



**TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.
2020 COST OF SERVICE ADJUSTMENT
FOR THE NORTH TEXAS SERVICE AREA**

TABLE OF CONTENTS

[Statement of Intent](#)

[Public Notice](#)

[Rate Schedules](#)

[COSA Schedules](#)

[COSA Workpapers](#)



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April 30, 2020

The Honorable Mayors and Members of the
City Councils of the following Texas Cities:
Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro,
Millsap, Mineral Wells, Weatherford and Willow Park, Texas

Dear Honorable Mayors and Members of the City Councils:

On March 13, 2020, Governor Greg Abbott declared a State of Disaster in Texas for all Texas counties in response to the novel coronavirus (COVID-19) pandemic. In an effort to ensure the safety of the general public and Texas Gas Service Company, a Division of ONE Gas, Inc. ("Company") employees during the COVID-19 concerns, TGS is sending the documents applicable to the foregoing Cost of Service Adjustment ("COSA") filing electronically, via e-mail, to each municipality in the North Texas Service Area ("NTSA"). In addition, the COSA tariff requires a signed and notarized affidavit to accompany the filing, however due to the guidelines and requirements concerning business operations during the COVID-19 pandemic, TGS will provide the signed and notarized affidavit when it can be safely accomplished.

The Company hereby files, via e-mail to the e-mail addresses listed below, its 2020 annual COSA filing pursuant to the COSA Clause, Rate Schedule No. 1-1, for incorporated areas of its NTSA which includes Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park, Texas ("Cities").

The 2020 COSA filing proposes to decrease the customer charge and volumetric rates in the Cities by an overall revenue requirement decrease of \$(139,340). A residential customer using an average of 39 Ccf of gas per month would experience a monthly bill decrease of \$(0.43) per month. The proposed change in rates will affect approximately 12,453 residential, 1,786 commercial, 184 public authority and 9 industrial customers in the incorporated areas of the NTSA. Pursuant to the terms of the COSA Clause, the Cities may elect to take no action and the proposed rate adjustment will be deemed approved July 29, 2020. If a City elects to act, it must do so by July 29, 2020 (ninety days from the date of filing). As specified by the COSA Clause, this proposed rate change will become effective the first billing cycle of August 2020 (meters read on and after July 29, 2020).

During 2019, the Company increased investments in the NTSA to modernize infrastructure and upgrade the system. The Company also experienced operating expense increases to maintain quality service and comply with regulatory safety standards. In 2019, the NTSA experienced increased customer usage which resulted in revenues exceeding the operating expense increases noted above. As a result, customers are receiving an overall rate decrease. Section C of the COSA Clause states that in any year the percentage change in total calendar year operating expenses (excluding costs to provide public notice and reimburse rate filing expenses) shall not exceed 3.25 percent. For purposes of this year's filing, this change is 2.48 percent, and is below the operating expense limitation.

Attached to this filing and incorporated herein are Schedules 1 through 7 and workpapers which were prepared consistent with the terms of the COSA Clause. These schedules and workpapers support the



overall decrease in the Company's NTSA revenues of \$(139,340), of which \$(126,335) is attributable to the NTSA incorporated areas. Also included with the filing are NTSA Rate Schedules 10, 20, 30, and 40. These Rate Schedules reflect decreases to the monthly customer charge and volumetric rates for all gas sales customers. As stated in Section C.5 of the COSA clause, one half of the COSA decrease was applied to the customer charge rate and one half to the volumetric rate.

In closing, Texas Gas Service Company appreciates your consideration of the Cost of Service Adjustment filing. We look forward to continuing to provide safe and reliable gas service to customers within the Cities.

Sincerely,

Stephanie G. Houle
Texas Gas Service Company
Barton Skyway IV
1301 S. Mopac, Suite 400
Austin, Texas 78746
(512) 370-8273
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Stephanie.Houle@onegas.com

Attachments

Transmitted via e-mail to:

Aledo City Secretary (deana.mcmullen@aledo-texas.com)
Breckenridge City Secretary (hrobertson@breckenridgetx.gov)
Bryson City Secretary (secretary@cityofbryson-texas.com)
Graford City Secretary (graford@uwmail.com)
Graham City Secretary (smcfadden@graham-texas.net)
Hudson Oaks City Secretary (shelley.major@hudsonoaks.com)
Jacksboro City Secretary (btarpley@cityofjacksboro.com)
Millsap City Manager (cityofmillsap@embarqmail.com)
Mineral Wells City Clerk (cityclerk@mineralwellstx.gov)
Weatherford City Secretary (mnowell@weatherfordtx.gov)
Willow Park City Secretary (asmith@willowpark.org)

**2020 NTSA INCORPORATED COSA
PUBLIC NOTICE**

**PUBLIC NOTICE OF PROPOSED RATE DECREASE
TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.
NTSA INCORPORATED COSA FILED APRIL 30, 2020**

Pursuant to North Texas Service Area ("NTSA") Rate Schedule No. 1-1, Texas Gas Service Company, a Division of ONE Gas, Inc. ("Company") filed a 2020 Cost of Service Adjustment ("COSA") with the NTSA municipal regulatory authorities which includes the Cities of Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park, Texas on April 30, 2020.

The Company proposes to decrease rates in the incorporated areas of the NTSA by the amounts listed below. Pursuant to Rate Schedule No. 1-1, proposed rates will become effective with meters read on and after July 29, 2020. The change in rates will affect approximately 12,453 residential, 1,786 commercial, 184 public authority, and 9 industrial customers in the NTSA incorporated areas. The proposed change does not constitute a "major change" as that term is defined by Section 104.101 of the Texas Utilities Code.

| Customer Class (Average Monthly Usage) | Current Monthly Customer Charge | Proposed Monthly Customer Charge | Decrease to Monthly Customer Charge | Current Volumetric Charge (per Ccf) | Proposed Volumetric Charge (per Ccf) | Decrease to Monthly Volumetric Charge | Average Monthly Customer Bill Decrease | Percentage Bill Decrease without Gas Cost | Percentage Bill Decrease with Gas Cost |
|---|---------------------------------|----------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|--|---|--|
| Residential - 39 Ccf | \$13.15 | \$12.94 | \$(0.21) | \$0.60908 | \$0.60364 | \$(0.00544) | \$(0.43) | (1.16)% | (0.81)% |
| Commercial - 266 Ccf | \$35.44 | \$34.29 | \$(1.15) | \$0.62961 | \$0.62527 | \$(0.00434) | \$(2.30) | (1.13)% | (0.74)% |
| Commercial Standard Transport | \$250.00 | \$250.00 | No Customers | \$0.57978 | \$0.57978 | No Customers | | | |
| Public Authority - 593 Ccf | \$75.45 | \$73.06 | \$(2.39) | \$0.56583 | \$0.56181 | \$(0.00402) | \$(4.78) | (1.16)% | (0.73)% |
| Public Authority Standard Transport | \$250.00 | \$250.00 | No Customers | \$0.54101 | \$0.54101 | No Customers | | | |
| Industrial - 1,968 Ccf | \$218.61 | \$210.63 | \$(7.98) | \$0.57754 | \$0.57349 | \$(0.00405) | \$(15.96) | (1.18)% | (0.74)% |
| Industrial Standard Transport | \$250.00 | \$250.00 | No Customers | \$0.55395 | \$0.55395 | No Customers | | | |
| 2019 average Cost of Gas per Ccf was \$0.4096 excluding revenue related taxes | | | | | | | | | |

The adjustment to rates was calculated on the Company's total revenue requirement for service in the NTSA which includes customers residing in both the incorporated areas and the surrounding environs. The incorporated areas' share of the service area-wide decrease of \$(139,340) is approximately \$(126,335). If approved, the proposed rates will decrease the Company's NTSA revenues by (0.76) percent when gas cost revenues are included or by (1.12) percent when gas cost revenues are excluded.

Persons with questions or who want more information about this filing may contact the Company at 1-800-700-2443. A copy of the filing will be available for inspection during normal business hours at the Company's office at 1525 Texas Drive, Weatherford, Texas, 76086 or on the Company's website at <https://www.texasgasservice.com/rate-information/north-texas>. Any affected person within an incorporated area may contact his or her city council.

De conformidad con la Clase de Tarifa número 1-1 del Área de Servicio del Norte de Texas (de aquí en adelante, "NTSA", por sus siglas en inglés), la compañía Texas Gas Service Company, una división de ONE Gas, Inc. (de aquí en adelante, la "Compañía"), presentó el 30 de abril del 2020 una solicitud para implementar un Ajuste por el Costo del Servicio (de aquí en adelante, "COSA", por sus siglas en inglés) para el 2020 ante las autoridades regulatorias municipales del NTSA, que incluye las Ciudades de Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford y Willow Park, Texas.

Cualquier persona que tenga una pregunta específica o desee obtener información adicional acerca de este asunto, puede contactar a la Compañía al teléfono 1-800-700-2443. Si desea revisar la tarifa COSA presentada por la Compañía, puede encontrar una copia completa durante el horario normal de trabajo en las oficinas de la Compañía localizadas en 1525 Texas Drive, Weatherford, Texas, 76086, o visitando la página de internet de la Compañía en <https://www.texasgasservice.com/rate-information/north-texas>. Cualquier persona que se vea afectada dentro de las áreas incorporadas puede contactar a su consejo municipal.

**2020 NTSA INCORPORATED COSA
RATE SCHEDULES (TARIFFS)**

RESIDENTIAL SERVICE RATE

APPLICABILITY

Applicable to a residential customer or builder in a single dwelling, or in a dwelling unit of a multiple dwelling or residential apartment, for domestic purposes. A residential consumer includes an individually-metered residential unit or dwelling that is operated by a public housing agency acting as an administrator of public housing programs under the direction of the U.S. Department of Housing and Urban Development and builders prior to sale or re-sale of a property for domestic purposes. This rate is only available to full requirements customers of Texas Gas Service Company, a Division of ONE Gas, Inc.

TERRITORY

The incorporated areas of the North Texas Service Area which include Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park, Texas.

COST OF SERVICE RATE

During each monthly billing period:

| | |
|--|-------------------|
| A customer charge per meter per month of | \$12.94 plus |
| All Ccf per monthly billing period at | \$0.60364 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 the provisions of Rate Schedule 1-INC.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT Rider.

Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.

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

CONDITIONS

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

COMMERCIAL SERVICE RATE

APPLICABILITY

Applicable to commercial consumers and to consumers not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company, a Division of ONE Gas, Inc.

TERRITORY

The incorporated areas of the North Texas Service Area which include Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park, Texas.

COST OF SERVICE RATE

During each monthly billing period:

| | |
|--|-------------------|
| A customer charge per meter per month of | \$34.29 plus |
| All Ccf per monthly billing period at | \$0.62527 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 the provisions of Rate Schedule 1-INC.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT Rider.

Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.

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

CONDITIONS

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

INDUSTRIAL SERVICE RATE

APPLICABILITY

Applicable to any qualifying industrial customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government.

| | |
|-------------------|--|
| Division B | - Mining - all Major Groups |
| Division D | - Manufacturing - all Major Groups |
| Divisions E and J | - Utility and Government - facilities generating power for resale only |

TERRITORY

The incorporated areas of the North Texas Service Area which include Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park, Texas.

COST OF SERVICE RATE

During each monthly billing period:

| | |
|--|-------------------|
| A customer charge per meter per month of | \$210.63 plus |
| All Ccf per monthly billing period at | \$0.57349 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 the provisions of Rate Schedule 1-INC.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT Rider.

Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.

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

CONDITIONS

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

PUBLIC AUTHORITY SERVICE RATE

APPLICABILITY

Applicable to any qualifying public authority, public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts. This rate is only available to full requirements customers of Texas Gas Service Company, a Division of ONE Gas, Inc.

TERRITORY

The incorporated areas of the North Texas Service Area which include Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park, Texas.

COST OF SERVICE RATE

During each monthly billing period:

| | |
|--|-------------------|
| A customer charge per meter per month of | \$73.06 plus |
| All Ccf per monthly billing period at | \$0.56181 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 the provisions of Rate Schedule 1-INC.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT Rider.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT.

Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.

