.09520 per Ccf
	All Over 500 Ccf @	\$ 0.07520 per Ccf
Cogeneration	<u>Oct.-Apr. (Winter)</u>	
	First 5,000 Ccf @	\$0.06993 per Ccf
	Next 95,000 Ccf @	\$0.05993 per Ccf
	Next 300,000 Ccf @	\$0.04993 per Ccf
	All Over 400,000 Ccf @	\$0.03993 per Ccf
	<u>May – Sept. (Summer)</u>	
	First 5,000 Ccf @	\$0.05992 per Ccf
	Next 95,000 Ccf @	\$0.04991 per Ccf
	Next 300,000 Ccf @	\$0.03992 per Ccf
	All Over 400,000 Ccf @	\$0.02991 per Ccf
Industrial	The First 500 Ccf @	\$ 0.13202 per Ccf
	All Over 500 Ccf @	\$ 0.11202 per Ccf
Public Authority	The First 500 Ccf @	\$ 0.12499 per Ccf
	All Over 500 Ccf @	\$ 0.10499 per Ccf

Additional Charges:

- 1) A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder.
- 2) A charge will be made each month to recover the cost of any applicable taxes.
- 3) In the event the Company incurs a demand charge, balancing service rate, or reservation charge from its gas supplier(s) or transportation providers in the unincorporated areas of the West Texas Service Area, the customer may be charged its proportionate share of the demand charge, balancing service rate, or reservation charge based on benefit received by the customer.
- 4) Rate Schedule RCE-ENV: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.
- 5) Pipeline Integrity Testing Rider: Adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT.

Subject To

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

Supersedes Same Sheet Dated:
October 5, 2016

Meters Read On and After:

- 2) Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.
- 3) Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2016 IRA - \$3.55
Footnote 2: 2016 IRA - \$3.55
Footnote 3: 2016 IRA - \$89.14
Footnote 4: 2016 IRA - \$13.98

TEXAS GAS SERVICE COMPANY
WEST TEXAS SERVICE AREA
FOR THE PERIOD BEGINNING JANUARY 1, 2016 AND ENDING DECEMBER 31, 2016
ENVIRONS GRIP FILING

Line No.	Description (a)	12/31/2015 Previous Year (b)	12/31/2016 Current Year (c)	Reference (d)	
1	Net Investment	\$ 304,765,040	\$ 335,537,501	(b) IRA-7 line 88 col (h); (c) IRA-8 lines 88 col (h)	
2	Increase in Net Investment		\$ 30,772,461	IRA-8 line 90 col (h)	
3	Authorized Return on Capital		7.285%	IRA-15 line 8 col (d)	
4					
5	Change in Return on Net Investment		\$ 2,241,710	Line 2 * Line 3	
6	Change in Depreciation Expense		\$ 839,371	IRA-8 line 90 col (f)	
7	Change in Federal, Revenue and Other Taxes		\$ 1,283,422	IRA-5 line 13 col (g) plus IRA-6 line 14 (c)	
8	Change in Revenue Requirement		\$ 4,344,502	Sum of Lines 5 - 7	
9					
10	Annual Number of Bills		3,115,587		
11	Increase Per Bill Per Month		See Below		
12	(to be applied to monthly customer charge or initial block rate, check on)				
13	<input checked="" type="checkbox"/> Monthly Customer Charge				
14	<input type="checkbox"/> Initial Block Rate				
15					
16					
17					
18	Current and Proposed Bill Information - With Gas Cost				
19					
20					
21	Residential	Current	Proposed	Difference	% Change
22	Average Monthly Bill @ 3.9 Mcf*	\$ 34.52	\$ 35.87	\$ 1.15	3.33%
23					
24	Commercial				
25	Average Monthly Bill @ 22.8 Mcf*	\$ 142.84	\$ 146.39	\$ 3.55	2.49%
26					
27	Commercial A/C				
28	Average Monthly Bill @ 28.6 Mcf*	\$ 167.66	\$ 171.21	\$ 3.55	2.12%
29					
30					
31	Public Authority				
32	Average Monthly Bill @ 82.2 Mcf*	\$ 492.71	\$ 506.69	\$ 13.98	2.84%
33					
34	Public Authority A/C				
35	Average Monthly Bill @ 216.6 Mcf*	\$ 1,114.06	\$ 1,128.04	\$ 13.98	1.25%
36					
37	Industrial				
38	Average Monthly Bill 390.7 Mcf*	\$ 1,673.64	\$ 1,762.78	\$ 89.14	5.33%
39					
40					
41	Municipal Water Pumping				
42	Average Monthly Bill @ 657.9 Mcf*	\$ 3,231.24	\$ 3,280.96	\$ 49.72	1.54%
43					
44					
45					
46					
47	Current and Proposed Bill Information - Without Gas Cost				
48					
49					
50	Residential	Current	Proposed	Difference	% Change
51	Average Monthly Bill @ 3.9 Mcf*	\$ 20.47	\$ 21.62	\$ 1.15	5.62%
52					
53	Commercial				
54	Average Monthly Bill @ 22.8 Mcf*	\$ 60.69	\$ 64.24	\$ 3.55	5.85%
55					
56	Commercial A/C				
57	Average Monthly Bill @ 28.6 Mcf*	\$ 64.54	\$ 68.09	\$ 3.55	5.50%
58					
59	Public Authority				
60	Average Monthly Bill @ 82.2 Mcf*	\$ 196.31	\$ 210.29	\$ 13.98	7.12%
61					
62	Public Authority A/C				
63	Average Monthly Bill @ 216.6 Mcf*	\$ 333.47	\$ 347.45	\$ 13.98	4.19%
64					
65	Industrial				
66	Average Monthly Bill 309.7 Mcf*	\$ 556.95	\$ 646.09	\$ 89.14	16.01%
67					
68	Municipal Water Pumping				
69	Average Monthly Bill @ 657.9 Mcf*	\$ 859.17	\$ 908.89	\$ 49.72	5.79%
70					
71	Commercial Transportation				
72	Average Monthly Bill @ 2,834.4 Mcf*	\$ 2,541.44	\$ 2,544.99	\$ 3.55	0.14%
73					
74	Industrial Transportation				
75	Average Monthly Bill @ 3,592.6Mcf*	\$ 4,434.38	\$ 4,523.52	\$ 89.14	2.01%
76					
77	Public Authority Transportation				
78	Average Monthly Bill @ 5,470.6 Mcf*	\$ 6,153.55	\$ 6,167.53	\$ 13.98	0.23%
79					
80	Electrical Cogeneration Transportation				
81	Average Monthly Bill @ 9,008.2 Mcf*	\$ 5,468.66	\$ 5,472.21	\$ 3.55	0.06%
82					
83					
84					

*Average bill usage per GUD 10506 filing.

*Average bills exclude revenue related taxes. The cost of gas is computed using a 12 month average for CY 2016.