

ELECTRIC GENERATION SERVICE RATE

APPLICABILITY

Service under this rate schedule is available to any customer 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 Rio Grande Valley Service Area which includes Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas, the unincorporated cities of Bayview, Laguna Heights, Monte Alto, Olmito, and San Carlos and the unincorporated areas of Jim Hogg and Starr counties, Texas.

COST OF SERVICE RATE

During each monthly billing period:

| | |
|-------------------------------|---------------------------------------|
| A customer charge of | \$230.00 plus |
| Interim Rate Adjustment (IRA) | <u>\$24.31 per month (Footnote 1)</u> |
| Total Customer Charge | \$254.31 per month |

A delivery charge per monthly billing period @ \$0.26655 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 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.

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 Surcharge 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.

ELECTRIC GENERATION SERVICE RATE (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 charged 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. To qualify for the summer discounts, the customers' peak summer months load must be at least 75 percent of the customers' peak winter months load. Failure to meet this requirement will result in an adjustment to the customers' October bill equal to the difference between the winter and summer rates times that year's total May through September consumption by that customer.
4. Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2023 IRA - \$24.31 (Case No. 00017353)