

WEATHER NORMALIZATION ADJUSTMENT CLAUSE

APPLICABILITY

The Weather Normalization Adjustment Clause (WNA) shall apply to the following general service rate schedules of Texas Gas Service Company, a Division of ONE Gas, Inc. (the "Company") in the incorporated and unincorporated areas served in the Central-Gulf Service Area including Austin, Bastrop (environs only), 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: Rate Schedules 10, 15, 1Z, 1Y, 20, 25, 2Z, 2Y, 40, and 4Z. The WNA shall be effective during the September through May billing cycles.

PURPOSE

The WNA refunds over-collections or surcharges under-collections of revenue due to colder or warmer than normal weather, as established in the Company's most recent rate filing.

WNA MECHANISM

In order to reflect weather effects in a timely and accurate manner, the WNA adjustment shall be calculated separately for each billing cycle and rate schedule. The weather factor, determined for each rate schedule in the most recent rate case, shows the effect of one heating degree day on consumption for that rate schedule. During each billing cycle, the weather factor is multiplied by the difference between normal and actual heating degree days for the billing period and by the number of customers billed. This WNA volume adjustment is priced at the current cost of service rate per Ccf to determine a WNA revenue adjustment, which is spread to the customers in the billing cycle on a prorata basis. The WNA for each billing cycle and rate schedule shall be based on the following formula:

$$\text{WNA Rate} = \frac{\text{WNAD}}{\text{CV}}, \quad \text{where}$$

CV = Current Volumes for the billing period.

WNAD = Weather Normalization Adjustment Dollars to be collected from each billing cycle and rate schedule. This factor shall be based on the following formula:

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(Continued)

WNAD = (HDD Diff * CB * WF) * COS rate, where

HDD Diff = (Normal HDD – Actual HDD), the difference between normal and actual heating degree days for the billing period.

CB = Number of customers billed for the billing period.

WF = Weather factor determined for each rate schedule in the most recent rate case.

Austin, Bastrop (environs only), Bee Cave, Buda, Cedar Park, Dripping Springs, Georgetown, Hutto, Kyle, Lakeway, Marble Falls, Mustang Ridge, Pflugerville, Rollingwood, Sunset Valley, and West Lake Hills:

Residential 0.14945; Commercial 0.46174; Public Authority 1.91573

Weather Station: KATT

Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum:

Residential 0.13893; Commercial 0.24380; Public Authority 0.82469

Weather Station: KSAT

Bayou Vista, Galveston, and Jamaica Beach:

Residential 0.19840; Commercial 0.50668; Public Authority 5.12822

Weather Station: KGLS

Baumont, Groves, Nederland, Port Arthur, and Port Neches:

Residential 0.14683; Commercial 0.21018; Public Authority 1.04076

Weather Station: KBPT

FILING WITH THE CITIES AND THE RAILROAD COMMISSION OF TEXAS (RRC)

The Company will file monthly reports showing the rate adjustments for each applicable rate schedule. Supporting documentation will be made available for review upon request. By each October 1, the Company will file with the Cities and the RRC an annual report verifying the past year's WNA collections or refunds.

The Company shall file the report with the RRC electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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