BEFORE THE
RAILROAD COMMISSION OF TEXAS

APPLICATION BY WEST TEXAS GAS, INC. FOR TEST YEAR 2017 ANNUAL INTERIM RATE ADJUSTMENT FOR THE UNINCORPORATED AREAS OF THE COMPANY'S TEXAS SERVICE AREA	§ § § § §	**GAS UTILITIES DOCKET NO. 10668**

INTERIM RATE ADJUSTMENT ORDER

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the period provided by law pursuant to TEX. GOV'T CODE ANN. Chapter 551 (2013). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders:

FINDINGS OF FACT

Background

1. West Texas Gas, Inc. ("WTG" or the "Company") 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. WTG owns and operates a natural gas distribution system.

3. On November 1, 2017, WTG filed an application for an annual interim rate adjustment ("IRA") applicable to the unincorporated customers located in its Texas Service Area.

4. On November 1, 2017, WTG requested that the IRA become effective on January 1, 2018.

5. On November 3, 2017, the Commission suspended implementation of the Company's revised IRA until February 15, 2018, which would be 45 days following the implementation date of January 1, 2018.

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 IRA.

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

8. One letter of protest was received in this docket.

9. As of the date of this interim order, no further questions or comments were received by the Commission from the protestant.

10. The first IRA for WTG was GUD No. 10418, which was approved April 28, 2015.

11. The second IRA for WTG was GUD No. 10479, which was approved February 23, 2016.

12. The third IRA for WTG was GUD No. 10563, which was approved January 24, 2017.

13. This docket represents the fourth annual IRA for WTG since Gas Utility Docket ("GUD") No. 10235[1], the most recent rate case for the unincorporated service areas in Texas.

14. 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 (SOI) case, including a comprehensive cost of service rate review.

15. The revised 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, without the necessity of filing a statement of intent rate case and without review by the Commission of the Company's comprehensive cost of service.

Applicability

16. This docket applies to only those rates over which the Commission has original jurisdiction, which includes the Company's unincorporated service areas in Texas.

17. As of December 31, 2016, WTG had approximately 20,967 total Texas customers of which 17,171 were jurisdictional and 3,796 non-jurisdictional. There were 3,450 domestic and 57 non-domestic unincorporated customers, over which the Commission has exclusive jurisdiction in this docket.

Most Recent Comprehensive Rate Case

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

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

20. WTG and the interveners in GUD No. 10235 reached a settlement in that proceeding.

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[1] *Statement of Intent filed by West Texas Gas Inc., to Increase Gas Distribution Rates in the Unincorporated Areas of Texas.*

21. The Commission signed GUD No. 10235 Final Order on June 13, 2013, approving and adopting the settlement.

22. The following chart shows the factors that were established in GUD No. 10235 to calculate the return on investment, depreciation expense, ad valorem taxes, revenue related taxes, and federal income taxes for the Company as applied in this IRA proceeding.

GUD NO. 10235 IRA FACTORS

Factor	WTG
Rate of Return	7.91%
Depreciation Rate	Various[2]
Federal Income taxes	35%

Interim Rate Adjustment

23. The revenue amounts to be recovered through WTG's revised annual IRA for WTG are incremental to the revenue requirement established in the Company's most recent rate case for the area in which the IRA is to be implemented, GUD No. 10235, and subsequent IRA filings.

24. 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.

25. In GUD No. 10418, the first IRA following its most recent rate case in GUD No. 10235, WTG adjusted its rates based on the difference between its invested capital at the end of its SOI case test year ended June 30, 2012, and the incremental invested capital at the end of December 31, 2013.

26. In GUD No. 10479, the second IRA, WTG adjusted its rates based on the difference between invested capital from December 31, 2013 and December 31, 2014.

27. In GUD No. 10563, the third IRA, WTG adjusted its rates based on the difference between invested capital from December 31, 2014 and December 31, 2015.

28. In this fourth interim adjustment, WTG adjusted its rates based on the difference between invested capital from test year end December 31, 2015 to calendar year end December 31, 2016.

[2] Staff's review confirms that the Company used the appropriate depreciation rates as approved in GUD No. 10235, in this docket.

29. WTG seeks approval from the Commission for an adjustment to its revenue based on incremental net utility plant investment regarding the following components: return on investment; depreciation expense; ad valorem taxes; and federal income taxes. The incremental change in revenue requirement that is recoverable through WTG's original IRA filing from all rate classes using the approved component factors is **$616,733** (Exhibit B), of which **$225,698** is recoverable from the jurisdictional customers; of that amount **$46,096**[3] is recoverable from the unincorporated jurisdictional customers.

30. On November 28, 2017, WTG filed revised schedules to reflect a change to the contribution in aid of construction (CIAC). The revised schedules show an increased revenue requirement of $228,157 (Exhibit B), which is recoverable from the jurisdictional customers, of that amount $46,598 is recoverable from the unincorporated jurisdictional customers. WTG has elected to recover the lower revenue requirement of $225,698, which was originally requested and noticed.

31. On February 5, 2018, the company voluntarily extended the statutory deadline from February 15, 2018 to March 21, 2018.

32. 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.

33. WTG's increase in net utility plant investment, in Texas, is **$3,744,645**.[4]

34. WTG 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 the Company's most recent rate case for the area in which the IRA is to be implemented, GUD No. 10235.

35. WTG filed the Commission's Annual Earnings Monitoring Report (EMR) as required by 16 TEX. ADMIN. CODE § 7.7101. The Company's actual rate of return was 2.85% for the test year ended December 31, 2016, which does not exceed 75 basis points above the return established in GUD. No. 10235, which was 7.91%.

36. The Final Order in GUD No. 10235, WTG's most recent SOI rate case for the unincorporated service areas and the basis for the key factors in this IRA calculation, was approved by the Commission on June 13, 2013. The customer charges, set in this Order, are shown in Column B of the table below.

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[3] There's a difference in the IRA allocation amount recoverable from Commission Regulation customers, from Exhibit B - WP Meter Count (2), due to rounding.

[4] Exhibit B, IRA-3(2), of the revised Application.

37. The IRA approved for GUD No. 10418, the first IRA is shown in Column C, of the table below.

38. The IRA approved for GUD No. 10497, the second IRA is shown in Column D, of the table below.

39. The IRA approved for GUD No. 10563, the third IRA is shown in Column E, of the table below.

40. This docket, GUD No. 10668, is the fourth IRA and is shown in Column F, of the table below.

41. When the Customer Charges, as established in GUD No. 10235, and the IRAs (Columns B, C, D, E, and F) are added, the resulting customer charges for the affected customer classes are shown in Column G, of the table below.

