



**TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.
2021 COST OF SERVICE ADJUSTMENT
FOR THE NORTH TEXAS SERVICE AREA**

TABLE OF CONTENTS

[Statement of Intent](#)

[Public Notice](#)

[Rate Schedules](#)

[COSA Schedules](#)

[COSA Workpapers](#)



Stephanie G. Houle
1301 S. Mopac, Suite 400
Austin, TX 78746
512-370-8273
stephanie.houle@onegas.com

April 29, 2021

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:

Texas Gas Service Company, a division of ONE Gas, Inc. ("Company" or "TGS"), hereby files its 2021 annual COSA filing pursuant to the COSA Clause, Rate Schedule No. 1-1, for incorporated areas of its North Texas Service Area ("NTSA") which includes Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park, Texas ("Cities").

The 2021 COSA filing proposes to increase the customer charge and volumetric rates in the Cities by an overall revenue requirement increase of \$2,212,728. A residential customer using an average of 37 Ccf of gas per month would experience a monthly bill increase of \$6.79 per month. The proposed change in rates will affect approximately 12,510 residential, 1,782 commercial, 182 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 28, 2021. If a City elects to act, it must do so by July 28, 2021 (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 2021 (meters read on and after July 28, 2021).

The overall revenue requirement increase of \$2,212,728 is \$1.3 million rate base related, \$217 thousand operating and maintenance ("O&M") expense related and \$694 thousand revenue related. Rate base in 2020 increased due to \$12.4 million in NTSA direct plant additions. Included in this plant investment is the installation and replacement of \$7.7 million in mains and \$2.5 million in measuring and regulator stations, as well as \$1.4 million in services for connecting new customers and replacing cast iron pipes. These investments help modernize infrastructure and upgrade the system. The Company also experienced associated operating expense increases to maintain quality service and comply with regulatory safety standards. A decrease in 2020 volumes and revenues necessitated the revenue related portion of the revenue requirement increase.

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. On March 24, 2020, the Railroad Commission of Texas ("Commission") issued a Notice to Pipeline Operators and Local Distribution Companies in which the Commission recommended that local distribution companies temporarily suspend the disconnections of residential and small commercial gas utility customers for nonpayment while Texas remains in a State of Disaster. Accordingly, TGS followed the Commission's guidance and suspended disconnections for nonpayment. As in prior year COSA filings, the reserve accruals for bad debt are included in the filing in FERC Account 9040. Due to the suspension of disconnections for nonpayment, the bad debt expense reserve accrual increased by \$215,152 and represents the majority of the O&M expense increase in this year's filing.



TGS recognizes there is an impact to the overall revenue requirement increase from using FERC Account 9040, reserve accruals for bad debt, as required by the COSA tariff. An option for the Cities to consider to mitigate the amount of the current revenue requirement increase would be to agree to use the actual write offs in FERC Account 1440 for this year's filing and amend the current COSA tariff to reflect this method for future COSA filings. In doing so, the overall revenue requirement increase would decrease to \$2,001,841 and the average residential impact would decrease from \$6.79 to \$6.14. TGS has included a revised COSA tariff reflecting the use of actual write offs of bad debt for the Cities to consider.

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. The actual change in the Company's total calendar year operating expenses (exclusive of expenses not subject to the cap) was an increase of 3.77 percent, therefore the limitation is applicable, and the result is an increase in the Company's revenues of \$2,212,728.

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 increase in the Company's NTSA revenues of \$2,212,728, of which \$1,953,554 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 increases to the monthly customer charge and volumetric rates for all gas sales customers. TGS currently has no standard transport customers, and therefore did not change the customer or volumetric charge on the T-1 Rate Schedule. As stated in Section C.5 of the COSA clause, one half of the COSA increase 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
(512) 370-8400 (fax)
Stephanie.Houle@onegas.com

Attachments

COST OF SERVICE ADJUSTMENT CLAUSE

A. APPLICABILITY

This Cost of Service Adjustment Clause applies to all gas sales and standard transportation rate schedules of Texas Gas Service Company, a Division of ONE Gas, Inc. (the "Company") currently in force in the incorporated areas of the Company's North Texas Service Area. All rate calculations under this tariff shall be made on a North Texas Service Area system wide basis. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. The rate adjustments implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base as computed herein.

B. EFFECTIVE DATE

Rate adjustments shall be made in accordance with the procedures described below on an annual basis. The Company shall make its annual filing no later than May 1, with the rate adjustments to be effective for meters read on or after the first billing cycle of August each year. The first filing pursuant to this tariff shall be no later than May 1, 2019 and shall be based on the financial results for the calendar year ending December 31, 2018.

C. COMPONENTS OF THE RATE ADJUSTMENT

Calculation of the rate adjustment will be based on operating expenses, return on investment, and Federal Income Tax. 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. 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. The Company shall file with each regulatory authority having original jurisdiction over the Company's rates the schedules specified below, by FERC Account, for the prior calendar year period. The schedules will be based upon the Company's audited financial data, as adjusted, and provided in a format that will allow for the same analysis as that undertaken of a Company Statement of Intent filing, and shall include the following information:

C.1 Operating Expenses - Operating expenses will be those reported as part of our audited financials that are reconciled to the general ledger and assigned to the North Texas Service Area level (either directly or allocated) in a manner consistent with the most recent North Texas Service Area rate case.

The applicable expenses are:

Depreciation and Amortization Expense (Account Nos. 403-405) *

Taxes Other Than FIT (Account No. 408) **

Operation and Maintenance Expenses (Account Nos. 850-894, excluding any cost of gas related expenses)

Customer Related Expenses (Account Nos. 901-916) ***

Administrative & General Expenses (Account Nos. 920-932)

Interest on Customer Deposits (Account No. 431)

This information will be presented with supporting calculations.

