

INTERIM RATE ADJUSTMENT

A. APPLICABILITY

This Interim Rate Adjustment (IRA) applies to all general service rate schedules of Texas Gas Service Company (Company) currently in force in the incorporated areas of Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley, and West Lake Hills, Texas. Applicable rate schedules include 10, 20, 22, 30, 32, 40, 42, 48, CNG-1, and T-1.

B. PURPOSE

Section 104.301, Subchapter G of the Texas Utility Code, effective on September 1, 2003, provides for an interim adjustment in a gas utility's monthly customer charge or initial block usage rate to recover the cost of changes in the utility's infrastructure investment and related expenses and revenues for providing gas utility service. The filing date of the utility's most recent rate case establishing rates for the area in which the interim rate adjustment will apply shall be no more than two years prior to the date the utility files its initial interim rate adjustment application for that area. The interim adjustment shall be recalculated on an annual basis, unless the utility files a written request and obtains approval from the regulatory authority to suspend the operation of the interim adjustment rate schedule for any year. This rate schedule establishes the interim adjustment provisions consistent with Section 104.301, Subchapter G of the Texas Utility Code.

C. COMPUTATION OF IRA RATE

The amount the Company shall adjust its utility rates upward or downward under this rate schedule each calendar year is based on the difference between the value of the invested capital for the preceding calendar year and the value of the invested capital for the calendar year preceding that calendar year. The value of the 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.

Based on the difference between the values of the invested capital amounts as determined above, the Company may adjust only the following related components of its revenue requirement: return on investment, depreciation expense, ad valorem taxes, revenue related taxes and incremental federal income taxes. The factors for these components shall be the same as those established in the Company's most recent rate case for the service area in which this interim rate adjustment is to be implemented.

The revenue requirement calculated pursuant to this rate schedule shall be allocated among the Company's customer classes for this service area in the same manner as the cost of service was allocated among customer classes in the Company's latest effective rates for this area.

Supersedes Same Sheet Dated:

May 29, 2012 (Other Cities)
September 4, 2012 (Dripping Springs)
September 25, 2012 (City of Bee Cave – Initial Rate)
October 19, 2012 (City of Lakeway – Initial Rate)

Meters Read On and After:

May 27, 2013

INTERIM RATE ADJUSTMENT
(Continued)

D. FILING WITH THE REGULATORY AUTHORITY

1. The Company shall file either the initial interim adjustment or the annual interim adjustment with the regulatory authority at least 60 days before the proposed implementation date. During the 60-day period, the regulatory authority may act to suspend implementation of the adjustment.
2. The Company shall provide notice to customers by bill insert or direct mail not later than the 45th day after the date of filing the interim adjustment.
3. The Company shall file with the regulatory authority an annual report 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. The annual report shall also state the cost, need, and customers benefited by the change in investment.
4. In addition, the Company shall file with the regulatory authority an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year. Should the Company earn a return of more than 75 basis points above the return established in the latest effective rates implemented under this rate schedule, the Company shall file a statement stating the reasons why the rates are not unreasonable or in violation of the law.
5. After the issuance of a final order or decision by a regulatory authority in a rate case that is filed after the implementation of a tariff or rate schedule under this section, any change in investment that has been included in an approved interim adjustment shall no longer be subject to subsequent review for reasonableness or prudence. All amounts collected under this rate schedule are subject to refund until the issuance of a final decision in the next rate case filing for this service area.
6. The Company shall file a rate case no later than the 180th day after the fifth anniversary date its initial interim rate adjustment for this service area became effective.
7. The provisions under Section 104.301, Subchapter G of the Texas Utility Code for this interim adjustment do not limit the power of the regulatory authority under Section 104.151.

Supersedes Same Sheet Dated:

May 29, 2012 (Other Cities)
September 4, 2012 (Dripping Springs)
September 25, 2012 (City of Bee Cave – Initial Rate)
October 19, 2012 (City of Lakeway – Initial Rate)

Meters Read On and After:

May 27, 2013

RESIDENTIAL SERVICE RATE

APPLICABILITY

Applicable to a residential customer in a single dwelling, or in a dwelling unit of a multiple dwelling or residential apartment, for domestic purposes. A residential consumer includes an individually-metered residential unit or dwelling that is operated by a public housing agency acting as an administrator of public housing programs under the direction of the U.S. Department of Housing and Urban Development. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

All incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley and West Lake Hills, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$9.75 plus -
Interim Rate Adjustments (IRA)	\$2.87 per month (Footnote 1)
Total Customer Charge	\$12.62 per month

All Ccf per monthly billing period @	\$.08257 per Ccf
Conservation Adjustment Clause Rate	\$.0346 per Ccf
Total Delivery Charge	\$.11717 per Ccf

OTHER ADJUSTMENTS

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

1. The Cost of Gas for the billing month determined in accordance with the provisions of the Cost of Gas Clause, Rate Schedule 1-INC.
2. Adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.
3. Adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC, if applicable.
4. Adjustments in accordance with the provisions of the Relocation Cost Recovery, Rate Schedule RCR, if applicable.
5. Adjustments in accordance with the provisions of the Interim Rate Adjustment, Rate Schedule IRA.
6. All applicable taxes and fees (including franchise fees).

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Residential service shall have priority in supply.

Footnote 1: 2010 IRA - \$0.46; 2011 IRA - \$1.12; 2012 IRA - \$1.29

Supersedes same Rate Schedule dated:

June 30, 2009 (Other Cities)

July 17, 2009 (City of Cedar Park)

December 9, 2011 (City of Dripping Springs – Initial Rate)

September 25, 2012 (City of Bee Cave – Initial Rate)

October 19, 2012 (City of Lakeway – Initial Rate)

Meters Read On and After:

May 27, 2013

COMMERCIAL SERVICE RATE

APPLICABILITY

Applicable to any qualifying commercial customer whose annual average consumption is less than 3,100 Ccf per monthly billing period and to any customer not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

All incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley and West Lake Hills, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$12.75 plus -
Interim Rate Adjustments (IRA)	\$10.48 per month (Footnote 1)
Total Customer Charge	\$ 23.23 per month

All Ccf per monthly billing period @	\$.1301 per Ccf
Conservation Adjustment Clause Rate	\$.0052 per Ccf
Total Delivery Charge	\$.1353 per Ccf

OTHER ADJUSTMENTS

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

1. The Cost of Gas for the billing month determined in accordance with the provisions of the Cost of Gas Clause, Rate Schedule 1-INC.
2. Adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.
3. Adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC, if applicable.
4. Adjustments in accordance with the provisions of the Relocation Cost Recovery, Rate Schedule RCR, if applicable.
5. Adjustments in accordance with the provisions of the Interim Rate Adjustment, Rate Schedule IRA.
6. All applicable taxes and fees (including franchise fees).

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Delivery of gas hereunder may be interrupted or curtailed at the discretion of the Company, in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other customers served.

Footnote 1: 2010 IRA - \$1.61; 2011 IRA - \$4.05; 2012 IRA - \$4.82

Supersedes same Rate Schedule dated:

June 30, 2009 (Other Cities)

July 17, 2009 (City of Cedar Park)

December 9, 2011 (City of Dripping Springs – Initial Rate)

October 19, 2012 (City of Lakeway – Initial Rate)

Meters Read On and After:

May 27, 2013

LARGE VOLUME COMMERCIAL SERVICE RATE

APPLICABILITY

Applicable to any qualifying commercial customer whose annual average consumption exceeds 3,100 Ccf per monthly billing period. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

All incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley and West Lake Hills, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$ 80.00 plus -
Interim Rate Adjustments (IRA)	\$ 133.67 per month (Footnote 1)
Total Customer Charge	\$ 213.67 per month

All Ccf per monthly billing period @	\$.10898 per Ccf
Conservation Adjustment Clause Rate	\$.0254 per Ccf
Total Delivery Charge	\$.13438 per Ccf

OTHER ADJUSTMENTS

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

1. The Cost of Gas for the billing month determined in accordance with the provisions of the Cost of Gas Clause, Rate Schedule 1-INC.
2. Adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.
3. Adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC, if applicable.
4. Adjustments in accordance with the provisions of the Relocation Cost Recovery, Rate Schedule RCR, if applicable.
5. Adjustments in accordance with the provisions of the Interim Rate Adjustment, Rate Schedule IRA.
6. All applicable taxes and fees (including franchise fees).

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Delivery of gas hereunder may be interrupted or curtailed at the discretion of the Company, in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other customers served.

