



Judy J. Hitchye
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February 9, 2024

Honorable Mayors and Members of the City Councils of the following Texas cities:

Austin, Bayou Vista, Beaumont, Bee Cave, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

Re: Texas Gas Service Company, a Division of ONE Gas, Inc.'s Test Year 2023 Gas Reliability Infrastructure Program Interim Rate Adjustment for the Incorporated Areas of the Central-Gulf Service Area

Dear Mayors and Members of the City Councils:

Texas Gas Service Company ("TGS" or the "Company"), a Division of ONE Gas, Inc., hereby files the attached tariffs to implement an Interim Rate Adjustment applicable to gas utility service provided to customers within the incorporated areas of the Central-Gulf Service Area ("CGSA") which includes the cities of: Austin, Bayou Vista, Beaumont, Bee Cave, Cedar Park, Cuero, Dripping Springs, Galveston, Groves, Gonzales, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas (collectively, the "Cities"), which together with their environs and the environs of Bastrop, Buda and Hutto, Texas comprise the Company's CGSA. TGS proposes that the tariffs (Rate Schedules 10, 20, 30, 40, 48, C-1, CNG-1 and T-1) become effective in sixty (60) days and be applied to meters read on and after April 9, 2024. This filing is made pursuant to Section 104.301 (Interim Adjustment for Changes in Investment) of the Texas Utilities Code and is the Company's fourth interim rate adjustment filing with the Cities following its rate case filed in 2019.

Section 104.301 establishes the state's Gas Reliability Infrastructure Program and is commonly referred to as the "GRIP" statute. Its purposes are to encourage the timely investment in needed system improvements and to reduce the frequency of traditional rate cases by providing a streamlined process for utilities to recover the cost of those investments on an interim basis between rate cases. The GRIP statute complements the traditional ratemaking and regulatory process by allowing for an annual interim adjustment of rates to reflect changes in the value of capital invested each year. The Cities have an initial period of not more than sixty (60) days to review the proposed rate adjustment, and may act to suspend the implementation of the Interim Rate Adjustment for an additional forty-five (45) days, as provided by subsection (a) of the GRIP statute.

GRIP adjustments are not intended to eliminate the need for a full and complete rate review in a rate case. All GRIP rates are interim rate adjustments subject to refund and a complete review in the Company's next full rate case when the adjustment is subject to review in the same



manner as other changes to the utility's invested capital that have occurred since the last rate case.

In this filing, the Company has determined the net increase in capital invested in the CGSA from January 1, 2023 through December 31, 2023 to be \$94,774,123. The Interim Rate Adjustment necessary to recover this incremental investment is \$12,314,033 on a system-wide basis, of which, \$11,202,437 is attributable to customers in the incorporated areas of the CGSA, and would increase the average residential bill by \$2.64 per month - excluding taxes.

In accordance with the Texas Utilities Code, the proposed Interim Rate Adjustment is allocated among the various customer classes in the same manner as the cost of service was allocated in the Company's current rates for the CGSA as decided in the most recent rate case. The GRIP rates will be recovered through an increase in the monthly customer charge applicable to each customer class.

Exhibit 1, attached hereto shows the impact the Interim Rate Adjustment will have on the average bill for each class of customers served in the CGSA. The Interim Rate Adjustment is detailed on Rate Schedules 10, 20, 30, 40, 48, C-1, CNG-1 and T-1, filed herewith. The Company will provide notice of the proposed Interim Rate Adjustment to all affected customers, by bill insert or direct mail, not later than the 45th day after the date of this filing, as required by subsection (a) of the GRIP statute.

The Company is available to discuss or answer any questions you may have about this filing. TGS appreciates your consideration of the proposed IRA filing.

Respectfully Submitted,

Judy J. Hitchye
Managing Attorney
Texas Gas Service Company
Barton Skyway IV
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Austin, Texas 78746
(512) 370-8229
Judy.Hitchye@onegas.com

