

**RESIDENTIAL SERVICE RATE – INCORPORATED**

**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 in an incorporated area or city served by West Texas Gas Utility, LLC. (“WTGU”). A residential consumer includes an individually-metered residential unit or dwelling and builders prior to sale or re-sale of a property for domestic purposes. This rate is only available to full requirements customers of WTGU.

**COST OF SERVICE RATE**

During each monthly billing period:

Subject to applicable rate adjustment provisions listed below, the following rates are applicable to Residential 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      \$19.10  
All Consumption @    \$7.85 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.

**OTHER FEES**

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 Gas Cost Adjustment-INC.

Rate Case Expense Rider: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE- INC.

Taxes: Plus applicable taxes and fees related to above.

Pipeline Safety and Regulatory Program Fee: Adjustments in accordance with the provisions of Rate Schedule Pipeline Safety Fee- INC.

Miscellaneous Fees and Deposits: Adjustments in accordance with the provisions of Rate Schedule MISCFEE- INC.

Other Surcharges: Adjustments in accordance with the provisions of the Other Surcharges Rate Schedule OS- INC.

Winter Storm Rider: Surcharge for recovery of extraordinary gas costs caused by Winter Storm Uri in accordance with Rate Schedule WINTER STORM RIDER.

**COMMERCIAL SERVICE RATE - INCORPORATED**

**APPLICABILITY**

Applicable to all commercial customers and to customers not otherwise specifically provided for under any other rate schedule or served under a contract in an incorporated area or city served by West Texas Gas Utility, LLC (“WTGU”). This rate is only available to full requirements customers of WTGU.

**COST OF SERVICE RATE**

During each monthly billing period:

Subject to applicable rate adjustment provisions listed below, the following rates are applicable to Commercial consumers and to consumers not otherwise specifically provided for under any other rate schedule or served under a contract per meter billing cycle or for any part of a billing cycle for which gas service is available at the same location.

Customer Charge	\$46.50
All Consumption @	\$5.68per 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.

**OTHER FEES**

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 Gas Cost Adjustment- INC.

Rate Case Expense Rider: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE- INC.

Taxes: Plus applicable taxes and fees related to above.

Pipeline Safety and Regulatory Program Fee: Adjustments in accordance with the provisions of Rate Schedule Pipeline Safety Fee- INC.

Miscellaneous Fees and Deposits: Adjustments in accordance with the provision of Rate Schedule MISCFEES- INC.

Other Surcharges: Adjustments in accordance with the provisions of the Other Surcharges Rate Schedule OS-INC.

Winter Storm Rider: Surcharge for recovery of extraordinary gas costs caused by Winter Storm Uri in accordance with Rate Schedule WINTER STORM RIDER.

**NON-PROFIT INCORPORATED  
SERVICE RATE**

**APPLICABILITY**

Applicable to all Non-Profit customers. Non-Profit customers are any organization or group organized for purposes other than generating a profit.

**COST OF SERVICE RATE**

During each monthly billing period:

Subject to applicable rate adjustment provisions listed below, the following rates are applicable to Non-Profit consumers.

Customer Charge	\$46.50
All Consumption @	\$5.68 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.

**OTHER FEES**

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 Gas Cost Adjustment-INC.

Rate Case Expense Rider: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-INC.

Taxes: Plus applicable taxes and fees related to above.

Pipeline Safety and Regulatory Program Fee: Adjustments in accordance with the provisions of Rate Schedule Pipeline Safety Fee-INC.

Miscellaneous Fees and Deposits: Adjustments in accordance with the provision of Rate Schedule MISCFEES-INC.

Other Surcharges: Adjustments in accordance with the provisions of the Other Surcharges Rate Schedule OS-INC.

Winter Storm Rider: Surcharge for recovery of extraordinary gas costs caused by Winter Storm Uri in accordance with Rate Schedule WINTER STORM RIDER.

**PUBLIC AUTHORITY SERVICE RATE - INCORPORATED**

**APPLICABILITY**

Applicable to all Public Authority customers. Public Authority customers are any department, agency, or entity of the local state, or federal government, including a public school, college or university.

**COST OF SERVICE RATE**

During each monthly billing period:

Subject to applicable rate adjustment provisions listed below, the following rates are applicable to Public Authority consumers.

Customer Charge	\$46.00
All Consumption @	\$5.68 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.

**OTHER FEES**

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 Gas Cost Adjustment-INC.

Rate Case Expense Rider: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-INC.

Taxes: Plus applicable taxes and fees related to above.

Pipeline Safety and Regulatory Program Fee: Adjustments in accordance with the provisions of Rate Schedule Pipeline Safety Fee-INC.

Miscellaneous Fees and Deposits: Adjustments in accordance with the provision of Rate Schedule MISCFEE-INC.

Other Surcharges: Adjustments in accordance with the provisions of the Other Surcharges Rate Schedule OS-INC.

Winter Storm Rider: Surcharge for recovery of extraordinary gas costs caused by Winter Storm Uri in accordance with Rate Schedule WINTER STORM RIDER.

**GAS COST ADJUSTMENT – INCORPORATED**

**Applicability**

This clause shall apply to all customers served by WTGU, except for customers purchasing gas at contract rates. Each customer's gas costs will be determined by the costs incurred in the applicable Gas Cost Zone. For purposes of determining gas purchase costs, all customers will be located in one of three Gas Cost Zones: North, South, and West. Each Gas Cost Zone consists of the following systems or geographic areas:

**NORTH GAS COST ZONE:**

Incorporated areas of the Cities of Amarillo, Cactus, Canadian, Canyon, Claude, Dalhart, Darrouzett, Farwell, Follett, Groom, Higgins, Miami, Mobeetie, Shamrock, Stratford, Texhoma, Texline, Wheeler and White Deer.

**SOUTH GAS COST ZONE:**

Incorporated areas of the Cities of Devine, Eden, Junction, La Vernia, Lockhart, Luling, Menard, Natalia, Paint Rock, Seguin, Somerset and Sonora.

**WEST GAS COST ZONE:**

Incorporated areas of the Cities of Balmorhea, Kermit, Lubbock, Van Horn, and Wolfforth.

**Intent**

This clause is intended to allow collection of West Texas Gas Utility, LLC ("WTGU") 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.

**Definitions**

**Gas Cost Zones** – North, South, and West, as defined in the "Applicability" section below.

**Interest** – The percentage of interest shall be the interest rate established by the Public Utility Commission, or such other agency or manner as determined by the Commission, under Chapter 183 of the Texas Utilities Code.

**Lost and Unaccounted For Gas** – Lost and Unaccounted for Gas (LUG) shall represent volumes of gas metered into the distribution system and volumes of gas metered out of the distribution system at 14.65 p.s.i.a., which shall include distribution and non-distribution volumes. WTGU transmission LUG shall not be included in these volumes.

**Purchased Gas Costs** –The total cost of Purchase Volumes, as received into the Company's distribution systems within each Gas Cost Zone.

**Purchased Gas Factor (“PGF”)** – A factor on each customer’s monthly bill, expressed in dollars per Mcf, to reflect the Purchase Gas Costs, all as more specifically described herein.

**Purchase/Sales Ratio** – A ratio determined by dividing the Company’s Purchase Volumes metered into the distribution system during the twelve-month period ending June 30 of each year by the sum of the Company’s Sales Volumes metered out of the distribution system, volumes of metered Company used gas, and losses of gas from the Company’s systems within each Gas Cost Zone that have been billed to third parties during the same period. Such ratio as determined shall in no event exceed 1.0526 i.e.  $1/1(1-.05)$  unless expressly authorized by the applicable regulatory authority.

**Purchase Volumes** – The volumes of gas, expressed in Mcf’s and stated at 14.65 psia, received by the Company’s distribution system from all sources within each Gas Cost Zone, including monthly purchases and withdrawals from storage, if any, for use by general service customers. This quantity of gas shall not include LUG attributable to the WTGU Transmission System or transmission function.

**Reconciliation Amount** – The net of any monthly imbalances by Gas Cost Zone during the period covered by the Reconciliation Review.

**Reconciliation Component** – The monthly amount to be refunded or passed through to customers within each Gas Cost Zone, consisting of one-twelfth of the Reconciliation Amount.

**Reconciliation Factor** – A factor, expressed as a cost per Mcf on customer bills within each Gas Cost Zone, reflecting the customer’s share of the Reconciliation Component applicable to the period covered by the bill.

**Reconciliation Review** – An annual review of the Company’s records covering each 12-month period ending June 30 to determine any imbalances between the Purchase Gas Cost and the Sales Amount as applied to each Gas Cost Zone during that period.

**Sales Amount** – Sales Volumes, volumes of metered Company used gas, and losses of gas from the Company’s system within each Gas Cost Zone that have been billed to third parties, multiplied by the Purchased Gas Factor.