WTG Unincorporated Service Area Customer Charges and IRA Increase

A	B	C	D	E	F	G
Customer Type	GUD 10235	GUD 10418 (2013 IRA)	GUD 10497 (2014 IRA)	GUD 10563 (2015 IRA)	GUD 10668 (2016 IRA)	New Customer Charge
Domestic	$10.00	$2.02	$0.62	$0.59	$0.93	$14.16
Non-Domestic	$13.70	$5.33	$1.69	$1.57	$2.47	$24.76

42. WTG filed its Annual Project Report as required by 16 TEX. ADMIN. CODE § 7.7101.
    a. Net Texas capital additions included in this docket totaled $3,744,645.[5]
    b. Gross capital project additions for Texas totaled $7,712,798.[6]
    c. Safety-related improvements/infrastructure projects are 1.07% of total net additions.[7]
    d. Integrity testing projects are 0.00% of total net additions.[8]
    e. Distribution Integrity Management Program (DIMP) projects are 47.17% of the total net additions.[9]
    f. Pipeline Integrity Management Program (IMP) projects are 3.11% of the total net additions.[10]

43. WTG proposed the IRA as a flat rate to be applied to the monthly customer charges rather than as a volumetric rate to be applied to the initial block usage rates.[11]

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5 Exhibit B, IRA-3(2), of the revised Application.
6 Exhibit B, IRA-9, of the revised Application.
7 WTG's Response to Staff's RFI No. 1-7.
8 WTG's Response to Staff's RFI No. 1-8.
9 WTG's Response to Staff's RFI No. 1-9.
10 WTG's Response to Staff's RFI No. 1-10.

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

45. The revised IRA 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 IRA.

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

Notice

47. Adequate notice by WTG was provided to its domestic and non-domestic customers via direct mailing on December 4, 2017, and thus completed within 45 days of the filing, fulfilling the requirements under TEX. UTIL. CODE § 104.301(a).

Comprehensive Rate Case Required

48. WTG is not required to initiate a statement of intent rate case at the time it applies for an IRA.

49. Under 16 TEX. UTIL. CODE § 7.7101(l), 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 no later than the 180th day after that anniversary.

50. WTG is required to file a statement of intent rate case for the unincorporated areas of the Company's Texas service area to the Commission no later than October 25, 2020.

51. Under 16 TEX. ADMIN. CODE § 7.7101(j), any change in investment and related expenses and revenues that have been included in an IRA 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 IRA tariff are subject to refund until the conclusion of the next rate case.

Review of Interim Rate Adjustment

52. WTG's proposed allocation methodology complies with TEX. UTIL. CODE § 104.301 and with 16 TEX. ADMIN. CODE § 7.7101.

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[11] Exhibit B, IRA-3(2), of the revised Application.

53. It is reasonable for the Commission to approve use of the allocation methodology used to determine WTG'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 WTG's interim rate adjustments are reasonable:

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

Customer Class	Allocation Factors
Domestic	0.7607
Non-Domestic	0.2393
Total	1.0000

54. WTG'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 monthly summation of customer bills. The following total numbers of customer charges for use in the calculation of the IRA are reasonable:

Customer count for the unincorporated jurisdictional areas of WTG's Service Area, in Texas

Customer Class	Annual Number of Customers
Domestic	3,450
Non-Domestic	57
Total	3,507

55. It is reasonable for the Commission to approve WTG's application for the IRA. The following amounts of the IRA revenue and additional customer charges by customer class are reasonable:

IRA Revenue by Customer Class and Service Area

Customer Class	IRA Revenue from Unincorporated Service Areas	IRA Revenue from Incorporated Service Areas	Additional Customer Charge
Domestic	$45,347	$156,442	$0.93
Non-Domestic	$ 749	$ 23,160	$2.47
Total Increase	$46,096	$179,602	

Voluntary Rate Reduction to Reflect the Tax Cuts and Jobs Act of 2017

56. WTG voluntarily requested a reduction to the change in revenue requirement based on implementation of the 21% Federal Corporate Income Tax rate as set in the Tax Cuts and Jobs Act of 2017.

57. As a result of the change, the Company filed revised schedules and WTG seeks approval from the Commission for a revised adjustment to its IRA revenue based on incremental net utility plant investment with regard to the following components: return on investment; depreciation expense; ad valorem taxes; and federal income taxes. The incremental change in revenue requirement, calculated using a 21% Federal Income Tax rate, to be recovered through this IRA filing from all rate classes using the approved component factors is **$589,576** (Exhibit C), which **$218,111** is recoverable from the jurisdictional customers; of that amount **$44,547** is recoverable from the unincorporated jurisdictional customers.

58. The Final Order in GUD No. 10235, WTG's most recent SOI rate case for the unincorporated service areas and the basis for the key factors in this IRA calculation, was approved by the Commission on June 13, 2013. The customer charges, set in this Order, are shown in Column B of the table below.

59. The IRA approved for GUD No. 10418, the first IRA is shown in Column C, of the table below.

60. The IRA approved for GUD No. 10497, the second IRA is shown in Column D, of the table below.

61. The IRA approved for GUD No. 10563, the third IRA is shown in Column E, of the table below.

62. This docket, GUD No. 10668, is the fourth IRA and is shown in Column F, of the table below.

63. When the Customer Charges, as established in GUD No. 10235, and the IRAs (Columns B, C, D, E, and F) are added, the resulting customer charges for the affected customer classes are shown in Column G, of the table below.

WTG Unincorporated Service Area Customer Charges and IRA Increase

A	B	C	D	E	F	G
Customer Type	GUD 10235	GUD 10418 (2013 IRA)	GUD 10497 (2014 IRA)	GUD 10563 (2015 IRA)	GUD 10668 (2016 IRA)	New Customer Charge
Domestic	$10.00	$2.02	$0.62	$0.59	$0.90	$14.13
Non-Domestic	$13.70	$5.33	$1.69	$1.57	$2.39	$24.68

64. It is reasonable for the Commission to approve WTG's revised application for interim rate adjustment calculated using a 21% Federal Income Tax rate as requested by WTG in this docket. The following amounts of interim rate adjustment revenue and additional customer charges by customer class are reasonable:

IRA Revenue by Customer Class and Service Area

Customer Class	IRA Revenue from Unincorporated Service Areas	IRA Revenue from Incorporated Service Areas	Additional Customer Charge
Domestic	$43,823	$151,182	$0.90
Non-Domestic	$ 724	$ 22,381	$2.39
Total Increase	$44,547	$173,563[12]	

Reimbursements of Expense

65. 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.

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

67. 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 consider 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.

68. WTG is required to reimburse the Commission for the amount determined by the Director of the Oversight and Safety Division, within 30 days after receipt of notice of the amount of the reimbursement.

[12] There's a difference in the IRA allocation amount recoverable from the incorporated service areas, in Exhibit C - WP Meter Count, due to rounding.

CONCLUSIONS OF LAW

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

2. The Commission has jurisdiction over WTG's application for an IRA 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.

3. Under TEX. UTIL. CODE ANN. § 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.

4. Under the provisions of the TEX. UTIL. CODE ANN. § 104.301 and 16 TEX. ADMIN. CODE § 7.7101, WTG is required to seek Commission approval before implementing an interim rate adjustment tariff for the environs 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 and 16 TEX. ADMIN. CODE § 7.7101.

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

7. In accordance with 16 TEX. ADMIN. CODE § 7.315, within 30 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 and 16 TEX. ADMIN. CODE § 7.315.

9. In accordance with TEX. UTIL. CODE ANN. § 104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(a), 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) 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.

11. WTG shall include in all future annual IRA 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.

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

13. WTG is required, under 16 TEX. ADMIN. CODE § 7.7101(h), 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 revised implementation date of the previous IRA application.

14. In accordance with 16 TEX. ADMIN. CODE § 7.7101(i), 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.

15. In accordance with 16 TEX. ADMIN. CODE § 7.7101(j), 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 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.