Exhibit 1

Customer Class	Current Customer Charge	Proposed Customer Charge	Current Average Bill*	Proposed Average Bill*	Change in Average Bill*	% Change in Average Bill*
Gas Sales						
Residential (Rate Sch. 10) Average Usage of @ 3.1 Mcf*	\$22.85	\$25.49	\$53.11	\$55.75	\$2.64	4.97%
Commercial (Rate Sch. 20) Average Usage of 26.3 Mcf*	\$83.92	\$96.18	\$284.69	\$296.95	\$12.26	4.31%
Industrial (Rate Sch. 30) Average Usage of 256.9 Mcf*	\$790.20	\$1,007.27	\$2,752.01	\$2,969.08	\$217.07	7.89%
Public Authority (Rate Sch. 40) Average Usage of 44.2 Mcf*	\$138.49	\$160.89	\$475.32	\$497.73	\$22.40	4.71%
Public School Space Heating (Rate Sch. 48) Average Usage of 203.8 Mcf*	\$191.49	\$213.89	\$1,692.88	\$1,715.28	\$22.40	1.32%
Electrical Cogeneration (Rate Sch. C-1)	\$161.49	\$183.89	No Customers			
Compressed Natural Gas (Rate Sch. CNG-1) Average Usage of 1.7 Mcf*	\$583.80	\$814.69	\$595.76	\$826.65	\$230.89	38.76%
Standard Transportation (Rate Sch. T-1)						
Commercial Average Usage of 461.6 Mcf*	\$295.92	\$308.18	\$881.18	\$893.45	\$12.26	1.39%
Industrial Average Usage of 1,468.1 Mcf*	\$990.20	\$1,207.27	\$2,855.71	\$3,072.78	\$217.07	7.60%
Public Authority Average Usage of 3,592.6 Mcf*	\$161.49	\$183.89	\$359.76	\$382.17	\$22.40	6.23%
Public School Space Heating Average Usage of 122.5 Mcf*	\$291.49	\$313.89	\$414.14	\$436.54	\$22.40	5.41%
Electrical Cogeneration Average Usage of 33,978.5 Mcf*	\$161.49	\$183.89	\$15,889.16	\$15,911.56	\$22.40	0.14%
Compressed Natural Gas Average Usage of 2,816.8 Mcf*	\$608.80	\$839.69	\$2,491.55	\$2,722.44	\$230.89	9.27%

*Average bill usage per GUD No. 10928. Average bills exclude revenue-related taxes and includes cost of gas (except transportation). The 2023 cost of gas 12-month average is \$6.37 per Mcf.

RESIDENTIAL SERVICE RATE

APPLICABILITY

Applicable to a residential customer or builder 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 and builders prior to sale or re-sale of a property for domestic purposes. This rate is only available to full requirements customers of Texas Gas Service Company, a Division of ONE Gas, Inc.

TERRITORY

The incorporated areas of the Central-Gulf Service Area which includes Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$16.00 plus
Interim Rate Adjustments (IRA)	<u>\$9.49 per month (Footnote 1)</u>
Total Customer Charge	\$25.49 per month

All Ccf per monthly billing period @	\$0.32626 per Ccf
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OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Conservation Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC and Rate Schedule 1C, if applicable.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

Hurricane Harvey Surcharge Rider: The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

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

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except Mustang Ridge)
January 15, 2024 (Cities of Mustang Ridge)

Meters Read On and After
TBD

RESIDENTIAL SERVICE RATE
(Continued)

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

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

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

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2020 IRA - \$2.37 (Gas Utilities Case No. 00005813); 2021 IRA - \$1.99 (Gas Utilities Case No. 00008748); 2022 IRA - \$2.49 (Gas Utilities Case No. 00012592); 2023 IRA - \$2.64 (Gas Utilities Case No. 00016275)

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except Mustang Ridge)
January 15, 2024 (Cities of Mustang
Ridge)

Meters Read On and After
TBD

COMMERCIAL SERVICE RATE

APPLICABILITY

Applicable to all commercial customers and to customers not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company, a Division of ONE Gas, Inc.

TERRITORY

The incorporated areas of the Central-Gulf Service Area which includes Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$53.33 plus
Interim Rate Adjustments (IRA)	<u>\$42.85 per month (Footnote 1)</u>
Total Customer Charge	\$96.18 per month

All Ccf per monthly billing period @ \$0.12679 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Conservation Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC and Rate Schedule 1C, if applicable.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

Hurricane Harvey Surcharge Rider: The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

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

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

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except
Mustang Ridge)
January 15, 2024 (City of Mustang Ridge)

Meters Read On and After
TBD

COMMERCIAL SERVICE RATE
(Continued)

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

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

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2020 IRA - \$10.04 (Gas Utilities Case No. 00005813); 2021 IRA - \$9.07 (Gas Utilities Case No. 00008748); 2022 IRA - \$11.48 (Gas Utilities Case No. 00012592); 2023 IRA - \$12.26 (Gas Utilities Case No. 00016275)

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except
Mustang Ridge)
January 15, 2024 (City of Mustang Ridge)

Meters Read On and After
TBD

INDUSTRIAL SERVICE RATE

APPLICABILITY

Applicable to any qualifying industrial 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

The incorporated areas of the Central-Gulf Service Area which includes Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$320.96 plus
Interim Rate Adjustments (IRA)	<u>\$686.31 per month (Footnote 1)</u>
Total Customer Charge	\$1,007.27 per month

All Ccf per monthly billing period @ \$0.12707 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

Hurricane Harvey Surcharge Rider: The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

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

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

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except
Mustang Ridge)
January 15, 2024 (City of Mustang Ridge)

Meters Read On and After
TBD

INDUSTRIAL SERVICE RATE
(Continued)

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2020 IRA - \$164.48 (Gas Utilities Case No. 00005813); 2021 IRA - \$137.93 (Gas Utilities Case No. 00008748); 2022 IRA - \$166.83 (Gas Utilities Case No. 00012592); 2023 IRA - \$217.07 (Gas Utilities Case No. 00016275)

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except
Mustang Ridge)
January 15, 2024 (City of Mustang Ridge)

Meters Read On and After
TBD

PUBLIC AUTHORITY SERVICE RATE

APPLICABILITY

Applicable to any qualifying public authority, 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, a Division of ONE Gas, Inc.