* Based on the last approved depreciation methods and lives.

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

*** Account 9040, bad debt reserve accruals, will be replaced by Account 1440, bad debt actual write-offs, beginning with the COSA filed for calendar year ending December 31, 2021.

All shared expenses allocated to the North Texas Service Area must be supported by workpapers containing the allocated amount, methodology and factors. The Company shall provide additional information for all

COST OF SERVICE ADJUSTMENT CLAUSE

operating expenses upon request by the regulatory authority during the ninety (90) day review period specified in Section D.

C.2 Return on Investment - The rate of return will remain constant at 7.395% which reflects the capital structure and debt cost authorized in the most recent North Texas Service Area rate case and a return on equity of 9.5%. The return on investment is the rate of return multiplied by the rate base balance for the applicable calendar year.

The rate base balance is composed of:

Net Utility Plant in Service at year-end *

Plus:

Other Rate Base Items:

Materials and Supplies Inventories -13-month average

Prepayments – 13-month average

Prepaid Pension – 13-month average

Cash Working Capital – shall be set to zero (\$0)

Less:

Customer Deposits (Account No. 235) at year end

Customer Advances (Account No. 252) at year-end

Deferred Federal Income Taxes at year-end, adjusted to reflect the federal income tax rate in C.3.

* Net Utility Plant in Service as shown by FERC account. Gross utility plant in service and accumulated depreciation by account will be shown separately

Supporting information for all rate base items shall be provided to the regulatory authority during the ninety (90) day review period specified in Section D upon request by the regulatory authority.

C.3 Federal Income Tax

Applicable calendar year federal income taxes will be calculated as follows:

Net Taxable Income (applicable calendar-year end rate base multiplied by rate of return from the most recent North Texas Service Area rate case included in Section C.2.)

Less: Interest on Long Term Debt (applicable calendar-year end rate base multiplied by debt cost component of return from the most recent North Texas Service Area rate case)

Multiplied by: Tax Factor (0.21 / (1-0.21)) or 0.26582.

The Tax Factor will be calculated using the federal income tax rate(s) in effect during the period revenues from the COSA will be collected, including newly enacted federal tax rates to the extent such new rates are known at the time of the annual filing.

C.4 Cost of Service Adjustment - The amount to be collected through the Cost of Service Adjustment will be the sum of the amounts from Sections C.1, C.2, and C.3 that total to the revenue requirement, less the calendar year actual non-gas revenue and other revenue (i.e., transportation revenue and service charges), adjusted for the revised Texas Franchise Tax described in Chapter 171 of the Texas Tax Code.

COST OF SERVICE ADJUSTMENT CLAUSE

The formula to calculate the Cost of Service Adjustment is:

$$[(C.1 \text{ Operating Expenses} + C.2 \text{ Return on Investment} + C.3 \text{ Federal Income Tax} - \text{Actual Non-Gas and Other Revenues})] \div (1 - \text{Texas Franchise Tax statutory rate})$$

C.5 Cost of Service Adjustment Rate

The Cost of Service Adjustment as calculated in Section C.4 will be allocated among the customer classes in the same manner as the cost of service was allocated among classes of customers in the Company's latest effective rates for the North Texas Service Area. One half of the Cost of Service Adjustment for each customer class will be converted into a per-customer per-month amount to produce the Customer Charge Adjustment Rate. The Customer Charge Adjustment Rate will be one half of the Cost of Service Adjustment as allocated to that class, divided by the average number of bills in each class for the North Texas Service Area. The Customer Charge Adjustment Rate, either an increase or decrease, will be included in the gas sales and standard transportation customer charges. The remaining half of the Cost of Service Adjustment for each customer class will be converted into a per Ccf amount to produce the Volumetric Adjustment Rate. The Volumetric Adjustment Rate will be one half of the Cost of Service Adjustment as allocated to that class, divided by the total annual volumes (Ccf) for each class for the North Texas Service Area. The Volumetric Adjustment Rate, either an increase or decrease, will be included in the gas sales and standard transportation volumetric charges.

C.6 Attestation

A sworn statement shall be filed by the Company's Director of Rates, affirming that the filed schedules are in compliance with the provisions of this tariff and are true and correct to the best of his/her knowledge, information, and belief. No testimony shall be filed.

C.7 Proof of Revenues

The Company shall also provide a schedule demonstrating the "proof of revenues" relied upon to calculate the proposed Cost of Service Adjustment rate. The proposed rates shall conform as closely as practicable to the revenue allocation principles in effect prior to the adjustment.

C.8 Notice

Notice of the annual Cost of Service Adjustment shall be provided in a form similar to that required under Section 104.103, TEX. UTIL. CODE ANN not later than the 60th day after the date the utility files the COSA with the regulatory authority. The notice to customers shall include the following information:

- a) a description of the proposed revision of rates and schedules;
- b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer class;
- c) the service area or areas in which the proposed rate adjustment would apply;
- d) the date the proposed rate adjustment was filed with the regulatory authority; and
- e) the Company's address, telephone number, and website where information concerning the proposed cost of service adjustment may be obtained.

COST OF SERVICE ADJUSTMENT CLAUSE

D. REGULATORY REVIEW OF ANNUAL RATE ADJUSTMENT

The regulatory authority with original jurisdiction will have a period of not less than ninety (90) days within which to review the proposed annual rate adjustment. During the review period, the Company shall provide additional information and supporting documents as requested by the regulatory authority and such information shall be provided within ten (10) working days of the original request.

The rate adjustment shall take effect for meters read on or after the first billing cycle of August each year. This Cost of Service Adjustment Rate Schedule does not limit the legal rights and duties of the regulatory authority. The Company's annual rate adjustment will be made in accordance with all applicable laws. If at the end of the ninety (90) day review period, the Company and the regulatory authority with original jurisdiction have not reached an agreement on the proposed Cost of Service Adjustment Rate, the regulatory authority may take action to deny such adjustment or approve a different adjustment. If at the end of the ninety (90) day review period, the regulatory authority takes no action, the proposed Cost of Service Adjustment Rate will be deemed approved.