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

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

18. WTG's application for an interim rate adjustment, as revised, complies with all provisions of TEX. UTIL. CODE ANN. § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.

19. WTG's interim rate adjustments set forth in the findings of fact and conclusions of law in this Order comply with the provisions of TEX UTIL. CODE ANN. § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.

20. In accordance with TEX. UTIL. CODE ANN. §104.301(h) and 16 TEX. ADMIN. CODE § 7.7101(l), 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.

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

IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS THAT West Texas Gas' interim rate adjustment for the unincorporated service area as recommended to be approved in the findings of fact and conclusions of law, is **HEREBY APPROVED** to be effective for bills rendered on or after the date of this order.

IT IS FURTHER ORDERED THAT within 30 days of this order in accordance with 16 TEX. ADMIN. CODE § 7.315 West Texas Gas **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 West Texas Gas **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) and 16 TEX. ADMIN. CODE § 7.7101(l).

IT IS FURTHER ORDERED THAT any incremental change in rates approved by this order and implemented by West Texas Gas shall be subject to refund unless and until West Texas Gas's interim rate adjustment tariffs are electronically filed and accepted by the Gas Services Department in accordance with 16 TEX. ADMIN. CODE § 7.315.

IT IS FURTHER ORDERED THAT West Texas Gas **SHALL** reimburse the estimated expenses incurred by the Commission in reviewing this application. 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 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 20th day of March 2018.

RAILROAD COMMISSION OF TEXAS

Christi Craddick

CHRISTI CRADDICK
CHAIRMAN

RYAN SITTON
COMMISSIONER

WAYNE CHRISTIAN
COMMISSIONER

ATTEST

Shari Walter

Deputy **SECRETARY**

GUD NO. 10668

EXHIBIT A

Tariffs

GUD No. 10688
Exhibit A
Proposed Tariff

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 municipal ordinance or operation of law.)***
EFFECTIVE DATE:	**Bills Rendered on and after 1/1/2018**

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
2013 GRIP Charge	$ 2.02
2014 GRIP Charge	$ 0.62
2015 GRIP Charge	$ 0.59
2016 GRIP Charge	$ 0.90
Total Customer Charge	$14.13 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.

<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.

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.

GUD No. 10688
Exhibit A
Proposed Tariff

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 municipal ordinance or operation of law)***
EFFECTIVE DATE:	**Bills Rendered on and after 1/1/2018**

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
2013 GRIP Charge	$ 5.33
2014 GRIP Charge	$ 1.69
2015 GRIP Charge	$ 1.57
2016 GRIP Charge	$ 2.39
Total Customer Charge	$24.68 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 municipal ordinance or operation of law*)**
EFFECTIVE DATE:	**Bills Rendered on and after 1/1/2018**

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
2013 GRIP Charge	$ 2.02
2014 GRIP Charge	$ 0.62
2015 GRIP Charge	$ 0.59
2016 GRIP Charge	$ 0.90
Total Customer Charge	$14.13 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.

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: 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 municipal ordinance or operation of law*)**
EFFECTIVE DATE:	**Bills Rendered on and after 1/1/2018**

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
2013 GRIP Charge	$ 5.33
2014 GRIP Charge	$ 1.69
2015 GRIP Charge	$ 1.57
2016 GRIP Charge	<u>$ 2.39</u>
Total Customer Charge	$24.68 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.

<u>Gas Cost Adjustment</u>
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.

<u>Purchased Gas Cost Component</u>
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.

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: 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 municipal ordinance or operation of law.)***
EFFECTIVE DATE:	**Bills Rendered on and after 1/1/2018**

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
2013 GRIP Charge	$ 2.02
2014 GRIP Charge	$ 0.62
2015 GRIP Charge	$ 0.59
2016 GRIP Charge	$ 0.90
Total Customer Charge	$14.13 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.

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.

GUD No. 10688
Exhibit A
Proposed Tariff

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 municipal ordinance or operation of law.)***
EFFECTIVE DATE:	**Bills Rendered on and after 1/1/2018**

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
2013 GRIP Charge	$ 5.33
2014 GRIP Charge	$ 1.69
2015 GRIP Charge	$ 1.57
2016 GRIP Charge	$ 2.39
Total Customer Charge	$24.68 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.

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.

GUD No. 10688
Exhibit A
Proposed Tariff

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 municipal ordinance or operation of law.)***
EFFECTIVE DATE:	**Bills Rendered on and after 1/1/2018**

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
2013 GRIP Charge	$ 2.02
2014 GRIP Charge	$ 0.62
2015 GRIP Charge	$ 0.59
2016 GRIP Charge	$ 0.90
Total Customer Charge	$14.13 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.

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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.

GUD No. 10688
Exhibit A
Proposed Tariff

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 municipal ordinance or operation of law.)***
EFFECTIVE DATE:	**Bills Rendered on and after 1/1/2018**

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
2013 GRIP Charge	$ 5.33
2014 GRIP Charge	$ 1.69
2015 GRIP Charge	$ 1.57
2016 GRIP Charge	$ 2.39
Total Customer Charge	$24.68 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
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(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
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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 Rèconciliation 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.

GUD No. 10688
Exhibit A
Proposed Tariff

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 municipal ordinance or operation of law.)***
EFFECTIVE DATE:	**Bills Rendered on and after 1/1/2018**

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
2013 GRIP Charge	$ 2.02
2014 GRIP Charge	$ 0.62
2015 GRIP Charge	$ 0.59
2016 GRIP Charge	$ 0.90
Total Customer Charge	$14.13 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.

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.

GUD No. 10688
Exhibit A
Proposed Tariff

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 municipal ordinance or operation of law.)***
EFFECTIVE DATE:	**Bills Rendered on and after 1/1/2018**

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
2013 GRIP Charge	$ 5.33
2014 GRIP Charge	$ 1.69
2015 GRIP Charge	$ 1.57
2016 GRIP Charge	$ 2.39
Total Customer Charge	$24.68 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.

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.

GUD NO. 10668

EXHIBIT B

Schedules

Summary
WEST TEXAS GAS, INC.
Period Ended December 31, 2016

Line No.	Description (a)		12/31/15 Prior Year	Reference (c)		12/31/16 Current Year (d)	Reference (e)
1	Net Investment	$	85,582,838	IRA-7, Col (J), Line 35	$	89,327,483	IRA -8, Col (I), Line 35
2	Increase In Net Investment				$	3,744,645	IRA-9, Col (J), Line 35
3	Authorized Return on Capital					7.9100%	IRA-15, Col (c), Line 8
4							
5	Change In Return on Net Investment				$	296,201	(Col (d), Line 2) times (Col (d), Line 3)
6	Change In Depreciation Expense				$	221,587	(IRA-10, Col (I), Line 35) minus (IRA-13, Col (g), Line 35)
7	Change In Federal, Revenue, and Other Taxes				$	98,945	(IRA-5, Col (g), Line 6) plus (IRA-5, Col (g), Line 15) plus (IRA-6, Col (c), Line 20)
8							
9	Change In Revenue Requirement				$	616,733	Sum of Lines 5 thru 7, Col (d)
10	Percentage Texas Operations - Jurisdictional					36.9945%	From GUD 10235, Schedule K-1 1, Line 10, Col (c) and Col (d)
11							
12	Change In Revenue Requirement - Texas Jurisdictional Operation				$	228,157	Col (d), Line 9 times Line 10
13	Change In Revenue Requirement - Texas Jurisdictional Operation as Initially filed			1/	$	225,698	
14							
15	Annual Number of Bills					20 6,0 52	(WP Meter Count (2) Col (b), Line 17) times 12
16	Increase Per Bill Per Month					See Below	
17	(to be applied to monthly customer charge or initial block rate, check one)						
18	__X__ Monthly Customer Charge						
19	_____ Initial Block Rate						

