

**RAILROAD COMMISSION OF TEXAS**

**STATEMENT OF INTENT FILED BY §  
ONALASKA WATER & GAS SUPPLY § GAS UTILITIES  
TO CHANGE RATES IN THE §  
ENVIRONS OF THE CITY OF § DOCKET NO. 10617  
ONALASKA §**

**FINAL ORDER**

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to TEX. GOV'T CODE ANN. Chapter 551 et. seq. (Vernon 2008 & Supp. 2016). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

**FINDINGS OF FACT**

1. Onalaska Water and Gas Supply Corporation ("Onalaska") owns and operates a natural gas distribution system in the incorporated community of Onalaska, Texas and its environs.
2. On March 24, 2017, Onalaska filed with the Railroad Commission of Texas ("Commission") a Statement of Intent ("SOI") to increase its Rates in the Environs of Onalaska, Texas.
3. Onalaska requested an effective date of April 28, 2017.
4. On April 25, 2017, the Commission suspended the implementation of Onalaska's proposed rates for 150 days beyond the proposed effective date, or until September 25, 2017.
5. Staff of the Railroad Commission intervened on March 28, 2017. No other interventions were filed.
6. The Commission published notice of Onalaska's SOI application in *Gas Utilities Information Bulletin No. 1056* on March 31, 2017.
7. Onalaska provided adequate notice of its Statement of Intent by sending a direct mailout to all of its customers on May 4, 2017.
8. The Direct mail out to customers meets the statutory and rule requirements of notice and provides sufficient information to ratepayers about the proposed rate increase in the Statement of Intent, in accordance with GURA §104.103(a) and 16 TEX. ADMIN. CODE §§7.230 AND 7.235 (2016).

9. On May 11, 2017, Onalaska filed a Petition for De Novo Review of the Denial of the SOI Filed by Onalaska to Change Rates in the City of Onalaska with the Commission.
10. On May 22, 2017, the Examiners consolidated GUD No. 10634 with GUD No. 10617.
11. On May 22, 2017, the Commission received a letter of protest from one resident potentially within Onalaska's service area; however, the complainant did not seek further participation in the docket.
12. On June 6, 2017, the parties filed a Unanimous Settlement Agreement ("Agreement"), consented to by Onalaska and Staff.
13. On June 20, 2017, Notice of Hearing for July 17, 2017, was issued and subsequently published in the Gas Utilities Information Bulletin on June 30, 2017, in accordance with Commission Rule § 7.235 (Publication and Service of Notice).
14. Notice of Hearing was sent to the governing body of the affected county, in accordance with Section 104.105(c) of the Texas Utilities Code.
15. A hearing to consider the Settlement was conducted on July 17, 2017.
16. Only Onalaska and Commission staff attended the hearing.
17. On August 1, 2017, the evidentiary record closed.
18. Onalaska established that it has complied with the books and records requirements of Commission Rule 7.310, and the amounts included therein are therefore subject to the presumption encapsulated in Commission Rule 7.503 that these amounts are reasonable and necessary.
19. Although Onalaska has complied with the books and record requirements of Commission Rule 7.310, is required to make additional record keeping adjustments.
20. Onalaska initially requested an increase of annual revenues by \$85,382, which is an increase of 22.89 percent including gas costs and 28.91 percent excluding gas costs.
21. Onalaska also requested a hypothetical rate of return of 8.48 percent, using a hypothetical capital structure of 55 percent equity and 45 percent long-term debt and hypothetical capital costs of 10.5 percent for equity and 6 percent for long-term debt.
22. Onalaska requested a monthly customer charge of \$15 for residential customers and \$18 for commercial customers.

23. Onalaska requested a volumetric charge of \$12.1074 per Mcf for residential and commercial customers.
24. The data submitted to the Commission in this docket encompasses a full test-year, ending September 30, 2016, adjusted for known and measurable changes.
25. The Settlement contemplates a \$65,210, revenue increase, which is a "black box" amount; meaning that it is not tied to any specific expense in Onalaska's underlying cost-of-service.
26. The new base rates will consist of a customer charge and a volumetric charge designed to recover Onalaska's cost of service and provide a reasonable return on its investment. The proposed rate changes are set forth on the following table.