**Sales Volumes** – The volumes of gas metered to general service customers within each Gas Cost Zone expressed in Mcf’s and stated at 14.65 psia.

**Weighted Average Cost of Gas** – The Purchase Gas Costs invoiced by third parties divided by the Purchase Volumes, calculated on a monthly basis for each Gas Cost Zone

### **Purchase Gas Cost Component (PGC)**

The Purchase Gas Cost for each Gas Cost Zone shall be computed utilizing the following components for the distribution system customers:

- Cost of gas purchased
- Credits, Refunds or Out of Period adjustments
- Cost of gas withdrawn from storage
- Interest on storage gas withdrawn
- Upstream Gathering and Transportation Charges
- Storage Deliverability Charges
- Storage Capacity Charges
- New taxes on the purchased gas or the purchase transaction and not reflected on elsewhere on customer bills

WTGU shall keep accurate records of all storage gas purchases, including the date, quantity, cost, and associated expenses. WTGU shall account for storage gas purchases and withdrawals using a weighted average cost basis.

### **Purchased Gas Factor (PGF) Calculation**

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 each Gas Cost Zone. The PGF shall be determined to the nearest \$0.001 per Mcf, and the following provisions shall apply:

- 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 Weighted Average Cost of Gas and the actual Weighted Average Cost of Gas during the previous billing period for each Gas Cost Zone
- 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 each Gas Cost Zone.
- 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 each Gas Cost Zone.

The Purchased Gas Factor is expressed as a formula as follows:

$$(A+/-B) + C + D = E$$

Where:

A = Estimated WACOG

B = Est. WACOG/Act. WACOG Difference

C = Reconciliation Factor

D = New Taxes

E = Total PGF

### **Gas Cost Reconciliation (GCR)**

WTGU shall keep accurate books and records of the Reconciliation Review, monthly Purchased Gas Factor reports to the Railroad Commission of Texas, and shall account for the Reconciliation Component and the Reconciliation Factors for each 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):

Incorporated areas of the Cities of:

Amarillo	13.38	Higgins	13.78	Shamrock	13.88
Balmorhea	13.48	Junction	14.18	Somerset	14.68
Cactus	13.28	Kermit	13.68	Sonora	13.98
Canadian	13.88	La Vernia	14.68	Stratford	13.18
Canyon	13.45	Lockhart	14.68	Texhoma	13.38
Claude	13.38	Lubbock	13.45	Texline	12.98
Dalhart	13.07	Luling	14.68	Van Horn	13.48
Darrouzett	13.78	Menard	14.08	Wheeler	13.78
Devine	14.68	Miami	13.68	White Deer	13.38
Eden	14.08	Mobeetie	13.78	Wolfforth	13.45
Farwell	13.18	Natalia	14.68		
Follett	13.68	Paint Rock	14.28		
Groom	13.38	Seguin	14.68		

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:

- WTGU 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 Purchased Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Net Jurisdictional Cost of Gas.
- Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.
- The interest rate shall be the same rate 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).
- The sum of the monthly imbalances, plus interest, for each 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 gas gain of greater than 5% of that metered into the system, the following methodology shall apply:



- WTGU 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 Weighted Average Cost of Gas 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.
- Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.
- The interest rate shall be the rate in effect during the last month of the audit period (June).
- 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/surcharged.

**Reconciliation Factor Calculation (RFC)**

The Reconciliation Amount for each 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 customer 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.

**MISCELLANEOUS FEES AND DEPOSITS – INCORPORATED****APPLICABILITY**

Applicable to Residential, Commercial, Industrial, and any other jurisdictional customers of West Texas Gas Utility, LLC (“WTGU”) who are in an incorporated area or city served by WTGU.

**FEES****Initiation of Service:****a) Connection Charge**

The following connection charges apply:

<u>Schedule</u>	<u>Charge</u>
Business Hours (8AM to 5PM, Monday – Friday, except holidays)	\$50.00
After Hours (All Hours not associated with Business Hours)	\$70.00

A connect fee will be charged to any applicant for the cost involved in initiation of service. This fee shall be charged when a meter is set and/or gas turned on.

**b) Read-In for Change Charge**

A read-in fee of \$20.00 will be charged to any applicant for the cost involved in initiation of service. This fee shall be charged when only a meter reading is required.

**c) After Hours & Special Handling**

In addition to initiation of service fee above, a fee shall be charged to any applicant whose request to initiate service cannot be completed during normal business hours or requires special handling. Applicant shall be advised that an additional fee will be charged and must agree to pay such charge. Any fees assessed will reflect actual time incurred at \$20 per hour during business hours and \$30 per hour for after hours, plus the actual cost of materials and any incidental (third party) expenses. A third party is any person or entity, including an affiliate of the Company.

- (i) **Special Handling:** West Texas Gas Utility, LLC (“WTGU”) may, at customer’s request, provide special handling in order to meet the Customer’s requirements for a fee based on the rates indicated in (c) above. Special handling may include such assistance as calling the customer in advance or making other special arrangements (such as A.M. or P.M. scheduling) for access to the customer’s premises.

- (ii) **Expedited Service:** If the customer requires that the order be worked after hours for their convenience or if the customer requires expedited service, the charge shall be based on the rates indicated in (c) above for after-hours service work on customer premises. The Customer's request for expedited service may then be scheduled at any time to fit WTGU's work schedule but the after-hours charge shall be collected as long as any other work is done on overtime.
- (iii) **Special Call Out:** If the initiation of service order requires special call out, the customer shall be charged based on the rates indicated in (c) above for after-hours service work on customer's premises.

### Customer Requested Meter Test

Whenever WTGU is requested by a customer to have a meter test performed, and the result of that meter test indicates that the meter is within 2% accuracy and the meter has been tested within a four year period from the time the customer made the request the customer will be charged according to the following fee schedule.

Positive Displacement	Charge
275 cubic feet per hour or less	\$25.00
276 to 1500 cubic feet per hour	\$30.00
1501 to 3000 cubic feet per hour	\$35.00
3001 to 5000 cubic feet per hour	\$45.00
over 5000 cubic feet per hour	\$60.00
 Orifice Meters	
All sizes	\$40.00

The meter test fees schedule above will not apply when the test results indicate the meter is outside of the allowed 2% accuracy range.

### Returned Check/Bank Draft Charges

Accounts for which payment is made using checks or electronic drafts which are returned or denied by a bank for any reason may be charged a fee for each occurrence of \$25.00.

### Collection Fee

A fee of \$20.00 will be charged to any customer whose failure to respond to a termination notice necessitates the dispatch of a Company representative who attempts collection of payment from customer.

**Reconnect Fees**

The following reconnection fees will be charged to any customer whose service is terminated and then re-initiated unless terminated in error by WTGU.

<u>Schedule</u>	<u>Charge</u>
Business Hours (8AM to 5PM, Monday – Friday, except holidays)	\$50.00
After Hours (All Hours not associated with Business Hours)	\$70.00

**Temporary Service**

Customers will be charged the actual cost of installation and removal of pipe and metering facilities. The actual cost will be calculated in accordance with the rates specified in Section 4.1.1 (c) above. This service does not include extension of mains.

**Special Read**

Customer requested reading of a meter for any purpose other than initiation of service will be charged \$20.00

**No Access**

A fee of \$20.00 will be charged to customer who schedules an appointment but fails to appear or Company personnel cannot access property to perform the service requested.

**Tampering**

Customers who tamper with their meters will be assessed a charge of \$150.00 plus the actual cost of any estimated volumes of gas illegally consumed or improperly measured based on such tampering, and the actual cost of time and materials to repair meters or other company equipment. The actual costs will be based on the labor rates and costs specified in Section 4.1.1 (c) above. This charge is not intended to duplicate any charge that may be imposed by the Texas Penal Code.

**Extension Fee**

In the event the cost of extending mains in an incorporated area exceeds the free limit established by the Franchise Agreement for domestic and non-domestic customers in the area, customers shall pay the actual cost of the extension, based on costs calculated in accordance with the rates specified in Section 4.1.1 (c) above, less the free limit. In the event the Franchise Agreement does not establish a free limit, and in all unincorporated areas, the customers shall pay the actual cost of the extension, less a \$150.00 credit, based on costs calculated in accordance with the rates specified in Section 4.1.1 (c) above.

**DEPOSITS**

**Customer Deposits**

Deposits will be based on 1/6 of the customers estimated annual usage. For any customer who pays bills by electronic transfer to WTGU, these deposits will be based on 1/12 of the customers estimated annual usage.

**OTHER SURCHARGES – INCORPORATED**

West Texas Gas Utility, LLC will recover other surcharges from jurisdictional customers as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts or agreements.

**PIPELINE SAFETY AND REGULATORY PROGRAM  
RATE SCHEDULE**

Pipeline Safety and Regulatory Program Rate Schedule.