The Company shall have the right to appeal any action by the regulatory authority to the Railroad Commission of Texas not later than the 30th day after the date of the final decision by the regulatory authority. Upon the filing of any appeal, the Company shall have the right to implement its Cost of Service Adjustment Rate, subject to refund.

To defray the cost, if any, of regulatory authorities conducting a review of Company's annual rate adjustment, Company shall reimburse the regulatory authorities for their reasonable expenses for such review. Any reimbursement contemplated hereunder shall be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made.

A regulatory authority seeking reimbursement under this provision shall submit its request for reimbursement to the Company following the final approval of the COSA but no later than October 1 of the year in which the adjustment is made. The Company shall reimburse the regulatory authorities in accordance with this provision no later than thirty (30) days of receiving the request for reimbursement.

**2021 NTSA INCORPORATED COSA
PUBLIC NOTICE**

**PUBLIC NOTICE OF PROPOSED RATE INCREASE
NTSA INCORPORATED COSA FILED APRIL 29, 2021**

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 2021 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 29, 2021.

The Company proposes to increase 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 28, 2021. The change in rates will affect approximately 12,510 residential, 1,782 commercial, 182 public authority, and 9 industrial customers in the NTSA incorporated areas. The proposed change does constitute a "major change" as that term is defined by Section 104.101 of the Texas Utilities Code.

Rate Schedule (Average Monthly Usage)	Current Monthly Customer Charge	Proposed Monthly Customer Charge	Increase to Monthly Customer Charge	Current Volumetric Charge (per Ccf)	Proposed Volumetric Charge (per Ccf)	Increase to Monthly Volumetric Charge	Average Monthly Customer Bill Increase	Percentage Bill Increase without Gas Cost	Percentage Bill Increase with Gas Cost
Residential - 37 Ccf	\$12.94	\$16.33	\$3.39	\$0.60364	\$0.69502	\$0.09138	\$6.79	19.21 %	14.34 %
Commercial - 240 Ccf	\$34.29	\$52.61	\$18.32	\$0.62527	\$0.70175	\$0.07648	\$36.64	19.90 %	14.01 %
Commercial Standard Transport	\$250.00	\$250.00	\$0.00	\$0.57978	\$0.57978		No Customers		
Public Authority - 549 Ccf	\$73.06	\$111.40	\$38.34	\$0.56181	\$0.63164	\$0.06983	\$76.67	20.10 %	13.72 %
Public Authority Standard Transport	\$250.00	\$250.00	\$0.00	\$0.54101	\$0.54101		No Customers		
Industrial - 1,773 Ccf	\$210.63	\$343.51	\$132.88	\$0.57349	\$0.64843	\$0.07494	\$265.76	21.65 %	14.76 %
Industrial Standard Transport	\$250.00	\$250.00	\$0.00	\$0.55395	\$0.55395		No Customers		
2020 average Cost of Gas per Ccf was \$0.3231 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 increase of \$2,212,728 is approximately \$1,953,554. If approved, the proposed rates will increase the Company's NTSA revenues by 14.13 percent when gas cost revenues are included or by 19.13 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 29 de abril del 2021 una solicitud para implementar un Ajuste por el Costo del Servicio (de aquí en adelante, "COSA", por sus siglas en inglés) para el 2021 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.

**2021 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	\$16.33 plus
All Ccf per monthly billing period at	\$0.69502 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	\$52.61 plus
All Ccf per monthly billing period at	\$0.70175 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	\$343.51 plus
All Ccf per monthly billing period at	\$0.64843 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	\$111.40 plus
All Ccf per monthly billing period at	\$0.63164 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.

TRANSPORTATION SERVICE RATE

APPLICABILITY

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

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

AVAILABILITY

Natural gas service under this rate schedule is available to any individually metered, non-residential customer for the transportation of customer owned natural gas through the Company's North Texas distribution system which includes the incorporated areas of Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford, and Willow Park, Texas. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.

COST OF SERVICE RATE

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

All Classes \$ 250.00 per month

Plus – All Ccf per monthly billing period listed by customer class as follows:

Commercial	-	\$0.57978 per Ccf
Industrial	-	\$0.55395 per Ccf
Public Authority	-	\$0.54101 per Ccf

**TRANSPORTATION SERVICE RATE
(Continued)**

ADDITIONAL CHARGES

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

SUBJECT TO

- 1) Tariff T-TERMS, General Terms and Conditions for Transportation.
- 2) Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.
- 3) Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