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

CONDITIONS

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

**2020 NTSA INCORPORATED COSA
SCHEDULES 1-7**

SUMMARY OF RATE ADJUSTMENT

| Line No. | Description | Twelve Months Ended Dec. 2019 | Allowable Revenue Requirement (See Note 1) | Twelve Months Ended Dec. 2018 | Change |
|----------|---|-------------------------------|--|-------------------------------|-------------|
| 1 | Rate Base | \$54,413,892 | | \$52,198,292 | \$2,215,600 |
| 2 | Rate of Return | 7.395% | | 7.395% | 0.000% |
| 3 | Required Return | \$4,023,907 | | \$3,860,064 | \$163,844 |
| 4 | Depreciation and Amortization | 1,946,288 | | 1,902,360 | 43,928 |
| 5 | Taxes Other Than FIT (Ad Valorem only) | 290,881 | | 254,595 | 36,286 |
| 6 | Federal Income Tax | 859,500 | | 819,342 | 40,158 |
| 7 | Rate Base Related | \$7,120,576 | | \$6,836,361 | \$284,216 |
| 8 | Taxes Other Than FIT (excludes Ad Valorem) | \$178,203 | | \$163,459 | \$14,745 |
| 9 | Interest on Customer Deposits | 10,973 | | 5,234 | 5,739 |
| 10 | Transmission and Distribution Expenses | 2,719,232 | | 2,673,229 | 46,004 |
| 11 | Customer Related Expenses | 468,466 | | 572,746 | (104,280) |
| 12 | Administrative & General | 1,766,260 | | 1,613,441 | 152,819 |
| 13 | O&M Expense Related | \$5,143,135 | | \$5,028,109 | \$115,026 |
| 14 | Revenue Requirement (Line 7 + Line 13) | \$12,263,711 | \$12,263,711 | \$11,864,469 | \$399,242 |
| 15 | Test Year Sales, Transport, and Misc. Revenues | (12,402,006) | (12,402,006) | (11,864,469) | (537,537) |
| 16 | Revenue Deficiency/(Surplus) | (\$138,295) | (\$138,295) | \$0 | (\$138,295) |
| | Rate | | | | |
| 17 | Gross up for Texas Franchise Tax | 0.0075 | (1,045) | 0 | (1,045) |
| 18 | Total Cost of Service Adjustment applied to the Customer Charge and Volumetric Charge (grossed up for Texas Franchise Tax rate of 0.0075) | | (\$139,340) | \$0 | (\$139,340) |

SUMMARY OF RATE ADJUSTMENT

NOTES TO SCHEDULE 1:

| | Twelve Months Ended Dec. 2019 | Allowable Revenue Requirement |
|--|-------------------------------------|-------------------------------------|
| Note 1: Calculation of Allowable Revenue Requirement | | |
| 1 Current Rate Base Related | \$7,120,576 | \$7,120,576 |
| 2 Current O&M Expense Related (Below maximum allowable expense per cap as shown in Note 2 below) | 5,143,135 | 5,143,135 |
| 3 Revenue Requirement from Current Year | <u>\$12,263,711</u> | <u>\$12,263,711</u> |
| 4 Prior Rate Base Related | \$6,836,361 | \$6,836,361 |
| 5 Prior O&M Expense Related | 5,028,109 | 5,028,109 |
| 6 Revenue Requirement from Prior Year | <u>\$11,864,469</u> | <u>\$11,864,469</u> |
| 7 Total Change in Return and Expenses | <u>\$399,242</u> | <u>\$399,242</u> |

Note 2: Calculation of Limitation on Expense Increase:

| | | |
|---|---------|-------|
| 8 Operating Expense % change (adjusted to remove expenses not subject to the cap) | 2.4800% | |
| 9 Percentage Cap on Operating Expenses (per the COSA tariff) | | 3.25% |

| | | | | |
|----|---|---|--|---|
| 10 | Limitation on Expenses is determined by Terms of Cost of Service Adjustment Clause (The actual percentage change in total calendar year operating expenses shall not exceed three and one-quarter percent (3.25%), provided that the costs for the Company to provide public notice and reimburse City and Company rate case expenses as required herein, shall not be included in calculating the 3.25% limitation). | | | |
| 11 | | Public Notice and City and Company rate case expenses excluded from calculation of % change | Total O&M expenses (adjusted to remove expenses not subject to the cap) | Maximum Allowable Expense per cap |
| 12 | Total O&M expenses | \$8,741 | \$5,134,394 | |
| 13 | Current O&M Expense Related | \$17,829 | \$5,010,280 | |
| 14 | Prior O&M Expense Related | | | |
| | Calculated Operating Expense Percentage Change | 2.2900% | 2.4800% | -100.00% |

ALLOWABLE EXPENSES

| Line No. | Description | Account Numbers | Twelve Months Ended Dec. 2019 | Twelve Months Ended Dec. 2018 | Change |
|----------|--|-----------------|-------------------------------|-------------------------------|------------------|
| 1 | Depreciation and Amortization | 403-405 | \$1,946,288 | \$1,902,360 | \$43,928 |
| 2 | Taxes Other Than FIT (Note 1) | 408 | 469,084 | 418,053 | 51,031 |
| 3 | Interest on Customer Deposits | 431 | 10,973 | 5,234 | 5,739 |
| 4 | Transmission and Distribution Expenses | 850-894 | 2,719,232 | 2,673,229 | 46,004 |
| 5 | Customer Related Expenses | 901-916 | 468,466 | 572,746 | (104,280) |
| 6 | Administrative & General | 920-932 | 1,766,260 | 1,613,441 | 152,819 |
| 7 | Total | | <u>\$7,380,303</u> | <u>\$7,185,063</u> | <u>\$195,240</u> |

Note 1: Includes Texas Franchise Tax. Excludes City Franchise Fees, Gross Receipts, and any other revenue-based tax.

RETURN ON INVESTMENT

| Line No. | Description | Twelve Months Ended | Twelve Months Ended | Change |
|----------|---|---------------------|---------------------|-------------|
| | | Dec. 2019 | Dec. 2018 | |
| 1 | Net Plant in Service (Year to Date Balance) | \$64,633,794 | \$61,869,155 | \$2,764,639 |
| 2 | RRC 8.209 Regulatory Asset Balance (Year to Date Balance) | 277,828 | 375,371 | (97,543) |
| 3 | Other Rate Base Items (Note 1) | 2,100,391 | 1,490,306 | 610,085 |
| 4 | Customers Deposits (Acct. 235) (Year to Date Balance) | (603,418) | (549,792) | (53,626) |
| 5 | Customer Advances (Acct.252) (Year to Date Balance) | (458,881) | (488,805) | 29,924 |
| 6 | Deferred Income Taxes | (11,535,821) | (10,497,942) | (1,037,879) |
| 7 | Rate Base | \$54,413,892 | \$52,198,292 | \$2,215,600 |
| 8 | Rate of Return (Note 2) | 7.395% | 7.395% | 0.000% |
| 9 | Return on Investment | \$4,023,907 | \$3,860,064 | \$163,844 |

Note 1: Other Rate Base Items

| | Twelve Months Ended Dec. 2019 | Twelve Months Ended Dec. 2018 | |
|----|--|-------------------------------|----------------|
| 10 | Materials and Supplies Inventory (Current COSA - 13 month avg ending balances through Dec. 2019) | 697,536 | \$327,505 |
| 11 | Prepayments (Current COSA - 13 month avg ending balances through Dec. 2019) | 139,330 | 604,450 Note 3 |
| 12 | Prepaid Pension Asset (Current COSA - 13 month avg ending balances through Dec. 2019) | 1,263,524 | 558,351 Note 3 |
| 13 | Cash Working Capital (Current COSA - Per the COSA tariff – set to \$0.00) | 0 | 0 |
| 14 | Total Other Rate Base Items | \$2,100,391 | \$1,490,306 |

Note 2: Authorized cap structure and debt cost per TYE Dec. 2017 NTSA Rate Case Settlement. ROE per NTSA COSA tariff eff 11/28/2018.

Note 3: The 2018 prepayments and pension asset amounts when added together total \$1,162,801 and was correct as filed last year. However, the breakout should have been \$120,954 for prepayments and \$1,041,847 for prepaid pension asset.

| DESCRIPTION | RATIO | COST RATE % | COMPOSITE RATE % |
|-------------------|----------|-------------|------------------|
| | (a) | (b) | (c) |
| 15 Long-Term Debt | 37.839% | 3.938% | 1.490% |
| 16 Common Equity | 62.161% | 9.500% | 5.905% |
| 17 Total | 100.000% | | 7.395% |

FEDERAL INCOME TAXES

| Line No. | Description | Twelve Months Ended Dec. 2019 | Twelve Months Ended Dec. 2018 | Change |
|----------|--|-------------------------------|-------------------------------|-----------|
| 1 | Taxable Income (Schedule 3, Line 9) | \$4,023,907 | \$3,860,064 | \$163,844 |
| 2 | Interest On Long Term Debt (Schedule 3, Line 7 x 1.49%) (Note 1) | (810,755) | (777,743) | (33,012) |
| 3 | Net Taxable Income before parking adjustment | \$3,213,152 | \$3,082,321 | \$130,832 |
| 4 | Add Parking Expense - no longer tax deductible per TCJA (Note 2) | 20,240 | | 20,240 |
| 5 | Net After Tax Income | 3,233,393 | 3,082,321 | 151,072 |
| 6 | Federal Income Taxes (0.26582 times line 3) (Note 3) | \$859,500 | \$819,342 | \$40,158 |

Note 1: Interest on Long Term Debt is the Debt Cost Component of Return (1.49% from 2018 NTSA Rate Case Settlement and Rate Schedule 1-1 Cost of Service Adjustment Clause) multiplied by rate base

Note 2: Per IRS Notice 2018-99, the Tax Cuts and Jobs Act of 2017 added Code Section 274(a)(4) precluding employers from deducting for tax purposes the amount paid to a third party for the use of a parking lot.

Note 3: Tax factor of 0.26582 is the income tax rate of 21% divided by (1 minus the 21% tax rate).

BASE REVENUES

| Line No. | Description | Account Numbers | Twelve Months Ended Dec. 2019 |
|-------------|--|--------------------|-------------------------------------|
| 1 | Gas Sales Revenue | 480-482 | (18,464,170) |
| 2 | Less: Cost of Gas | | 5,951,078 |
| 3 | Annualize gas sales to current base rates | | 378,590 |
| 4 | Base Gas Sales Revenue | | <u>(\$12,134,502)</u> |
| 5 | Misc. Service Fees | 487-488 | <u>(\$123,826)</u> |
| 6 | Transportation Revenue | 489.3 | (\$148,646) |
| 7 | Less: Estimated Transport Revenue | | 4,969 |
| 8 | Annualize standard transport sales to current base rates | | - |
| 9 | Total Transportation Revenue | | <u>(\$143,677)</u> |
| 10 | Total Base Revenues | | <u><u>(\$12,402,006)</u></u> |

RATE DESIGN

| Line No. | Customer Class | Percent of Revenues per Rate Case Settlement | Annual Cost of Service Adjustment Increase/(Decrease) (Sch.1) | Annual NTSA Bills CY 2019 | NTSA Customer Charge Increase/ (Decrease) - Note 1 | Total Annual Customer Charge Revenue Increase/ (Decrease) | Annual NTSA Volumes (Ccf) CY 2019 | NTSA Volume (Ccf) Charge Increase/ (Decrease) - Note 1 | Total Annual Volumetric (Ccf) Revenue Increase/ (Decrease) | Total Annual Cost of Service Adjustment Increase/ (Decrease) |
|----------|---|--|---|---------------------------|--|---|-----------------------------------|--|--|--|
| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| | | | | | | (c) * (d) | | (f)*(g) | (e)+(h) | |
| 1 | Residential | 51.34% | (\$71,540) | 166,756 | (\$0.21) | (\$35,770) | 6,575,526 | (\$0.00544) | (\$35,770) | (\$71,540) |
| 2 | Commercial and Commercial Standard Transport | 38.56% | (53,735) | 23,289 | (\$1.15) | (26,868) | 6,197,732 | (\$0.00434) | (26,868) | (53,735) |
| 3 | Public Authority | 8.86% | (12,341) | 2,585 | (\$2.39) | (6,171) | 1,533,492 | (\$0.00402) | (6,171) | (12,341) |
| 4 | Industrial and Industrial Standard Transport | 1.24% | (1,724) | 108 | (\$7.98) | (862) | 212,591 | (\$0.00405) | (862) | (1,724) |
| 5 | Grand Total | 100% | (\$139,340) | 192,738 | | (\$69,670) | 14,519,341 | | (\$69,670) | (\$139,340) |
| 6 | Annual Cost of Service Adjustment Increase/(Decrease) (Sch. 1, line 18) | | (\$139,340) | | | | | | | |
| 7 | Total Base Revenues (Sch. 1, line 15) | | 12,402,006 | | | | | | | |
| 8 | Revenue Requirement plus Gross up for Texas Franchise Tax (Sch 1, line 14 plus line 17) | | \$12,262,666 | | | | | | | |
| 9 | Incorporated | | | 173,178 | 89.85% | 13,249,364 | 91.25% | | | |
| 10 | Environs | | | 19,560 | 10.15% | 1,269,976 | 8.75% | | | |
| 11 | Total | | | 192,738 | 100.00% | 14,519,341 | 100.00% | | | |

Note 1 Cost of Service Adjustment Clause; Rate Schedule 1-1 Section C. states: " One half of the rate adjustment shall be included in the monthly Customer Charge and one half shall be included in the volumetric rates of the applicable gas sales and standard transportation rate schedules."