**Applicability**

**Fee.** Once annually, West Texas Gas Utility, LLC (“WTGU”) shall remit to the Commission the fee required in 16 TEX. ADMIN. CODE Section 8.201.

**Surcharge.** During the next billing cycle following WTGU remittance to the Commission of the fee, WTGU shall include on its customers’ bills a Pipeline Safety and Regulatory Program Surcharge, to the extent authorized in 16 TEX. ADMIN. CODE Section 8.201.

**Formula.** The Rule 8.201 surcharge is calculated in accordance with the following formula:

Rule 8.201(b) fee assessed by the Commission on WTGU  
Divided by  
Number of meters billed  
Equals  
Rule 8.201(b)(3) surcharge, applied per customer meter, once annually.

In this formula, the number of meters billed refers to the number of meters billed during the billing month that precedes the month the Rule 8.201(b)(3) surcharge is included on customer bills.

**Compliance Report.**

The Company shall file an annual pipeline safety fee (PSF) report no later than 90 days after the last billing cycle in which the pipeline safety and regulatory program fee surcharge is billed to customers. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department, referencing Case No. OS-24-00017816, and titling the report “Pipeline Safety Fee Recovery Report”. The report shall include the following:

- a) the pipeline safety fee-amount paid to the Commission;
- b) the unit rate and total amount of the surcharge billed to each customer;
- c) the date or dates the surcharge was billed to customers; and
- d) the total amount collected from customers from the surcharge.

Reports for the Commission should be filed electronically at [GUD\\_Compliance@rrc.texas.gov](mailto:GUD_Compliance@rrc.texas.gov) or at the following address:

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



**INCORPORATED  
QUALITY OF SERVICE RULES  
RATE SCHEDULE**

RULE §7.45 Quality of Service

For gas utility service to residential and small commercial customers, the following minimum service standards shall be applicable in unincorporated areas. In addition, each gas distribution utility is ordered to amend its service rules to include said minimum service standards within the utility service rules applicable to residential and small commercial customers within incorporated areas, but only to the extent that said minimum service standards do not conflict with standards lawfully established within a particular municipality for a gas distribution utility. Said gas distribution utility shall file service rules incorporating said minimum service standards with the Railroad Commission and with the municipalities in the manner prescribed by law.

(1) Continuity of service.

(A) Service interruptions.

(i) Every gas utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.

(ii) Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.

(iii) In the event of national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

(B) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, each utility shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.

(C) Report to commission. The commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four hours. The notice shall also state the cause of such interruptions. If any service interruption is

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reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.

(2) Customer relations.

(A) Information to customers. Each utility shall:

(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, shall be kept by the utility in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the utility to advise applicants and others entitled to the information as to the facilities available for serving that locality;

(ii) assist the customer or applicant in selecting the most economical rate schedule;

(iii) in compliance with applicable law or regulations, notify customers affected by a change in rates or schedule or classification;

(iv) post a notice in a conspicuous place in each business office of the utility where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the commission are available for inspection;

(v) upon request inform its customers as to the method of reading meters;

(vi) provide to new customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform the customers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish:

(I) the customer's right to information concerning rates and services and the customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;

(II) the customer's right to have his or her meter checked without charge under paragraph (7) of this section, if applicable;

(III) the time allowed to pay outstanding bills;

(IV) grounds for termination of service;

(V) the steps the utility must take before terminating service;

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(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service;

(VII) information on alternative payment plans offered by the utility;

(VIII) the steps necessary to have service reconnected after involuntary termination;

(IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority;

(X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and

(XI) the customer's right to be instructed by the utility how to read his or her meter;

(vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

(B) Customer complaints. Upon complaint to the utility by residential or small commercial customers either at its office, by letter, or by telephone, the utility shall promptly make a suitable investigation and advise the complainant of the results thereof. It shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint.

(C) Utility response. Upon receipt of a complaint, either by letter or by telephone, from the regulatory authority on behalf of a customer, the utility shall make a suitable investigation and advise the regulatory authority and complainant of the results thereof. An initial response must be made by the next working day. The utility must make a final and complete response within 15 days from the date of the complaint, unless additional time is granted within the 15-day period. The commission encourages all customer complaints to be made in writing to assist the regulatory authority in maintaining records of the quality of service of each utility; however, telephone communications will be acceptable.

(D) Deferred payment plan. The utility is encouraged to offer a deferred payment plan for delinquent residential accounts. If such a plan is offered, it shall conform to the following guidelines:

(i) Every deferred payment plan entered into due to the customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

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(ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer's ability to pay; customer's payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.

(iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer's signature and in bold-face print at least two sizes larger than any other used, that: "If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement."

(iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

(v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

(vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

(i) Applicability. This subparagraph applies only to:

(I) a utility that assesses late payment charges on residential customers and that suspends service before the 26th day after the date of the bill for which collection action is taken;

(II) utility bills issued on or after August 30, 1993; and

(III) an elderly person, as defined in clause (ii) of this subparagraph, who is a residential customer and who occupies the entire premises for which a delay is requested.

(ii) Definitions.

(I) Elderly person--A person who is 60 years of age or older.

(II) Utility--A gas utility or municipally owned utility, as defined in Texas Utilities Code, §§101.003(7), 101.003(8), and 121.001 - 121.006.

(iii) An elderly person may request that the utility implement the delay for either the most recent utility bill or for the most recent utility bill and each subsequent utility bill.

(iv) On request of an elderly person, a utility shall delay without penalty the payment date of a bill for providing utility services to that person until the 25th day after the date on which the bill is issued.

(v) The utility may require the requesting person to present reasonable proof that the person is 60 years of age or older.

(vi) Every utility shall notify its customers of this delayed payment option no less often than yearly. A utility may include this notice with other information provided pursuant to subparagraph (A) of this paragraph.

(3) Refusal of service.

(A) Compliance by applicant. Any utility may decline to serve an applicant for whom service is available from previously installed facilities until such applicant has complied with the state and municipal regulations and approved rules and regulations of the utility on file with the commission governing the service applied for or for the following reasons.

(i) Applicant's facilities inadequate. If the applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.

(ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.

(iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

(B) Applicant's recourse. In the event that the utility shall refuse to serve an applicant under the provisions of these rules, the utility must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the municipal regulatory authority or commission, whichever is appropriate.

(C) Insufficient grounds for refusal to serve. The following shall not constitute sufficient cause for refusal of service to a present customer or applicant:

(i) delinquency in payment for service by a previous occupant of the premises to be served;

(ii) failure to pay for merchandise or charges for nonutility service purchased from the utility;

(iii) failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;

(iv) violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to comply with these rules;

(v) failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the utility as a condition precedent to service; and

(vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

(A) 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.

(B) A utility may offer an inducement for prompt payment of bills by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate regulatory authority.

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the customer at least five working days prior to the stated date of disconnection, with the words "Termination Notice" or similar language prominently displayed on the notice. The notice shall be provided in English and Spanish as necessary to adequately inform the customer, and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the utility may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

(D) Utility service may be disconnected for any of the following reasons:

(i) failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;

(ii) violation of the utility's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;

(iii) failure to comply with deposit or guarantee arrangements where required by paragraph (5) of this section;

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(iv) without notice where a known dangerous condition exists for as long as the condition exists;

(v) tampering with the utility company's meter or equipment or bypassing the same.

(E) Utility service may not be disconnected for any of the following reasons:

(i) delinquency in payment for service by a previous occupant of the premises;

(ii) failure to pay for merchandise or charges for nonutility service by the utility;

(iii) failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;

(iv) failure to pay the account of another customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service;

(v) failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;

(vi) failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due;

(vii) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the utility is unable to read the meter due to circumstances beyond its control.

(F) Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the utility are not available to the public for the purpose of making collections and reconnecting service.

(G) No utility may abandon a customer without written approval from the regulatory authority.

(H) No utility may discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service is discontinued. Any customer seeking to avoid termination of service under this section must make a written request supported by a written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

(A) Establishment of credit for residential applicants. Each utility may require a residential applicant for service to satisfactorily establish credit but such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills. Subject to these rules, a residential applicant shall not be required to pay a deposit:

(i) if the residential applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;

(ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or

(iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity.

(B) Reestablishment of credit. Every applicant who has previously been a customer of the utility and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay all his amounts due the utility or execute a written deferred payment agreement, if offered, and reestablish credit as provided in subparagraph (A) of this paragraph.

(C) Amount of deposit and interest for residential service, and exemption from deposit.

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, §71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

(ii) The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, the utility may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

(iii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with



the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(I) Payment of interest to the customer shall be annually or at the time the deposit is returned or credited to the customer's account.

(II) The deposit shall cease to draw interest on the date it is returned or credited to the customer's account.

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show:

(I) the name and address of each depositor;

(II) the amount and date of the deposit; and

(III) each transaction concerning the deposit.