**2021 NTSA INCORPORATED COSA
RATE SCHEDULES 1-7**

SUMMARY OF RATE ADJUSTMENT

Line No.	Description	Twelve Months Ended Dec. 2020	Allowable Revenue Requirement (See Note 1)	Twelve Months Ended Dec. 2019	Change
1	Rate Base	\$66,803,660		\$54,413,893	\$12,389,767
2	Rate of Return	7.395%		7.395%	0.000%
3	Required Return	\$4,940,131		\$4,023,907	\$916,223
4	Depreciation and Amortization	2,146,876		1,946,288	200,588
5	Taxes Other Than FIT (Ad Valorem only)	320,241		290,881	29,360
6	Federal Income Tax	1,057,112		859,500	197,612
7	Rate Base Related	\$8,464,361		\$7,120,576	\$1,343,785
8	Taxes Other Than FIT (excludes Ad Valorem)	\$179,410		\$177,158	\$2,251
9	Interest on Customer Deposits	13,667		10,973	2,694
10	Transmission and Distribution Expenses	2,708,823		2,719,232	(10,410)
11	Customer Related Expenses	617,950		468,466	149,485
12	Administrative & General	1,839,256		1,766,260	72,995
13	O&M Expense Related	\$5,359,105		\$5,142,090	\$217,016
14	Revenue Requirement (Line 7 + Line 13)	\$13,823,466	\$13,764,544	\$12,262,666	\$1,501,878
15	Test Year Sales, Transport, and Misc. Revenues	(11,568,411)	(11,568,411)	(12,262,666)	694,255
16	Revenue Deficiency/(Surplus)	\$2,255,055	\$2,196,133	\$(0)	\$2,196,133
17	Gross up for Texas Franchise Tax	17,041	16,595	(0)	16,595
	Rate	0.0075			
18	Total Cost of Service Adjustment applied to the Customer Charge and Volumetric Charge (grossed up for Texas Franchise Tax rate of 0.0075)	\$2,272,096	\$2,212,728	\$(0)	\$2,212,728

SUMMARY OF RATE ADJUSTMENT

NOTES TO SCHEDULE 1:

	Twelve Months Ended Dec. 2020	Allowable Revenue Requirement
Note 1: Calculation of Allowable Revenue Requirement		
1 Current Rate Base Related	\$8,464,361	\$8,464,361
2 Current O&M Expense Related	5,359,105	5,300,183
3 Revenue Requirement from Current Year	<u>\$13,823,466</u>	<u>\$13,764,544</u>
4 Prior Rate Base Related	\$7,120,576	\$7,120,576
5 Prior O&M Expense Related	5,142,090	5,143,135
6 Revenue Requirement from Prior Year	<u>\$12,262,666</u>	<u>\$12,263,711</u>
7 Total Change in Return and Expenses	<u>\$1,560,800</u>	<u>\$1,500,833</u>

Note 2: Calculation of Limitation on Expense Increase:

8 Operating Expense % change (adjusted to remove expenses not subject to the cap)	3.77%	
9 Percentage Cap on Operating Expenses (per the COSA tariff)		3.25%
10 Operating Expense % change for current COSA (with the cap applied)	3.25%	

11	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).				
12		Total O&M expenses	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
13	Current O&M Expense Related	\$5,359,105	\$32,022	\$5,327,083	\$5,300,183
14	Prior O&M Expense Related	\$5,142,090	\$8,741	\$5,133,349	\$5,133,349
15	Calculated Operating Expense Percentage Change	4.2200%		3.7700%	3.25%

ALLOWABLE EXPENSES

Line No.	Description	Account Numbers	Twelve Months Ended Dec. 2020	Twelve Months Ended Dec. 2019	Change
1	Depreciation and Amortization	403-405	\$2,146,876	\$1,946,288	\$200,588
2	Taxes Other Than FIT (Note 1)	408	499,651	469,084	30,567
3	Interest on Customer Deposits	431	13,667	10,973	2,694
4	Transmission and Distribution Expenses	850-894	2,708,823	2,719,232	(10,410)
5	Customer Related Expenses	901-916	617,950	468,466	149,485
6	Administrative & General	920-932	<u>1,839,256</u>	<u>1,766,260</u>	72,995
7	Total		<u>\$7,826,223</u>	<u>\$7,380,303</u>	<u>\$445,919</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 Dec. 2020	Twelve Months Ended Dec. 2019	Change
1	Net Plant in Service (Year to Date Balance)	\$77,337,753	\$64,633,794	\$12,703,959
2	RRC 8.209 Regulatory Asset Balance (Year to Date Balance)	550,566	277,828	272,738
3	Other Rate Base Items (Note 1)	2,258,103	2,100,391	157,712
4	Customers Deposits (Acct. 235) (Year to Date Balance)	(611,318)	(603,418)	(7,899)
5	Customer Advances (Acct.252) (Year to Date Balance)	(442,880)	(458,881)	16,001
6	Deferred Income Taxes	<u>(12,288,565)</u>	<u>(11,535,821)</u>	<u>(752,744)</u>
7	Rate Base	\$66,803,660	\$54,413,893	\$12,389,767
8	Rate of Return (Note 2)	<u>7.395%</u>	<u>7.395%</u>	<u>0.000%</u>
9	Return on Investment	<u>\$4,940,131</u>	<u>\$4,023,907</u>	<u>\$916,223</u>

Note 1: Other Rate Base Items

	Twelve Months Ended Dec. 2020	Twelve Months Ended Dec. 2019	
10	Materials and Supplies Inventory (Current COSA - 13-month avg ending balances through Dec. 2020)	\$869,483	\$697,536
11	Prepayments (Current COSA - 13-month avg ending balances through Dec. 2020)	144,087	139,330
12	Prepaid Pension Asset (Current COSA - 13-month avg ending balances through Dec. 2020)	1,244,534	1,263,524
13	Cash Working Capital (Current COSA - Per the COSA tariff – set to \$0.00)	<u>0</u>	<u>0</u>
14	Total Other Rate Base Items	<u>\$2,258,103</u>	<u>\$2,100,391</u>

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.