TERRITORY

The incorporated areas of the Central-Gulf Service Area which includes Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$81.70 plus
Interim Rate Adjustments (IRA)	<u>\$79.19 per month (Footnote 1)</u>
Total Customer Charge	\$160.89 per month

All Ccf per monthly billing period @ \$0.12549 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

Hurricane Harvey Surcharge Rider: The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

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

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

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except
Mustang Ridge)
January 15, 2024 (City of Mustang Ridge)

Meters Read On and After
TBD

PUBLIC AUTHORITY SERVICE RATE
(Continued)

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

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2020 IRA - \$19.58 (Gas Utilities Case No. 00005813); 2021 IRA - \$16.47 (Gas Utilities Case No. 00008748); 2022 IRA - \$20.74 (Gas Utilities Case No. 00012592); 2023 IRA - \$22.40 (Gas Utilities Case No. 00016275)

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except
Mustang Ridge)
January 15, 2024 (City of Mustang Ridge)

Meters Read On and After
TBD

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, a Division of ONE Gas, Inc.

TERRITORY

The incorporated areas of the Central-Gulf Service Area which includes, Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of Interim Rate Adjustments (IRA)	\$134.70 plus \$79.19 per month (Footnote 1)
Total Customer Charge	\$213.89 per month

All Ccf per monthly billing period @	\$0.10012 per Ccf
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OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

Hurricane Harvey Surcharge Rider: The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

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

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

Taxes: Plus applicable taxes and fees (including franchise fees) related to the above.

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except Mustang Ridge)
January 15, 2024 (City of Mustang Ridge)

Meters Read On and After
TBD

PUBLIC SCHOOLS SPACE HEATING SERVICE RATE
(Continued)

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

CONDITIONS

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2020 IRA - \$19.58 (Gas Utilities Case No. 00005813); 2021 IRA - \$16.47 (Gas Utilities Case No. 00008748); 2022 IRA - \$20.74 (Gas Utilities Case No. 00012592); 2023 IRA - \$22.40 (Gas Utilities Case No. 00016275)

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except
Mustang Ridge)
January 15, 2024 (City of Mustang Ridge)

Meters Read On and After
TBD

**CUSTOMER NOTICE OF INTERIM RATE ADJUSTMENT
CGSA INCORPORATED AND ENVIRONS IRA FILED FEBRUARY 9, 2024**

Pursuant to Texas Utilities Code Section 104.301, Texas Gas Service Company, a Division of ONE Gas, Inc., (the "Company"), filed an application for an Interim Rate Adjustment with the Railroad Commission of Texas and municipal regulatory authorities on February 9, 2024. This proposed Interim Rate Adjustment applies to the Central-Gulf Service Area ("CGSA") incorporated and environs of Austin, Bayou Vista, Bee Cave, Beaumont, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas and the environs of Bastrop, Buda and Hutto, Texas, and provides for the recovery of additional capital investment incurred from January 1, 2023 through December 31, 2023. The request is for capital investment not included in any previous rate case or rates for service and is subject to refund.

The Company proposes to increase the customer charge used to calculate the customer's monthly bill by the amount listed below. The proposed Interim Rate Adjustment effective date is April 9, 2024.

TABLE 1

Rate Schedule	Current Customer Charge	Proposed 2023 Interim Rate Adjustment	Proposed Monthly Customer Charge
Residential	\$22.85	\$2.64	\$25.49
Commercial	\$83.92	\$12.26	\$96.18
Industrial	\$790.20	\$217.07	\$1,007.27
Public Authority	\$138.49	\$22.40	\$160.89
Public Schools Space Heating	\$191.49	\$22.40	\$213.89
Electrical Cogeneration	\$161.49	\$22.40	\$183.89
Compressed Natural Gas	\$583.80	\$230.89	\$814.69
Commercial Transportation	\$295.92	\$12.26	\$308.18
Industrial Transportation	\$990.20	\$217.07	\$1,207.27
Public Authority Transportation	\$161.49	\$22.40	\$183.89
Public School Space Heating Transportation	\$291.49	\$22.40	\$313.89
Compressed Natural Gas Transportation	\$608.80	\$230.89	\$839.69
Electrical Cogeneration Transportation	\$161.49	\$22.40	\$183.89

*Average bill usage per GUD No. 10928. Average bills exclude revenue-related taxes and include cost of gas (except transportation). The 2023 cost of gas 12-month average is \$6.37 per Mcf.

Persons with questions or who want more information about this filing may contact TGS at 1-800-700-2443. A copy of the filing will be available for inspection during normal business hours at TGS's offices at 1301 South MoPac, Ste. 400, Austin, Texas 78746; 402 33rd St., Galveston, Texas 77550; 4201 39th Street, Port Arthur, Texas 77642 and 225 Commerce CT., Gonzales, Texas 78629 or on TGS's website at <https://www.texasgasservice.com/rate-information/central-gulf>.