CURRENT AND PROPOSED BILL INFORMATION - WITH GAS COSTS

Line No.	Description		Current Billing		Proposed Billing		Difference	% Change
19	Description		Current		Proposed			
20			Billing		Billing		Difference	% Change
21								
22	Texas Domestic Customers - Average Monthly Bill @ 6 MCF							
23	Cost of Gas 2/	$	13.42	$	13.42	$	-	0.00%
24	Rate Schedule - Texas Domestic 3/	$	3.76	$	3.76	$	-	0.00%
25	Average Monthly Volume		6		6		-	0.00%
26	Line8 X Line 9		22.56		22.56		-	0.00%
27	Customer Charge		13.23		14.16		0.93	7.03%
28	Total Billing	$	49.21	$	50.14	$	0.93	1.89%
29							1/	
30								
31	Texas Non-Domestic Customers -Average Monthly Bill @ 30 MCF							
32	Cost of Gas 2/	$	67.11	$	67.11	$	-	0.00%
33	Rate Schedule - Texas Domestic 3/	$	2.59	$	2.59	$	-	0.00%
34	Average Monthly Volume		30		30		-	0.00%
35	Line 16 X Line 17		77.70		77.70		-	0.00%
36	Customer Charge		22.29		24.76		2.47	11.08%
37	Total Billing	$	167.10	$	169.57	$	2.47	1.48%
							1/	

CURRENT AND PROPOSED BILL INFORMATION - WITHOUT GAS COSTS

Line No.	Description		Current Billing		Proposed Billing		Difference	% Change
38	Description		Current		Proposed			
39			Billing		Billing		Difference	% Change
40								
41	Texas Domestic Customers - Average Monthly Bill @ 6 MCF							
42	Rate Schedule - Texas Domestic 3/	$	3.76	$	3.76	$	-	0.00%
43	Average Monthly Volume		6		6		-	0.00%
44	Line 8 X Line 9		22.56		22.56		-	0.00%
45	Customer Charge		13.23		14.16		0.93	7.03%
46	Total Billing	$	35.79	$	36.72	$	0.93	2.60%
47							1/	
48								
49	Texas Non-Domestic Customers -Average Monthly Bill @ 30 MCF							
50	Rate Schedule - Texas Non-Domestic 3/	$	2.59	$	2.59	$	-	0.00%
51	Average Monthly Volume		30		30		-	0.00%
52	Line 16 X Line 17		77.70		77.70		-	0.00%
53	Customer Charge		22.29		24.76		2.47	11.08%
54	Total Billing	$	99.99	$	102.46	$	2.47	2.47%
							1/	

1/ On WTG's initial filing of it's 4th annual Interim Cost Recovery and Rate Adjustment Report, contributions in aid of construction were accounted for incorrectly. Correcting this error caused the change in revenue requirement for Texas Jurisdictional Operations to increase from $225,698 to $228,157 which in turn increased the monthly domestic customer charge by $.01, and the non-domestic customer charge by $.03. Since the changes were minor, WTG decided to leave the proposed change in revenue requirement, $225,698, and customer charges $0.93 domestic and $2.47 non-domestic, as initially submitted to the commission on November 1, 2017.

2/ Cost of gas calculated using WTG's North Gas Cost Zone's PGA for August 2017

3/ GUD 10235, Amended Unanimous Settlement Agreement, Page 2, Item 2

REVENUE RELATED AND OTHER TAXES
WEST TEXAS GAS, INC.
Period Ended December 31, 2016

Line No.	Description	Total	Allocation Adjustments	12 Month End As Adjusted (at Present Rates)	Adjustments	12 Month End As Adjusted (at Proposed Rates)	Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	**Non Revenue - Related**						
2							
3	AD VALOREM TAXES 408.1	$ 1,327,547	$ (136,402)	$ 1,191,145	$ 44,744	$ 1,235,889	$ 44,744
4	AD VALOREM TAXES 408.2	$ 32,108	$ (17,030)	$ 15,078	$ 566	$ 15,644	$ 566
5							
6	**Total Non- Revenue Related Taxes**	$ 1,359,655	$ (153,432)	$ 1,206,223	$ 45,310	$ 1,251,533	$ 45,310
7			1/		2/		
8	**Revenue - Related**						
9							
10	FRANCHISE TAX 408.1	$ -	$ -	$ -	$ -	$ -	$ -
11	FRANCHISE TAX 408.2	$ 8,323	$ (4,415)	$ 3,908	$ -	$ 3,908	$ -
12	OTHER TAXES 408.2	$ 8,594	$ -	$ 8,594	$ -	$ 8,594	$ -
13	MISC RECEIPTS TAX 408.1	$ 72,253	$ (711)	$ 71,542	$ -	$ 71,542	$ -
14							
15	**Total Revenue Related Taxes**	$ 89,170	$ (5,126)	$ 84,044	$ -	$ 84,044	$ -
16			1/		3/		
17							
18							
19							
20	Notes:						
21	1/ Represents the amount allocated to non-Texas Operations using the same allocation factors as used for O&M from GUD 10235 Rate Study Workpapers						
22							
23	2/ Increase in Net Investment	$ 3,744,645	IRA-3 (2), Line 2, Col (d)				
24	Required Property Tax Factor	1.210%	GUD 10235, Amended Unanimous Settlement Agreement, Item 4-b, Page 3				
25	Change in Non Revenue Related Taxes	$ 45,310	Col (b) Line 23 times Line 24				
26							
27	3/ No portion of this tax expense is being included with this filing. While a portion of the expense can be allocated to Texas operations, WTG does not have an						
28	allocation method developed to calculate the taxes related to the increased investment for this filing period.						

FEDERAL INCOME TAX
WEST TEXAS GAS, INC.
Period Ended December 31, 2016

Line No.	Description	12/31/15 PRIOR YEAR	Amount	12/31/16 CURRENT YEAR	Amount
	(a)	(b)	(c)	(d)	(e)
1	Return on Investment				
2	Invested Capital (Rate Base)	$ 85,582,838		$ 89,327,483	
3	Rate of Return (IRA-15, Col (c), Line 8)	7.9100%		7.9100%	
4	Return on Investment		$ 6,769,602		$ 7,065,804
5					
6	Interest Expense				
7	Invested Capital (Rate Base)	$ 85,582,838		$ 89,327,483	
8	Weighted Cost of Debt (IRA-15, Col (c), Line 4)	5.2500%		5.2500%	
9	Interest Expense		$ 4,493,099		$ 4,689,693
10					
11	After Tax Income		$ 2,276,503		$ 2,376,111
12					
13	Gross-up Factor	=1+(C17/(1-C17)	1.538461538	=1+(E17/(1-E17)	1.538461538
14					
15	Before Tax Return		$ 3,502,312		$ 3,655,556
16					
17	Federal Income Tax Rate		35.00%		35.00%
18					
19	Federal Income Tax		$ 1,225,809		$ 1,279,444
20	CHANGE IN FEDERAL INCOME TAX		$ 53,635		