DESCRIPTION	RATIO	COST RATE %	COMPOSITE RATE %
	(a)	(b)	(c)
15	Long-Term Debt	37.839%	1.490%
16	Common Equity	<u>62.161%</u>	<u>5.905%</u>
17	Total	<u>100.000%</u>	<u>7.395%</u>

FEDERAL INCOME TAXES

Line No.	Description	Twelve Months Ended Dec. 2020	Twelve Months Ended Dec. 2019	Change
1	Taxable Income (Schedule 3, Line 9)	\$4,940,131	\$4,023,907	\$916,223
2	Interest on Long Term Debt (Schedule 3, Line 7 x 1.49%) (Note 1)	(995,360)	(810,755)	(184,605)
3	Net Taxable Income before parking adjustment	\$3,944,771	\$3,213,152	\$731,618
4	Add Parking Expense - no longer tax deductible per TCJA (Note 2)	32,027	20,240	11,787
5	Net After Tax Income	\$3,976,798	\$3,233,393	\$743,405
6	Federal Income Taxes (0.26582 times line 3) (Note 3)	\$1,057,112	\$859,500	\$197,612

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. 2020
1	Gas Sales Revenue	480-482	\$(15,608,943)
2	Remove Cost of Gas Revenue		4,093,016
3	Annualize gas sales to current base rates		208,962
4	Remove out-of-period gas sales adjustments		(7,821)
5	Total Base Gas Sales Revenue		<u>\$(11,314,787)</u>
6	Misc. Service Fees	487-488	\$(68,143)
7	Remove out-of-period fee adjustments		(190)
8	Total Misc. Service Fee Revenue		<u>\$(68,333)</u>
9	Transportation Revenue (currently all custom transport)	489.3	\$(186,042)
10	Remove estimated Transport Revenue		751
11	Annualize standard transport sales to current base rates		0
12	Remove out-of-period transport adjustments		0
13	Total Transportation Revenue		<u>\$(185,291)</u>
14	Total Base Revenues		<u><u>\$(11,568,411)</u></u>

RATE DESIGN

Line No.	Customer Class	Percent of	Annual Cost of	Annual NTSA Bills	NTSA Customer	Total Annual	Annual NTSA	NTSA Volume (Ccf)	Total Annual	Total Annual Cost
		Revenues per Rate Case Settlement	Service Adjustment Increase/(Decrease) (Sch.1)		Charge Increase/ (Decrease) - Note 1	Customer Revenue Increase/ (Decrease) (e) (c) * (d)		Volumes (Ccf)	Charge Increase/ (Decrease) - Note 1	Volumetric (Ccf) Revenue Increase/ (Decrease) (h) (f)*(g)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Residential	51.34%	\$1,136,052	167,425	\$3.39	\$568,026	6,215,815	\$0.09138	\$568,026	\$1,136,052
2	Commercial and Commercial Standard Transport	38.56%	853,322	23,288	\$18.32	426,661	5,578,847	\$0.07648	426,661	853,322
3	Public Authority	8.86%	195,981	2,556	\$38.34	97,990	1,403,255	\$0.06983	97,990	195,981
4	Industrial and Industrial Standard Transport	1.24%	27,374	103	\$132.88	13,687	182,637	\$0.07494	13,687	27,374
5	Grand Total	100%	\$2,212,728	193,372		\$1,106,364	13,380,554		\$1,106,364	\$2,212,728
6	Annual Cost of Service Adjustment Increase/(Decrease) (Sch. 1, line 18)		\$2,212,728							
7	Total Base Revenues (Sch. 1, line 15)		11,568,411							
8	Revenue Requirement plus Gross up for Texas Franchise Tax (Sch 1, line 14 plus line 17)		\$13,781,139							
						Annual Volumes				
		Annual Bills	% of Bills	Annual Volumes (Ccf)	% of Volumes					
9	Incorporated	173,790	89.87%	11,590,891	86.62%					
10	Environs	19,582	10.13%	1,789,664	13.38%					
11	Total	193,372	100.00%	13,380,554	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):								
		Required Customer Charge Increase/(Decrease)			Annual Bills CY 2020			Required Volumetric Charge Increase/(Decrease)			Annual Volumes (Ccf) CY 2020			NTSA Grand Total Breakout of Annual Revenue Increase/(Decrease)		
Line No.	Customer Class	Total	Incorporated	Environs	Total	Incorporated		Total	Incorporated	Environs	Total	Incorporated		Grand Total	Incorporated	Environs
			Area Allocated Amount	Allocated Amount		Area	Area		Area	Area Allocated Amount		Allocated Amount	Area		Area	
1	Residential	\$568,026	\$509,325	\$58,701	167,425	150,123	17,302	\$568,026	\$467,812	\$100,214	6,215,815	5,119,190	1,096,625	\$1,136,052	\$977,137	\$158,915
2	Commercial and Commercial Standard Transport	426,661	391,686	34,975	23,288	21,379	1,909	426,661	395,993	30,668	5,578,847	5,177,848	400,999	853,322	787,679	65,643
3	Public Authority and Public Authority Standard Transport	97,990	83,767	14,223	2,556	2,185	371	97,990	77,597	20,393	1,403,255	1,111,215	292,040	195,981	161,364	34,617
4	Industrial and Industrial Standard Transport	13,687	13,687	-	103	103	0	13,687	13,687	-	182,637	182,637	0	27,374	27,374	-
5	Total	\$1,106,364	\$998,465	\$107,899	193,372	173,790	19,582	\$1,106,364	\$955,089	\$151,275	13,380,554	11,590,891	1,789,664	\$2,212,728	\$1,953,554	\$259,174
6	Percentage	100.00%	90.25%	9.75%	100.00%	89.87%	10.13%	100.00%	86.33%	13.67%	100.00%	86.62%	13.38%	100.00%	88.29%	11.71%