<u>Customer Class</u>	<u>Customer Charge \$/Month</u>	<u>Commodity Charge \$/MCF</u>
Residential	\$14.00	\$11.5525
Commercial	\$17.00	\$11.5525

27. The parties have established that the proposed revenue increase of \$65,210, is just and reasonable, and indicated by the proof of revenues reflected on Exhibit B to the Settlement.<sup>1</sup>
28. The purposes of calculating an interim rate adjustment under TEX. UTIL. CODE § 104.301, the beginning invested capital, accumulated depreciation amounts, service lives, depreciation rates, and applicable tax rates reflected on Exhibit C in the attached Settlement Agreement are just and reasonable.
29. The terms of the Settlement provide Onalaska a reasonable opportunity to earn a reasonable return on the utility's invested capital used and useful in providing service to the public in excess of its reasonable and necessary operating expenses as provided in Tex. Util. Code § 104.051.
30. The hypothetical rate of return as shown in the table below is reasonable.

<b>Class of Capital</b>	<b>Percent</b>	<b>Cost</b>	<b>Cost of Capital</b>
Long-Term Debt	45%	6%	2.7%
Common Equity	55%	10.50%	5.775%
<b>Weighted Average Cost of Capital</b>	<b>100%</b>		<b>8.48%</b>

<sup>1</sup> The Unanimous Settlement Agreement is attachment 2 to this Final Order.

31. The proposed depreciation rates for distribution and general plant, as shown on Exhibit C to the Settlement, are reasonable.
32. The capital investment booked to plant through the test year end, September 30, 2016, is reasonable.
33. Onalaska does not have any affiliate transactions, but they do have intracompany allocations, which are reasonable.
34. It is reasonable for Onalaska to adopt the Federal Energy Regulatory Commission's ("FERC") Uniform System of Accounts ("USOA") and adhere to the FERC USOA instructions in accordance with 16 TEX. ADMIN. CODE § 7.310.
35. It is reasonable for Onalaska to file a compliance report detailing its methodology for compliance with the FERC USOA instructions within sixty (60) days of the effective date of the Final Order in this docket.
36. It is reasonable for Onalaska to track its employees' time between the water and gas divisions based on a weekly estimate by each employee of hours spent working for each division.
37. It is reasonable that any expenses associated with integrity testing and/or leak surveys, including any requirements in 16 TEX. ADMIN. CODE §§ 8.206-8.209, be reviewed annually and capitalized where applicable.
38. The Settlement does not include expenses for business gifts, entertainment, charitable donations, legislative advocacy, advertising expense that exceeds one-half of one percent of the gross receipts of the utility, funds for support or membership in social, recreational, fraternal, or religious organizations pursuant to Tex. Util. Code § 104.057 and 16 TEX. ADMIN. CODE § 7.5414.
39. The total actual and estimated rate case expenses requested by Onalaska are \$29,952.52.
40. Onalaska provided billings, invoices and evidence in support of its rate case expense request.
41. The billings, invoices and evidence provided in support of its rate cases expenses do not evidence double-billing, excess charges, inappropriate documentation of work, excessive entertainment and dining expenses.
42. Onalaska agreed in the Settlement to limit its rate case expenses to \$26,000.
43. The rate case expenses incurred were reasonably necessary to this rate-case docket. However, it is reasonable that Onalaska submit to Commission Staff invoices reflecting actual rate case expenses with sufficient detail so that Commission Staff can accurately audit such invoices for the purposes of reconciling estimated rate case expenses to actual rate case expenses to

ensure no case shall the total actual expense does not exceed the actual expenses submitted to the Commission as of June 1, 2017, plus the approved estimated expense of \$2500.

44. It is reasonable to allow Onalaska to recover rate case expenses with a recovery rate of \$0.97 per customer per month for approximately 36 months, or until the entire rate case expense amount is collected.
45. It is reasonable for Onalaska to file an annual Rate Case Expense Report with Commission Staff detailing the balance of actual plus estimated rate case expenses at the beginning of the annual period, the amount collected by customer class, and the ending or remaining balance within 90 days after each calendar year end.
46. The rates proposed by above Findings of Fact are just and reasonable and allow the utility to earn the cost of service approved herein.

