

RATE CASE EXPENSE SURCHARGE

A. APPLICABILITY

The Rate Case Expense Surcharge (RCE) rate as set forth in Section (B) below is implemented pursuant to City Ordinances, other regulatory approval or by operation of law. This rate shall apply to the following rate schedules of Texas Gas Service Company, a Division of ONE Gas, Inc. ("Company") in the incorporated areas served in the Central-Gulf Service Area including Austin, Bayou Vista, Beaumont, Bee Cave, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas: 10, 20, 30, 40, 48, C-1, CNG-1, and T-1.

B. RCE RATE

All Ccf during each billing period: \$0.00437 per Ccf

This rate will be in effect until all approved and expended rate case expenses are recovered under the applicable rate schedules. The Company will recover \$1,388,135.45 in actual expense and up to \$324,000 in estimated expense, not to exceed actual expense. The Rate Case Expense Surcharge will be a separate line item on the bill.

C. OTHER ADJUSTMENTS

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

D. CONDITIONS

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