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	\$56,211	\$45,295	\$101,506	9,784	5.06%	576,381	4.31%
2	Breckenridge	89,028	71,029	160,057	15,496	8.01%	903,844	6.75%
3	Bryson	8,170	4,729	12,899	1,422	0.74%	60,182	0.45%
4	Graford	7,595	5,073	12,669	1,322	0.68%	64,559	0.48%
5	Graham	148,945	128,734	277,680	25,925	13.41%	1,638,156	12.24%
6	Hudson Oaks	6,044	24,329	30,373	1,052	0.54%	309,583	2.31%
7	Jacksboro	65,668	49,938	115,606	11,430	5.91%	635,461	4.75%
8	Millsap	6,153	5,060	11,213	1,071	0.55%	64,386	0.48%
9	Mineral Wells	280,488	251,852	532,340	48,821	25.25%	3,204,839	23.95%
10	Weatherford	317,114	351,775	668,889	55,196	28.54%	4,476,363	33.45%
11	Willow Park	13,047	17,276	30,323	2,271	1.17%	219,836	1.64%
12	Total	\$998,465	\$955,089	\$1,953,554	173,790	89.87%	12,153,588	90.83%
13	Incorporated Areas Share	\$998,465	\$955,089	\$1,953,554	173,790	89.87%	12,153,588	90.83%
14	Environs Share	107,899	151,275	259,174	19,582	10.13%	1,226,965	9.17%
15	Total	\$1,106,364	\$1,106,364	\$2,212,728	193,372	100.00%	13,380,553	100.00%
16				Avg NTSA Monthly Total	16,114		1,115,046	
17				Avg NTSA <u>Incorporated</u> Monthly Total	14,483		1,012,799	

NTSA Incorporated - Customer Count by Class:

Line No.	Class	NTSA Incorporated Area Annual Bill Count CY 2020	NTSA Incorporated Area Avg Monthly Customer Count
1	RESIDENTIAL	150,123	12,510
2	COMMERCIAL	21,379	1,782
3	COMMERCIAL STANDARD TRANSPORT	0	0
4	PUBLIC AUTHORITY	2,185	182
5	PUBLIC AUTHORITY STANDARD TRANSPORT	0	0
6	INDUSTRIAL	103	9
7	INDUSTRIAL STANDARD TRANSPORT	0	0
8	Total	173,790	14,483

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	37	\$35.35	\$42.14	\$6.79	19.21%
3	Total Bill (Note 1)	37	\$47.34	\$54.13	\$6.79	14.34%
4	COMMERCIAL					
5	Cost of Service Only	240	\$184.08	\$220.72	\$36.64	19.90%
6	Total Bill (Note 1)	240	\$261.47	\$298.11	\$36.64	14.01%
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	549	\$381.50	\$458.17	\$76.67	20.10%
12	Total Bill (Note 1)	549	\$558.86	\$635.53	\$76.67	13.72%
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	1,773	\$1,227.53	\$1,493.29	\$265.76	21.65%
18	Total Bill (Note 1)	1,773	\$1,800.36	\$2,066.12	\$265.76	14.76%
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 \$0.3231/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				\$ 2,212,728	
Line No.	Description	CURRENT RATES	Change	PROPOSED RATES	CURRENT CALENDAR YEAR BILLS	WEATHER-NORMALIZED VOLUMES (Ccf)	REVENUE AT CURRENT RATES	REVENUE AT PROPOSED RATES	REVENUE IMPACT	Avg monthly customer count and Ccf usage (in current yr)
1	RESIDENTIAL									
2	Customer Charge	\$12.94	\$3.39	\$16.33	167,425		\$2,166,480	\$2,734,506	\$568,026	13,952
3	Total Ccf volumes	\$0.60364	\$0.09138	\$0.69502		6,215,815	3,752,115	4,320,141	568,026	37
4					167,425	6,215,815	\$5,918,595	\$7,054,646	\$1,136,052	
5										
6	COMMERCIAL									
7	Customer Charge	\$34.29	\$18.32	\$52.61	23,288		\$798,546	\$1,225,206	\$426,661	1,941
8	Total Ccf volumes	\$0.62527	\$0.07648	\$0.70175		5,578,847	3,488,286	3,914,947	426,661	240
9					23,288	5,578,847	\$4,286,832	\$5,140,153	\$853,322	
10										
11	COMMERCIAL STANDARD TRANSPORT									
12	Customer Charge	\$250.00	\$0.00	\$250.00	-		\$0	\$0		-
13	Total Ccf volumes	\$0.57978	\$0.00000	\$0.57978		-	-	-		-
14					-	-	\$0	\$0	\$0	
15										
16	PUBLIC AUTHORITY									
17	Customer Charge	\$73.06	\$38.34	\$111.40	2,556		\$186,741	\$284,732	\$97,990	213
18	Total Ccf volumes	\$0.56181	\$0.06983	\$0.63164		1,403,255	788,363	886,353	97,990	549
19					2,556	1,403,255	\$975,104	\$1,171,085	\$195,981	
20										
21	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		-	-	-		-
24					-	-	\$0	\$0	\$0	
25										
26	INDUSTRIAL									
27	Customer Charge	\$210.63	\$132.88	\$343.51	103		\$21,695	\$35,382	\$13,687	9
28	Total Ccf volumes	\$0.57349	\$0.07494	\$0.64843		182,637	104,740	118,427	13,687	1,773
29					103	182,637	\$126,435	\$153,809	\$27,374	
30										
31	INDUSTRIAL STANDARD TRANSPORT									
32	Customer Charge	\$250.00	\$0.00	\$250.00	-		\$0	\$0		-
33	Total Ccf volumes	\$0.55395	\$0.00000	\$0.55395		-	-	-		-
34					-	-	\$0	\$0	\$0	
35										
39										
40					193,372	13,380,554	\$11,306,966	\$13,519,693	\$2,212,728	
41							Gas Sales	\$(11,306,966)	\$(13,519,693)	
42							Standard Transport	-	-	
43							Total	\$(11,306,966)	\$(13,519,693)	
44							Custom Transport	(185,291)	(185,291)	
45							Misc Fees	(68,333)	(68,333)	
46								\$(11,560,590)	\$(13,773,317)	\$ 2,212,728
47							Remove out-of-period gas sales adjustments	(7,821)	(7,821)	-
48								\$(11,568,411)	\$(13,781,138)	\$ 2,212,728
49							Sch 1, Col. F, Sch 5, Line 14	Line 14 plus 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)	Increase to Monthly Volumetric Charge	Average Monthly Customer Bill Increase	Percentage Bill Increase without Gas Cost	Percentage Bill Increase with Gas Cost
1	Residential - 37 Ccf	\$12.94	\$16.33	\$3.39	\$0.60364	\$0.69502	\$0.09138	\$6.79	19.21%	14.34%
2	Commercial - 240 Ccf	\$34.29	\$52.61	\$18.32	\$0.62527	\$0.70175	\$0.07648	\$36.64	19.90%	14.01%
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 - 549 Ccf	\$73.06	\$111.40	\$38.34	\$0.56181	\$0.63164	\$0.06983	\$76.67	20.10%	13.72%
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 - 1,773 Ccf	\$210.63	\$343.51	\$132.88	\$0.57349	\$0.64843	\$0.07494	\$265.76	21.65%	14.76%
7	Industrial Standard Transport	\$250.00	\$250.00	\$0.00	\$0.55395	\$0.55395	\$0.00000	\$0.00	0.00%	0.00%