(ii) The utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

(iii) A record of each unclaimed deposit must be maintained for at least four years, during which time the utility shall make a reasonable effort to return the deposit.

(F) Refund of deposit.

(i) If service is not connected or after disconnection of service, the utility shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.

(ii) When the customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the

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current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

(G) Upon sale or transfer of utility or company. Upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

(H) Complaint by applicant or customer. Each utility shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or reestablish credit under the provisions of these rules to inform the customer, if dissatisfaction is expressed with the utility's decision, of the customer's right to file a complaint with the regulatory authority thereon.

**(6) Billing.**

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

(B) The customer's bill must show all the following information. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

(i) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;

(ii) the number and kind of units billed;

(iii) the applicable rate schedule title or code;

(iv) the total base bill;

(v) the total of any adjustments to the base bill and the amount of adjustments per billing unit;

(vi) the date by which the customer must pay the bill to get prompt payment discount;

(vii) the total amount due before and after any discount for prompt payment within a designated period;

(viii) a distinct marking to identify an estimated bill.

(C) Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. For the second consecutive month in which

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the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, the utility must provide the customer with a postcard and request that the customer read the meter and return the card to the utility if the meter is of a type that can be read by the customer without significant inconvenience or special tools or equipment. If such a postcard is not received by the utility in time for billing, the utility may estimate the meter reading and render the bill accordingly.

(D) Disputed bills.

(i) In the event of a dispute between the customer and the utility regarding the bill, the utility must forthwith make such investigation as is required by the particular case and report the results thereof to the customer. If the customer wishes to obtain the benefits of clause (ii) of this subparagraph, notification of the dispute must be given to the utility prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the utility shall inform the customer of the complaint procedures of the appropriate regulatory authority.

(ii) Notwithstanding any other subsection of this section, the customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that customer's average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this section only, the customer's average usage for the billing period shall be the average of the customer's usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar customers and under similar conditions.

(7) Meters.

(A) Meter requirements.

(i) Use of meter. All gas sold by a utility must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the regulatory authority, or tariff.

(ii) Installation by utility. Unless otherwise authorized by the regulatory authority, each utility must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its customers.

(iii) Standard type. No utility may furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

(B) Meter records. Each utility must keep the following records:

(i) Meter equipment records. Each utility must keep a record of all its meters, showing the customer's address and date of the last test.

(ii) Records of meter tests. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

(iii) Meter readings--meter unit location. In general, each meter must indicate clearly the units of service for which charge is made to the customer.

(iv) Meter tests on request of customer.

(I) Each utility must, upon request of a customer, make a test of the accuracy of the meter serving that customer. The utility must inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four years, the utility is entitled to charge a fee for the test not to exceed \$15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory authority. The customer must be properly informed of the result of any test on a meter that serves him.

(II) Notwithstanding subclause (I) of this clause, if the meter is found to be more than nominally defective, to either the customer's or the utility's disadvantage, any fee charged for a meter test must be refunded to the customer. More than nominally defective means a deviation of more than 2.0% from accurate registration.

(v) Bill adjustments due to meter error.

(I) If any meter test reveals a meter to be more than nominally defective, the utility must correct previous readings consistent with the inaccuracy found in the meter for the period of either:

(-a-) the last six months; or

(-b-) the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by the utility if the error is to the utility's disadvantage.

(II) If a meter is found not to register for any period of time, the utility may make a charge for units used but not metered for a period not to exceed three months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be

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based on consumption during other like periods by the same customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

(8) New construction.

(A) Standards of construction. Each utility is to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise

by law, and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.

(B) Line extension and construction charges. Every utility must file its extension policy. The policy must be consistent, nondiscriminatory, and is subject to the approval of the regulatory authority. No contribution in aid of construction may be required of any customer except as provided for in extension policy.

(C) Response to request for service. Every gas utility must serve each qualified applicant for service within its service area as rapidly as practical. As a general policy, those applications not involving line extensions or new facilities should be filled within seven working days. Those applications for individual residential service requiring line extensions should be filled within 90 days unless unavailability of materials or other causes beyond the control of the utility result in unavoidable delays. In the event that residential service is delayed in excess of 90 days after an applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report must be made to the regulatory authority listing the name of the applicant, location, and cause for delay. Unless such delays are due to causes which are reasonably beyond the control of the utility, a delay in excess of 90 days may be found to constitute a refusal to serve.

**RATE CASE EXPENSE SURCHARGE – INCORPORATED**

**APPLICABILITY**

All jurisdictional customers in the incorporated areas or cities in West Texas Gas Utility, LLC's ("WTGU") Texas Service Area.

**RCE RATE**

Pursuant to City ordinances or an order of the Railroad Commission of Texas in Case No. OS-24-00017816, WTGU is authorized to recover a total not to exceed \$608,957.18 in rate case expenses from Case No. OS-24-00017816 jurisdictional customers by a surcharge applicable to all jurisdictional customers in incorporated and unincorporated areas at the rate of \$0.09/Mcf for a period of approximately 48 months commencing January 25, 2025

**COMPLIANCE**

WTGU shall file an Annual Compliance Report with the Cities identified above annually, due on or before the 31st of each March commencing in 2026. The report shall detail the monthly collections for the rate case expense surcharge and show the outstanding balance. The Compliance Report shall be addressed to the City Manager.

**TAX ADJUSTMENT – INCORPORATED**

**REVENUE RELATED TAX ADJUSTMENT**

Each monthly bill for a jurisdictional customer, as adjusted, 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 West Texas Gas Utility, LLC.

## WINTER STORM URI SURCHARGE

### APPLICABILITY

All Jurisdictional customers in the incorporated areas or cities in West Texas Gas Utility, LLC's ("WTGU") Texas Service Area.

### PURPOSE

The purpose of the Winter Storm Uri Surcharge is to authorize WTGU to recover the reasonable, necessary, and prudent extraordinary gas costs incurred by WTGU as a result of Winter Storm Uri. The rate schedule is authorized by the Railroad Commission of Texas's ("Commission") Final Order in Case No. OS-24-00017816 and by cities that approved the corresponding request WTGU made with incorporated regulatory authorities, which approved a Winter Storm Uri Regulatory Asset and the recovery of the costs contained in the regulatory asset through a monthly surcharge. WTGU is authorized and directed to assess the Winter Storm Uri Surcharge rate as set forth in the section below.

### SURCHARGE RATE

All Mcf during each billing period: \$0.29 per Mcf.

This rate will be in effect until all approved and expended Winter Storm Uri costs, up to \$3,502,862.41 ("Regulatory Asset Amount"), are recovered under the applicable rate schedules. Any excess recovery of the Regulatory Asset Amount shall be calculated and refunded to customers through a final true-up under this rate schedule.

### OTHER ADJUSTMENTS

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

### CONDITIONS

1. Subject to all applicable laws and orders, and WTGU's rules and regulations on file with the regulatory authority.
2. Uncollectible amounts, actually written off, associated with this surcharge shall be added back to the balance to be recovered via this surcharge.



3. Any amounts that were included in the Regulatory Asset Amount that are refunded to WTGU subsequent to the Final Order in Case No. OS-24-00017816 shall be subtracted from the balance and shall not be recovered via this surcharge.

**WINTER STORM URI SURCHARGE RECOVERY COMPLIANCE REPORT**

WTGU shall file a reconciliation report annually on or before March 31, commencing in 2026 and ceasing after a reconciliation report is filed at the end of the month following the month in which the Regulatory Asset Amount is fully recovered via the final reconciliation true-up (if applicable). WTGU shall file the report with the Commission, addressed to the Director of the Oversight and Safety Division and referencing Case No. OS-24-00017816, Winter Storm Uri Surcharge Recovery Report. The report shall include:

- The volumes used by month by customer class during the applicable period;
- The amount of surcharge recovered, by month;
- The outstanding balance, by month;
- The associated uncollectibles, by month; and
- Any credits for amounts WTGU received that would offset the Regulatory Asset Amount

Reports for the Commission should be filed electronically at [GUD\\_Compliance@rrc.texas.gov](mailto:GUD_Compliance@rrc.texas.gov) or at the following address:

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

**RESIDENTIAL SERVICE RATE – ENVIRONS**

**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 in an unincorporated or environs area served by West Texas Gas Utility, LLC (“WTGU”). A residential consumer includes an individually-metered residential unit or dwelling and builders prior to sale or re-sale of a property for domestic purposes. This rate is only available to full requirements customers of WTGU.

**COST OF SERVICE RATE**

During each monthly billing period:

Subject to applicable rate adjustment provisions listed below, the following rates are applicable to Residential 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      \$19.10  
All Consumption @    \$7.85 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.

**OTHER FEES**

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 Gas Cost Adjustment-ENV.

Rate Case Expense Rider: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-ENV.

Taxes: Plus applicable taxes and fees related to above.