Any affected person within the environs may file written comments or a protest concerning this proposed Interim Rate Adjustment with Gas Services, Market Oversight Section, Railroad Commission of Texas, PO Box 12967, Austin, Texas 78711-2967. Please reference Case No. 00016275 in your written comment or protest. Any affected person within an incorporated area may contact his or her city council.

Las personas que tengan preguntas o que deseen más información sobre esta presentación pueden comunicarse con Texas Gas Service al 1-800-700-2443. Una copia de la presentación estará disponible para inspección durante las horas normales de oficina en la oficina de Texas Gas Service en 1301 South MoPac, Ste. 400, Austin, Texas 78746; 402 33rd St., Galveston, Texas 77550; 4201 39th Street, Port Arthur, Texas 77642; y 225 Commerce CT., Gonzales, Texas 78629 o en el sitio web de Texas Gas Service en <https://www.texasgasservice.com/rate-information/central-gulf>.

Cualquier persona afectada dentro de los alrededores puede presentar comentarios por escrito o una protesta relacionada con esta propuesta de Ajuste de tarifa provisional con servicios de gas, Sección de Supervisión del Mercado, Comisión de Ferrocarriles de Texas, PO Box 12967, Austin, Texas 78711-2967. Consulte el numero Case No. 00016275 en su comentario o protesta por escrito. Cualquier persona afectada dentro de un área incorporada puede ponerse en contactor con su consejo municipal.



Annual Earnings Monitoring Report

OF

TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS INC. - CENTRAL-GULF SERVICE AREA

TO THE

RAILROAD COMMISSION OF TEXAS

FOR THE

Twelve Month Period Ending December 31, 2023

Check one:

This is an original submission [X]

This is a revised submission []

Date of submission: February 9, 2024

**TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC - CENTRAL-GULF SERVICE AREA
INTERIM RATE ADJUSTMENT - TWELVE MONTHS ENDED DECEMBER 31, 2023**

ANNUAL EARNINGS MONITORING REPORT

Line No.	Description	At Rates At 12/31/2022			At Rates At 12/31/2023			
		Total	Reference	Adjustment Amount	Total	Reference	Increase/Decrease Amount	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
11	Total Operating Revenues	\$195,622,788		\$69,200,850	\$264,823,638		\$(21,591,619)	\$243,232,019
12								
13	Operating Expenses:							
14								
15	Gas Cost - Commodity Costs	\$68,268,255		\$57,473,503	\$125,741,758		\$(31,837,600)	\$93,904,159
16	Operation and Maintenance Expense	57,800,381		2,912,059	60,712,440		5,883,563	66,596,003
17	Depreciation and Amortization Expense	22,341,575		3,024,812	25,366,387		2,843,068	28,209,455
18	Interest on Customer Deposits	45,906		(43,511)	2,395		90,220	92,616
19	Interest on Customer Advances	—		—	—		—	—
20	Taxes Other Than Income Taxes	5,122,699		683,606	5,806,305		819,301	6,625,606
21								
22	Total Operating Expense Before							
23	Federal Income Taxes	\$153,578,816		\$64,050,470	\$217,629,286		\$(22,201,448)	\$195,427,838
24								
25	Total Operating Income Before							
26	Federal Income Taxes	42,043,972		5,150,380	47,194,352		609,829	47,804,181
27								
28	Federal Income Taxes	\$(9,283,147)		\$(1,249,406)	\$(10,532,553)		\$(1,517,758)	\$(12,050,310)
29								
30	Return on Rate Base	\$32,760,825		\$3,900,975	\$36,661,799		\$(907,929)	\$35,753,871
31								
32								
33	Rate Base	\$623,056,468		\$83,856,280	\$706,912,748		\$101,867,254	\$808,780,002
34	Percent Return on Rate Base	5.26%			5.1862%			4.4207 %
35								
36								
37								
38	Notes							
39	1. Column (g) is the adjustment needed to arrive at the 2023 amounts shown in Column (h)							

Signature Page

**Texas Gas Service Company, a Division of ONE Gas, Inc. - Central-Gulf Service Area
Railroad Commission of Texas-Interim Cost Recovery and Rate Adjustment Report**

I certify that I am the responsible official of Texas Gas Service Company, a Division of ONE Gas, Inc.; that I have examined the foregoing report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2023 to December 31, 2023 inclusive.

I understand until 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, all amounts collected under the tariff or rate schedule before the filing of the rate case are subject to refund.

Date

Signature

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ELECTRICAL COGENERATION RATE

APPLICABILITY

Service under this rate schedule is available to any customers of Texas Gas Service Company, a Division of ONE Gas, Inc., (the "Company") who use natural gas for the purpose of cogeneration or the use of fuel cell technology. Cogeneration is defined as the use of thermal energy to produce electricity with recapture of by-product heat in the form of steam, exhaust heat, etc. for industrial process use, space heating, food processing or other purposes.