Calendar year 2020 average Cost of Gas per Ccf was \$0.3231 excluding revenue related taxes.

**2021 NTSA INCORPORATED COSA
WORKPAPERS**

TOTAL PLANT IN SERVICE

Adjusted Balance @ 12/31/2020				
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	\$221,551	\$0	\$221,551
<u>TRANSMISSION PLANT</u>				
5	(365.2) Rights-Of-Way	\$113,362	\$0	\$113,362
6	(367) Mains	1,562,228	0	1,562,228
7	(369) Measure/Reg Station Equip	628,754	0	628,754
8	Total Transmission Plant	\$2,304,344	\$0	\$2,304,344
<u>DISTRIBUTION PLANT</u>				
9	(374) Land & Land Rights	\$63,659	\$0	\$63,659
10	(375) Structures & Improvements	28,085	0	28,085
11	(376) Mains	41,682,341	0	41,682,341
12	(378) Meas. & Reg. Station - General	1,416,044	0	1,416,044
13	(379) Meas. & Reg. Station - C.G.	646,939	0	646,939
14	(380) Services	13,856,277	0	13,856,277
15	(381) Meters	2,547,658	0	2,547,658
16	(382) Meter Installations	0	0	0
17	(383) House Regulators	644,051	0	644,051
18	(385) Indust. Meas. & Reg. Stat. Equipment	798,119	0	798,119
19	(386) Other Property on Customer Premises	9,515	0	9,515
20	Total Distribution Plant	\$61,692,687	\$0	\$61,692,687
<u>GENERAL PLANT</u>				
21	(389) Land & Land Rights	\$77,592	\$10,604	\$88,196
22	(390) Structures & Improvements	923,062	110,745	1,033,808
23	(391) Office Furniture & Equipment	99,196	1,402,001	1,501,197
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	918,810	477	919,287
27	(395) Laboratory Equipment	0	0	0
28	(396) Major Work Equipment	481,819	0	481,819
29	(397) Communication Equipment	1,730,535	25,663	1,756,198
30	(398) Miscellaneous General Plant	0	0	0
31	Total General plant	\$6,325,523	\$1,549,490	\$7,875,013
32	Total Orig Cost Plant in Service	\$70,544,105	\$1,549,490	\$72,093,595

33	Net Plant in Service	
33	Plant in Service	
34	CCNC	
35	Accumulated Reserve	
36	Net Plant in Service	

Adjusted Balances @ 12/31/2020	
	\$72,093,595
	13,393,369
	(8,149,211)
	<u>\$77,337,753</u>

PLANT IN SERVICE
 NTSA DIRECT

Line No.	Description	NTSA Direct Per Book Balance @12/31/2020	Adjustments	NTSA Direct Adjusted Balance @12/31/2020
<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	1,562,228	0	1,562,228
7	(369) Measure/Reg Station Equip	628,754	0	628,754
8	Total Transmission Plant	\$2,304,344	\$0	\$2,304,344
<u>DISTRIBUTION PLANT</u>				
9	(374) Land & Land Rights	\$63,659	\$0	\$63,659
10	(375) Structures & Improvements	28,085	0	28,085
11	(376) Mains	41,682,341	0	41,682,341
12	(378) Meas. & Reg. Station - General	1,416,044	0	1,416,044
13	(379) Meas. & Reg. Station - C.G.	646,939	0	646,939
14	(380) Services	13,856,297	(20)	13,856,277
15	(381) Meters	2,547,658	0	2,547,658
16	(382) Meter Installations	0	0	0
17	(383) House Regulators	644,051	0	644,051
18	(385) Indust. Meas. & Reg. Stat. Equipment	798,119	0	798,119
19	(386) Other Property on Customer Premises	9,515	0	9,515
20	(387) Other Equipment	0	0	0
21	Total Distribution Plant	\$61,692,708	\$(20)	\$61,692,687
<u>GENERAL PLANT</u>				
22	(389) Land & Land Rights	\$77,592	\$0	\$77,592
23	(390) Structures & Improvements	923,062	0	923,062
24	(391) Office Furniture & Equipment	99,196	0	99,196
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	918,810	0	918,810
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	\$6,325,523	\$0	\$6,325,523
33	Total Orig Cost Plant in Service	\$70,544,125	\$(20)	\$70,544,105