RATE DESIGN

| | | NTSA Incorporated and NTSA Environs - Breakout of Annual Customer Charge Revenue Increase/(Decrease): | | | | | NTSA Incorporated and NTSA Environs - Breakout of Annual Volumetric Charge Revenue Increase/(Decrease): | | | | | NTSA Grand Total Breakout of Annual Revenue Increase/(Decrease) | | | | |
|----------|--|--|------------------------------------|---------------------------|----------------------|-------------------|--|--|------------------------------------|---------------------------|------------------------------|---|-----------|---|------------------------------------|---------------------------|
| | | Required Customer Charge Increase/(Decrease) | | | Annual Bills CY 2019 | | | Required Volumetric Charge Increase/(Decrease) | | | Annual Volumes (Ccf) CY 2019 | | | NTSA Grand Total Breakout of Annual Revenue Increase/(Decrease) | | |
| Line No. | Customer Class | Total | Incorporated Area Allocated Amount | Environs Allocated Amount | Total | Incorporated Area | Environs | Total | Incorporated Area Allocated Amount | Environs Allocated Amount | Total | Incorporated Area | Environs | Grand Total | Incorporated Area Allocated Amount | Environs Allocated Amount |
| 1 | Residential | (\$35,770) | (\$32,053) | (\$3,716) | 166,756 | 149,430 | 17,326 | (\$35,770) | (\$31,696) | (\$4,074) | 6,575,526 | 5,826,585 | 748,941 | (\$71,540) | (\$63,749) | (\$7,791) |
| 2 | Commercial and Commercial Standard Transport | (26,868) | (24,720) | (2,148) | 23,289 | 21,427 | 1,862 | (26,868) | (25,732) | (1,136) | 6,197,732 | 5,935,668 | 262,063 | (53,735) | (50,451) | (3,284) |
| 3 | Public Authority and Public Authority Standard Transport | (6,171) | (5,283) | (888) | 2,585 | 2,213 | 372 | (6,171) | (5,129) | (1,042) | 1,533,492 | 1,274,520 | 258,972 | (12,341) | (10,411) | (1,930) |
| 4 | Industrial and Industrial Standard Transport | (862) | (862) | - | 108 | 108 | 0 | (862) | (862) | - | 212,591 | 212,591 | 0 | (1,724) | (1,724) | - |
| 5 | Total | (\$69,670) | (\$62,917) | (\$6,753) | 192,738 | 173,178 | 19,560 | (\$69,670) | (\$63,418) | (\$6,252) | 14,519,341 | 13,249,364 | 1,269,976 | (\$139,340) | (\$126,335) | (\$13,005) |
| 6 | Percentage | 100.00% | 90.31% | 9.69% | 100.00% | 89.85% | 10.15% | 100.00% | 91.03% | 8.97% | 100.00% | 91.25% | 8.75% | 100.00% | 90.67% | 9.33% |

RATE DESIGN

| NTSA Towns Share of Revenue Increase/(Decrease) : | | | | | | | | | |
|---|--|---|--|---|--------------|-------------------------|----------------|---------------------------|--|
| Line No. | Town Description | Customer Charge Revenue Increase/(Decrease) | Volumetric Revenue Increase/(Decrease) | Grand Total Revenue Increase/(Decrease) | Annual Bills | % Share of Annual Bills | Annual Volumes | % Share of Annual Volumes | |
| 1 | Aledo | (\$3,223) | (\$2,644) | (\$5,867) | 8,872 | 4.60% | 552,359 | 3.80% | |
| 2 | Breckenridge | (5,707) | (4,702) | (10,409) | 15,707 | 8.15% | 982,410 | 6.77% | |
| 3 | Bryson | (520) | (364) | (883) | 1,430 | 0.74% | 75,951 | 0.52% | |
| 4 | Graford | (495) | (333) | (828) | 1,363 | 0.71% | 69,593 | 0.48% | |
| 5 | Graham | (9,415) | (8,550) | (17,965) | 25,914 | 13.45% | 1,786,265 | 12.30% | |
| 6 | Hudson Oaks | (355) | (1,505) | (1,860) | 976 | 0.51% | 314,417 | 2.17% | |
| 7 | Jacksboro | (4,225) | (3,704) | (7,929) | 11,630 | 6.03% | 773,793 | 5.33% | |
| 8 | Millsap | (385) | (346) | (731) | 1,059 | 0.55% | 72,365 | 0.50% | |
| 9 | Mineral Wells | (17,728) | (15,802) | (33,530) | 48,796 | 25.32% | 3,301,432 | 22.74% | |
| 10 | Weatherford | (20,053) | (24,388) | (44,441) | 55,194 | 28.64% | 5,095,216 | 35.09% | |
| 11 | Willow Park | (813) | (1,080) | (1,892) | 2,237 | 1.16% | 225,563 | 1.55% | |
| 12 | Total | (\$62,917) | (\$63,418) | (\$126,335) | 173,178 | 89.85% | 13,249,364 | 91.25% | |
| 13 | Incorporated Areas Share | (\$62,917) | (\$63,418) | (\$126,335) | 173,178 | 89.85% | 13,249,364 | 91.25% | |
| 14 | Environs Share | (6,753) | (6,252) | (13,005) | 19,560 | 10.15% | 1,269,976 | 8.75% | |
| 15 | Total | (\$69,670) | (\$69,670) | (\$139,340) | 192,738 | 100.00% | 14,519,341 | 100.00% | |
| 16 | Avg NTSA Monthly Total | | | | 16,062 | | 1,209,945 | | |
| 17 | Avg NTSA <u>Incorporated</u> Monthly Total | | | | 14,432 | | 1,104,114 | | |

| NTSA Incorporated - Customer Count by Class: | | | | |
|--|-------------------------------------|--------------------------------|-----------------------------|---------------------------------|
| Line No. | Class | NTSA Incorporated | | NTSA Incorporated |
| | | Area Annual Bill Count CY 2018 | Area Monthly Customer Count | Area Avg Monthly Customer Count |
| 1 | RESIDENTIAL | 149,430 | 12,453 | |
| 2 | COMMERCIAL | 21,427 | 1,786 | |
| 3 | COMMERCIAL STANDARD TRANSPORT | 0 | 0 | |
| 4 | PUBLIC AUTHORITY | 2,213 | 184 | |
| 5 | PUBLIC AUTHORITY STANDARD TRANSPORT | 0 | 0 | |
| 6 | INDUSTRIAL | 108 | 9 | |
| 7 | INDUSTRIAL STANDARD TRANSPORT | 0 | 0 | |
| 8 | Total | 173,178 | 14,432 | |

BILL IMPACTS

| Line No. | Customer Class | Average Volumetric Usage (Ccf) | Current Monthly Bill Amount | Proposed Monthly Bill Amount | Monthly Bill \$ Change | Monthly Bill % Change |
|-----------|---|--------------------------------|-----------------------------|------------------------------|------------------------|-----------------------|
| 1 | RESIDENTIAL | | | | | |
| 2 | Cost of Service Only | 39 | \$37.17 | \$36.74 | (\$0.43) | -1.16% |
| 3 | Total Bill (Note 1) | 39 | \$53.32 | \$52.89 | (\$0.43) | -0.81% |
| 4 | COMMERCIAL | | | | | |
| 5 | Cost of Service Only | 266 | \$202.99 | \$200.69 | (\$2.30) | -1.13% |
| 6 | Total Bill (Note 1) | 266 | \$312.00 | \$309.70 | (\$2.30) | -0.74% |
| 7 | COMMERCIAL STANDARD TRANSPORT (Note 2) | | | | | |
| 8 | Cost of Service Only | 0 | \$250.00 | \$250.00 | \$0.00 | 0.00% |
| 9 | Total Bill (Note 1) | 0 | \$250.00 | \$250.00 | \$0.00 | 0.00% |
| 10 | PUBLIC AUTHORITY | | | | | |
| 11 | Cost of Service Only | 593 | \$411.12 | \$406.34 | (\$4.78) | -1.16% |
| 12 | Total Bill (Note 1) | 593 | \$654.13 | \$649.35 | (\$4.78) | -0.73% |
| 13 | PUBLIC AUTHORITY STANDARD TRANSPORT (Note 2) | | | | | |
| 14 | Cost of Service Only | 0 | \$250.00 | \$250.00 | \$0.00 | 0.00% |
| 15 | Total Bill (Note 1) | 0 | \$250.00 | \$250.00 | \$0.00 | 0.00% |
| 16 | INDUSTRIAL | | | | | |
| 17 | Cost of Service Only | 1,968 | \$1,355.46 | \$1,339.50 | (\$15.96) | -1.18% |
| 18 | Total Bill (Note 1) | 1,968 | \$2,161.80 | \$2,145.84 | (\$15.96) | -0.74% |
| 19 | INDUSTRIAL STANDARD TRANSPORT (Note 2) | | | | | |
| 20 | Cost of Service Only | 0 | \$250.00 | \$250.00 | \$0.00 | 0.00% |
| 21 | Total Bill (Note 1) | 0 | \$250.00 | \$250.00 | \$0.00 | 0.00% |

Note 1: Total Bills for gas sales customers include 12 month average COG of \$0.4096/Ccf and excludes revenue related taxes. Transportation customers secure their own gas, so there is no added COG in the Total Bill.

Note 2: TGS currently has no standard transport customers and therefore did not change the customer or volumetric charge.

PROOF OF REVENUES

Current Year Revenue Impact

\$ (139,340)