INVESTMENT DETAIL (TO BE RECOVERED THROUGH INTERIM FILING)
WEST TEXAS GAS, INC.
ALLOCATED TO TEXAS
TWELVE MONTH PERIOD ENDING DECEMBER 31, 2016

Line No.	(a) NARUC Account No.	(b) Notes: See Note Tab	(c) FERC Account No.	(d) FERC Account Titles	(e) Original Cost Allocated to Texas	(f) RRC Approved Depreciation Rates	(g) Provision For Depreciation	(h) Accumulated Depreciation	(i) Less Adjustments	(j) Net Plant Allocated to Texas
1				*1. INTANTIBLE PLANT*						
2	301.0		301.0	ORGANIZATION	$ -	0.00%	$ -	$ -	$ -	$ -
3	302.0		302.0	FRANCHISES & CONSENTS	$ -	0.00%	$ -	$ -	$ -	$ -
4	303.0		303.0	MISCELLANEOUS INTANGIBLE PLANT	$ 62,331	17.60%	$ (0)	$ 57,593	$ -	$ 4,738
5				TOTAL INTANGIBLE PLANT	$ 62,331		$ (0)	$ 57,593	$ -	$ 4,738
6				*2. PRODUCTION AND GATHERING PLANT*						
7	332.0		332.0	FIELD LINES	$ -	3.32%	$ (10,119)	$ 101,187	$ -	$ (101,187)
8	333.0		333.0	FIELD COMPRESSOR STATION EQUIPMENT	$ -	0.00%	$ -	$ -	$ -	$ -
9	334.0		334.0	FIELD MEASURING & REGULATING STATION EQUIPMENT	$ -	0.00%	$ -	$ -	$ -	$ -
10				TOTAL PRODUCTION AND GATHERING PLANT	$ -		$ (10,119)	$ 101,187	$ -	$ (101,187)
11				*3. TRANSMISSION PLANT*						
12	365.2		365.2	RIGHTS-OF-WAY	$ -	0.50%	$ (2,217)	$ 26,896	$ -	$ (26,896)
13	366.0		366.0	MEASURING & REGULATING STATION STRUCTURE	$ -	2.36%	$ 3,530	$ 3,530	$ -	$ (3,530)
14	367.0		367.0	MAINS	$ 1,049,688	2.12%	$ (2,676)	$ 633,936	$ -	$ 415,751
15	368.0		368.0	COMPRESSOR STATION EQUIPMENT	$ -	7.84%	$ 0	$ 3,056	$ -	$ (3,056)
16	369.0		369.0	MEASURING & REGULATING STATION EQUIPMENT	$ 261,230	5.92%	$ 3,893	$ 59,651	$ -	$ 201,579
17	371.0		371.0	OTHER EQUIPMENT	$ 6,164	7.31%	$ 1,832	$ 15,677	$ -	$ (9,513)
18				TOTAL TRANSMISSION PLANT	$ 1,317,081		$ 4,362	$ 742,747	$ -	$ 574,335
19				*4. DISTRIBUTION PLANT*						
20	376.0		376.0	MAINS	$ 5,740,429	2.36%	$ (416,166)	$ 1,794,470	$ (822,848)	$ 3,123,112
21	377.0		377.0	COMPRESSOR STATION EQUIPMENT	$ -	5.85%	$ 1	$ 20,957	$ -	$ (20,957)
22	378.0		378.0	MEASURING & REGULATING STATION EQUIPMENT	$ 139,893	3.56%	$ 3,914	$ 188,454	$ -	$ (48,561)
23	387.0		387.0	OTHER EQUIPMENT	$ 77,390	4.18%	$ 2,896	$ 25,989	$ -	$ 51,401
24				TOTAL DISTRIBUTION PLANT	$ 5,957,712		$ (409,355)	$ 2,029,870	$ (822,848)	$ 3,104,994
25				*5. GENERAL PLANT*						
26	389.0		389.0	LAND & LAND RIGHTS - DEPR	$ -	2.45%	$ 0	$ 154,562	$ -	$ (154,562)
27	389.1		389.1	LAND & LAND RIGHTS - NON-DEPR	$ 4,920	0.00%	$ -	$ -	$ -	$ 4,920
28	390.0		390.0	STRUCTURES & IMPROVEMENTS	$ 44,094	2.49%	$ 926	$ 17,962	$ -	$ 26,132
29	391.0		391.0	OFFICE FURNITURE & EQUIPMENT	$ 37,062	2.89%	$ 8,586	$ 12,285	$ -	$ 24,777
30	392.0		392.0	TRANSPORTATION EQUIPMENT	$ 245,867	9.93%	$ 10,237	$ (30,187)	$ -	$ 276,054
31	394.0		394.0	TOOLS, SHOP & GARAGE EQUIPMENT	$ 35,670	4.94%	$ 642	$ 44,243	$ -	$ (8,573)
32	397.0		397.0	COMMUNICATION EQUIPMENT	$ -	10.84%	$ (487)	$ 9,508	$ -	$ (9,508)
33	398.0		398.0	MISCELLANEOUS EQUIPMENT	$ 8,061	5.12%	$ 121	$ 5,537	$ -	$ 2,524
34				TOTAL GENERAL PLANT	$ 375,674		$ 20,024	$ 213,910	$ -	$ 161,764
35				TOTAL	$ 7,712,798		$ (395,088)	$ 3,145,306	$ (822,848)	$ 3,744,645
					1/		1/	1/	1/	1/

1/ Represents IRA-8 minus IRA-7

WEIGHTED AVERAGE COST OF CAPITAL
WEST TEXAS GAS, INC.
PER MOST RECENT RATE CASE - GUD DOCKET NO. 10235

Per Last Rate Case
GUD No. 10235

Line No.		Percent Equity/Debt	Cost	Weighted Cost
		(a)	(b)	(c)
1	Common Equity	50.00%	5.32%	2.66%
2	Preferred Stock	0.00%	0.00%	0.00%
3	Preferred Trust Securities	0.00%	0.00%	0.00%
4	Long-Term Debt	50.00%	10.50%	5.25%
5	Short-Term Debt			
6				
7				
8	Total	100.00%		7.91%

Rate of Return 7.91% allowed in Docket No. 10235

ALLOCATION OF INVESTMENT RECOVERY
WEST TEXAS GAS, INC.
Period Ended December 31, 2016

Allocation Factors Per Rate Case - GUD No. 10235		
Texas Domestic	0.760700	GUD 10235, Amended Unanimous Settlement Agreement, Item 4-f, Page 3
Texas Non-Domestic	0.239300	GUD 10235, Amended Unanimous Settlement Agreement, Item 4-f, Page 3
Total System:	1.000000	

Allocation Factors Requested in this filing		
Texas Domestic	0.760700	GUD 10235, Amended Unanimous Settlement Agreement, Item 4-f, Page 3
Texas Non-Domestic	0.239300	GUD 10235, Amended Unanimous Settlement Agreement, Item 4-f, Page 3
Total System:	1.000000	

New Investment Recovery Distribution								
Requested Recovery Amount	1/	$	225,698	IRA-3, Col (d), Line 13	Customer Bills		Customer Charge	
Texas Domestic	0.760700		171,688		15,352	WP Meter Count, Line 15, Col (b)	$	0.93
Texas Non-Domestic	0.239300		54,010		1,819	WP Meter Count, Line 16, Col (b)	$	2.47
Total System	1.000000	$	225,698		17,171	WP Meter Count, Line 17, Col (b)		

1/ On WTG's initial filing of it's 4th annual Interim Cost Recovery and Rate Adjustment Report, contributions in aid of construction were accounted for incorrectly. Correcting this error caused the change in revenue requirement for Texas Jurisdictional Operations to increase from $225,698 to $228,157 which in turn increased the monthly domestic customercharge by $.01, and the non-domestic customer charge by $.03. Since the changes were minor, WTG decided to leave the proposed change in revenue requirement, $225,698, and customer charges $0.93 domestic and $2.47 non-domestic, as initially submitted to the commission on November 1, 2017.