Pipeline Safety and Regulatory Program Fee: Adjustments in accordance with the provisions of Rate Schedule Pipeline Safety Fee-ENV.

Miscellaneous Fees and Deposits: Adjustments in accordance with the provisions of Rate Schedule MISCFEES-ENV.

Other Surcharges: Adjustments in accordance with the provisions of the Other Surcharges Rate Schedule OS-ENV.

Winter Storm Rider: Surcharge for recovery of extraordinary gas costs caused by Winter Storm Uri in accordance with Rate Schedule WINTER STORM RIDER.

**COMMERCIAL SERVICE RATE - ENVIRONS**

**APPLICABILITY**

Applicable to all commercial customers and to customers not otherwise specifically provided for under any other rate schedule or served under a contract in an unincorporated or environs area served by West Texas Gas Utility, LLC (“WTGU”). This rate is only available to full requirements customers of WTGU.

**COST OF SERVICE RATE**

During each monthly billing period:

Subject to applicable rate adjustment provisions listed below, the following rates are applicable to Commercial consumers and to consumers not otherwise specifically provided for under any other rate schedule or served under a contract per meter billing cycle or for any part of a billing cycle for which gas service is available at the same location.

Customer Charge	\$46.50
All Consumption @	\$5.68 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.

**OTHER FEES**

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 Gas Cost Adjustment-ENV.

Rate Case Expense Rider: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-ENV.

Taxes: Plus applicable taxes and fees related to above.

Pipeline Safety and Regulatory Program Fee: Adjustments in accordance with the provisions of Rate Schedule Pipeline Safety Fee-ENV.

Miscellaneous Fees and Deposits: Adjustments in accordance with the provisions of Rate Schedule MISCFEES-ENV.

Other Surcharges: Adjustments in accordance with the provisions of the Other Surcharges Rate Schedule OS-ENV.

Winter Storm Rider: Surcharge for recovery of extraordinary gas costs caused by Winter Storm Uri in accordance with Rate Schedule WINTER STORM RIDER.

**NON-PROFIT ENVIRONS  
SERVICE RATE**

**APPLICABILITY**

Applicable to all Non-Profit customers. Non-Profit customers are any organization or group organized for purposes other than generating a profit.

**COST OF SERVICE RATE**

During each monthly billing period:

Subject to applicable rate adjustment provisions listed below, the following rates are applicable to Non-Profit consumers.

Customer Charge	\$46.50
All Consumption @	\$5.68 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.

**OTHER FEES**

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 Gas Cost Adjustment-ENV.

Rate Case Expense Rider: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-ENV.

Taxes: Plus applicable taxes and fees related to above.

Pipeline Safety and Regulatory Program Fee: Adjustments in accordance with the provisions of Rate Schedule Pipeline Safety Fee-ENV.

Miscellaneous Fees and Deposits: Adjustments in accordance with the provisions of Rate Schedule MISCFEES-ENV.

Other Surcharges: Adjustments in accordance with the provisions of the Other Surcharges Rate Schedule OS-ENV.

Winter Storm Rider: Surcharge for recovery of extraordinary gas costs caused by Winter Storm Uri in accordance with Rate Schedule WINTER STORM RIDER.

**PUBLIC AUTHORITY SERVICE RATE - ENVIRONS**

**APPLICABILITY**

Applicable to all Public Authority customers. Public Authority customers are any department, agency, or entity of the local state, or federal government, including a public school, college or university.

**COST OF SERVICE RATE**

During each monthly billing period:

Subject to applicable rate adjustment provisions listed below, the following rates are applicable to Public Authority consumers.

Customer Charge	\$46.50
All Consumption @	\$5.68 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.

**OTHER FEES**

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 Gas Cost Adjustment-ENV.

Rate Case Expense Rider: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-ENV.

Taxes: Plus applicable taxes and fees related to above.

Pipeline Safety and Regulatory Program Fee: Adjustments in accordance with the provisions of Rate Schedule Pipeline Safety Fee-ENV.

Miscellaneous Fees and Deposits: Adjustments in accordance with the provisions of Rate Schedule MISCFEES-ENV.

Other Surcharges: Adjustments in accordance with the provisions of the Other Surcharges Rate Schedule OS-ENV.

Winter Storm Rider: Surcharge for recovery of extraordinary gas costs caused by Winter Storm Uri in accordance with Rate Schedule WINTER STORM RIDER.

## GAS COST ADJUSTMENT – ENVIRONS

### Applicability

This clause shall apply to all customers served by WTGU, except for customers purchasing gas at contract rates. Each customer's gas costs will be determined by the costs incurred in the applicable Gas Cost Zone. For purposes of determining gas purchase costs, all customers will be located in one of three Gas Cost Zones: North, South, and West. Each Gas Cost Zone consists of the following systems or geographic areas:

#### **NORTH GAS COST ZONE:**

Unincorporated areas of the Counties of Armstrong, Carson, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Potter, Randall, Roberts, Sherman and Wheeler.

#### **SOUTH GAS COST ZONE:**

Unincorporated areas of the Counties of Atascosa, Bastrop, Bexar, Brown, Caldwell, Coleman, Concho, Dimmitt, Frio, Kimble, Kinney, La Salle, Mason, Maverick, McCulloch, Medina, Menard, Runnels, Sutton, Tom Green, Travis, Uvalde, Val Verde, Wilson, and Zavala.

#### **WEST GAS COST ZONE:**

Unincorporated areas of the Counties of Andrews, Archer, Bailey, Brewster, Briscoe, Castro, Cochran, Crosby, Culberson, Dawson, Floyd, Gaines, Hale, Hockley, Jeff Davis, Lamb, Lubbock, Lynn, Martin, Parmer, Pecos, Presidio, Reeves, Swisher, Terry, Winkler and Yoakum.

### Intent

This clause is intended to allow collection of West Texas Gas Utility, LLC's ("WTGU") 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.

### Definitions

**Gas Cost Zones** – North, South, and West, as defined in the "Applicability" section below.

**Interest** – The percentage of interest shall be the interest rate established by the Public Utility Commission, or such other agency or manner as determined by the Commission, under Chapter 183 of the Texas Utilities Code.

**Lost and Unaccounted For Gas** – Lost and Unaccounted for Gas (LUG) shall represent volumes of gas metered into the distribution system and volumes of gas metered out of the distribution system at 14.65 p.s.i.a., which shall include distribution and non-distribution volumes. WTGU transmission LUG shall not be included in these volumes.

**Purchased Gas Costs** –The total cost of Purchase Volumes, as received into the Company’s distribution systems within each Gas Cost Zone.

**Purchased Gas Factor (“PGF”)** – A factor on each customer’s monthly bill, expressed in dollars per Mcf, to reflect the Purchase Gas Costs, all as more specifically described herein.

**Purchase/Sales Ratio** – A ratio determined by dividing the Company’s Purchase Volumes metered into the distribution system during the twelve-month period ending June 30 of each year by the sum of the Company’s Sales Volumes metered out of the distribution system, volumes of metered Company used gas, and losses of gas from the Company’s systems within each Gas Cost Zone that have been billed to third parties during the same period. Such ratio as determined shall in no event exceed 1.0526 i.e.  $1/(1-.05)$  unless expressly authorized by the applicable regulatory authority.

**Purchase Volumes** – The volumes of gas, expressed in Mcf’s and stated at 14.65 psia, received by the Company’s distribution system from all sources within each Gas Cost Zone, including monthly purchases and withdrawals from storage, if any, for use by general service customers. This quantity of gas shall not include LUG attributable to the WTGU Transmission System or transmission function.

**Reconciliation Amount** – The net of any monthly imbalances by Gas Cost Zone during the period covered by the Reconciliation Review.

**Reconciliation Component** – The monthly amount to be refunded or passed through to customers within each Gas Cost Zone, consisting of one-twelfth of the Reconciliation Amount.

**Reconciliation Factor** – A factor, expressed as a cost per Mcf on customer bills within each Gas Cost Zone, reflecting the customer’s share of the Reconciliation Component applicable to the period covered by the bill.

**Reconciliation Review** – An annual review of the Company’s records covering each 12-month period ending June 30 to determine any imbalances between the Purchase Gas Cost and the Sales Amount as applied to each Gas Cost Zone during that period.

**Sales Amount** – Sales Volumes, volumes of metered Company used gas, and losses of gas from the Company’s system within each Gas Cost Zone that have been billed to third parties, multiplied by the Purchased Gas Factor.

**Sales Volumes** – The volumes of gas metered to general service customers within each Gas Cost Zone expressed in Mcf’s and stated at 14.65 psia.

**Weighted Average Cost of Gas** – The Purchase Gas Costs invoiced by third parties divided by the Purchase Volumes, calculated on a monthly basis for each Gas Cost Zone.