| Line No. | Description | CURRENT RATES | Change | PROPOSED RATES | CURRENT CALENDAR YEAR BILLS | CURRENT CALENDAR YEAR WEATHER-NORMALIZED VOLUMES (Ccf) | REVENUE AT CURRENT RATES | REVENUE AT PROPOSED RATES | REVENUE IMPACT | Avg monthly customer count and Ccf usage (in current yr) |
|--|-------------------|---------------|-------------|----------------|-----------------------------|--|--------------------------|---------------------------|--------------------|--|
| RESIDENTIAL | | | | | | | | | | |
| 1 | Customer Charge | \$13.15 | (\$0.21) | \$12.94 | 166,756 | | \$2,192,841 | \$2,157,072 | (\$35,770) | 13,896 |
| 3 | Total Ccf volumes | \$0.60908 | (\$0.00544) | \$0.60364 | | 6,575,526 | 4,005,021 | 3,969,252 | (35,770) | 39 |
| | | | | | 166,756 | 6,575,526 | \$6,197,862 | \$6,126,323 | (\$71,540) | |
| COMMERCIAL | | | | | | | | | | |
| 7 | Customer Charge | \$35.44 | (\$1.15) | \$34.29 | 23,289 | | \$825,362 | \$798,494 | (\$26,868) | 1,941 |
| 8 | Total Ccf volumes | \$0.62961 | (\$0.00434) | \$0.62527 | | 6,197,732 | 3,902,154 | 3,875,286 | (26,868) | 266 |
| | | | | | 23,289 | 6,197,732 | \$4,727,516 | \$4,673,781 | (\$53,735) | |
| COMMERCIAL STANDARD TRANSPORT | | | | | | | | | | |
| 12 | Customer Charge | \$250.00 | \$0.00 | \$250.00 | - | | \$0 | \$0 | | - |
| 13 | Total Ccf volumes | \$0.57978 | \$0.00000 | \$0.57978 | - | - | - | - | \$0 | - |
| | | | | | - | - | \$0 | \$0 | \$0 | - |
| PUBLIC AUTHORITY | | | | | | | | | | |
| 17 | Customer Charge | \$75.45 | (\$2.39) | \$73.06 | 2,585 | | \$195,038 | \$188,868 | (\$6,171) | 215 |
| 18 | Total Ccf volumes | \$0.56583 | (\$0.00402) | \$0.56181 | | 1,533,492 | 867,696 | 861,525 | (6,171) | 593 |
| | | | | | 2,585 | 1,533,492 | \$1,062,734 | \$1,050,393 | (\$12,341) | |
| PUBLIC AUTHORITY STANDARD TRANSPORT | | | | | | | | | | |
| 22 | Customer Charge | \$250.00 | \$0.00 | \$250.00 | - | | \$0 | \$0 | | - |
| 23 | Total Ccf volumes | \$0.54101 | \$0.00000 | \$0.54101 | - | - | - | - | \$0 | - |
| | | | | | - | - | \$0 | \$0 | \$0 | - |
| INDUSTRIAL | | | | | | | | | | |
| 27 | Customer Charge | \$218.61 | (\$7.98) | \$210.63 | 108 | | \$23,610 | \$22,748 | (\$862) | 9 |
| 28 | Total Ccf volumes | \$0.57754 | (\$0.00405) | \$0.57349 | | 212,591 | 122,780 | 121,918 | (862) | 1,968 |
| | | | | | 108 | 212,591 | \$146,390 | \$144,666 | (\$1,724) | |
| INDUSTRIAL STANDARD TRANSPORT | | | | | | | | | | |
| 32 | Customer Charge | \$250.00 | \$0.00 | \$250.00 | - | | \$0 | \$0 | | - |
| 33 | Total Ccf volumes | \$0.55395 | \$0.00000 | \$0.55395 | - | - | - | - | \$0 | - |
| | | | | | - | - | \$0 | \$0 | \$0 | - |
| | | | | | 192,738 | 14,519,341 | \$12,134,502 | \$11,995,163 | (\$139,340) | |

| | | | |
|--------------------|--|----------------|----------------|
| Gas Sales | | (\$12,134,502) | (\$11,995,163) |
| Standard Transport | | - | - |
| Total | | (\$12,134,502) | (\$11,995,163) |
| Custom Transport | | (143,677) | (143,677) |
| Misc Fees | | (123,826) | (123,826) |
| | | (\$12,402,006) | (\$12,262,666) |

\$ (139,340)

equals Sch 5, line 10 equals Sch 1, line 14 plus Sch 1, line 17

For Public Notice

| Line No. | Customer Class (Average Monthly Usage) | Current Monthly Customer Charge | Proposed Monthly Customer Charge | Decrease to Monthly Customer Charge | Current Volumetric Charge (per Ccf) | Proposed Volumetric Charge (per Ccf) | Decrease to Monthly Volumetric Charge | Average Monthly Customer Bill Decrease | Percentage Bill Decrease without Gas Cost | Percentage Bill Decrease with Gas Cost |
|----------|--|---------------------------------|----------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|--|---|--|
| 1 | Residential - 39 Ccf | \$13.15 | \$12.94 | (\$0.21) | \$0.60908 | \$0.60364 | (\$0.00544) | (\$0.43) | -1.16% | -0.81% |
| 2 | Commercial - 266 Ccf | \$35.44 | \$34.29 | (\$1.15) | \$0.62961 | \$0.62527 | (\$0.00434) | (\$2.30) | -1.13% | -0.74% |
| 3 | Commercial Standard Transport | \$250.00 | \$250.00 | \$0.00 | \$0.57978 | \$0.57978 | \$0.00000 | \$0.00 | 0.00% | 0.00% |
| 4 | Public Authority - 593 Ccf | \$75.45 | \$73.06 | (\$2.39) | \$0.56583 | \$0.56181 | (\$0.00402) | (\$4.78) | -1.16% | -0.73% |
| 5 | Public Authority Standard Transport | \$250.00 | \$250.00 | \$0.00 | \$0.54101 | \$0.54101 | \$0.00000 | \$0.00 | 0.00% | 0.00% |
| 6 | Industrial - 1,968 Ccf | \$218.61 | \$210.63 | (\$7.98) | \$0.57754 | \$0.57349 | (\$0.00405) | (\$15.96) | -1.18% | -0.74% |
| 7 | Industrial Standard Transport | \$250.00 | \$250.00 | \$0.00 | \$0.55395 | \$0.55395 | \$0.00000 | \$0.00 | 0.00% | 0.00% |

Calendar year 2019 average Cost of Gas per Ccf was \$0.4096 excluding revenue related taxes.

**2020 NTSA INCORPORATED COSA
WORKPAPERS**

TOTAL PLANT IN SERVICE

| Adjusted Balance @ 12/31/2019 | | | | |
|-------------------------------|--|---------------------|----------------------------------|----------------------|
| Line No. | Description | NTSA Direct Plant | TGS Div and Corp Allocated Plant | Total NTSA Plant |
| <u>INTANGIBLE PLANT</u> | | | | |
| 1 | (301) Organization | \$89,582 | \$0 | \$89,582 |
| 2 | (302) Franchises & Consents | 118 | 0 | 118 |
| 3 | (303) Misc. Intangible | 131,851 | 0 | 131,851 |
| 4 | Total Intangible Plant | <u>\$221,551</u> | <u>\$0</u> | <u>\$221,551</u> |
| <u>TRANSMISSION PLANT</u> | | | | |
| 5 | (365.2) Rights-Of-Way | \$113,362 | \$0 | \$113,362 |
| 6 | (367) Mains | 1,567,889 | 0 | 1,567,889 |
| 7 | (369) Measure/Reg Station Equip | 628,754 | 0 | 628,754 |
| 8 | Total Transmission Plant | <u>\$2,310,005</u> | <u>\$0</u> | <u>\$2,310,005</u> |
| <u>DISTRIBUTION PLANT</u> | | | | |
| 9 | (374) Land & Land Rights | \$63,659 | \$0 | \$63,659 |
| 10 | (375) Structures & Improvements | 26,064 | 0 | 26,064 |
| 11 | (376) Mains | 36,765,711 | 0 | 36,765,711 |
| 12 | (378) Meas. & Reg. Station - General | 1,252,360 | 0 | 1,252,360 |
| 13 | (379) Meas. & Reg. Station - C.G. | 660,069 | 0 | 660,069 |
| 14 | (380) Services | 11,914,308 | 0 | 11,914,308 |
| 15 | (381) Meters | 2,412,371 | 0 | 2,412,371 |
| 16 | (382) Meter Installations | 0 | 0 | 0 |
| 17 | (383) House Regulators | 609,978 | 0 | 609,978 |
| 18 | (385) Indust. Meas. & Reg. Stat. Equipment | 723,322 | 0 | 723,322 |
| 19 | (386) Other Property on Customer Premises | 9,515 | 0 | 9,515 |
| 20 | Total Distribution Plant | <u>\$54,437,356</u> | <u>\$0</u> | <u>\$54,437,356</u> |
| <u>GENERAL PLANT</u> | | | | |
| 21 | (389) Land & Land Rights | \$77,592 | \$0 | \$77,592 |
| 22 | (390) Structures & Improvements | 892,890 | 38,162 | 931,052 |
| 23 | (391) Office Furniture & Equipment | 162,087 | 1,231,848 | 1,393,934 |
| 24 | (392) Transportation Equipment | 2,090,348 | 0 | 2,090,348 |
| 25 | (393) Stores Equipment | 4,161 | 0 | 4,161 |
| 26 | (394) Tools, Shop & Garage | 866,108 | 483 | 866,591 |
| 27 | (395) Laboratory Equipment | 0 | 0 | 0 |
| 28 | (396) Major Work Equipment | 481,819 | 0 | 481,819 |
| 29 | (397) Communication Equipment | 1,730,535 | 26,631 | 1,757,166 |
| 30 | (398) Miscellaneous General Plant | 0 | 0 | 0 |
| 31 | Total General plant | <u>\$6,305,540</u> | <u>\$1,297,124</u> | <u>\$7,602,663</u> |
| 32 | Total Orig Cost Plant in Service | <u>\$63,274,452</u> | <u>\$1,297,124</u> | <u>\$64,571,575</u> |
| <u>Net Plant in Service</u> | | | | 12/31/2019 |
| Plant in Service | | | | \$64,571,575 |
| CCNC | | | | \$8,266,409 |
| Accumulated Reserve | | | | <u>(\$8,204,191)</u> |
| Net Plant in Service | | | | <u>\$64,633,794</u> |

PLANT IN SERVICE
NTSA DIRECT

| Line No. | Description | NTSA Direct Per Book Balance @12/31/2019 | Adjustments | NTSA Direct Adjusted Balance @12/31/2019 |
|---------------------------|--|--|-------------|--|
| <u>INTANGIBLE PLANT</u> | | | | |
| 1 | (301) Organization | \$89,582 | \$0 | \$89,582 |
| 2 | (302) Franchises & Consents | 118 | 0 | 118 |
| 3 | (303) Misc. Intangible | 131,851 | 0 | 131,851 |
| 4 | Total Intangible Plant | \$221,551 | \$0 | \$221,551 |
| <u>TRANSMISSION PLANT</u> | | | | |
| 5 | (365.2) Rights-Of-Way | \$113,362 | \$0 | \$113,362 |
| 6 | (367) Mains | 1,567,889 | 0 | 1,567,889 |
| 7 | (369) Measure/Reg Station Equip | 628,754 | 0 | 628,754 |
| 8 | Total Transmission Plant | \$2,310,005 | \$0 | \$2,310,005 |
| <u>DISTRIBUTION PLANT</u> | | | | |
| 9 | (374) Land & Land Rights | \$63,659 | \$0 | \$63,659 |
| 10 | (375) Structures & Improvements | 26,064 | 0 | 26,064 |
| 11 | (376) Mains | 36,765,711 | 0 | 36,765,711 |
| 12 | (378) Meas. & Reg. Station - General | 1,252,360 | 0 | 1,252,360 |
| 13 | (379) Meas. & Reg. Station - C.G. | 660,069 | 0 | 660,069 |
| 14 | (380) Services | 11,914,308 | 0 | 11,914,308 |
| 15 | (381) Meters | 2,412,371 | 0 | 2,412,371 |
| 16 | (382) Meter Installations | 0 | 0 | 0 |
| 17 | (383) House Regulators | 609,978 | 0 | 609,978 |
| 18 | (385) Indust. Meas. & Reg. Stat. Equipment | 723,322 | 0 | 723,322 |
| 19 | (386) Other Property on Customer Premises | 9,515 | 0 | 9,515 |
| 20 | (387) Other Equipment | 0 | 0 | 0 |
| 21 | Total Distribution Plant | \$54,437,356 | \$0 | \$54,437,356 |
| <u>GENERAL PLANT</u> | | | | |
| 22 | (389) Land & Land Rights | 77,592.38 | \$0 | \$77,592 |
| 23 | (390) Structures & Improvements | 892,890 | 0 | 892,890 |
| 24 | (391) Office Furniture & Equipment | 162,087 | 0 | 162,087 |
| 25 | (392) Transportation Equipment | 2,090,348 | 0 | 2,090,348 |
| 26 | (393) Stores Equipment | 4,161 | 0 | 4,161 |
| 27 | (394) Tools, Shop & Garage | 866,108 | 0 | 866,108 |
| 28 | (395) Laboratory Equipment | 0 | 0 | 0 |
| 29 | (396) Major Work Equipment | 481,819 | 0 | 481,819 |
| 30 | (397) Communication Equipment | 1,730,535 | 0 | 1,730,535 |
| 31 | (398) Miscellaneous General Plant | 0 | 0 | 0 |
| 32 | Total General plant | \$6,305,540 | \$0 | \$6,305,540 |
| 33 | Total Orig Cost Plant in Service | \$63,274,452 | \$0 | \$63,274,452 |

