

ELECTRIC GENERATION SERVICE RATE

APPLICABILITY

Service under this rate schedule is available to any customers who enters into a contract with Texas Gas Service Company, a Division of ONE Gas, Inc. to use natural gas for the purpose of electric generation. Electric generation is defined as facilities registered with the applicable balancing authority including bulk power system assets, co-generation facilities, distributed generation, and or backup power systems.

TERRITORY

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

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$175.68
A delivery charge per monthly billing period @	
For the First 5,000 Ccf/Month	\$0.07724 per Ccf
For the Next 35,000 Ccf/Month	\$0.06853 per Ccf
For the Next 60,000 Ccf/Month	\$0.05527 per Ccf
All Over 100,000 Ccf/Month	\$0.04018 per Ccf

OTHER ADJUSTMENTS

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

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

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF.

Rate Case Expense Rider: The billing shall reflect 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.

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(Continued)

CONDITIONS

1. Gas taken under this rate shall be used exclusively for the purpose of electric generation as defined in the Applicability section of this rate schedule and not for other purposes. The gas taken under this rate will be separately metered.
2. For the purpose of this rate, the annual load factor must be 60 percent or greater. The annual load factor is defined as the customer's total annual consumption divided by the customer's peak month consumption times twelve. If less than 60 percent load factor occurs for a twelve-month period, the rate charges will revert back to the rate that the customer would have otherwise been served under. A continuous twelve-month period of 60 percent or better load factor must precede a return to the electric generation rate.
3. Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.