Footnote 1: 2010 IRA - \$17.84; 2011 IRA - \$60.84; 2012 IRA - \$54.99

Supersedes Same Sheet Dated:

June 30, 2009 (Other Cities)

July 17, 2009 (City of Cedar Park)

December 9, 2011 (City of Dripping Springs – Initial Rate)

September 25, 2012 (City of Bee Cave – Initial Rate)

October 19, 2012 (City of Lakeway – Initial Rate)

Meters Read On and After:

May 27, 2013

INDUSTRIAL SERVICE RATE

APPLICABILITY

Applicable to any qualifying industrial customer whose annual average consumption is less than 10,000 Ccf per monthly billing period. Service under this rate schedule is available to any qualifying customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government.

Division B - Mining - all Major Groups
Division D - Manufacturing - all Major Groups
Divisions E and J - Utility and Government - facilities generating power
for resale only

TERRITORY

All incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley and West Lake Hills, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$ 40.00 plus -
Interim Rate Adjustments (IRA)	\$ 48.83 per month (Footnote 1)
Total Customer Charge	\$ 88.83 per month
All Ccf per monthly billing period @	\$.10675 per Ccf
Conservation Adjustment Clause Rate	\$.0122 per Ccf
Total Delivery Charge	\$.11895 per Ccf

OTHER ADJUSTMENTS

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

1. The Cost of Gas for the billing month determined in accordance with the provisions of the Cost of Gas Clause, Rate Schedule 1-INC.
2. Adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC, if applicable.
3. Adjustments in accordance with the provisions of the Relocation Cost Recovery, Rate Schedule RCR, if applicable.
4. Adjustments in accordance with the provisions of the Interim Rate Adjustment, Rate Schedule IRA.
5. All applicable taxes and fees (including franchise fees).

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Delivery of gas hereunder may be interrupted or curtailed at the discretion of the Company, in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other customers served.

Footnote 1: 2010 IRA - \$6.26; 2011 IRA - \$18.08; 2012 IRA - \$24.49

Supersedes Same Sheet Dated:

June 30, 2009 (Other Cities)

July 17, 2009 (City of Cedar Park)

December 9, 2011 (City of Dripping Springs – Initial Rate)

September 25, 2012 (City of Bee Cave – Initial Rate)

October 19, 2012 (City of Lakeway – Initial Rate)

Meters Read On and After:

May 27, 2013

LARGE VOLUME INDUSTRIAL SERVICE RATE

APPLICABILITY

Applicable to any qualifying industrial customer whose annual average consumption exceeds 10,000 Ccf per monthly billing period. This rate is only available to full requirements customers of Texas Gas Service Company. Service under this rate schedule is available to any qualifying customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government.

Division B - Mining - all Major Groups

Division D - Manufacturing - all Major Groups

Divisions E and J - Utility and Government - facilities generating power
for resale only

TERRITORY

All incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley and West Lake Hills, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$ 80.00 plus -
Interim Rate Adjustments (IRA)	\$ 153.09 per month (Footnote 1)
Total Customer Charge	\$ 233.09 per month
All Ccf per monthly billing period @	\$.10064 per Ccf
Conservation Adjustment Clause Rate	\$.0000 per Ccf
Total Delivery Charge	\$.10064 per Ccf

OTHER ADJUSTMENTS

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

1. The Cost of Gas for the billing month determined in accordance with the provisions of the Cost of Gas Clause, Rate Schedule 1-INC.
2. Adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC, if applicable.
3. Adjustments in accordance with the provisions of the Relocation Cost Recovery, Rate Schedule RCR, if applicable.
4. Adjustments in accordance with the provisions of the Interim Rate Adjustment, Rate Schedule IRA.
5. All applicable taxes and fees (including franchise fees).

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Delivery of gas hereunder may be interrupted or curtailed at the discretion of the Company, in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other customers served.