PLANT IN SERVICE
TGS DIVISION AND CORPORATE ALLOCATED TO TGS DIVISION

| Adjusted Balance at 12/31/2019 | | | | | |
|--------------------------------|--|--------------------|-------------------------------------|---------------------|---|
| Line No. | Description | TGS Division | Allocated Corporate To TGS Division | Total | Allocate to NTSA 2.40644% (Based on customers) |
| <u>INTANGIBLE PLANT</u> | | | | | |
| 1 | (301) Organization | \$0 | \$0 | \$0 | \$0 |
| 2 | (302) Franchises & Consents | 0 | 0 | 0 | 0 |
| 3 | (303) Misc. Intangible | 0 | 0 | 0 | 0 |
| 4 | Total Intangible Plant | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>TRANSMISSION PLANT</u> | | | | | |
| 5 | (365.2) Rights-Of-Way | \$0 | \$0 | \$0 | \$0 |
| 6 | (367) Mains | 0 | 0 | 0 | 0 |
| 7 | (369) Measure/Reg Station Equip | 0 | 0 | 0 | 0 |
| 8 | Total Transmission Plant | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>DISTRIBUTION PLANT</u> | | | | | |
| 9 | (374) Land & Land Rights | \$0 | \$0 | \$0 | \$0 |
| 10 | (375) Structures & Improvements | 0 | 0 | 0 | 0 |
| 11 | (376) Mains | 0 | 0 | 0 | 0 |
| 12 | (378) Meas. & Reg. Station - General | 0 | 0 | 0 | 0 |
| 13 | (379) Meas. & Reg. Station - C.G. | 0 | 0 | 0 | 0 |
| 14 | (380) Services | 0 | 0 | 0 | 0 |
| 15 | (381) Meters | 0 | 0 | 0 | 0 |
| 16 | (383) House Regulators | 0 | 0 | 0 | 0 |
| 17 | (385) Indust. Meas. & Reg. Stat. Equipment | 0 | 0 | 0 | 0 |
| 18 | (386) Other Property on Customer Premises | 0 | 0 | 0 | 0 |
| 19 | Total Distribution Plant | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>GENERAL PLANT</u> | | | | | |
| 20 | (389) Land & Land Rights | \$0 | \$0 | \$0 | \$0 |
| 21 | (390) Structures & Improvements | 180,270 | 1,405,555 | 1,585,824 | 38,162 |
| 22 | (391) Office Furniture & Equipment | 2,747,453 | 48,442,232 | 51,189,685 | 1,231,848 |
| 23 | (392) Transportation Equipment | 0 | 0 | 0 | 0 |
| 24 | (393) Stores Equipment | 0 | 0 | 0 | 0 |
| 25 | (394) Tools, Shop & Garage | 20,066 | 0 | 20,066 | 483 |
| 26 | (395) Laboratory Equipment | 0 | 0 | 0 | 0 |
| 27 | (396) Major Work Equipment | 0 | 0 | 0 | 0 |
| 28 | (397) Communication Equipment | 1,080,989 | 25,684 | 1,106,673 | 26,631 |
| 29 | (398) Miscellaneous General Plant | 0 | 0 | 0 | 0 |
| 30 | Total General plant | <u>\$4,028,778</u> | <u>\$49,873,471</u> | <u>\$53,902,248</u> | <u>\$1,297,124</u> |
| 31 | Total Orig Cost Plant in Service | <u>\$4,028,778</u> | <u>\$49,873,471</u> | <u>\$53,902,248</u> | <u>\$1,297,124</u> |

TOTAL COMPLETED CONSTRUCTION NOT CLASSIFIED (CCNC)

| Line No. | Description | Adjusted Balance at 12/31/2019 | | |
|---------------------------|--|--------------------------------|---------------------------------|-----------------|
| | | NTSA Direct CCNC | TGS Div and Corp Allocated CCNC | Total NTSA CCNC |
| <u>INTANGIBLE PLANT</u> | | | | |
| 1 | (301) Organization | \$0 | \$0 | \$0 |
| 2 | (302) Franchises & Consents | 0 | 0 | 0 |
| 3 | (303) Misc. Intangible | 0 | 0 | 0 |
| 4 | Total Intangible CCNC | \$0 | \$0 | \$0 |
| <u>TRANSMISSION PLANT</u> | | | | |
| 5 | (367) Mains | \$0 | \$0 | \$0 |
| 6 | Total Transmission CCNC | \$0 | \$0 | \$0 |
| <u>DISTRIBUTION PLANT</u> | | | | |
| 7 | (374) Land & Land Rights | \$95 | \$10,461 | \$10,556 |
| 8 | (375) Structures & Improvements | 0 | 0 | 0 |
| 9 | (376) Mains | 5,749,766 | 0 | 5,749,766 |
| 10 | (378) Meas. & Reg. Station - General | 268,592 | 0 | 268,592 |
| 11 | (379) Meas. & Reg. Station - C.G. | 0 | 0 | 0 |
| 12 | (380) Services | 1,931,009 | 0 | 1,931,009 |
| 13 | (381) Meters | 33,755 | 0 | 33,755 |
| 14 | (382) Meter Installations | 9,274 | 0 | 9,274 |
| 15 | (383) House Regulators | 7,735 | 0 | 7,735 |
| 16 | (385) Indust. Meas. & Reg. Stat. Equipment | 67,748 | 0 | 67,748 |
| 17 | (386) Other Property on Customer Premises | 0 | 0 | 0 |
| 18 | Total Distribution CCNC | \$8,067,973 | \$10,461 | \$8,078,434 |
| <u>GENERAL PLANT</u> | | | | |
| 19 | (389) Land & Land Rights | \$0 | \$0 | \$0 |
| 20 | (390) Structures & Improvements | 8,785 | 72,356 | 81,141 |
| 21 | (391) Office Furniture & Equipment | 2,022 | 95,135 | 97,157 |
| 22 | (392) Transportation Equipment | 0 | 0 | 0 |
| 23 | (393) Stores Equipment | 0 | 0 | 0 |
| 24 | (394) Tools, Shop & Garage | 9,678 | 0 | 9,678 |
| 25 | (395) Laboratory Equipment | 0 | 0 | 0 |
| 26 | (396) Major Work Equipment | 0 | 0 | 0 |
| 27 | (397) Communication Equipment | 0 | 0 | 0 |
| 28 | (398) Miscellaneous General Plant | 0 | 0 | 0 |
| 29 | Total General CCNC | \$20,484 | \$167,492 | \$187,975 |
| 30 | Total Orig Cost CCNC | \$8,088,457 | \$177,952 | \$8,266,409 |

COMPLETED CONSTRUCTION NOT CLASSIFIED (CCNC)
 NTSA DIRECT

| Line No. | Description | NTSA Direct Per Book Balance @12/31/2019 | Adjustments | NTSA Direct Adjusted Balance @12/31/2019 |
|---------------------------|--|--|-------------|--|
| <u>INTANGIBLE PLANT</u> | | | | |
| 1 | (301) Organization | \$0 | \$0 | \$0 |
| 2 | (302) Franchises & Consents | 0 | 0 | 0 |
| 3 | (303) Misc. Intangible | 0 | 0 | 0 |
| 4 | Total Intangible CCNC | \$0 | \$0 | \$0 |
| <u>TRANSMISSION PLANT</u> | | | | |
| 5 | (367) Mains | \$0 | \$0 | \$0 |
| 6 | Total Transmission CCNC | \$0 | \$0 | \$0 |
| <u>DISTRIBUTION PLANT</u> | | | | |
| 7 | (374) Land & Land Rights | \$95 | \$0 | \$95 |
| 8 | (375) Structures & Improvements | 0 | 0 | 0 |
| 9 | (376) Mains | 5,749,766 | 0 | 5,749,766 |
| 10 | (378) Meas. & Reg. Station - General | 268,592 | 0 | 268,592 |
| 11 | (379) Meas. & Reg. Station - C.G. | 0 | 0 | 0 |
| 12 | (380) Services | 1,931,009 | 0 | 1,931,009 |
| 13 | (381) Meters | 33,755 | 0 | 33,755 |
| 14 | (382) Meter Installations | 9,274 | 0 | 9,274 |
| 15 | (383) House Regulators | 7,735 | 0 | 7,735 |
| 16 | (385) Indust. Meas. & Reg. Stat. Equipment | 67,748 | 0 | 67,748 |
| 17 | (386) Other Property on Customer Premises | 0 | 0 | 0 |
| 18 | (387) Other Equipment | 0 | 0 | 0 |
| 19 | Total Distribution CCNC | \$8,067,973 | \$0 | \$8,067,973 |
| <u>GENERAL PLANT</u> | | | | |
| 20 | (389) Land & Land Rights | \$0 | \$0 | \$0 |
| 21 | (390) Structures & Improvements | 8,785 | 0 | 8,785 |
| 22 | (391) Office Furniture & Equipment | 2,022 | 0 | 2,022 |
| 23 | (392) Transportation Equipment | 0 | 0 | 0 |
| 24 | (393) Stores Equipment | 0 | 0 | 0 |
| 25 | (394) Tools, Shop & Garage | 9,678 | 0 | 9,678 |
| 26 | (395) Laboratory Equipment | 0 | 0 | 0 |
| 27 | (396) Major Work Equipment | 0 | 0 | 0 |
| 28 | (397) Communication Equipment | 0 | 0 | 0 |
| 29 | (398) Miscellaneous General Plant | 0 | 0 | 0 |
| 30 | Total General CCNC | \$20,484 | \$0 | \$20,484 |
| 31 | Total Orig Cost CCNC | \$8,088,457 | \$0 | \$8,088,457 |

COMPLETED CONSTRUCTION NOT CLASSIFIED (CCNC)
TGS DIVISION AND CORPORATE ALLOCATED TO TGS DIVISION

Adjusted Balance at 12/31/2019

| Line No. | Description | TGS Division | Allocated Corporate To TGS Division | Total | Allocate to NTSA 2.40644% |
|---------------------------|--|--------------|-------------------------------------|-------------|---------------------------|
| (Based on customers) | | | | | |
| <u>INTANGIBLE PLANT</u> | | | | | |
| 1 | (301) Organization | \$0 | \$0 | \$0 | \$0 |
| 2 | (302) Franchises & Consents | 0 | 0 | 0 | 0 |
| 3 | (303) Misc. Intangible | 0 | 0 | 0 | 0 |
| 4 | Total Intangible CCNC | \$0 | \$0 | \$0 | \$0 |
| <u>TRANSMISSION PLANT</u> | | | | | |
| 5 | (367) Mains | \$0 | \$0 | \$0 | \$0 |
| 6 | Total Transmission CCNC | \$0 | \$0 | \$0 | \$0 |
| <u>DISTRIBUTION PLANT</u> | | | | | |
| 7 | (374) Land & Land Rights | \$434,697 | \$0 | \$434,697 | \$10,461 |
| 8 | (375) Structures & Improvements | 0 | 0 | 0 | 0 |
| 9 | (376) Mains | 0 | 0 | 0 | 0 |
| 10 | (378) Meas. & Reg. Station - General | 0 | 0 | 0 | 0 |
| 11 | (379) Meas. & Reg. Station - C.G. | 0 | 0 | 0 | 0 |
| 12 | (380) Services | 0 | 0 | 0 | 0 |
| 13 | (381) Meters | 0 | 0 | 0 | 0 |
| 14 | (383) House Regulators | 0 | 0 | 0 | 0 |
| 15 | (385) Indust. Meas. & Reg. Stat. Equipment | 0 | 0 | 0 | 0 |
| 16 | (386) Other Property on Customer Premises | 0 | 0 | 0 | 0 |
| 17 | Total Distribution CCNC | \$434,697 | \$0 | \$434,697 | \$10,461 |
| <u>GENERAL PLANT</u> | | | | | |
| 18 | (389) Land & Land Rights | \$0 | \$0 | \$0 | \$0 |
| 19 | (390) Structures & Improvements | 2,995,111 | 11,672 | 3,006,783 | 72,356 |
| 20 | (391) Office Furniture & Equipment | 0 | 3,953,373 | 3,953,373 | 95,135 |
| 21 | (392) Transportation Equipment | 0 | 0 | 0 | 0 |
| 22 | (393) Stores Equipment | 0 | 0 | 0 | 0 |
| 23 | (394) Tools, Shop & Garage | 0 | 0 | 0 | 0 |
| 24 | (395) Laboratory Equipment | 0 | 0 | 0 | 0 |
| 25 | (396) Major Work Equipment | 0 | 0 | 0 | 0 |
| 26 | (397) Communication Equipment | 0 | 0 | 0 | 0 |
| 27 | (398) Miscellaneous General Plant | 0 | 0 | 0 | 0 |
| 28 | Total General CCNC | \$2,995,111 | \$3,965,044 | \$6,960,156 | \$167,492 |
| 29 | Total Orig Cost CCNC | \$3,429,809 | \$3,965,044 | \$7,394,853 | \$177,952 |