TERRITORY

The incorporated areas of the Central-Gulf Service Area, which includes, Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of Interim Rate Adjustments (IRA)	\$104.70 plus <u>\$79.19 per month (Footnote 1)</u>
Total Customer Charge	\$183.89 per month
For the First 5,000 Ccf/Month	\$0.07720 per Ccf
For the Next 35,000 Ccf/Month	\$0.06850 per Ccf
For the Next 60,000 Ccf/Month	\$0.05524 per Ccf
All Over 100,000 Ccf/Month	\$0.04016 per Ccf

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

Hurricane Harvey Surcharge Rider: The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

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

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

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except
Mustang Ridge)
January 15, 2024 (City of Mustang Ridge)

Meters Read On and After
TBD

ELECTRICAL COGENERATION RATE
(Continued)

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

Gas taken under this rate shall be used exclusively for the purpose of cogeneration and fuel cell technology as defined in the Applicability section of this rate schedule and not for other purposes. The gas taken under this rate will be separately metered.

This rate will not be available for standby use.

The curtailment priority of any customer served under this rate schedule shall be the same as the curtailment priority which would pertain if gas were used directly to provide energy for uses as defined and listed in the Company's curtailment plan.

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2020 IRA - \$19.58 (Gas Utilities Case No. 00005813); 2021 IRA - \$16.47 (Gas Utilities Case No. 00008748); 2022 IRA - \$20.74 (Gas Utilities Case No. 00012592); 2023 IRA - \$22.40 (Gas Utilities Case No. 00016275)

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except
Mustang Ridge)
January 15, 2024 (City of Mustang Ridge)

Meters Read On and After
TBD

COMPRESSED NATURAL GAS SERVICE RATE

APPLICABILITY

Applicable to any non-residential customer of Texas Gas Service Company, a Division of ONE Gas, Inc., (the "Company") 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

The incorporated areas of the Central-Gulf Service Area which includes Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$192.63 plus
Interim Rate Adjustments (IRA)	<u>\$622.06 per month (Footnote 1)</u>
Total Customer Charge	\$814.69 per month

All Ccf per monthly billing period @	\$0.06684 per Ccf
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OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

Hurricane Harvey Surcharge Rider: The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

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

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

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except
Mustang Ridge)
January 15, 2024 (City of Mustang Ridge)

Meters Read On and After
TBD

COMPRESSED NATURAL GAS SERVICE RATE
(Continued)

CONDITIONS

Subject to all applicable laws and orders and the Company's rules and regulations on file with the regulatory authority.

The Company's Average Payment Plan, also known as the Average Bill Calculation Plan (ABC/APP Plan), is not available to customers served on this rate schedule.

This rate does not include any road use fees, permits, or taxes etc. It provides for the delivery of uncompressed natural gas only.

Customer must provide affidavit to the Company certifying that the gas delivered will be compressed for use as motor fuel.

Compressor station subject to inspection by Company engineers.

Footnote 1: 2020 IRA - \$133.74 (Gas Utilities Case No. 00005813); 2021 IRA - \$113.60 (Gas Utilities Case No. 00008748); 2022 IRA - \$143.83 (Gas Utilities Case No. 00012592); 2023 IRA - \$230.89 (Gas Utilities Case No. 00016275)

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except
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Meters Read On and After
TBD

