

TRANSPORTATION SERVICE RATE

APPLICABILITY

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

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

AVAILABILITY

Natural gas service under this rate schedule is available to any individually metered, non-residential customer for the transportation of customer owned natural gas through the Company's unincorporated areas of the Central-Gulf Service Area distribution system which includes the environs 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. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.

COST OF SERVICE RATE

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

| | |
|------------------------|--------------------|
| Commercial | \$308.08 per month |
| Industrial | \$771.38 per month |
| Public Authority | \$178.97 per month |
| Compressed Natural Gas | \$619.55 per month |
| Electrical Generation | \$175.68 per month |

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Plus – A delivery charge per monthly billing period listed by customer class as follows:

| | |
|-------------------------------|-------------------|
| Commercial | \$0.12679 per Ccf |
| Industrial | \$0.14569 per Ccf |
| Public Authority | \$0.13768 per Ccf |
| Compressed Natural Gas | \$0.07817 per Ccf |
| Electrical Generation | |
| For the First 5,000Ccf/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 |

ADDITIONAL CHARGES

- 1) A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder.
- 2) A charge will be made each month to recover the cost of any applicable local taxes and fees.
- 3) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the unincorporated areas of the Central-Gulf Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.
- 4) The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE-ENV.
- 5) The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT and PIT-Rider, if applicable.
- 6) The billing shall reflect adjustments in accordance with the provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF, if applicable.

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SUBJECT TO

- 1) Tariff T-TERMS, General Terms and Conditions for Transportation.
- 2) Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.
- 3) The taking of service under this rate schedule is subject to all valid orders, laws, rules, and regulations of duly constituted State and Federal governmental authorities and agencies having jurisdiction or control over the parties, their facilities or gas supplies, the Agreement, or any provision hereof. The Company reserves the right to seek modification or termination of any of the General Terms and Conditions, the Gas Transportation Agreement, and any of the tariffs to which it applies.
- 4) The Agreement shall be interpreted under Texas law.