**Purchase Gas Cost Component (PGC)**

The Purchase Gas Cost for each Gas Cost Zone shall be computed utilizing the following components for the distribution system customers:

- Cost of gas purchased
- Credits, Refunds or Out of Period adjustments
- Cost of gas withdrawn from storage
- Interest on storage gas withdrawn
- Upstream Gathering and Transportation Charges
- Storage Deliverability Charges
- Storage Capacity Charges
- New taxes on the purchased gas or the purchase transaction and not reflected on elsewhere on customer bills

WTGU shall keep accurate records of all storage gas purchases, including the date, quantity, cost, and associated expenses. WTGU shall account for storage gas purchases and withdrawals using a weighted average cost basis.

**Purchased Gas Factor (PGF) Calculation**

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 each Gas Cost Zone. The PGF shall be determined to the nearest \$0.001 per Mcf, and the following provisions shall apply:

- 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 Weighted Average Cost of Gas and the actual Weighted Average Cost of Gas during the previous billing period for each Gas Cost Zone
- 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 each Gas Cost Zone.
- 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 each Gas Cost Zone.

The Purchased Gas Factor is expressed as a formula as follows:

$$(A+/-B) + C + D = E$$

Where:

A = Estimated WACOG

B = Est. WACOG/Act. WACOG Difference

C = Reconciliation Factor

D = New Taxes

E = Total PGF



**Gas Cost Reconciliation (GCR)**

WTGU shall keep accurate books and records of the Reconciliation Review, monthly Purchased Gas Factor reports to the Railroad Commission of Texas, and shall account for the Reconciliation Component and the Reconciliation Factors for each 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):

Unincorporated areas of the Counties of:

Andrews	13.45	Frio	14.68	Ochiltree	13.78
Archer	13.45	Gaines	13.45	Oldham	13.45
Armstrong	13.38	Gray	13.78	Parmer	13.18
Atascosa	14.68	Hale	13.45	Pecos	13.68
Bailey	13.45	Hall	13.45	Potter	13.45
Bastrop	14.68	Hansford	13.78	Presidio	13.48
Bexar	14.68	Hartley	13.07	Randall	13.45
Brewster	13.48	Hemphill	13.88	Reeves	13.48
Briscoe	13.45	Hockley	13.45	Roberts	13.68
Brown	14.08	Hutchinson	13.68	Runnels	14.28
Caldwell	14.68	Jeff Davis	13.48	Sherman	13.18
Carson	13.38	Kimble	14.18	Sutton	13.98
Castro	13.45	Kinney	14.68	Swisher	13.45
Cochran	13.45	LaSalle	14.68	Terry	13.45
Coleman	14.08	Lamb	13.45	Tom Green	14.28
Collingsworth	13.38	Lipscomb	13.78	Travis	14.68
Concho	14.08	Lubbock	13.45	Uvalde	14.68
Crosby	13.45	Lynn	13.45	Val Verde	14.68
Culberson	13.48	Martin	13.45	Wheeler	13.78
Dallam	13.07	Mason	14.08	Wilson	14.68
Dawson	13.45	Maverick	14.68	Winkler	13.68
Deaf Smith	13.45	McCulloch	14.08	Yoakum	13.45
Dimmitt	14.68	Medina	14.68	Zavala	14.68
Donley	13.38	Menard	14.08		
Floyd	13.45	Moore	13.28		

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:

- WTGU 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 Purchased Volume. The Calculated Purchased Volume is then multiplied by the WACOG to arrive at the Net Jurisdictional Cost of Gas.

- Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.
- The interest rate shall be the same rate 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).
- The sum of the monthly imbalances, plus interest, for each 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 gas gain of greater than 5% of that metered into the system, the following methodology shall apply:

- WTGU 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 Weighted Average Cost of Gas 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.
- Interest shall be applied to each monthly imbalance for said Gas Cost Zone and shall accrue for each month of the review period.
- The interest rate shall be the rate in effect during the last month of the audit period (June).

- 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/surcharged.

**Reconciliation Factor Calculation (RFC)**

The Reconciliation Amount for each 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 customer 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.

**MISCELLANEOUS FEES AND DEPOSITS – ENVIRONS****APPLICABILITY**

Applicable to Residential, Commercial, Industrial, and any other jurisdictional customers of West Texas Gas Utility, LLC (“WTGU”) who are in an unincorporated or environs area served by WTGU.

**FEES****Initiation of Service:****a) Connection Charge**

The following connection charges apply:

<u>Schedule</u>	<u>Charge</u>
Business Hours (8AM to 5PM, Monday – Friday, except holidays)	\$50.00
After Hours (All Hours not associated with Business Hours)	\$70.00

A connect fee will be charged to any applicant for the cost involved in initiation of service. This fee shall be charged when a meter is set and/or gas turned on.

**b) Read-In for Change Charge**

A read-in fee of \$20.00 will be charged to any applicant for the cost involved in initiation of service. This fee shall be charged when only a meter reading is required.

**c) After Hours & Special Handling**

In addition to initiation of service fee above, a fee shall be charged to any applicant whose request to initiate service cannot be completed during normal business hours or requires special handling. Applicant shall be advised that an additional fee will be charged and must agree to pay such charge. Any fees assessed will reflect actual time incurred at \$20 per hour during business hours and \$30 per hour for after hours, plus the actual cost of materials and any incidental (third party) expenses. A third party is any person or entity, including an affiliate of the Company.

- (i) **Special Handling:** West Texas Gas Utility, LLC (“WTGU”) may, at customer’s request, provide special handling in order to meet the Customer’s requirements for a fee based on the rates indicated in (c) above. Special handling may include such assistance as calling the customer in advance or making other special arrangements (such as A.M. or P.M. scheduling) for access to the customer’s premises.

- (ii) **Expedited Service:** If the customer requires that the order be worked after hours for their convenience or if the customer requires expedited service, the charge shall be based on the rates indicated in (c) above for after-hours service work on customer premises. The Customer's request for expedited service may then be scheduled at any time to fit WTGU's work schedule but the after-hours charge shall be collected as long as any other work is done on overtime.
- (iii) **Special Call Out:** If the initiation of service order requires special call out, the customer shall be charged based on the rates indicated in (c) above for after-hours service work on customer's premises.

### Customer Requested Meter Test

Whenever WTGU is requested by a customer to have a meter test performed, and the result of that meter test indicates that the meter is within 2% accuracy and the meter has been tested within a four year period from the time the customer made the request the customer will be charged according to the following fee schedule.

Positive Displacement	Charge
275 cubic feet per hour or less	\$25.00
276 to 1500 cubic feet per hour	\$30.00
1501 to 3000 cubic feet per hour	\$35.00
3001 to 5000 cubic feet per hour	\$45.00
over 5000 cubic feet per hour	\$60.00
 Orifice Meters	
All sizes	\$40.00

The meter test fees schedule above will not apply when the test results indicate the meter is outside of the allowed 2% accuracy range.

### Returned Check/Bank Draft Charges

Accounts for which payment is made using checks or electronic drafts which are returned or denied by a bank for any reason may be charged a fee for each occurrence of \$25.00.

### Collection Fee

A fee of \$20.00 will be charged to any customer whose failure to respond to a termination notice necessitates the dispatch of a Company representative who attempts collection of payment from customer.

**Reconnect Fees**

The following reconnection fees will be charged to any customer whose service is terminated and then re-initiated unless terminated in error by WTGU.

<u>Schedule</u>	<u>Charge</u>
Business Hours (8AM to 5PM, Monday – Friday, except holidays)	\$50.00
After Hours (All Hours not associated with Business Hours)	\$70.00

**Temporary Service**

Customers will be charged the actual cost of installation and removal of pipe and metering facilities. The actual cost will be calculated in accordance with the rates specified in Section 4.1.1 (c) above. This service does not include extension of mains.

**Special Read**

Customer requested reading of a meter for any purpose other than initiation of service will be charged \$20.00

**No Access**

A fee of \$20.00 will be charged to customer who schedules an appointment but fails to appear or Company personnel cannot access property to perform the service requested.

**Tampering**

Customers who tamper with their meters will be assessed a charge of \$150.00 plus the actual cost of any estimated volumes of gas illegally consumed or improperly measured based on such tampering, and the actual cost of time and materials to repair meters or other company equipment. The actual costs will be based on the labor rates and costs specified in Section 4.1.1 (c) above. This charge is not intended to duplicate any charge that may be imposed by the Texas Penal Code.

**Extension Fee**

In the event the cost of extending mains in an incorporated area exceeds the free limit established by the Franchise Agreement for domestic and non-domestic customers in the area, customers shall pay the actual cost of the extension, based on costs calculated in accordance with the rates specified in Section 4.1.1 (c) above, less the free limit. In the event the Franchise Agreement does not establish a free limit, and in all unincorporated areas, the customers shall pay the actual cost of the extension, less a \$150.00 credit, based on costs calculated in accordance with the rates specified in Section 4.1.1 (c) above.