Footnote 1: 2010 IRA - \$25.10; 2011 IRA - \$61.52; 2012 IRA - \$66.47

Supersedes Same Sheet Dated:

June 30, 2009 (Other Cities)

July 17, 2009 (City of Cedar Park)

December 9, 2011 (City of Dripping Springs – Initial Rate)

September 25, 2012 (City of Bee Cave – Initial Rate)

October 19, 2012 (City of Lakeway – Initial Rate)

Meters Read On and After:

May 27, 2013

TEXAS GAS SERVICE COMPANY
Central Texas Service Area

RATE SCHEDULE 40

PUBLIC AUTHORITY SERVICE RATE

APPLICABILITY

Applicable to any qualifying public authority customer whose annual average consumption is less than 2,900 Ccf per monthly billing period. Applicable to qualifying public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

All incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley and West Lake Hills, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$ 20.00 plus -
Interim Rate Adjustments (IRA)	\$ 14.14 per month (Footnote 1)
Total Customer Charge	\$ 34.14 per month

All Ccf per monthly billing period @	\$.11838 per Ccf
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OTHER ADJUSTMENTS

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

1. The Cost of Gas for the billing month determined in accordance with the provisions of the Cost of Gas Clause, Rate Schedule 1-INC.
2. Adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.
3. Adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC, if applicable.
4. Adjustments in accordance with the provisions of the Relocation Cost Recovery, Rate Schedule RCR, if applicable.
5. Adjustments in accordance with the provisions of the Interim Rate Adjustment, Rate Schedule IRA.
6. All applicable taxes and fees (including franchise fees).

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Delivery of gas hereunder may be interrupted or curtailed at the discretion of the Company, in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other customers served.

Footnote 1: 2010 IRA - \$2.22; 2011 IRA - \$5.71; 2012 IRA - \$6.21

Supersedes Same Sheet Dated:

June 30, 2009 (Other Cities)

July 17, 2009 (City of Cedar Park)

December 9, 2011 (City of Dripping Springs – Initial Rate)

September 25, 2012 (City of Bee Cave – Initial Rate)

October 19, 2012 (City of Lakeway – Initial Rate)

Meters Read On and After:

May 27, 2013

LARGE VOLUME PUBLIC AUTHORITY SERVICE RATE

APPLICABILITY

Applicable to any qualifying public authority customer whose annual average consumption exceeds 2,900 Ccf per monthly billing period. Applicable to qualifying public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

All incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley and West Lake Hills, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$ 80.00 plus -
Interim Rate Adjustments (IRA)	\$ 187.18 per month (Footnote 1)
Total Customer Charge	\$ 267.18 per month

All Ccf per monthly billing period @	\$.11041 per Ccf.
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OTHER ADJUSTMENTS

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

1. The Cost of Gas for the billing month determined in accordance with the provisions of the Cost of Gas Clause, Rate Schedule 1-INC.
2. Adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.
3. Adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC, if applicable.
4. Adjustments in accordance with the provisions of the Relocation Cost Recovery, Rate Schedule RCR, if applicable.
5. Adjustments in accordance with the provisions of the Interim Rate Adjustment, Rate Schedule IRA.
6. All applicable taxes and fees (including franchise fees).

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Delivery of gas hereunder may be interrupted or curtailed at the discretion of the Company, in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other customers served.

Footnote 1: 2010 IRA - \$31.13; 2011 IRA - \$74.95; 2012 IRA - \$81.10

Supersedes Same Sheet Dated:

June 30, 2009 (Other Cities)
July 17, 2009 (City of Cedar Park)
December 9, 2011 (City of Dripping Springs – Initial Rate)
September 25, 2012 (City of Bee Cave – Initial Rate)
October 19, 2012 (City of Lakeway – Initial Rate)

Meters Read On and After:

May 27, 2013

PUBLIC SCHOOLS SPACE HEATING SERVICE RATE

APPLICABILITY

Applicable to public schools for space heating purposes. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

All incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley and West Lake Hills, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$ 40.00 plus -
Interim Rate Adjustments (IRA)	\$ 39.58 per month (Footnote 1)
Total Customer Charge	\$ 79.58 per month

All Ccf per monthly billing period @ \$.11689 per Ccf.

OTHER ADJUSTMENTS

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

1. The Cost of Gas for the billing month determined in accordance with the provisions of the Cost of Gas Clause, Rate Schedule I-INC.
2. The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.
3. Adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC, if applicable.
4. Adjustments in accordance with the provisions of the Relocation Cost Recovery, Rate Schedule RCR, if applicable.
5. Adjustments in accordance with the provisions of the Interim Rate Adjustment, Rate Schedule IRA.
6. All applicable taxes and fees (including franchise fees).

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Delivery of gas hereunder may be interrupted or curtailed at the discretion of the Company, for peak shaving purposes or, in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for any or all customers.