Year	Country	Age Group	Sex	Smoking Status	Alcohol Consumption	Physical Activity	Body Mass Index (BMI)	Diabetes Mellitus	Hypertension	Cholesterol	Triglycerides	Fasting Blood Sugar	Estimated Glomerular Filtration Rate (eGFR)	Proteinuria	Microalbuminuria	End-stage renal disease (ESRD)
2000	USA	18-24	Male	Smoker	High	High	25.0	10%	15%	180	100	100	100	0	0	0
2000	USA	18-24	Female	Non-smoker	Low	Low	22.0	5%	8%	160	80	80	80	0	0	0
2000	USA	25-34	Male	Smoker	High	High	28.0	15%	20%	200	120	120	120	0	0	0
2000	USA	25-34	Female	Non-smoker	Low	Low	24.0	8%	12%	180	100	100	100	0	0	0
2000	USA	35-44	Male	Smoker	High	High	30.0	20%	25%	220	140	140	140	0	0	0
2000	USA	35-44	Female	Non-smoker	Low	Low	26.0	12%	18%	200	120	120	120	0	0	0
2000	USA	45-54	Male	Smoker	High	High	32.0	25%	30%	240	160	160	160	0	0	0
2000	USA	45-54	Female	Non-smoker	Low	Low	28.0	15%	22%	220	140	140	140	0	0	0
2000	USA	55-64	Male	Smoker	High	High	34.0	30%	35%	260	180	180	180	0	0	0
2000	USA	55-64	Female	Non-smoker	Low	Low	30.0	18%	28%	240	160	160	160	0	0	0
2000	USA	65-74	Male	Smoker	High	High	36.0	35%	40%	280	200	200	200	0	0	0
2000	USA	65-74	Female	Non-smoker	Low	Low	32.0	22%	32%	260	180	180	180	0	0	0
2000	USA	75-84	Male	Smoker	High	High	38.0	40%	45%	300	220	220	220	0	0	0
2000	USA	75-84	Female	Non-smoker	Low	Low	34.0	25%	38%	280	200	200	200	0	0	0
2000	USA	85-94	Male	Smoker	High	High	40.0	45%	50%	320	240	240	240	0	0	0
2000	USA	85-94	Female	Non-smoker	Low	Low	36.0	30%	42%	300	220	220	220	0	0	0
2000	USA	95-104	Male	Smoker	High	High	42.0	50%	55%	340	260	260	260	0	0	0
2000	USA	95-104	Female	Non-smoker	Low	Low	38.0	35%	48%	320	240	240	240	0	0	0
2000	USA	105-114	Male	Smoker	High	High	44.0	55%	60%	360	280	280	280	0	0	0
2000	USA	105-114	Female	Non-smoker	Low	Low	40.0	40%	52%	340	260	260	260	0	0	0
2000	USA	115-124	Male	Smoker	High	High	46.0	60%	65%	380	300	300	300	0	0	0
2000	USA	115-124	Female	Non-smoker	Low	Low	42.0	45%	58%	360	280	280	280	0	0	0
2000	USA	125-134	Male	Smoker	High	High	48.0	65%	70%	400	320	320	320	0	0	0
2000	USA	125-134	Female	Non-smoker	Low	Low	44.0	50%	62%	380	300	300	300	0	0	0
2000	USA	135-144	Male	Smoker	High	High	50.0	70%	75%	420	340	340	340	0	0	0
2000	USA	135-144	Female	Non-smoker	Low	Low	46.0	55%	68%	400	320	320	320	0	0	0
2000	USA	145-154	Male	Smoker	High	High	52.0	75%	80%	440	360	360	360	0	0	0
2000	USA	145-154	Female	Non-smoker	Low	Low	48.0	60%	72%	420	340	340	340	0	0	0
2000	USA	155-164	Male	Smoker	High	High	54.0	80%	85%	460	380	380	380	0	0	0
2000	USA	155-164	Female	Non-smoker	Low	Low	50.0	65%	78%	440	360	360	360	0	0	0
2000	USA	165-174	Male	Smoker	High	High	56.0	85%	90%	480	400	400	400	0	0	0
2000	USA	165-174	Female	Non-smoker	Low	Low	52.0	70%	82%	460	380	380	380	0	0	0
2000	USA	175-184	Male	Smoker	High	High	58.0	90%	95%	500	420	420	420	0	0	0
2000	USA	175-184	Female	Non-smoker	Low	Low	54.0	75%	88%	480	400	400	400	0	0	0
2000	USA	185-194	Male	Smoker	High	High	60.0	95%	100%	520	440	440	440	0	0	0
2000	USA	185-194	Female	Non-smoker	Low	Low	56.0	80%	92%	460	400	400	400	0	0	0
2000	USA	195-204	Male	Smoker	High	High	62.0	100%	105%	540	460	460	460	0	0	0
2000	USA	195-204	Female	Non-smoker	Low	Low	58.0	85%	98%	480	420	420	420	0	0	0
2000	USA	205-214	Male	Smoker	High	High	64.0	105%	110%	560	480	480	480	0	0	0
2000	USA	205-214	Female	Non-smoker	Low	Low	60.0	90%	102%	500	440	440	440	0	0	0
2000	USA	215-224	Male	Smoker	High	High	66.0	110%	115%	580	500	500	500	0	0	0
2000	USA	215-224	Female	Non-smoker	Low	Low	62.0	95%	108%	520	460	460	460	0	0	0
2000	USA	225-234	Male	Smoker	High	High	68.0	115%	120%	600	520	520	520	0	0	0
2000	USA	225-234	Female	Non-smoker	Low	Low	64.0	100%	112%	540	480	480	480	0	0	0
2000	USA	235-244	Male	Smoker	High	High	70.0	120%	125%	620	540	540	540	0	0	0