**DEPOSITS**

**Customer Deposits**

Deposits will be based on 1/6 of the customers estimated annual usage. For any customer who pays bills by electronic transfer to WTGU, these deposits will be based on 1/12 of the customers estimated annual usage.

**OTHER SURCHARGES – ENVIRONS**

West Texas Gas Utility, LLC will recover other surcharges from jurisdictional customers as authorized by federal, state and local regulatory authorities in accordance with applicable statutes, laws, regulations, orders, rules, contracts or agreements.



**PIPELINE SAFETY AND REGULATORY PROGRAM  
RATE SCHEDULE**

Pipeline Safety and Regulatory Program Rate Schedule.

**Applicability**

**Fee.** Once annually, West Texas Gas Utility, LLC (“WTGU”) shall remit to the Commission the fee required in 16 TEX. ADMIN. CODE Section 8.201.

**Surcharge.** During the next billing cycle following WTGU remittance to the Commission of the fee, WTGU shall include on its customers’ bills a Pipeline Safety and Regulatory Program Surcharge, to the extent authorized in 16 TEX. ADMIN. CODE Section 8.201.

**Formula.** The Rule 8.201 surcharge is calculated in accordance with the following formula:

Rule 8.201(b) fee assessed by the Commission on WTGU  
Divided by  
Number of meters billed  
Equals  
Rule 8.201(b)(3) surcharge, applied per customer meter, once annually.

In this formula, the number of meters billed refers to the number of meters billed during the billing month that precedes the month the Rule 8.201(b)(3) surcharge is included on customer bills.

**Compliance Report.**

The Company shall file an annual pipeline safety fee (PSF) report no later than 90 days after the last billing cycle in which the pipeline safety and regulatory program fee surcharge is billed to customers. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department, referencing Case No. OS-24-00017816, and titling the report “Pipeline Safety Fee Recovery Report”. The report shall include the following:

- a) the pipeline safety fee-amount paid to the Commission;
- b) the unit rate and total amount of the surcharge billed to each customer;
- c) the date or dates the surcharge was billed to customers; and
- d) the total amount collected from customers from the surcharge.

Reports for the Commission should be filed electronically at [GUD\\_Compliance@rrc.texas.gov](mailto:GUD_Compliance@rrc.texas.gov) or at the following address:

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

**ENVIRONS  
QUALITY OF SERVICE RULES  
RATE SCHEDULE**

**RULE §7.45 Quality of Service**

For gas utility service to residential and small commercial customers, the following minimum service standards shall be applicable in unincorporated areas. In addition, each gas distribution utility is ordered to amend its service rules to include said minimum service standards within the utility service rules applicable to residential and small commercial customers within incorporated areas, but only to the extent that said minimum service standards do not conflict with standards lawfully established within a particular municipality for a gas distribution utility. Said gas distribution utility shall file service rules incorporating said minimum service standards with the Railroad Commission and with the municipalities in the manner prescribed by law.

(1) Continuity of service.

(A) Service interruptions.

(i) Every gas utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.

(ii) Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.

(iii) In the event of national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

(B) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, each utility shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.

(C) Report to commission. The commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four hours. The notice shall also state the cause of such interruptions. If any service interruption is

reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.

(2) Customer relations.

(A) Information to customers. Each utility shall:

(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, shall be kept by the utility in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the utility to advise applicants and others entitled to the information as to the facilities available for serving that locality;

(ii) assist the customer or applicant in selecting the most economical rate schedule;

(iii) in compliance with applicable law or regulations, notify customers affected by a change in rates or schedule or classification;

(iv) post a notice in a conspicuous place in each business office of the utility where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the commission are available for inspection;

(v) upon request inform its customers as to the method of reading meters;

(vi) provide to new customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform the customers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish:

(I) the customer's right to information concerning rates and services and the customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;

(II) the customer's right to have his or her meter checked without charge under paragraph (7) of this section, if applicable;

(III) the time allowed to pay outstanding bills;

(IV) grounds for termination of service;

(V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service;

(VII) information on alternative payment plans offered by the utility;

(VIII) the steps necessary to have service reconnected after involuntary termination;

(IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority;

(X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and

(XI) the customer's right to be instructed by the utility how to read his or her meter;

(vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

(B) Customer complaints. Upon complaint to the utility by residential or small commercial customers either at its office, by letter, or by telephone, the utility shall promptly make a suitable investigation and advise the complainant of the results thereof. It shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint.

(C) Utility response. Upon receipt of a complaint, either by letter or by telephone, from the regulatory authority on behalf of a customer, the utility shall make a suitable investigation and advise the regulatory authority and complainant of the results thereof. An initial response must be made by the next working day. The utility must make a final and complete response within 15 days from the date of the complaint, unless additional time is granted within the 15-day period. The commission encourages all customer complaints to be made in writing to assist the regulatory authority in maintaining records of the quality of service of each utility; however, telephone communications will be acceptable.

(D) Deferred payment plan. The utility is encouraged to offer a deferred payment plan for delinquent residential accounts. If such a plan is offered, it shall conform to the following guidelines:

(i) Every deferred payment plan entered into due to the customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays

current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

(ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer's ability to pay; customer's payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.

(iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer's signature and in bold-face print at least two sizes larger than any other used, that: "If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement."

(iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

(v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

(vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

(i) Applicability. This subparagraph applies only to:

(I) a utility that assesses late payment charges on residential customers and that suspends service before the 26th day after the date of the bill for which collection action is taken;

(II) utility bills issued on or after August 30, 1993; and

(III) an elderly person, as defined in clause (ii) of this subparagraph, who is a residential customer and who occupies the entire premises for which a delay is requested.

(ii) Definitions.

(I) Elderly person--A person who is 60 years of age or older.

(II) Utility--A gas utility or municipally owned utility, as defined in Texas Utilities Code, §§101.003(7), 101.003(8), and 121.001 - 121.006.

(iii) An elderly person may request that the utility implement the delay for either the most recent utility bill or for the most recent utility bill and each subsequent utility bill.

(iv) On request of an elderly person, a utility shall delay without penalty the payment date of a bill for providing utility services to that person until the 25th day after the date on which the bill is issued.

(v) The utility may require the requesting person to present reasonable proof that the person is 60 years of age or older.

(vi) Every utility shall notify its customers of this delayed payment option no less often than yearly. A utility may include this notice with other information provided pursuant to subparagraph (A) of this paragraph.

(3) Refusal of service.

(A) Compliance by applicant. Any utility may decline to serve an applicant for whom service is available from previously installed facilities until such applicant has complied with the state and municipal regulations and approved rules and regulations of the utility on file with the commission governing the service applied for or for the following reasons.

(i) Applicant's facilities inadequate. If the applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.

(ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.

(iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

(B) Applicant's recourse. In the event that the utility shall refuse to serve an applicant under the provisions of these rules, the utility must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the municipal regulatory authority or commission, whichever is appropriate.

(C) Insufficient grounds for refusal to serve. The following shall not constitute sufficient cause for refusal of service to a present customer or applicant:

(i) delinquency in payment for service by a previous occupant of the premises to be served;

(ii) failure to pay for merchandise or charges for nonutility service purchased from the utility;

(iii) failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;

(iv) violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to comply with these rules;

(v) failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the utility as a condition precedent to service; and

(vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

(A) 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.

(B) A utility may offer an inducement for prompt payment of bills by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate regulatory authority.

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the customer at least five working days prior to the stated date of disconnection, with the words "Termination Notice" or similar language prominently displayed on the notice. The notice shall be provided in English and Spanish as necessary to adequately inform the customer, and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the utility may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

(D) Utility service may be disconnected for any of the following reasons:

(i) failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;

(ii) violation of the utility's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has

been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;

(iii) failure to comply with deposit or guarantee arrangements where required by paragraph (5) of this section;

(iv) without notice where a known dangerous condition exists for as long as the condition exists;

(v) tampering with the utility company's meter or equipment or bypassing the same.

(E) Utility service may not be disconnected for any of the following reasons:

(i) delinquency in payment for service by a previous occupant of the premises;

(ii) failure to pay for merchandise or charges for nonutility service by the utility;

(iii) failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;

(iv) failure to pay the account of another customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service;

(v) failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;

(vi) failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due;

(vii) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the utility is unable to read the meter due to circumstances beyond its control.

(F) Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the utility are not available to the public for the purpose of making collections and reconnecting service.

(G) No utility may abandon a customer without written approval from the regulatory authority.

(H) No utility may discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service is discontinued. Any customer seeking to avoid termination of service under this section must make a written request supported by a written statement from a licensed



physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

(A) Establishment of credit for residential applicants. Each utility may require a residential applicant for service to satisfactorily establish credit but such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills. Subject to these rules, a residential applicant shall not be required to pay a deposit:

(i) if the residential applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;

(ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or

(iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity.