#### **CONCLUSIONS OF LAW**

1. Onalaska is a gas utility as defined in Tex. Util. Code Ann. § 101.003(7) and Tex. Util. Code Ann. § 121.001 and is subject to the Commission's jurisdiction under Tex. Util. Code Ann. §§ 104.002 and 121.051.
2. The Commission has exclusive original jurisdiction over Onalaska and Onalaska's statement of intent under Tex. Util. Code Ann. § 102.001.
3. The Commission has exclusive appellate jurisdiction pursuant to Util. Code Ann. §§102.001 (b) and 103.001, et seq. (Vernon 2007 and Supp. 2016) to review a decision by a municipality that exercises its exclusive original jurisdiction, so long as, the decision is appealed in accordance with Gas Utility Regulatory Act (GURA) §103.051, et seq.
4. This proceeding was conducted in accordance with the requirements of GURA §§101.001 et seq., (Vernon 2007 and Supp. 2016) and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001 et seq., (Vernon 2008 and Supp. 2016).
5. The proposed rates constitute a major change as defined by Tex. Util. Code Ann. §104.101 (Vernon 2007 and Supp. 2016).
6. Onalaska's direct mail of notice to all customers meets the statutory and rule requirements of notice and provides sufficient information to ratepayers about the proposed rate increase in the Statement of Intent, in accordance with GURA §104.103(a) and 16 Tex. Admin. Code §§7.230 and 7.235 (2016).

7. The overall revenue requirement established in this Order will permit Onalaska a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public in excess of its reasonable and necessary operating expenses under Tex. Util. Code Ann. § 104.051 (Vernon 2007 and Supp. 2016).
8. The rates established in this Order will not yield more than a fair return on the adjusted value of the invested capital used and useful in providing service to the public, under Tex. Util. Code Ann. § 104.052 (Vernon 2007 and Supp. 2016).
9. The rates and rate design reflected in the findings of fact are just and reasonable, not unreasonably preferential, prejudicial, or discriminatory, but are sufficient, equitable, and consistent in application to each class of customer, under Tex. Util. Code Ann. § 104.003 (Vernon 2007 and Supp. 2016).
10. The Commission has assured that the rates, operations, and services established in this docket are just and reasonable to customers and to Onalaska in accordance with the stated purpose of the Texas Utilities Code, Subtitle A, expressed under Tex. Util. Code Ann. §101.002 (Vernon 2007 and Supp. 2016).
11. The rate case expenses approved herein are reasonable and comply with TEX. UTIL. CODE §103.022(b) and 16 Tex. Admin. Code § 7.5530(a)-(b).

**IT IS THEREFORE ORDERED** that the proposed schedule of rates under the *Unanimous Settlement Agreement* is hereby **APPROVED**.

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

**IT IS FURTHER ORDERED** that Onalaska shall file with the Oversight and Safety Division, within sixty (60) days of the effective date of the Final Order in this docket, a compliance document reflecting its proposed methodology for adoption and compliance with FERC USOA in accordance with the terms of the Unanimous Settlement Agreement.

**IT IS FURTHER ORDERED** that Onalaska file an annual Rate Case Expense Report with Commission Staff detailing recovery of rate case expenses as described in Finding of Fact 45 within 90 days after each calendar year end until the calendar year end in which the rate case expenses are fully recovered.

**IT IS FURTHER ORDERED** that, in accordance with 16 TEX. ADMIN. CODE § 7.315, within 30 days of the date this Order, Onalaska shall electronically file tariffs and rate schedules with the Director of the Commission's Oversight & Safety Division.

The tariffs shall incorporate rates, rate design, and service charges consistent with this Final Order.

**IT IS FURTHER ORDERED** that all proposed findings of fact and conclusions of law not specifically adopted in this Final Order are hereby **DENIED**.

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

**IT IS FURTHER ORDERED** this Order will not be final and effective until 25 days after the Commission's Order is signed. 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. The time allotted for Commission action on a motion for rehearing in this docket prior to its being overruled by operation of law is hereby extended until 100 days from the date this Order is signed.