TOTAL ACCUMULATED RESERVES FOR DEPRECIATION AND AMORTIZATION

| Line No. | Description | Adjusted Balance at 12/31/2019 | | |
|---------------------------|---|--------------------------------|-------------------------------------|---------------------|
| | | NTSA Direct Reserves | TGS Div and Corp Allocated Reserves | Total NTSA Reserves |
| <u>INTANGIBLE PLANT</u> | | | | |
| 1 | (301) Organization | (\$77,787) | \$0 | (\$77,787) |
| 2 | (302) Franchises & Consents | 17,639 | 0 | 17,639 |
| 3 | (303) Misc. Intangible | (16,664) | 0 | (16,664) |
| 4 | Total Intangible Plant | (\$76,812) | \$0 | (\$76,812) |
| <u>TRANSMISSION PLANT</u> | | | | |
| 5 | (365.2) Rights-Of-Way | \$0 | \$0 | \$0 |
| 6 | (367) Mains | (147,619) | 0 | (147,619) |
| 7 | (369) Measure/Reg Station Equip | (143,530) | 0 | (143,530) |
| 8 | Total Transmission Plant | (\$291,150) | \$0 | (\$291,150) |
| <u>DISTRIBUTION PLANT</u> | | | | |
| 9 | (374) Land & Land Rights | (\$32) | \$0 | (\$32) |
| 10 | (375) Structures & Improvements | (13,298) | 0 | (13,298) |
| 11 | (376) Mains | (4,082,045) | 0 | (4,082,045) |
| 12 | (377) Compressor Station Equipment | 0 | 0 | 0 |
| 13 | (378) Meas. & Reg. Station - General | (67,721) | 0 | (67,721) |
| 14 | (379) Meas. & Reg. Station - C.G. | (34,443) | 0 | (34,443) |
| 15 | (380) Services | (479,476) | 0 | (479,476) |
| 16 | (381) Meters | (368,142) | 0 | (368,142) |
| 17 | (382) Meter Installations | (5,751) | 0 | (5,751) |
| 18 | (383) House Regulators | (24,720) | 0 | (24,720) |
| 19 | (385) Indust. Meas. & Reg. Stat. Equipment | (73,149) | 0 | (73,149) |
| 20 | (386) Other Property on Customer Premises | (6,858) | 0 | (6,858) |
| 21 | (387) Other Equipment | 0 | 0 | 0 |
| 22 | Total Distribution Plant | (\$5,155,635) | \$0 | (\$5,155,635) |
| <u>GENERAL PLANT</u> | | | | |
| 23 | (389) Land & Land Rights | \$0 | \$0 | \$0 |
| 24 | (390) Structures & Improvements | (142,640) | (16,827) | (159,467) |
| 25 | (391) Office Furniture & Equipment | (115,015) | (431,037) | (546,051) |
| 26 | (392) Transportation Equipment | (769,256) | 0 | (769,256) |
| 27 | (393) Stores Equipment | (2,690) | 0 | (2,690) |
| 28 | (394) Tools, Shop & Garage | (431,180) | (236) | (431,416) |
| 29 | (395) Laboratory Equipment | (42) | 0 | (42) |
| 30 | (396) Major Work Equipment | (171,456) | 0 | (171,456) |
| 31 | (397) Communication Equipment | (583,804) | (16,190) | (599,995) |
| 32 | (398) Miscellaneous General Plant | (216) | (6) | (222) |
| 33 | Total General plant | (\$2,216,299) | (\$464,296) | (\$2,680,594) |
| 34 | Total Accumulated Reserves For Depreciation | (\$7,739,895) | (\$464,296) | (\$8,204,191) |

ACCUMULATED RESERVES FOR DEPRECIATION AND AMORTIZATION
NTSA DIRECT

| Line | | NTSA Direct Per Book | Adjustments | NTSA Direct Adjusted |
|---------------------------|---|-------------------------|-------------|-------------------------|
| No. | Description | Balance @12/31/2019 | | Balance @12/31/2019 |
| <u>INTANGIBLE PLANT</u> | | | | |
| 1 | (301) Organization | (77,787) | \$0 | (\$77,787) |
| 2 | (302) Franchises & Consents | 17,639 | 0 | 17,639 |
| 3 | (303) Misc. Intangible | (16,664) | 0 | (16,664) |
| 4 | Total Intangible Plant | (\$76,812) | \$0 | (\$76,812) |
| <u>TRANSMISSION PLANT</u> | | | | |
| 5 | (365.2) Rights-Of-Way | - | \$0 | \$0 |
| 6 | (367) Mains | (147,619) | 0 | (147,619) |
| 7 | (369) Measure/Reg Station Equip | (143,530) | 0 | (143,530) |
| 8 | Total Transmission Plant | (\$291,150) | \$0 | (\$291,150) |
| <u>DISTRIBUTION PLANT</u> | | | | |
| 9 | (374) Land & Land Rights | (31.53) | \$0 | (\$32) |
| 10 | (375) Structures & Improvements | (13,298) | 0 | (13,298) |
| 11 | (376) Mains | (4,082,045) | 0 | (4,082,045) |
| 12 | (377) Compressor Station Equipment | 0 | 0 | 0 |
| 13 | (378) Meas. & Reg. Station - General | (67,721) | 0 | (67,721) |
| 14 | (379) Meas. & Reg. Station - C.G. | (34,443) | 0 | (34,443) |
| 15 | (380) Services | (479,476) | 0 | (479,476) |
| 16 | (381) Meters | (368,142) | 0 | (368,142) |
| 17 | (382) Meter Installations | (5,751) | 0 | (5,751) |
| 18 | (383) House Regulators | (24,720) | 0 | (24,720) |
| 19 | (385) Indust. Meas. & Reg. Stat. Equipment | (73,149) | 0 | (73,149) |
| 20 | (386) Other Property on Customer Premises | (6,858) | 0 | (6,858) |
| 21 | (387) Other Equipment | 0 | 0 | 0 |
| 22 | Total Distribution Plant | (\$5,155,635) | \$0 | (\$5,155,635) |
| <u>GENERAL PLANT</u> | | | | |
| 23 | (389) Land & Land Rights | - | \$0 | \$0 |
| 24 | (390) Structures & Improvements | (142,639.68) | 0 | (142,640) |
| 25 | (391) Office Furniture & Equipment | (115,014.65) | 0 | (115,015) |
| 26 | (392) Transportation Equipment | (769,256) | 0 | (769,256) |
| 27 | (393) Stores Equipment | (2,690) | 0 | (2,690) |
| 28 | (394) Tools, Shop & Garage | (431,180) | 0 | (431,180) |
| 29 | (395) Laboratory Equipment | (42) | 0 | (42) |
| 30 | (396) Major Work Equipment | (171,456) | 0 | (171,456) |
| 31 | (397) Communication Equipment | (583,804) | 0 | (583,804) |
| 32 | (398) Miscellaneous General Plant | (216) | 0 | (216) |
| 33 | Total General plant | (\$2,216,299) | \$0 | (\$2,216,299) |
| 34 | Total Accumulated Reserves For Depreciation | (\$7,739,895) | \$0 | (\$7,739,895) |

ACCUMULATED RESERVES FOR DEPRECIATION AND AMORTIZATION
TGS DIVISION AND CORPORATE ALLOCATED TO TGS DIVISION

Adjusted Balance at 12/31/2019

| Line No. | Description | TGS Division | Allocated Corporate To TGS Division | Total | Allocate to NTSA 2.40644% (Based on customers) |
|---------------------------|---|---------------|-------------------------------------|----------------|--|
| <u>INTANGIBLE PLANT</u> | | | | | |
| 1 | (301) Organization | \$0 | \$0 | \$0 | \$0 |
| 2 | (302) Franchises & Consents | 0 | 0 | 0 | 0 |
| 3 | (303) Misc. Intangible | 0 | 0 | 0 | 0 |
| 4 | Total Intangible Plant | \$0 | \$0 | \$0 | \$0 |
| <u>DISTRIBUTION PLANT</u> | | | | | |
| 5 | (374) Land & Land Rights | \$0 | \$0 | \$0 | \$0 |
| 6 | (375) Structures & Improvements | 0 | 0 | 0 | 0 |
| 7 | (376) Mains | 0 | 0 | 0 | 0 |
| 8 | (378) Meas. & Reg. Station - General | 0 | 0 | 0 | 0 |
| 9 | (379) Meas. & Reg. Station - C.G. | 0 | 0 | 0 | 0 |
| 10 | (380) Services | 0 | 0 | 0 | 0 |
| 11 | (381) Meters | 0 | 0 | 0 | 0 |
| 12 | (382) Meter Installations | 0 | 0 | 0 | 0 |
| 13 | (383) House Regulators | 0 | 0 | 0 | 0 |
| 14 | (385) Indust. Meas. & Reg. Stat. Equipment | 0 | 0 | 0 | 0 |
| 15 | (386) Other Property on Customer Premises | 0 | 0 | 0 | 0 |
| 16 | (387) Other Equipment | 0 | 0 | 0 | 0 |
| 17 | Total Distribution Plant | \$0 | \$0 | \$0 | \$0 |
| <u>GENERAL PLANT</u> | | | | | |
| 18 | (389) Land & Land Rights | \$0 | \$0 | \$0 | \$0 |
| 19 | (390) Structures & Improvements | (125,450) | (573,800) | (699,250) | (16,827) |
| 20 | (391) Office Furniture & Equipment | (982,632) | (16,929,185) | (17,911,817) | (431,037) |
| 21 | (392) Transportation Equipment | 0 | 0 | 0 | 0 |
| 22 | (393) Stores Equipment | 0 | 0 | 0 | 0 |
| 23 | (394) Tools, Shop & Garage | (9,790) | 0 | (9,790) | (236) |
| 24 | (395) Laboratory Equipment | 0 | 0 | 0 | 0 |
| 25 | (396) Major Work Equipment | 0 | 0 | 0 | 0 |
| 26 | (397) Communication Equipment | (669,792) | (2,993) | (672,785) | (16,190) |
| 27 | (398) Miscellaneous General Plant | (269) | 0 | (269) | (6) |
| 28 | Total General plant | (\$1,787,932) | (\$17,505,978) | (\$19,293,910) | (\$464,296) |
| 29 | Total Accumulated Reserves For Depreciation | (\$1,787,932) | (\$17,505,978) | (\$19,293,910) | (\$464,296) |