WEST TEXAS GAS, INC.
AVERAGE MONTHLY CUSTOMER / METER COUNT
JANUARY - DECEMBER 2016

Line	Description (a)		Total (b)	Reference (c)
1	Subject to Commission Regulation			
2	Domestic		3,450	Sum of lines 6, 27, & 41 (WP Customer Count, col (d))
3	Non-Domestic		57	Sum of lines 6, 27, & 41 (WP Customer Count, col (e))
4	Total		3,507	Line 2 + Line 3
5				
6	Subject to City Regulation			
7	Domestic		11,902	(WP Customer Count, col (d), line 44) minus (WP Meter Count, col (b), line 2)
8	Non-Domestic		1,762	(WP Customer Count, Col (g), Line 44) minus (WP Meter Count, Col (b), Line 3)
9	Total		13,664	Line 7 + Line 8
10				
11	Non-Jurisdictional		3,796	WP Customer Count, Col (f), Line 44
12	Total		3,796	
13				
14				
15	Total Domestic		15,352	Line 2 + Line 7
16	Total Non-Domestic		1,819	Line 3 + Line 8
17	Total Jurisdictional Meter Count		17,171	Line 15 + Line 16
18	Total Non-Jurisdictional		3,796	Line 12
19	Total Meter Count		20,967	Line 17 + Line 18
20				
21				
22				
23				
24	Total Interim Rate Adjustment 1/	$	225,698	IRA-3(2), Col (d), Line 13
25				
26	IRA allocated for Commission Regulation (Based on Mtr Ct)	$	46,097	(Line 4 divided by Line 17) times Line 24
27	Domestic (additional customer charge of $0.93)		45,347	(Line 2 divided by Line 4) times Line 26
28	Non-Domestic (additional customer charge of $2.47)		749	(Line 3 divided by Line 4) times Line 26
29	IRA allocated for City Regulation (Based on Mtr Ct)	$	179,602	(Line 9 divided by Line 17) times Line 24
30	Domestic (additional customer charge of $0.93)		156,442	(Line 7 divided by Line 9) times Line 29
31	Non-Domestic (additional customer charge of $2.47)		23,160	(Line 8 divided by Line 9) times Line 29
32				
33		$	225,698	(Line 26 plus Line 29)

1/ On WTG's initial filing of it's 4th annual Interim Cost Recovery and Rate Adjustment Report, contributions in aid of construction were accounted for incorrectly. Correcting this error caused the change in revenue requirement for Texas Jurisdictional Operations to increase from $225,698 to $228,157 which in turn increased the monthly domestic customer charge by $.01, and the non-domestic customer charge by $.03. Since the changes were minor, WTG decided to leave the proposed change in revenue requirement, $225,698, and customer charges $0.93 domestic and $2.47 non-domestic, as initially submitted to the commission on November 1, 2017.

GUD NO. 10668

EXHIBIT C

Schedules

Summary
WEST TEXAS GAS, INC.
Period Ended December 31, 2016

Line No.	Description (a)	12/31/15 Prior Year	Reference (c)	12/31/16 Current Year (d)	Reference (e)
1	Net Investment	$ 85,582,838	IRA-7, Col (j), Line 35	$ 89,327,483	IRA -8, Col (i), Line 35
2	Increase in Net Investment			$ 3,744,645	IRA-9, Col (j), Line 35
3	Authorized Return on Capital			7.9100%	IRA-15, Col (c), Line 8
4					
5	Change in Return on Net Investment			$ 296,201	(Col (d), Line 2) times (Col (d), Line 3)
6	Change in Depreciation Expense			$ 221,587	(IRA-10, Col (I), Line 35) minus (IRA-13, Col (g), Line 35)
7	Change in Federal, Revenue, and Other Taxes			$ 71,788	(IRA-5, Col (g), Line 6) plus (IRA-5, Col (g), Line 15) plus (IRA-6, Col (c), Line 20)
8					
9	Change in Revenue Requirement			$ 589,576	Sum of Lines 5 thru 7, Col (d)
10	Percentage Texas Operations - Jurisdictional			36.9945%	From GUD 10235, Schedule K-1.1, Line 10, Col (c) and Col (d)
11					
12	Change in Revenue Requirement - Texas Jurisdictional Operation		1/	$ 218,111	Col (d), Line 9 times Line 10
13					
14	Annual Number of Bills			206,052	(WP Meter Count Col (b), Line 17) times 12
15	Increase Per Bill Per Month			See Below	
16	(to be applied to monthly customer charge or initial block rate, check one)				
17	X Monthly Customer Charge				
18	____ Initial Block Rate				

CURRENT AND PROPOSED BILL INFORMATION - WITH GAS COSTS

Line No.	Description	Current Billing	Proposed Billing	Difference	% Change
19					
20					
21					
22	Texas Domestic Customers - Average Monthly Bill @ 6 MCF				
23	Cost of Gas 2/	$ 13.42	$ 13.42	$ -	0.00%
24	Rate Schedule - Texas Domestic 3/	$ 3.76	$ 3.76	$ -	0.00%
25	Average Monthly Volume	6	6	-	0.00%
26	Line 24 X Line 25	22.56	22.56	-	0.00%
27	Customer Charge	13.23	14.13	0.90	6.80%
28	Total Billing (line 23 + 26 + 27)	$ 49.21	$ 50.11	$ 0.90	1.83%
29					
30					
31	Texas Non-Domestic Customers -Average Monthly Bill @ 30 MCF				
32	Cost of Gas 2/	$ 67.11	$ 67.11	$ -	0.00%
33	Rate Schedule - Texas Domestic 3/	$ 2.59	$ 2.59	$ -	0.00%
34	Average Monthly Volume	30	30	-	0.00%
35	Line 33 X Line 34	77.70	77.70	-	0.00%
36	Customer Charge	22.29	24.68	2.39	10.72%
37	Total Billing (line 32 + 35 + 36)	$ 167.10	$ 169.49	$ 2.39	1.43%