**SIGNED** this 14<sup>th</sup> day of August, 2017.

**RAILROAD COMMISSION OF TEXAS**

*Christi Craddick*

**CHAIRMAN CHRISTI CRADDICK**

*Ryan Sitton*

**COMMISSIONER RYAN SITTON**

*Wayne Christian*

**COMMISSIONER WAYNE CHRISTIAN**

ATTEST:

*Rochelle Way*  
**SECRETARY**

**GUD Docket No. 10617**

**TARIFFS**



Onalaska Water & Gas Supply Corporation  
Gas Rate Sheet  
Residential Service - Incorporated Areas

APPLICATION OF SCHEDULE

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

MONTHLY RATE

MONTHLY CUSTOMER CHARGE:           \$14.00

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

MONTHLY COMMODITY RATE:

The price payable by each residential customer for all consumption each month shall be \$11.5525 per Mcf (Commodity Rate), subject to the Cost of Gas Adjustment and other adjustments set forth below.

COST OF GAS ADJUSTMENT:

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

TAXES:

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

PIPELINE SAFETY AND REGULATORY PROGRAM FEE:

The Company shall recover a one-time annual fee as a surcharge to its existing rates for the Commission's Pipeline Safety and Regulatory Program Fee in the amount determined by the Commission for each service line reported to be in service at the end each calendar year, pursuant to Texas Utilities Code §121.211 and 16 Texas Admin. Code §8.201.

RATE CASE EXPENSE SURCHARGE:

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

**OTHER SURCHARGES:**

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

**PAYMENT:**

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

Onalaska Water & Gas Supply Corporation  
Gas Rate Sheet  
Residential Service - Environs

APPLICATION OF SCHEDULE

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

MONTHLY RATE

MONTHLY CUSTOMER CHARGE:           \$14.00

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

MONTHLY COMMODITY RATE:

The price payable by each residential customer for all consumption each month shall be \$11.5525 per Mcf (Commodity Rate), subject to the Cost of Gas Adjustment and other adjustments set forth below.

COST OF GAS ADJUSTMENT:

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

TAXES:

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

PIPELINE SAFETY AND REGULATORY PROGRAM FEE:

The Company shall recover a one-time annual fee as a surcharge to its existing rates for the Commission's Pipeline Safety and Regulatory Program Fee in the amount determined by the Commission for each service line reported to be in service at the end each calendar year, pursuant to Texas Utilities Code §121.211 and 16 Texas Admin. Code §8.201.

RATE CASE EXPENSE SURCHARGE:

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

**OTHER SURCHARGES:**

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

**PAYMENT:**

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

Onalaska Water & Gas Supply Corporation  
Gas Rate Sheet  
Commercial Service - Incorporated Areas

APPLICATION OF SCHEDULE

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

MONTHLY RATE

MONTHLY CUSTOMER CHARGE:       \$17.00

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

MONTHLY COMMODITY RATE:

The price payable by each commercial customer for all consumption each month shall be \$11.5525 per Mcf (Commodity Rate), subject to the Gas Cost Adjustment and other adjustments set forth below.

COST OF GAS ADJUSTMENT:

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

TAXES:

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

PIPELINE SAFETY AND REGULATORY PROGRAM FEE:

The Company shall recover a one-time annual fee as a surcharge to its existing rates for the Commission's Pipeline Safety and Regulatory Program Fee in the amount determined by the Commission for each service line reported to be in service at the end each calendar year, pursuant to Texas Utilities Code §121.211 and 16 Texas Admin. Code §8.201.

**RATE CASE EXPENSE SURCHARGE:**

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

**OTHER SURCHARGES:**

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

**PAYMENT:**

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

Onalaska Water & Gas Supply Corporation  
Gas Rate Sheet  
Commercial Service - Environs

APPLICATION OF SCHEDULE

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

MONTHLY RATE

MONTHLY CUSTOMER CHARGE:       \$17.00

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

MONTHLY COMMODITY RATE:

The price payable by each commercial customer for all consumption each month shall be \$11.5525 per Mcf (Commodity Rate), subject to the Gas Cost Adjustment and other adjustments set forth below.