Footnote 1: 2010 IRA - \$6.86; 2011 IRA - \$17.31; 2012 IRA - \$15.41

Supersedes Same Sheet Dated:

June 30, 2009 (Other Cities)

July 17, 2009 (City of Cedar Park)

December 9, 2011 (City of Dripping Springs – Initial Rate)

September 25, 2012 (City of Bee Cave – Initial Rate)

October 19, 2012 (City of Lakeway – Initial Rate)

Meters Read On and After:

May 27, 2013

TEXAS GAS SERVICE COMPANY

Central Texas Service Area

RATE SCHEDULE CNG-1

COMPRESSED NATURAL GAS SERVICE RATE

APPLICABILITY

Applicable to any non-residential customer for usage where customer purchases natural gas which will be compressed and used as a motor fuel. Service will be separately metered. This rate does not include compression by the Company beyond normal meter sales pressure.

TERRITORY

All incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley and West Lake Hills, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$ 25.00 plus –
Interim Rate Adjustments (IRA)	\$ 20.07 per month (Footnote 1)
Total Customer Charge	\$45.07 per month
All Ccf per monthly billing period @	\$.07018 per Ccf

OTHER ADJUSTMENTS

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

1. The Cost of Gas for the billing month determined in accordance with the provisions of the Cost of Gas Clause, Rate Schedule I-INC.
2. Adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC, if applicable.
3. Adjustments in accordance with the provisions of the Relocation Cost Recovery Rate Schedule RCR, if applicable.
4. The basic rates for cost of service shall include the amount of the Interim Rate Adjustment in accordance with the provisions of Rate Schedule IRA-CTX-IS.
5. All applicable taxes and fees (including franchise fees).

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Delivery of gas hereunder may be interrupted or curtailed at the discretion of the Company, in case of shortage or threaten shortage of gas supply from any cause whatsoever, to conserve gas for residential and other customers served.
3. The Company's ABC Plan is not available to customers taking this service.
4. This rate does not include any road use fees, permits, or taxes etc. It provides for the delivery of uncompressed natural gas only.
5. Customer must provide affidavit to the Company certifying that the gas delivered will be compressed for use as motor fuel.
6. Compressor station subject to inspection by Company engineers.

Footnote 1: 2010 IRA - \$4.27; 2011 IRA - \$9.67; 2012 IRA - \$6.13

Supersedes Same Sheet Dated:

June 30, 2009 (Other Cities)

July 17, 2009 (City of Cedar Park)

December 9, 2011 (City of Dripping Springs – Initial Rate)

September 25, 2012 (City of Bee Cave – Initial Rate)

October 19, 2012 (City of Lakeway – Initial Rate)

Meters Read On and After:

May 27, 2013

TRANSPORTATION SERVICE RATE

Applicability

Applicable to commercial customers and to consumers not otherwise specifically provided for under any other rate schedule.

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

Availability

Natural gas service under this rate schedule is available to any individually metered, commercial customer for the transportation of customer owned natural gas through the Company's Central Texas distribution system which includes Austin, Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley and West Lake Hills, Texas. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.

Electronic flow measurement (EFM) may be required for Customers under this tariff at the Company's sole discretion. The customer may be required to reimburse the Company for any cost related to the installation of the EFM as well as provide for or reimburse the Company for any on going maintenance, repair, or communications costs. In the alternative, Customer may elect to discontinue service under this tariff and to receive service under the applicable sales tariff.

Service is not available under this rate schedule for resale to others or for service for a term less than twelve (12) months.

Under this tariff the Company shall perform or cause to be performed all functions necessary to transport the gas commodity from the Point of Receipt to the end use Customer. The Customer is responsible for acquiring the gas commodity from a third party supplier. Such gas supply must be delivered to the pipeline providing upstream services for the system from which the Customer is served.

Customer shall deliver to Company each month, as reimbursement for lost and unaccounted for gas in the form of Payment in Kind (PIK), a volume of gas equal to the Purchase/Sales ratio authorized to be collected in the Cost of Gas clause times the volume of gas delivered by the Company for the account of Customer for transportation.