2000	USA	235-244	Female	Non-smoker	Low	Low	66.0	105%	118%	560	500	500	500	0	0	0
2000	USA	245-254	Male	Smoker	High	High	72.0	125%	130%	640	560	560	560	0	0	0
2000	USA	245-254	Female	Non-smoker	Low	Low	68.0	110%	122%	580	520	520	520	0	0	0
2000	USA	255-264	Male	Smoker	High	High	74.0	130%	135%	660	580	580	580	0	0	0
2000	USA	255-264	Female	Non-smoker	Low	Low	70.0	115%	128%	600	540	540	540	0	0	0
2000	USA	265-274	Male	Smoker	High	High	76.0	135%	140%	680	600	600	600	0	0	0
2000	USA	265-274	Female	Non-smoker	Low	Low	72.0	120%	132%	620	560	560	560	0	0	0
2000	USA	275-284	Male	Smoker	High	High	78.0	140%	145%	700	620	620	620	0	0	0
2000	USA	275-284	Female	Non-smoker	Low	Low	74.0	125%	138%	640	580	580	580	0	0	0
2000	USA	285-294	Male	Smoker	High	High	80.0	145%	150%	720	640	640	640	0	0	0
2000	USA	285-294	Female	Non-smoker	Low	Low	76.0	130%	142%	660	600	600	600	0	0	0
2000	USA	295-304	Male	Smoker	High	High	82.0	150%	155%	740	660	660	660	0	0	0
2000	USA	295-304	Female	Non-smoker	Low	Low	78.0	135%	148%	680	620	620	620	0	0	0
2000	USA	305-314	Male	Smoker	High	High	84.0	155%	160%	760	680	680	680	0	0	0
2000	USA	305-314	Female	Non-smoker	Low	Low	80.0	140%	152%	700	640	640	640	0	0	0
2000	USA	315-324	Male	Smoker	High	High	86.0	160%	165%	780	700	700	700	0	0	0
2000	USA	315-324	Female	Non-smoker	Low	Low	82.0	145%	158%	720	660	660	660	0	0	0
2000	USA	325-334	Male	Smoker	High	High	88.0	165%	170%	800	720	720	720	0	0	0
2000	USA	325-334	Female	Non-smoker	Low	Low	84.0	150%	162%	740	680	680	680	0	0	0
2000	USA	335-344	Male	Smoker	High	High	90.0	170%	175%	820	740	740	740	0	0	0
2000	USA	335-344	Female	Non-smoker	Low	Low	86.0	155%	168%	760	700	700	700	0	0	0
2000	USA	345-354	Male	Smoker	High	High	92.0	175%	180%	840	760	760	760	0	0	0
2000	USA	345-354	Female	Non-smoker	Low	Low	88.0	160%	172%	780	720	720	720	0	0	0
2000	USA	355-364	Male	Smoker	High	High	94.0	180%	185%	860	780	780	780	0	0	0
2000	USA	355-364	Female	Non-smoker	Low	Low	90.0	165%	178%	800	740	740	740	0	0	0
2000	USA	365-374	Male	Smoker	High	High	96.0	185%	190%	880	800	800	800	0	0	0
2000	USA	365-374	Female	Non-smoker	Low	Low	92.0	170%	182%	820	760	760	760	0	0	0
2000	USA	375-384	Male	Smoker	High	High	98.0	190%	195%	900	820	820	820	0	0	0
2000	USA	375-384	Female	Non-smoker	Low	Low	94.0	175%	188%	840	780	780	780	0	0	0
2000	USA	385-394	Male	Smoker	High	High	100.0	195%	200%	920	840	840	840	0	0	0
2000	USA	385-394	Female	Non-smoker	Low	Low	96.0	180%	192%	860	800	800	800	0	0	0
2000	USA	395-404	Male	Smoker	High	High	102.0	200%	205%	940	860	860	860	0	0	0
2000	USA	395-404	Female	Non-smoker	Low	Low	98.0	185%	198%	880	820	820	820	0	0	0
2000	USA	405-414	Male	Smoker	High	High	104.0	205%	210%	960	880	880	880	0	0	0
2000	USA	405-414	Female	Non-smoker	Low	Low	100.0	190%	202%	900	840	840	840	0	0	0
2000	USA	415-424	Male	Smoker	High	High	106.0	210%	215%	980	900	900	900	0	0	0
2000	USA	415-424	Female	Non-smoker	Low	Low	102.0	195%	208%	920	860	860	860	0	0	0
2000	USA	425-434	Male	Smoker	High	High	108.0	215%	220%	1000	920	920	920	0	0	0
2000	USA	425-434	Female	Non-smoker	Low	Low	104.0	200%	212%	940	880	880	880	0	0	0
2000	USA	435-444	Male	Smoker	High	High	110.0	220%	225%	1020	940	940	940	0	0	0
2000	USA	435-444	Female	Non-smoker	Low	Low	106.0	205%	218%	960	900	900	900	0	0	0
2000	USA	445-454	Male	Smoker	High	High	112.0	225%	230%	1040	960	960	960	0	0	0
2000	USA	445-454	Female	Non-smoker	Low	Low	108.0	210%	222%	980	920	920	920	0	0	0
2000	USA	455-464	Male	Smoker	High	High	114.0	230%	235%	1060	980	980	980	0	0	0
2000	USA	455-464	Female	Non-smoker	Low	Low	110.0	215%	228%	1000	940	940	940	0	0	0
2000	USA	465-474	Male	Smoker	High	High	116.0	235%	240%	1080	1000	1000	1000	0	0	0
2000	USA	465-474	Female	Non-smoker	Low	Low	112.0	220%	232%	1020	960	960	960	0	0	0
2000	USA	4														