COST OF GAS ADJUSTMENT:

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

TAXES:

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

PIPELINE SAFETY AND REGULATORY PROGRAM FEE:

The Company shall recover a one-time annual fee as a surcharge to its existing rates for the Commission's Pipeline Safety and Regulatory Program Fee in the amount determined by the Commission for each service line reported to be in service at the end each calendar year, pursuant to Texas Utilities Code §121.211 and 16 Texas Admin. Code §8.201.

**RATE CASE EXPENSE SURCHARGE:**

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

**OTHER SURCHARGES:**

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

**PAYMENT:**

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



Onalaska Water & Gas Supply Corporation  
Gas Rate Sheet  
Cost of Gas Adjustment Clause

A. APPLICABILITY

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

B. DEFINITIONS

1. Cost of Gas - The rate per billing unit or the total calculation under this clause, consisting of the commodity cost, a reconciliation component, and other purchased gas expenses.
2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase Sales Ratio.
3. Cost of Purchased Gas - The estimated cost for gas purchased by the Company from its supplier or the estimated weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase commodity cost of natural gas, but shall also include all reasonable fees for services such as gathering, treating, processing, transportation, capacity and/or supply reservation fees, and storage necessary for the movement of gas to the Company's city gate delivery point(s), and associated taxes.
4. Reconciliation Component – The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.
5. Reconciliation Audit - An annual review of the Company's books and records for each twelve month period ending with the production month of June to determine the amount of over or under collection occurring during such twelve month period. The audit shall determine: (a) the total amount paid for gas purchased by the Company per Section B(3) Cost of Purchased Gas to provide service to its general service customers during the period, (b) the revenues received from operation of the provisions of this cost of gas clause, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Clause, and (d) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of five (5) percent of purchases.
6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the twelve (12) month period ending June 30 by the sum of the volumes sold to general service customers during the same period. For the purpose of

this computation all volumes shall be stated at 14.65 psia. Such ratio as determined shall in no event exceed 5 percent lost and unaccounted for gas.

7. Reconciliation Account - The account maintained by the Company to assure that over time it will neither over nor under collect revenues as a result of the operation of the cost of gas clause. Entries shall be made monthly to reflect, (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records (per Section B(3)), (b) the revenues produced by the operation of this Cost of Gas Clause, (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority, (d) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of five (5) percent of purchases.
8. General Service Customers - those customers served under the Residential and Commercial rate schedules.

#### C. COST OF GAS

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

#### D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

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

#### E. PAYMENT FOR FUNDS

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

Onalaska Water & Gas Supply Corporation  
Gas Rate Sheet  
Tax Rider

APPLICABILITY

This Rider is applicable to any customer served under Residential and Commercial rate schedules served by Onalaska. The Company shall collect from customers on each monthly bill an amount equal to the taxes, fees and other charges imposed by regulatory or governmental authorities.

Onalaska Water & Gas Supply Corporation  
Gas Rate Sheet  
Rate Case Expense (RCE)

APPLICATION OF SCHEDULE

This schedule is applicable to any customer served under residential or commercial rate schedules in the city and environs served by Onalaska Water & Gas Supply Corporation, filed on March 24, 2017, GUD No. 10617. This schedule is for the recovery of rate case expenses and shall be in effect beginning on or after \_\_\_\_\_, 2017, for an approximate thirty-six (36) month period or until all approved expenses are collected.

MONTHLY RATE RECOVERY FACTOR

The rate payable shall be \$0.97 per customer per month.

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations; as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from the Company's office located at 647 Highway 356 South, Onalaska, TX 77360.

COMPLIANCE

The Company shall file an annual report with the Gas Services Department on or before March 1<sup>st</sup> of each year showing the beginning balance of the unrecovered rate case expense at January 1<sup>st</sup>, the amount recovered by customer class by month during the previous calendar year and the ending balance as of December 31<sup>st</sup>. Upon completion of the recovery, OW&GS shall file a final report within 60 days after the last billing cycle recovery from the customer. No interest will accumulate on the outstanding balance. Reports for the Commission should be filed electronically at [GUD\\_Compliance@rrc.texas.gov](mailto:GUD_Compliance@rrc.texas.gov) or at the following address:

Compliance Filing  
Oversight and Safety Division, Gas Services  
Railroad Commission of Texas  
P.O. Box 12967  
Austin, TX 78711-2967