Supersedes Sheet Dated:

June 30, 2009 (Other Cities)
July 17, 2009 (City of Cedar Park)
December 9, 2011 (City of Dripping Springs – Initial Rate)
September 25, 2012 (City of Bee Cave – Initial Rate)
October 19, 2012 (City of Lakeway – Initial Rate)

Meters Read On and After:

May 27, 2013

TEXAS GAS SERVICE COMPANY
Central Texas Service Area

RATE SCHEDULE T-1
Page 2 of 3

Character of Service

Firm gas transportation service

Cost of Service Rate

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

Commercial	\$ 75.00		
plus Interim Rate Adjustments	\$ 68.01 (Footnote 1)	Total Rate	\$143.01
Large Commercial	\$ 150.00		
plus Interim Rate Adjustments	\$ 231.10 (Footnote 2)	Total Rate	\$381.10
Industrial	\$ 80.00		
plus Interim Rate Adjustments	\$ 110.01 (Footnote 3)	Total Rate	\$190.01
Large Industrial	\$ 150.00		
plus Interim Rate Adjustments	\$ 362.44 (Footnote 4)	Total Rate	\$512.44
Public Authority	\$ 25.00		
plus Interim Rate Adjustments	\$ 15.80 (Footnote 5)	Total Rate	\$40.80
Large Public Authority	\$ 100.00		
plus Interim Rate Adjustments	\$ 252.77 (Footnote 6)	Total Rate	\$352.77
Public Schools Space Heat	\$ 60.00		
plus Interim Rate Adjustments	\$ 44.91 (Footnote 7)	Total Rate	\$104.91
CNG	\$ 40.00		
plus Interim Rate Adjustments	\$ 9.92 (Footnote 8)	Total Rate	\$49.92

Plus –

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

Commercial	-	\$ 0.13010 per Ccf
Large Commercial	-	\$ 0.10898 per Ccf
Industrial	-	\$ 0.10675 per Ccf
Large Industrial	-	\$ 0.10064 per Ccf
Public Authority	-	\$ 0.11838 per Ccf
Large Public Authority	-	\$ 0.11041 per Ccf
Public Schools Space Heating	-	\$ 0.11689 per Ccf

Supersedes Sheet Dated:

June 30, 2009 (Other Cities)

July 17, 2009 (City of Cedar Park)

December 9, 2011 (City of Dripping Springs – Initial Rate)

September 25, 2012 (City of Bee Cave – Initial Rate)

October 19, 2012 (City of Lakeway – Initial Rate)

Meters Read On and After:

May 27, 2013

TEXAS GAS SERVICE COMPANY
Central Texas Service Area

RATE SCHEDULE T-1
Page 3 of 3

Compressed Natural Gas - \$ 0.07018 per Ccf

Additional Charges

- 1) A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder.
- 2) The basic rates for cost of service shall include the amount of the Interim Rate Adjustment in accordance with the provisions of Rate Schedule IRA.
- 3) A charge will be made each month to recover the cost of any applicable franchise fees paid to the cities.
- 4) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the Central Texas Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.

Subject to:

Special Provisions

Tariff

General Terms and Conditions for Transportation Service

T-GTC

Other Conditions

Transportation of Customer owned natural gas hereunder is subject in all respects to General Terms and Conditions for Transportation Service (T-GTC) and the Transportation Agreement entered into between the Customer and Company prior to commencement of service and all amendments and modifications thereto.

Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.

Footnote 1: 2010 IRA - \$11.38;	2011 IRA - \$27.04;	2012 IRA - \$29.59
Footnote 2: 2010 IRA - \$37.03;	2011 IRA - \$91.51;	2012 IRA - \$102.56
Footnote 3: 2010 IRA - \$17.61;	2011 IRA - \$42.72;	2012 IRA - \$49.68
Footnote 4: 2010 IRA - \$74.19;	2011 IRA - \$181.83;	2012 IRA - \$106.42
Footnote 5: 2010 IRA - \$3.16;	2011 IRA - \$6.48;	2012 IRA - \$6.16
Footnote 6: 2010 IRA - \$41.64;	2011 IRA - \$108.05;	2012 IRA - \$103.08
Footnote 7: 2010 IRA - \$7.03;	2011 IRA - \$17.41;	2012 IRA - \$20.47
Footnote 8: 2010 IRA - \$1.57;	2011 IRA - \$3.85;	2012 IRA - \$4.50

Supersedes Sheet Dated:

June 30, 2009 (Other Cities)

July 17, 2009 (City of Cedar Park)

December 9, 2011 (City of Dripping Springs – Initial Rate)

September 25, 2012 (City of Bee Cave – Initial Rate)

October 19, 2012 (City of Lakeway – Initial Rate)

Meters Read On and After:

May 27, 2013