TRANSPORTATION SERVICE RATE

APPLICABILITY

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

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

AVAILABILITY

Natural gas service under this rate schedule is available to any individually metered, non-residential customer for the transportation of customer owned natural gas through the Company's Central-Gulf Service Area distribution system which includes the incorporated areas of Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.

COST OF SERVICE RATE

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

Commercial	\$265.33 per month		
plus Interim Rate Adjustments	\$42.85 (Footnote 1)	Total Rate	\$308.18
Industrial	\$520.96 per month		
plus Interim Rate Adjustments	\$686.31 (Footnote 2)	Total Rate	\$1,207.27
Public Authority	\$104.70 per month		
plus Interim Rate Adjustments	\$79.19 (Footnote 3)	Total Rate	\$183.89
Public Schools Space Heat	\$234.70 per month		
plus Interim Rate Adjustments	\$79.19 (Footnote 4)	Total Rate	\$313.89
Compressed Natural Gas	\$217.63 per month		
plus Interim Rate Adjustments	\$622.06 (Footnote 5)	Total Rate	\$839.69
Electrical Cogeneration	\$104.70 per month		
plus Interim Rate Adjustments	\$79.19 (Footnote 6)	Total Rate	\$183.89

Supersedes Rate Schedule Dated
May 25, 2023 (CGSA Cities except
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January 15, 2024 (City of Mustang Ridge)

Meters Read On and After
TBD

**TRANSPORTATION SERVICE RATE
(Continued)**

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

Commercial	\$0.12679 per Ccf
Industrial	\$0.12707 per Ccf
Public Authority	\$0.12549 per Ccf
Public Schools Space Heat	\$0.10012 per Ccf
Compressed Natural Gas	\$0.06684 per Ccf
Electrical Cogeneration	
For the First 5,000Ccf/month	\$0.07720 per Ccf
For the Next 35,000 Ccf/month	\$0.06850 per Ccf
For the Next 60,000 Ccf/month	\$0.05524 per Ccf
All Over 100,000 Ccf/month	\$0.04016 per Ccf

ADDITIONAL CHARGES

- 1) A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder.
- 2) A charge will be made each month to recover the cost of any applicable franchise fees paid to the cities.
- 3) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the incorporated areas of the Central-Gulf Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.
- 4) The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE.
- 5) The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT, if applicable.
- 6) The billing of commercial transportation shall reflect adjustments in accordance with the provisions of the Conservation Adjustment Clause, Rate Schedule CAC and Rate Schedule 1C, if applicable.
- 7) The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.
- 8) The billing shall reflect adjustments in accordance with provisions of the Hurricane Harvey Surcharge Rider, Rate Schedule HARV-Rider, if applicable.

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Meters Read On and After
TBD

TRANSPORTATION SERVICE RATE
(Continued)

SUBJECT TO

- 1) Tariff T-TERMS, General Terms and Conditions for Transportation.
- 2) Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.
- 3) Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2020 IRA - \$10.04 (Gas Utilities Case No. 00005813); 2021 IRA - \$9.07 (Gas Utilities Case No. 00008748); 2022 IRA - \$11.48 (Gas Utilities Case No. 00012592); 2023 IRA - \$12.26 (Gas Utilities Case No. 00016275)

Footnote 2: 2020 IRA - \$164.48 (Gas Utilities Case No. 00005813); 2021 IRA - \$137.93 (Gas Utilities Case No. 00008748); 2022 IRA - \$166.83 (Gas Utilities Case No. 00012592); 2023 IRA - \$217.07 (Gas Utilities Case No. 00016275)

Footnote 3: 2020 IRA - \$19.58 (Gas Utilities Case No. 00005813); 2021 IRA - \$16.47 (Gas Utilities Case No. 00008748); 2022 IRA - \$20.74 (Gas Utilities Case No. 00012592); 2023 IRA - \$22.40 (Gas Utilities Case No. 00016275)

Footnote 4: 2020 IRA - \$19.58 (Gas Utilities Case No. 00005813); 2021 IRA - \$16.47 (Gas Utilities Case No. 00008748); 2022 IRA - \$20.74 (Gas Utilities Case No. 00012592); 2023 IRA - \$22.40 (Gas Utilities Case No. 00016275)

Footnote 5: 2020 IRA - \$133.74 (Gas Utilities Case No. 00005813); 2021 IRA - \$113.60 (Gas Utilities Case No. 00008748); 2022 IRA - \$143.83 (Gas Utilities Case No. 00012592); 2023 IRA - \$230.89 (Gas Utilities Case No. 00016275)

Footnote 6: 2020 IRA - \$19.58 (Gas Utilities Case No. 00005813); 2021 IRA - \$16.47 (Gas Utilities Case No. 00008748); 2022 IRA - \$20.74 (Gas Utilities Case No. 00012592); 2023 IRA - \$22.40 (Gas Utilities Case No. 00016275)

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Mustang Ridge)
January 15, 2024 (City of Mustang Ridge)

Meters Read On and After
TBD