ADJUSTED NTSA DIRECT AND ALLOCATED OPERATING EXPENSES

| Line No. | Description | Acct. No. | Sub Acct. | TYE Dec. 2019 Per Books Per WKP Db | NTSA Direct Adjustments | | | | | | Allocated Division to NTSA Adjustments | | | | | | Total | Total NTSA Direct and Allocated Division TYE Dec. 2019 Adjusted | Total NTSA Direct and Allocated Division TYE Dec. 2018 Adjusted | Change | | | |
|-------------------------------------|------------------------------------|-----------|-----------|------------------------------------|-------------------------|-------------|-----------------------|--|---|------------------|--|--------------|--|--|---|--|---------|---|---|-----------|------------------|-------------|-------------|
| | | | | | Communications | Ad Valorem | Texas State Franchise | Include Direct Service Area Payroll Taxes and Benefits | Include Direct Service Area Payroll Taxes and Benefits O/H Transferred to Capital | Meals and Travel | Contributions and Donations | Royalty Fees | Remove Per Book Payroll Taxes and Benefits | Include Shared Service Book Payroll Taxes and Benefits | Remove Per Book Payroll Taxes and Benefits O/H Transferred to Capital | Include Shared Service Payroll Taxes and Benefits O/H Transferred to Capital | | | | | Meals and Travel | Misc. | Distrigas |
| | | | | | Adj | Adj | Adj | Adj | Adj | Adj | Adj | Adj | Adj | Adj | Adj | Adj | | | | | Adj | Adj | Adj |
| Customer Accounting | | | | | | | | | | | | | | | | | | | | | | | |
| 50 | Supervision | 9010 | | 7,473 | 0 | 0 | 0 | 0 | 0 | 0 | (18) | 0 | 0 | 0 | 0 | 0 | (35) | 0 | (53) | 7,419 | 6,895 | 525 | |
| 51 | Meter Reading | 9020 | | 47,911 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 47,911 | 106,717 | (58,806) | |
| 52 | Customer Accounting | 9030 | | 220,922 | 0 | 0 | 0 | 0 | 0 | 0 | (5) | 0 | 0 | 0 | 0 | 0 | (21) | 0 | (26) | 220,895 | 286,762 | (65,866) | |
| 53 | Bad Debts | 9040 | | 117,645 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 117,645 | 101,907 | 15,738 | |
| 54 | Miscellaneous | 9050 | | 17,825 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 0 | (0) | 17,825 | 17,274 | 551 | |
| 55 | Total Customer Accounting | | | \$411,775 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$23) | \$0 | \$0 | \$0 | \$0 | \$0 | (\$57) | \$0 | (\$80) | \$411,696 | \$519,555 | (\$107,859) | |
| Customer Information | | | | | | | | | | | | | | | | | | | | | | | |
| 56 | Supervision | 9070 | | \$4 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4 | \$0 | \$4 | |
| 57 | Customer Assistance Expense | 9080 | | 52,075 | 0 | 0 | 0 | 0 | 0 | 0 | (18) | 0 | 0 | 0 | 0 | 0 | (107) | (10) | 0 | (135) | 51,940 | 47,783 | 4,157 |
| 58 | Inform. & Instruct. Adver. Exp. | 9090 | | 4,255 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,255 | 5,378 | (1,122) | |
| 59 | Customer Svc and Informational Svc | 9100 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 60 | Total Customer Information | | | \$56,333 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$18) | \$0 | \$0 | \$0 | \$0 | \$0 | (\$107) | (\$10) | (\$0) | (\$135) | \$56,198 | \$53,160 | \$3,038 |
| Sales | | | | | | | | | | | | | | | | | | | | | | | |
| 61 | Supervision | 9110 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 62 | Demonstrating and Selling Expense | 9120 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 63 | Advertising | 9130 | | 571 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 571 | 31 | 540 | |
| 64 | Employee Sales Referrals | 9140 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 65 | Misc. Gas Sales Expense | 9163 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 66 | Total Sales | | | \$571 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$571 | \$31 | \$540 | |
| 67 | Total Customer Accounts Expense | | | \$468,680 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$41) | \$0 | \$0 | \$0 | \$0 | \$0 | (\$164) | (\$10) | (\$0) | (\$215) | \$468,466 | \$572,746 | (\$104,280) |
| Administrative & General | | | | | | | | | | | | | | | | | | | | | | | |
| 68 | Salaries | 9200 | | \$444,289 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$71) | \$0 | (\$71) | \$444,219 | \$427,486 | \$16,733 | |
| 69 | Office Supplies & Expenses | 9210 | | 193,245 | (111,738) | 0 | 0 | 0 | 0 | 0 | (20) | 0 | 0 | 0 | 0 | 0 | (283) | 18,129 | 0 | (93,912) | 99,334 | 95,112 | 4,222 |
| 70 | Transferred Credit | 9220 | | (218,667) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (218,667) | (214,695) | (3,972) | |
| 71 | Outside Services | 9230 | | 16,089 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,089 | 14,654 | 1,436 | |
| 72 | Property Insurance | 9240 | | 10,621 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,621 | 9,876 | 745 | |
| 73 | Injuries & Damages | 9250 | | 31,841 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31,841 | (23,594) | 55,435 | |
| 74 | Employee Pensions & Benefits | 9260 | | 276,123 | 0 | 0 | 0 | 818,707 | (376,399) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 442,308 | 718,432 | 558,981 | |
| 75 | Regulatory Commission Expenses | 9280 | | 12,898 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,898 | 20,811 | (7,913) | |
| 76 | Duplicate Charges - Credit | 9290 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 77 | General Advertising Expense | 9301 | | 476 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 476 | 2,337 | (1,861) | |
| 78 | Misc. General Expenses | 9302 | | 882,171 | 0 | 0 | 0 | 0 | 0 | 0 | (315) | (152,643) | (383,316) | 114,195 | 176,229 | (51,491) | 0 | (115) | (9,685) | (307,144) | 575,028 | 639,552 | (64,525) |
| 79 | Rents | 9310 | | 65,910 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 65,910 | 71,516 | (5,607) | |
| 80 | Maintenance of General Plant | 9320 | | 10,080 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,080 | 11,405 | (1,325) | |
| 81 | Misc. General Expenses | 9400's | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 82 | Total A&G Operations | | | \$1,725,077 | (\$111,738) | \$0 | \$0 | \$818,707 | (\$376,399) | \$0 | (\$336) | (\$152,643) | (\$383,316) | \$114,195 | \$176,229 | (\$51,491) | (\$283) | \$17,943 | (\$9,685) | \$41,182 | \$1,766,258.9 | \$1,613,441 | \$152,818 |
| 83 | Total Operating Expense | | | 7,379,394 | (\$111,738) | (\$129,217) | \$14,414 | \$1,025,139 | (\$463,486) | \$0 | (\$380) | (\$152,643) | (\$492,083) | \$145,974 | \$222,114 | (\$64,898) | (\$520) | \$17,918 | (\$9,686) | \$909 | \$7,380,303 | \$7,185,066 | \$195,238 |

PER BOOK NTSA DIRECT AND ALLOCATED OPERATING EXPENSES

| TYE Dec. 2019 | | | | | | |
|--|---|-----------|---------------|-----------------------|--------------------------------------|--|
| Line No. | Description | Acct. No. | Sub Acct. | NTSA Direct Per Books | Allocated Division to NTSA Per Books | Total NTSA Direct and Allocated Division Per Books |
| <u>Deprec. & Amort. Expense</u> | | | | | | |
| 1 | Depreciation and Amortization Expense | 4030-4050 | | \$1,821,354 | \$124,934 | \$1,946,288 |
| 2 | Pension & FAS 106 Amortization Expense | 4073 | | 0 | 0 | 0 |
| 3 | Total Depr. & Amort. | | | <u>\$1,821,354</u> | <u>\$124,934</u> | <u>\$1,946,288</u> |
| <u>Taxes Other Than Income</u> | | | | | | |
| 4 | Payroll | 4081 | | \$0 | \$88,954 | \$88,954 |
| 5 | Ad Valorem | 4081 | 190 | 420,098 | 0 | 420,098 |
| 6 | Revenue Related | 4081 | 133,138 & 140 | 0 | 0 | 0 |
| 7 | Other | 4081 | 131, 233, 995 | 0 | 0 | 0 |
| 8 | Total Taxes Other Than Income | | | <u>\$420,098</u> | <u>\$88,954</u> | <u>\$509,052</u> |
| 9 | Interest on Customer Deposits | 4310 | | \$10,973 | \$0 | \$10,973 |
| 10 | Storage Misc. | 8140-8360 | | \$0 | \$14 | \$14 |
| <u>Transmission & High-Pressure Distribution</u> | | | | | | |
| 11 | Operation Supervision and Engineering | 8500 | | \$0 | \$168 | \$168 |
| 12 | Transmission Communication Equip | 8520 | | 0 | 0 | 0 |
| 13 | Compressor Station Labor and Expenses | 8530 | | 0 | 0 | 0 |
| 14 | Mains Expenses | 8560 | | 103,353 | 10,771 | 114,124 |
| 15 | Measuring and Regulating Station Expenses | 8570 | | 1,509 | 38 | 1,547 |
| 16 | Trans/Compression of Gas by Others | 8580 | | 0 | 0 | 0 |
| 17 | Other Expenses | 8590 | | 0 | 110 | 110 |
| 18 | Rent | 8600 | | 0 | 151 | 151 |
| 19 | Maintenance Supervision and Engineering | 8610 | | 0 | 369 | 369 |
| 20 | Maintenance of Mains | 8630 | | 388 | 40 | 428 |
| 21 | Measuring and Regulating Station Expenses | 8640 | | 0 | 0 | 0 |
| 22 | Maintenance of Measuring and Regulating Station Equipment | 8650 | | 0 | 40 | 40 |
| 23 | Maintenance of Communication Equipment | 8660 | | 0 | 0 | 0 |
| 24 | Total Transmission | | | <u>\$105,249</u> | <u>\$11,687</u> | <u>\$116,936</u> |
| <u>Distribution Operations</u> | | | | | | |
| 25 | Supervision and Engineering | 8700 | | \$53,549 | \$20,778 | \$74,326 |
| 26 | Distribution Load Dispatch | 8710 | | 0 | 12,794 | 12,794 |
| 27 | Mains & Services | 8740 | | 668,679 | 2,401 | 671,080 |
| 28 | Meas & Reg. Stat. Exp. - General | 8750 | | 2,425 | 2,482 | 4,908 |
| 29 | Meas & Reg. Stat. Exp. - Ind. | 8760 | | 0 | 2,612 | 2,612 |
| 30 | Meas & Reg. Stat. Exp. - City Gate | 8770 | | 0 | 207 | 207 |
| 31 | Meter & House Reg. Exp. | 8780 | | 654,224 | 1,533 | 655,758 |
| 32 | Customer Installation Exp | 8790 | | 991 | 5 | 996 |
| 33 | Other Expense | 8800 | | 137,302 | 9,978 | 147,279 |
| 34 | Rents | 8810 | | 16,431 | 0 | 16,431 |
| 35 | Corporate & TGS Division Expenses Credit | 8820 | | 0 | 0 | 0 |
| 36 | Total Distribution Operations | | | <u>\$1,533,602</u> | <u>\$52,789</u> | <u>\$1,586,391</u> |
| <u>Distribution Maintenance</u> | | | | | | |
| 37 | Supervision and Engineering | 8850 | | \$0 | \$0 | \$0 |
| 38 | Struct. & Improv. | 8860 | | 109,979 | 451 | 110,430 |
| 39 | Mains | 8870 | | 555,375 | 2,835 | 558,210 |
| 40 | Meas. & Reg. Stat. Exp. - Gen | 8890 | | 100,426 | 301 | 100,727 |
| 41 | Meas. & Reg. Stat. Exp. - Ind. | 8900 | | 85,337 | 1,464 | 86,801 |
| 42 | Meas. & Reg. Stat. Exp. - City Gate | 8910 | | 0 | 10 | 10 |
| 43 | Maintenance of Services | 8920 | | 159,079 | 0 | 159,079 |
| 44 | Meters & House Reg. | 8930 | | 727 | 0 | 727 |
| 45 | Other Equipment | 8940 | | 0 | 0 | 0 |
| 46 | Clearing - Meter Shop - Small Meters | 8950 | | 0 | 0 | 0 |
| 47 | Clearing - Meter Shop - Large Meters | 8960 | | 0 | 0 | 0 |
| 48 | Total Distribution Maintenance | | | <u>\$1,010,924</u> | <u>\$5,060</u> | <u>\$1,015,984</u> |
| 49 | Total Distribution | | | <u>\$2,544,525</u> | <u>\$57,849</u> | <u>\$2,602,374</u> |
| <u>Customer Accounting</u> | | | | | | |
| 50 | Supervision | 9010 | | \$0 | \$7,473 | \$7,473 |
| 51 | Meter Reading | 9020 | | 47,545 | 366 | 47,911 |
| 52 | Customer Accounting | 9030 | | 42,240 | 178,682 | 220,922 |
| 53 | Bad Debts | 9040 | | 117,645 | 0 | 117,645 |
| 54 | Miscellaneous | 9050 | | 0 | 17,825 | 17,825 |
| 55 | Total Customer Accounting | | | <u>\$207,429</u> | <u>\$204,346</u> | <u>\$411,775</u> |