CURRENT AND PROPOSED BILL INFORMATION - WITHOUT GAS COSTS

Line No.	Description	Current Billing	Proposed Billing	Difference	% Change
38					
39					
40					
41	Texas Domestic Customers - Average Monthly Bill @ 6 MCF				
42	Rate Schedule - Texas Domestic 3/	$ 3.76	$ 3.76	$ -	0.00%
43	Average Monthly Volume	6	6	-	0.00%
44	Line 42 X Line 43	22.56	22.56	-	0.00%
45	Customer Charge	13.23	14.13	0.90	6.80%
46	Total Billing (line 44 + 45)	$ 35.79	$ 36.69	$ 0.90	2.51%
47					
48					
49	Texas Non-Domestic Customers -Average Monthly Bill @ 30 MCF				
50	Rate Schedule - Texas Non-Domestic 3/	$ 2.59	$ 2.59	$ -	0.00%
51	Average Monthly Volume	30	30	-	0.00%
52	Line 50 X Line 51	77.70	77.70	-	0.00%
53	Customer Charge	22.29	24.68	2.39	10.72%
54	Total Billing (line 52 + 53)	$ 99.99	$ 102.38	$ 2.39	2.39%

1/ On WTG's initial filing of it's 4th annual Interim Cost Recovery and Rate Adjustment Report, contributions in aid of construction were accounted for incorrectly. Correcting this error caused the change in revenue requirement for Texas Jurisdictional Operations to increase from $225,698 to $228,157.
WTG submitted revised schedules again to account for the change in the Federal Tax Income rate. Chaning the FIT rate from 35% to 21%, lowered WTG's change in revenue requirement for Texas Jurisdictional Operations from $228,157 to $218,111.

2/ Cost of gas calculated using WTG's North Gas Cost Zone's PGA for August 2017

3/ GUD 10235, Amended Unanimous Settlement Agreement, Page 2, Item 2

REVENUE RELATED AND OTHER TAXES
WEST TEXAS GAS, INC.
Period Ended December 31, 2016

Line No.	Description	Total	Allocation Adjustments	12 Month End As Adjusted (at Present Rates)	Adjustments	12 Month End As Adjusted (at Proposed Rates)	Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	**Non Revenue - Related**						
2							
3	AD VALOREM TAXES 408.1	$ 1,327,547	$ (136,402)	$ 1,191,145	$ 44,744	$ 1,235,889	$ 44,744
4	AD VALOREM TAXES 408.2	$ 32,108	$ (17,030)	$ 15,078	$ 566	$ 15,644	$ 566
5							
6	**Total Non- Revenue Related Taxes**	$ 1,359,655	$ (153,432)	$ 1,206,223	$ 45,310	$ 1,251,533	$ 45,310
7			1/		2/		
8	**Revenue - Related**						
9							
10	FRANCHISE TAX 408.1	$ -	$ -	$ -	$ -	$ -	$ -
11	FRANCHISE TAX 408.2	$ 8,323	$ (4,415)	$ 3,908	$ -	$ 3,908	$ -
12	OTHER TAXES 408.2	$ 8,594	$ -	$ 8,594	$ -	$ 8,594	$ -
13	MISC RECEIPTS TAX 408.1	$ 72,253	$ (711)	$ 71,542	$ -	$ 71,542	$ -
14							
15	**Total Revenue Related Taxes**	$ 89,170	$ (5,126)	$ 84,044	$ -	$ 84,044	$ -
16			1/		3/		
17							
18							
19							
20	Notes:						
21	1/ Represents the amount allocated to non-Texas Operations using the same allocation factors as used for O&M from GUD 10235 Rate Study Workpapers						
22							
23	2/ Increase in Net Investment	$ 3,744,645	IRA-3, Line 2, Col (d)				
24	Required Property Tax Factor	1.210%	GUD 10235, Amended Unanimous Settlement Agreement, Item 4-b, Page 3				
25	Change in Non Revenue Related Taxes	$ 45,310	Col (b) Line 23 times Line 24				
26							
27	3/ No portion of this tax expense is being included with this filing. While a portion of the expense can be allocated to Texas operations, WTG does not have an						
28	allocation method developed to calculate the taxes related to the increased investment for this filing period.						

FEDERAL INCOME TAX
WEST TEXAS GAS, INC.
Period Ended December 31, 2016

Line No.	Description	12/31/15 PRIOR YEAR	Amount	12/31/16 CURRENT YEAR	Amount
	(a)	(b)	(c)	(d)	(e)
1	Return on Investment				
2	Invested Capital (Rate Base)	$ 85,582,838		$ 89,327,483	
3	Rate of Return (IRA-15, Col (c), Line 8)	7.9100%		7.9100%	
4	Return on Investment		$ 6,769,602		$ 7,065,804
5					
6	Interest Expense				
7	Invested Capital (Rate Base)	$ 85,582,838		$ 89,327,483	
8	Weighted Cost of Debt (IRA-15, Col (c), Line 4)	5.2500%		5.2500%	
9	Interest Expense		$ 4,493,099		$ 4,689,693
10					
11	After Tax Income		$ 2,276,503		$ 2,376,111
12					
13	Gross-up Factor	=1+(C17/(1-C17)	1.265822785	=1+(E17/(1-E17)	1.265822785
14					
15	Before Tax Return		$ 2,881,649		$ 3,007,736
16					
17	Federal Income Tax Rate	1/	21.00%		21.00%
18					
19	Federal Income Tax		$ 605,146		$ 631,624
20	CHANGE IN FEDERAL INCOME TAX		$ 26,478		

1/ WTG changed the Federal Income Tax Rate from 35% to 21%.

INVESTMENT DETAIL (TO BE RECOVERED THROUGH INTERIM FILING)
WEST TEXAS GAS, INC.
ALLOCATED TO TEXAS
TWELVE MONTH PERIOD ENDING DECEMBER 31, 2016

