

**TEXAS GAS SERVICE COMPANY NOTICE OF INTERIM RATE ADJUSTMENT
Central Texas Service Area Incorporated and Environs IRA filed March 2, 2018**

Texas Gas Service Company, a division of ONE Gas, Inc. ("Company"), hereby gives notice to the public that on March 2, 2018, the Company filed with the Railroad Commission of Texas and the regulatory authorities with original jurisdiction over the incorporated areas of the Central Texas Service Area ("CTSA") its 2017 Interim Rate Adjustment ("IRA") filing for gas services provided to approximately 244,230 residential, 12,612 commercial, 23 industrial, 421 public authority, 5 public school space heating, 1 compressed natural gas, 366 commercial transportation, 33 industrial transportation, 388 public authority transportation, 109 public school space heating transportation, 2 compressed natural gas transportation and 1 electrical cogeneration transportation customers within the incorporated and environs areas of the Company's CTSA. The 2017 IRA filing will increase rates for all customers in the CTSA which includes the incorporated and environs areas of Austin, Bee Cave, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Nixon, Rollingwood, Shiner, Sunset Valley, West Lake Hills, and Yoakum, Texas and the environs of Buda, Texas. The effective date of the proposed change to rates is May 1, 2018.

The IRA filing is made pursuant to TEX. UTIL. CODE ANN. §104.301. The interim rate adjustment will allow the Company to recover the incremental cost of its new investment made in the CTSA for the twelve-month period ending December 31, 2017. The Company expects that its revenues from the CTSA Incorporated and Environs customers will increase by approximately \$3,288,369 as a result of this change. In accordance with TEX. UTIL. CODE ANN. § 104.101, the increase constitutes a major change in the Company's rates because the proposed changes will increase the total aggregate revenues of the Company's CTSA by more than two and one-half percent.

The 2017 IRA filing will increase the monthly average bill for all customers within the Incorporated and Environs areas of the Company's CTSA. The average monthly increase that each customer class will experience, excluding revenue-related fees and taxes, is shown in the table below.

Customer Class	Current Customer Charge	Proposed Customer Charge	Current Average Bill*	Proposed Average Bill*	Change in Average Bill*	% Change in Average Bill*
Gas Sales						
Residential (Incorporated and Environs) Average Usage of 3.2 Mcf	\$16.61	\$17.49	\$21.78	\$22.66	\$0.88	4.04%
Commercial (Incorporated and Environs) Average Usage of 31.1 Mcf	\$43.79	\$47.55	\$84.78	\$88.54	\$3.76	4.43%
Industrial (Incorporated and Environs) Average Monthly Bill 180.8 Mcf	\$215.77	\$260.76	\$417.98	\$462.97	\$44.99	10.76%
Public Authority (Incorporated and Environs) Average Monthly Bill @ 58.0 Mcf	\$60.96	\$70.01	\$133.57	\$142.62	\$9.05	6.78%
Public School Space Heating (Incorporated and Environs) Average Monthly Bill @ 161.0 Mcf	\$113.96	\$123.01	\$291.11	\$300.16	\$9.05	3.11%
Electrical Cogeneration (Incorporated and Environs)	\$83.96	\$93.01		-- No Customers --		
Compressed Natural Gas (Incorporated and Environs) Average Monthly Bill @ 1.3 Mcf	\$110.25	\$155.78	\$119.63	\$165.16	\$45.53	38.06%
Transportation						
Commercial (Incorporated and Environs) Average Monthly Bill @ 346.4 Mcf	\$255.79	\$259.55	\$713.03	\$716.79	\$3.76	0.53%
Industrial (Incorporated and Environs) Average Monthly Bill @ 969.7 Mcf	\$415.77	\$460.76	\$1,544.85	\$1,589.84	\$44.99	2.91%
Public Authority (Incorporated and Environs) Average Monthly Bill @ 147.5 Mcf	\$83.96	\$93.01	\$293.04	\$302.09	\$9.05	3.09%
Public School Space Heating (Incorporated and Environs) Average Monthly Bill @ 94.1 Mcf	\$213.96	\$223.01	\$370.28	\$379.33	\$9.05	2.44%
Electrical Cogeneration (Incorporated and Environs) Average Usage of 29,443.9 Mcf	\$83.96	\$93.01	\$16,899.60	\$16,908.65	\$9.05	0.05%
Compressed Natural Gas (Incorporated and Environs) Average Usage of 4,235.9 Mcf	\$135.25	\$180.78	\$3,163.04	\$3,208.57	\$45.53	1.44%

*Average bill usage per 2017 GRIP filing. Average bills exclude revenue-related taxes and includes cost of gas (except transportation). The 2017 cost of gas 12-month average is \$4.22 per Mcf.

A complete copy of the IRA tariff filing made with the Railroad Commission of Texas is available for inspection in the Company's business office located at 1301 South MoPac, Ste. 400, Austin, Texas 78746 or on the internet at the Company's website at https://www.texasgasservice.com/customernotices-rate_notices. Persons with specific questions or desiring additional information about this filing may contact the Company at 1-800-700-2443. Any affected person within the environs may file written comments or a protest concerning the proposed interim rate adjustment with the Oversight and Safety Division, Market Oversight Section, Railroad Commission of Texas, P.O. Box 12967, Austin, Texas 78711-2967. Please reference GUD No. 10703 in your written comment or protest. Any affected person within an incorporated area may contact his or her city council.

Nota al cliente:

La compañía Texas Gas Service, por este medio notifica su intención de implementar un aumento a la tarifa de gas que le provee. Para obtener una copia de este aviso en español, por favor llame al número gratuito 1-800-700-2443 o envíe un mensaje de correo electrónico a la dirección ODCInformationCenterWebTeam@onegas.com