PER BOOK NTSA DIRECT AND ALLOCATED OPERATING EXPENSES

| TYE Dec. 2019 | | | | | | |
|---------------|-------------------------------------|-----------|-----------|--------------------------|---|---|
| Line No. | Description | Acct. No. | Sub Acct. | NTSA Direct Per Books | Allocated Division to NTSA Per Books | Total NTSA Direct and Allocated Division Per Books |
| | <u>Customer Information</u> | | | | | |
| 56 | Supervision | 9070 | | \$0 | \$4 | \$4 |
| 57 | Customer Assistance Expense | 9080 | | 41,338 | 10,737 | 52,075 |
| 58 | Inform. & Instruct. Adver. Exp. | 9090 | | 0 | 4,255 | 4,255 |
| 59 | Customer Svc and Informational Svc | 9100 | | 0 | 0 | 0 |
| 60 | Total Customer Information | | | \$41,338 | \$14,996 | \$56,333 |
| | <u>Sales</u> | | | | | |
| 61 | Supervision | 9110 | | \$0 | \$0 | \$0 |
| 62 | Demonstrating and Selling Expense | 9120 | | 0 | 0 | 0 |
| 63 | Advertising | 9130 | | 404 | 167 | 571 |
| 64 | Employee Sales Referrals | 9140 | | 0 | 0 | 0 |
| 65 | Misc. Gas Sales Expense | 9163 | | 0 | 0 | 0 |
| 66 | Total Sales | | | \$404 | \$167 | \$571 |
| 67 | Total Customer Accounts Expense | | | \$249,171 | \$219,509 | \$468,680 |
| | <u>Administrative & General</u> | | | | | |
| 68 | Salaries | 9200 | | \$121,207 | \$323,082 | \$444,289 |
| 69 | Office Supplies & Expenses | 9210 | | 143,595 | 49,650 | 193,245 |
| 70 | Transferred Credit | 9220 | | | (218,667) | (218,667) |
| 71 | Outside Services | 9230 | | 2,479 | 13,610 | 16,089 |
| 72 | Property Insurance | 9240 | | 0 | 10,621 | 10,621 |
| 73 | Injuries & Damages | 9250 | | (74,047) | 105,888 | 31,841 |
| 74 | Employee Pensions & Benefits | 9260 | | 2,061 | 274,062 | 276,123 |
| 75 | Regulatory Commission Expenses | 9280 | | 8,741 | 4,157 | 12,898 |
| 76 | Duplicate Charges - Credit | 9290 | | 0 | 0 | 0 |
| 77 | General Advertising Expenses | 9301 | | 468 | 8 | 476 |
| 78 | Miscellaneous General Expenses | 9302 | | 37,354 | 844,817 | 882,171 |
| 79 | Rents | 9310 | | 27,146 | 38,764 | 65,910 |
| 80 | Maintenance of General Plant | 9320 | | 757 | 9,323 | 10,080 |
| 81 | Misc. General Expenses | 9400's | | 0 | 0 | 0 |
| 82 | Total A&G Operations | | | \$269,761 | \$1,455,316 | \$1,725,077 |
| 83 | Total Operating Expense | | | \$5,421,131 | \$1,958,263 | \$7,379,394 |

COMPARE CURRENT COSA TO TYE DEC. 2018 NTSA COSA

| Line No. | Description | Acct. No. | Sub Acct. | NTSA TYE Dec. 2019 Adjusted | NTSA TYE Dec. 2018 Adjusted | Change |
|---|---|-----------|---------------|--------------------------------|--------------------------------|------------|
| <u>Deprec. & Amort. Expense</u> | | | | | | |
| 1 | Depreciation and Amortization Expense | 4030-4050 | | \$1,946,288 | \$1,902,360 | \$43,928 |
| 2 | Pension & FAS 106 Amortization Expense | 4073 | | 0 | 0 | 0 |
| 3 | Total Depr. & Amort. | | | \$1,946,288 | \$1,902,360 | \$43,928 |
| <u>TAXES OTHER THAN INCOME TAXES (excludes revenue related)</u> | | | | | | |
| 4 | Payroll | 4081 | | \$163,790 | \$120,446 | \$43,344 |
| 5 | Ad Valorem | 4081 | 190 | 290,881 | 254,595 | 36,286 |
| 6 | Revenue Related | 4081 | 133,138 & 140 | 0 | 0 | 0 |
| 7 | Other | 4081 | 131, 233, 995 | 14,414 | 43,013 | (28,599) |
| 8 | Total Taxes Other Than Income Taxes | | | \$469,084 | \$418,053 | \$51,031 |
| 9 | <u>Interest on Customer Deposits</u> | 4310 | | \$10,973 | \$5,234 | \$5,739 |
| 10 | <u>Storage Misc.</u> | 8140-8360 | | \$2 | \$3 | (\$1) |
| <u>Transmission & High Pressure Distribution</u> | | | | | | |
| 11 | Operation Supervision and Engineering | 8500 | | \$168 | \$165 | \$3 |
| 12 | Transmission Communication Equip | 8520 | | 0 | 0 | 0 |
| 13 | Compressor Station Labor and Expenses | 8530 | | 0 | 61 | (61) |
| 14 | Mains Expenses | 8560 | | 114,122 | 64,770 | 49,352 |
| 15 | Measuring and Regulating Station Expenses | 8570 | | 1,547 | 113 | 1,434 |
| 16 | Trans/Compression of Gas by Others | 8580 | | 0 | 0 | 0 |
| 17 | Other Expenses | 8590 | | 110 | 154 | (44) |
| 18 | Rent | 8600 | | 151 | 7 | 144 |
| 19 | Maintenance Supervision and Engineering | 8610 | | 369 | 54 | 314 |
| 20 | Maintenance of Mains | 8630 | | 428 | 11,403 | (10,975) |
| 21 | Measuring and Regulating Station Expenses | 8640 | | 0 | 8 | (8) |
| 22 | Maintenance of Measuring and Regulating Station Equipment | 8650 | | 40 | 0 | 40 |
| 23 | Maintenance of Communication Equipment | 8660 | | 0 | 0 | 0 |
| 24 | Total Transmission | | | \$116,935 | \$76,735 | \$40,200 |
| <u>Distribution Operations</u> | | | | | | |
| 25 | Supervision and Engineering | 8700 | | \$74,278 | \$69,296 | \$4,982 |
| 26 | Distribution Load Dispatch | 8710 | | 12,790 | 11,411 | 1,378 |
| 27 | Mains & Services | 8740 | | 671,080 | 684,176 | (13,096) |
| 28 | Meas & Reg. Stat. Exp. - General | 8750 | | 4,908 | 14,195 | (9,288) |
| 29 | Meas & Reg. Stat. Exp. - Ind. | 8760 | | 2,612 | 1,065 | 1,547 |
| 30 | Meas & Reg. Stat. Exp. - City Gate | 8770 | | 207 | 54 | 153 |
| 31 | Meter & House Reg. Exp. | 8780 | | 655,758 | 647,195 | 8,563 |
| 32 | Customer Installation Exp | 8790 | | 996 | 1,765 | (769) |
| 33 | Other Expense | 8800 | | 147,255 | 200,800 | (53,545) |
| 34 | Rents | 8810 | | 16,431 | 2,036 | 14,395 |
| 35 | Corporate & TGS Division Expenses Credit | 8820 | | 0 | 0 | 0 |
| 36 | Total Distribution Operations | | | \$1,586,315 | \$1,631,994 | (\$45,680) |
| <u>Distribution Maintenance</u> | | | | | | |
| 37 | Supervision and Engineering | 8850 | | \$0 | \$0 | \$0 |
| 38 | Struct. & Improv. | 8860 | | 110,430 | 59,677 | 50,753 |
| 39 | Mains | 8870 | | 558,210 | 595,684 | (37,474) |
| 40 | Meas. & Reg. Stat. Exp. - Gen | 8890 | | 100,727 | 106,235 | (5,508) |
| 41 | Meas. & Reg. Stat. Exp. - Ind. | 8900 | | 86,800 | 100,900 | (14,100) |
| 42 | Meas. & Reg. Stat. Exp. - City Gate | 8910 | | 10 | 0 | 10 |
| 43 | Maintenance of Services | 8920 | | 159,079 | 100,989 | 58,090 |
| 44 | Meters & House Reg. | 8930 | | 727 | 1,015 | (288) |
| 45 | Other Equipment | 8940 | | 0 | 0 | 0 |
| 46 | Clearing - Meter Shop - Small Meters | 8950 | | 0 | 0 | 0 |
| 47 | Clearing - Meter Shop - Large Meters | 8960 | | 0 | 0 | 0 |
| 48 | Total Distribution Maintenance | | | \$1,015,983 | \$964,500 | \$51,484 |
| 49 | Total Distribution | | | \$2,602,298 | \$2,596,494 | \$5,804 |

COMPARE CURRENT COSA TO TYE DEC. 2018 NTSA COSA

| Line No. | Description | Acct. No. | Sub Acct. | NTSA TYE Dec. 2019 Adjusted | NTSA TYE Dec. 2018 Adjusted | Change |
|-------------------------------------|------------------------------------|-----------|-----------|--------------------------------|--------------------------------|-------------|
| <u>Customer Accounting</u> | | | | | | |
| 50 | Supervision | 9010 | | \$7,419 | \$6,895 | \$525 |
| 51 | Meter Reading | 9020 | | 47,911 | 106,717 | (58,806) |
| 52 | Customer Accounting | 9030 | | 220,895 | 286,762 | (65,866) |
| 53 | Bad Debts | 9040 | | 117,645 | 101,907 | 15,738 |
| 54 | Miscellaneous | 9050 | | 17,825 | 17,274 | 551 |
| 55 | Total Customer Accounting | | | \$411,696 | \$519,555 | (\$107,859) |
| <u>Customer Information</u> | | | | | | |
| 56 | Supervision | 9070 | | \$4 | \$0 | \$4 |
| 57 | Customer Assistance Expense | 9080 | | 51,940 | 47,783 | 4,157 |
| 58 | Inform. & Instruct. Adver. Exp. | 9090 | | 4,255 | 5,378 | (1,122) |
| 59 | Customer Svc and Informational Svc | 9100 | | 0 | 0 | 0 |
| 60 | Total Customer Information | | | \$56,198 | \$53,160 | \$3,038 |
| <u>Sales</u> | | | | | | |
| 61 | Supervision | 9110 | | \$0 | \$0 | \$0 |
| 62 | Demonstrating and Selling Expense | 9120 | | 0 | 0 | 0 |
| 63 | Advertising | 9130 | | 571 | 31 | 540 |
| 64 | Employee Sales Referrals | 9140 | | 0 | 0 | 0 |
| 65 | Misc. Gas Sales Expense | 9163 | | 0 | 0 | 0 |
| 66 | Total Sales | | | \$571 | \$31 | \$540 |
| 67 | Total Customer Accounts Expense | | | \$468,466 | \$572,746 | (\$104,280) |
| <u>Administrative & General</u> | | | | | | |
| 68 | Salaries | 9200 | | \$444,219 | \$427,486 | \$16,733 |
| 69 | Office Supplies & Expenses | 9210 | | 99,334 | 95,112 | 4,222 |
| 70 | Transferred Credit | 9220 | | (218,667) | (214,695) | (3,972) |
| 71 | Outside Services | 9230 | | 16,089 | 14,654 | 1,436 |
| 72 | Property Insurance | 9240 | | 10,621 | 9,876 | 745 |
| 73 | Injuries & Damages | 9250 | | 31,841 | (23,594) | 55,435 |
| 74 | Employee Pensions & Benefits | 9260 | | 718,432 | 558,981 | 159,451 |
| 75 | Regulatory Commission Expenses | 9280 | | 12,898 | 20,811 | (7,913) |
| 76 | Duplicate Charges - Credit | 9290 | | 0 | 0 | 0 |
| 77 | General Advertising Expense | 9301 | | 476 | 2,337 | (1,861) |
| 78 | Misc. General Expenses | 9302 | | 575,028 | 639,552 | (64,525) |
| 79 | Rents | 9310 | | 65,910 | 71,516 | (5,607) |
| 80 | Maintenance of General Plant | 9320 | | 10,080 | 11,405 | (1,325) |
| 81 | Misc. General Expenses | 9400's | | 0 | 0 | 0 |
| 82 | Total A&G Operations | | | \$1,766,259 | \$1,613,441 | \$152,818 |
| 83 | Total Operating Expense | | | \$7,380,303 | \$7,185,066 | \$195,238 |

CUSTOMER ALLOCATION FACTORS

| Line No. | Service Area | Average Monthly Customer Count (includes final billed) @12/31/2019 | Allocation Factor |
|----------|---------------------------------|---|----------------------|
| 1 | Gulf Coast Service Area | 44,635 | 6.69% |
| 2 | Central Texas Service Area | 265,845 | 39.83% |
| 3 | North Texas Service Area | 16,062 | 2.4064% |
| 4 | Borger/Skellytown Service Area | 5,514 | 0.83% |
| 5 | Rio Grande Valley Service Area | 64,970 | 9.73% |
| 6 | West Texas Service Area | 270,413 | 40.52% |
| 7 | Total Texas Gas Service | 667,439 | 100.00% |