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Line No.	NARUC Account No.	Notes: See Note Tab	FERC Account No.	FERC Account Titles	Original Cost Allocated to Texas	RRC Approved Depreciation Rates	Provision For Depreciation	Accumulated Depreciation	Less Adjustments	Net Plant Allocated to Texas
1				*1. INTANTIBLE PLANT*						
2	301.0		301.0	ORGANIZATION	$ -	0.00%	$ -	$ -	$ -	$ -
3	302.0		302.0	FRANCHISES & CONSENTS	$ -	0.00%	$ -	$ -	$ -	$ -
4	303.0		303.0	MISCELLANEOUS INTANGIBLE PLANT	$ 62,331	17.60%	$ (0)	$ 57,593	$ -	$ 4,738
5				TOTAL INTANGIBLE PLANT	$ 62,331		$ (0)	$ 57,593	$ -	$ 4,738
6				*2. PRODUCTION AND GATHERING PLANT*						
7	332.0		332.0	FIELD LINES	$ -	3.32%	$ (10,119)	$ 101,187	$ -	$ (101,187)
8	333.0		333.0	FIELD COMPRESSOR STATION EQUIPMENT	$ -	0.00%	$ -	$ -	$ -	$ -
9	334.0		334.0	FIELD MEASURING & REGULATING STATION EQUIPMENT	$ -	0.00%	$ -	$ -	$ -	$ -
10				TOTAL PRODUCTION AND GATHERING PLANT	$ -		$ (10,119)	$ 101,187	$ -	$ (101,187)
11				*3. TRANSMISSION PLANT*						
12	365.2		365.2	RIGHTS-OF-WAY	$ -	0.50%	$ (2,217)	$ 26,896	$ -	$ (26,896)
13	366.0		366.0	MEASURING & REGULATING STATION STRUCTURE	$ -	2.36%	$ 3,530	$ 3,530	$ -	$ (3,530)
14	367.0		367.0	MAINS	$ 1,049,688	2.12%	$ (2,676)	$ 633,936	$ -	$ 415,751
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16	369.0		369.0	MEASURING & REGULATING STATION EQUIPMENT	$ 261,230	5.92%	$ 3,893	$ 59,651	$ -	$ 201,579
17	371.0		371.0	OTHER EQUIPMENT	$ 6,164	7.31%	$ 1,832	$ 15,677	$ -	$ (9,513)
18				TOTAL TRANSMISSION PLANT	$ 1,317,081		$ 4,362	$ 742,747	$ -	$ 574,335
19				*4. DISTRIBUTION PLANT*						
20	376.0		376.0	MAINS	$ 5,740,429	2.36%	$ (416,166)	$ 1,794,470	$ (822,848)	$ 3,123,112
21	377.0		377.0	COMPRESSOR STATION EQUIPMENT	$ -	5.85%	$ 1	$ 20,957	$ -	$ (20,957)
22	378.0		378.0	MEASURING & REGULATING STATION EQUIPMENT	$ 139,893	3.56%	$ 3,914	$ 188,454	$ -	$ (48,561)
23	387.0		387.0	OTHER EQUIPMENT	$ 77,390	4.18%	$ 2,896	$ 25,989	$ -	$ 51,401
24				TOTAL DISTRIBUTION PLANT	$ 5,957,712		$ (409,355)	$ 2,029,870	$ (822,848)	$ 3,104,994
25				*5. GENERAL PLANT*						
26	389.0		389.0	LAND & LAND RIGHTS - DEPR	$ -	2.45%	$ 0	$ 154,562	$ -	$ (154,562)
27	389.1		389.1	LAND & LAND RIGHTS - NON-DEPR	$ 4,920	0.00%	$ -	$ -	$ -	$ 4,920
28	390.0		390.0	STRUCTURES & IMPROVEMENTS	$ 44,094	2.49%	$ 926	$ 17,962	$ -	$ 26,132
29	391.0		391.0	OFFICE FURNITURE & EQUIPMENT	$ 37,062	2.89%	$ 8,586	$ 12,285	$ -	$ 24,777
30	392.0		392.0	TRANSPORTATION EQUIPMENT	$ 245,867	9.93%	$ 10,237	$ (30,187)	$ -	$ 276,054
31	394.0		394.0	TOOLS, SHOP & GARAGE EQUIPMENT	$ 35,670	4.94%	$ 642	$ 44,243	$ -	$ (8,573)
32	397.0		397.0	COMMUNICATION EQUIPMENT	$ -	10.84%	$ (487)	$ 9,508	$ -	$ (9,508)
33	398.0		398.0	MISCELLANEOUS EQUIPMENT	$ 8,061	5.12%	$ 121	$ 5,537	$ -	$ 2,524
34				TOTAL GENERAL PLANT	$ 375,674		$ 20,024	$ 213,910	$ -	$ 161,764
35				TOTAL	$ 7,712,798		$ (395,088)	$ 3,145,306	$ (822,848)	$ 3,744,645
					1/		1/	1/	1/	1/

1/ Represents IRA-8 minus IRA-7

WEIGHTED AVERAGE COST OF CAPITAL
WEST TEXAS GAS, INC.
PER MOST RECENT RATE CASE - GUD DOCKET NO. 10235

Per Last Rate Case
GUD No. 10235

Line No.		Percent Equity/Debt	Cost	Weighted Cost
		(a)	(b)	(c)
1	Common Equity	50.00%	5.32%	2.66%
2	Preferred Stock	0.00%	0.00%	0.00%
3	Preferred Trust Securities	0.00%	0.00%	0.00%
4	Long-Term Debt	50.00%	10.50%	5.25%
5	Short-Term Debt			
6				
7				
8	Total	100.00%		7.91%

Rate of Return 7.91% allowed in Docket No. 10235

ALLOCATION OF INVESTMENT RECOVERY
WEST TEXAS GAS, INC.
Period Ended December 31, 2016

Line No	Allocation Factors Per Rate Case - GUD No. 10235						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Texas Domestic	0.760700	GUD 10235, Amended Unanimous Settlement Agreement, Item 4-f, Page 3				
2	Texas Non-Domestic	0.239300	GUD 10235, Amended Unanimous Settlement Agreement, Item 4-f, Page 3				
3							
4							
5							
6	Total System:	1.000000					

	Allocation Factors Requested in this filing		
7	Texas Domestic	0.760700	GUD 10235, Amended Unanimous Settlement Agreement, Item 4-f, Page 3
8	Texas Non-Domestic	0.239300	GUD 10235, Amended Unanimous Settlement Agreement, Item 4-f, Page 3
9			
10			
11			
12	Total System:	1.000000	

	New Investment Recovery Distribution							
13	Requested Recovery Amount		$	218,111 IRA-3, Col (d), Line 12	Customer Bills		Customer Charge	
14								
15	Texas Domestic	0.760700		165,917	15,352	WP Meter Count, Line 15, Col (b)	$	0.90
16	Texas Non-Domestic	0.239300		52,194	1,819	WP Meter Count, Line 16, Col (b)	$	2.39
17								
18	Total System	1.000000	$	218,111	17,171	WP Meter Count, Line 17, Col (b)		

WEST TEXAS GAS, INC.
AVERAGE MONTHLY CUSTOMER / METER COUNT
JANUARY - DECEMBER 2016

Line	Description (a)	Total (b)	Reference (c)
1	Subject to Commission Regulation		
2	Domestic	3,450	Sum of lines 6, 27, & 41 (WP Customer Count, col (d))
3	Non-Domestic	57	Sum of lines 6, 27, & 41 (WP Customer Count, col (e))
4	Total	3,507	Line 2 + Line 3
5			
6	Subject to City Regulation		
7	Domestic	11,902	(WP Customer Count, col (d), line 44) minus (WP Meter Count, col (b), line 2)
8	Non-Domestic	1,762	(WP Customer Count, Col (g), Line 44) minus (WP Meter Count, Col (b), Line 3)
9	Total	13,664	Line 7 + Line 8
10			
11	Non-Jurisdictional	3,796	WP Customer Count, Col (f), Line 44
12	Total	3,796	
13			
14			
15	Total Domestic	15,352	Line 2 + Line 7
16	Total Non-Domestic	1,819	Line 3 + Line 8
17	Total Jurisdictional Meter Count	17,171	Line 15 + Line 16
18	Total Non-Jurisdictional	3,796	Line 12
19	Total Meter Count	20,967	Line 17 + Line 18
20			
21			
22			
23			
24	Total Interim Rate Adjustment	$ 218,111	IRA-3, Col (d), Line 12
25			
26	IRA allocated for Commission Regulation (Based on Mtr Ct)	$ 44,547	(Line 4 divided by Line 17) times Line 24
27	Domestic (additional customer charge of $0.90)	43,823	(Line 2 divided by Line 4) times Line 26
28	Non-Domestic (additional customer charge of $2.39)	724	(Line 3 divided by Line 4) times Line 26
29	IRA allocated for City Regulation (Based on Mtr Ct)	$ 173,564	(Line 9 divided by Line 17) times Line 24
30	Domestic (additional customer charge of $0.90)	151,182	(Line 7 divided by Line 9) times Line 29
31	Non-Domestic (additional customer charge of $2.39)	22,381	(Line 8 divided by Line 9) times Line 29
32			
33		$ 218,111	(Line 26 plus Line 29)