(B) Reestablishment of credit. Every applicant who has previously been a customer of the utility and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay all his amounts due the utility or execute a written deferred payment agreement, if offered, and reestablish credit as provided in subparagraph (A) of this paragraph.

(C) Amount of deposit and interest for residential service, and exemption from deposit.

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, §71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

(ii) The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, the utility may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

(iii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(I) Payment of interest to the customer shall be annually or at the time the deposit is returned or credited to the customer's account.

(II) The deposit shall cease to draw interest on the date it is returned or credited to the customer's account.

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show:

(I) the name and address of each depositor;

(II) the amount and date of the deposit; and

(III) each transaction concerning the deposit.

(ii) The utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

(iii) A record of each unclaimed deposit must be maintained for at least four years, during which time the utility shall make a reasonable effort to return the deposit.

(F) Refund of deposit.

(i) If service is not connected or after disconnection of service, the utility shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.

(ii) When the customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

(G) Upon sale or transfer of utility or company. Upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

(H) Complaint by applicant or customer. Each utility shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or reestablish credit under the provisions of these rules to inform the customer, if dissatisfaction is expressed with the utility's decision, of the customer's right to file a complaint with the regulatory authority thereon.

**(6) Billing.**

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

(B) The customer's bill must show all the following information. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

(i) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;

(ii) the number and kind of units billed;

(iii) the applicable rate schedule title or code;

(iv) the total base bill;

(v) the total of any adjustments to the base bill and the amount of adjustments per billing unit;

(vi) the date by which the customer must pay the bill to get prompt payment discount;

(vii) the total amount due before and after any discount for prompt payment within a designated period;

(viii) a distinct marking to identify an estimated bill.

(C) Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. For the second consecutive month in which the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, the utility must provide the customer with a postcard and request that the customer read the meter and return the card to the utility if the meter is of a type that can be read by the customer without significant inconvenience or special tools or equipment. If such a postcard is not received by the utility in time for billing, the utility may estimate the meter reading and render the bill accordingly.

(D) Disputed bills.

(i) In the event of a dispute between the customer and the utility regarding the bill, the utility must forthwith make such investigation as is required by the particular case and report the results thereof to the customer. If the customer wishes to obtain the benefits of clause (ii) of this subparagraph, notification of the dispute must be given to the utility prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the utility shall inform the customer of the complaint procedures of the appropriate regulatory authority.

(ii) Notwithstanding any other subsection of this section, the customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that customer's average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this section only, the customer's average usage for the billing period shall be the average of the customer's usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar customers and under similar conditions.

(7) Meters.

(A) Meter requirements.

(i) Use of meter. All gas sold by a utility must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the regulatory authority, or tariff.

(ii) Installation by utility. Unless otherwise authorized by the regulatory authority, each utility must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its customers.

(iii) Standard type. No utility may furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

(B) Meter records. Each utility must keep the following records:

(i) Meter equipment records. Each utility must keep a record of all its meters, showing the customer's address and date of the last test.

(ii) Records of meter tests. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

(iii) Meter readings--meter unit location. In general, each meter must indicate clearly the units of service for which charge is made to the customer.

(iv) Meter tests on request of customer.

(I) Each utility must, upon request of a customer, make a test of the accuracy of the meter serving that customer. The utility must inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four years, the utility is entitled to charge a fee for the test not to exceed \$15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory authority. The customer must be properly informed of the result of any test on a meter that serves him.

(II) Notwithstanding subclause (I) of this clause, if the meter is found to be more than nominally defective, to either the customer's or the utility's disadvantage, any fee charged for a meter test must be refunded to the customer. More than nominally defective means a deviation of more than 2.0% from accurate registration.

(v) Bill adjustments due to meter error.

(I) If any meter test reveals a meter to be more than nominally defective, the utility must correct previous readings consistent with the inaccuracy found in the meter for the period of either:

(-a-) the last six months; or

(-b-) the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by the utility if the error is to the utility's disadvantage.

(II) If a meter is found not to register for any period of time, the utility may make a charge for units used but not metered for a period not to exceed three months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

(8) New construction.

(A) Standards of construction. Each utility is to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law, and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.

(B) Line extension and construction charges. Every utility must file its extension policy. The policy must be consistent, nondiscriminatory, and is subject to the approval of the regulatory authority. No contribution in aid of construction may be required of any customer except as provided for in extension policy.

(C) Response to request for service. Every gas utility must serve each qualified applicant for service within its service area as rapidly as practical. As a general policy, those applications not involving line extensions or new facilities should be filled within seven working days. Those applications for individual residential service requiring line extensions should be filled within 90 days unless unavailability of materials or other causes beyond the control of the utility result in unavoidable delays. In the event that residential service is delayed in excess of 90 days after an applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report must be made to the regulatory authority listing the name of the applicant, location, and cause for delay. Unless such delays are due to causes which are reasonably beyond the control of the utility, a delay in excess of 90 days may be found to constitute a refusal to serve.

**RATE CASE EXPENSE SURCHARGE – ENVIRONS**

**APPLICABILITY**

All jurisdictional customers in the unincorporated or environs areas of West Texas Gas Utility, LLC (“WTGU”) Service Area.

**RCE RATE**

Pursuant to the Final Order in Case No. OS-24-00017816, WTGU is authorized to recover a total not to exceed \$608,957.18 in rate case expenses from Case No. OS-24-00017816 jurisdictional customers by a surcharge applicable to all jurisdictional customers in incorporated and unincorporated areas at the rate of \$0.09/Mcf for a period of approximately 48 months commencing January 25, 2025

**COMPLIANCE**

The Company shall file an annual rate case expense reconciliation report within 90 days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department and referencing Case No. OS-024-00017816, Rate Case Expense Recovery Report. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports for the Commission should be filed electronically at [GUD\\_Compliance@rrc.texas.gov](mailto:GUD_Compliance@rrc.texas.gov) or at the following address:

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

**TAX ADJUSTMENT – ENVIRONS**

**REVENUE RELATED TAX ADJUSTMENT**

Each monthly bill for a jurisdictional customer, as adjusted, 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 or any other governmental imposition, rental fee or charge levied that is based on any portion of revenues billed by West Texas Gas Utility, LLC.



## WINTER STORM URI SURCHARGE

### APPLICABILITY

All jurisdictional customers in the unincorporated or environs areas of West Texas Gas Utility, LLC (“WTGU”) Service Area.

### PURPOSE

The purpose of the Winter Storm Uri Surcharge is to authorize WTGU to recover the reasonable, necessary, and prudent extraordinary gas costs incurred by WTGU as a result of Winter Storm Uri. The rate schedule is authorized by the Railroad Commission of Texas’s (“Commission”) Final Order in Case No. OS-24-00017816, which approved a Winter Storm Uri Regulatory Asset and the recovery of the costs contained in the regulatory asset through a monthly surcharge. WTGU is authorized and directed to assess the Winter Storm Uri Surcharge rate as set forth in the section below.

### SURCHARGE RATE

All Mcf during each billing period: \$0.29 per Mcf.

This rate will be in effect until all approved and expended Winter Storm Uri costs, up to \$3,502,862.41 (“Regulatory Asset Amount”), are recovered under the applicable rate schedules. Any excess recovery of the Regulatory Asset Amount shall be calculated and refunded to customers through a final true-up under this rate schedule.

### OTHER ADJUSTMENTS

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

### CONDITIONS

1. Subject to all applicable laws and orders, and WTGU’s rules and regulations on file with the regulatory authority.
2. Uncollectible amounts, actually written off, associated with this surcharge shall be added back to the balance to be recovered via this surcharge.
3. Any amounts that were included in the Regulatory Asset Amount that are refunded to WTGU subsequent to the Final Order in Case No. OS-24-00017816 shall be subtracted from the balance and shall not be recovered via this surcharge.

**WINTER STORM URI SURCHARGE RECOVERY COMPLIANCE REPORT**

WTGU shall file a reconciliation report annually on or before March 31, commencing in 2026 and ceasing after a reconciliation report is filed at the end of the month following the month in which the Regulatory Asset Amount is fully recovered via the final reconciliation true-up (if applicable). WTGU shall file the report with the Commission, addressed to the Director of the Oversight and Safety Division and referencing Case No. OS-24-00017816, Winter Storm Uri Surcharge Recovery Report. The report shall include:

- The volumes used by month by customer class during the applicable period;
- The amount of surcharge recovered, by month;
- The outstanding balance, by month;
- The associated uncollectibles, by month; and
- Any credits for amounts WTGU received that would offset the Regulatory Asset Amount

Reports for the Commission should be filed electronically at [GUD\\_Compliance@rrc.texas.gov](mailto:GUD_Compliance@rrc.texas.gov) or at the following address:

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