PLANT IN SERVICE
TGS DIVISION AND CORPORATE ALLOCATED TO TGS DIVISION

Adjusted Balance at 12/31/2020

Line No.	Description	TGS Division	Allocated Corporate To TGS Division	Total	Allocate to NTSA 2.37799 % (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	\$434,697	\$11,217	\$445,914	\$10,604
21	(390) Structures & Improvements	3,239,946	1,417,152	4,657,097	110,745
22	(391) Office Furniture & Equipment	4,689,478	54,267,912	58,957,390	1,402,001
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	477
26	(395) Laboratory Equipment	0	0	0	0
27	(396) Major Work Equipment	0	0	0	0
28	(397) Communication Equipment	1,052,911	26,268	1,079,179	25,663
29	(398) Miscellaneous General Plant	0	0	0	0
30	Total General Plant	<u>\$9,437,098</u>	<u>\$55,722,548</u>	<u>\$65,159,646</u>	<u>\$1,549,490</u>
31	Total Orig Cost Plant in Service	<u>\$9,437,098</u>	<u>\$55,722,548</u>	<u>\$65,159,646</u>	<u>\$1,549,490</u>

TOTAL COMPLETED CONSTRUCTION NOT CLASSIFIED (CCNC)

		Adjusted Balance at 12/31/2020		
Line No.	Description	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	\$147,258	\$0	\$147,258
6	(369) Measuring & Regulating Sta Eq	114,682	0	114,682
7	Total Transmission CCNC	\$261,940	\$0	\$261,940
<u>DISTRIBUTION PLANT</u>				
8	(374) Land & Land Rights	\$0	\$0	\$0
9	(375) Structures & Improvements	0	0	0
10	(376) Mains	8,496,049	0	8,496,049
11	(378) Meas. & Reg. Station - General	1,927,558	0	1,927,558
12	(379) Meas. & Reg. Station - C.G.	670,919	0	670,919
13	(380) Services	1,406,305	0	1,406,305
14	(381) Meters	28,785	0	28,785
15	(382) Meter Installations	2,095	0	2,095
16	(383) House Regulators	1,003	0	1,003
17	(385) Indust. Meas. & Reg. Stat. Equipment	119,828	0	119,828
18	(386) Other Property on Customer Premises	0	0	0
19	Total Distribution CCNC	\$12,652,542	\$0	\$12,652,542
<u>GENERAL PLANT</u>				
20	(389) Land & Land Rights	\$0	\$21	\$21
21	(390) Structures & Improvements	3,584	112,394	115,978
22	(391) Office Furniture & Equipment	0	25,156	25,156
23	(392) Transportation Equipment	205,845	0	205,845
24	(393) Stores Equipment	0	0	0
25	(394) Tools, Shop & Garage	86,456	0	86,456
26	(395) Laboratory Equipment	0	0	0
27	(396) Major Work Equipment	0	0	0
28	(397) Communication Equipment	45,431	0	45,431
29	(398) Miscellaneous General Plant	0	0	0
30	Total General CCNC	\$341,316	\$137,571	\$478,887
31	Total Orig Cost CCNC	\$13,255,798	\$137,571	\$13,393,369

COMPLETED CONSTRUCTION NOT CLASSIFIED (CCNC)
NTSA DIRECT

Line No.	Description	NTSA Direct Per Book Balance @12/31/2020	Adjustments	NTSA Direct Adjusted Balance @12/31/2020
<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	\$147,258	\$0	\$147,258
6	(369) Measuring & Regulating Sta Eq	114,682	0	114,682
7	Total Transmission CCNC	\$261,940	\$0	\$261,940
<u>DISTRIBUTION PLANT</u>				
8	(374) Land & Land Rights	\$0	\$0	\$0
9	(375) Structures & Improvements	0	0	0
10	(376) Mains	8,496,049	0	8,496,049
11	(378) Meas. & Reg. Station - General	2,001,960	(74,403)	1,927,558
12	(379) Meas. & Reg. Station - C.G.	670,919	0	670,919
13	(380) Services	1,406,305	0	1,406,305
14	(381) Meters	28,785	0	28,785
15	(382) Meter Installations	2,095	0	2,095
16	(383) House Regulators	1,003	0	1,003
17	(385) Indust. Meas. & Reg. Stat. Equipment	119,828	0	119,828
18	(386) Other Property on Customer Premises	0	0	0
19	(387) Other Equipment	0	0	0
20	Total Distribution CCNC	\$12,726,945	\$(74,403)	\$12,652,542
<u>GENERAL PLANT</u>				
21	(389) Land & Land Rights	\$0	\$0	\$0
22	(390) Structures & Improvements	3,584	0	3,584
23	(391) Office Furniture & Equipment	0	0	0
24	(392) Transportation Equipment	205,845	0	205,845
25	(393) Stores Equipment	0	0	0
26	(394) Tools, Shop & Garage	95,592	(9,136)	86,456
27	(395) Laboratory Equipment	0	0	0
28	(396) Major Work Equipment	0	0	0
29	(397) Communication Equipment	45,431	0	45,431
30	(398) Miscellaneous General Plant	0	0	0
31	Total General CCNC	\$350,453	\$(9,136)	\$341,316
32	Total Orig Cost CCNC	\$13,339,337	\$(83,539)	\$13,255,798

COMPLETED CONSTRUCTION NOT CLASSIFIED (CCNC)

TGS DIVISION AND CORPORATE ALLOCATED TO TGS DIVISION

Adjusted Balance at 12/31/2020

Line No.	Description	TGS Division	Allocated Corporate To TGS Division	Total	Allocate to NTSA 2.37799 %
(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	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0
<u>GENERAL PLANT</u>					
18	(389) Land & Land Rights	\$0	\$878	\$878	\$21
19	(390) Structures & Improvements	3,560,114	1,166,319	4,726,433	112,394
20	(391) Office Furniture & Equipment	0	1,057,873	1,057,873	25,156
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	\$3,560,114	\$2,225,070	\$5,785,183	\$137,571
29	Total Orig Cost CCNC	\$3,560,114	\$2,225,070	\$5,785,183	\$137,571

TOTAL ACCUMULATED RESERVES FOR DEPRECIATION AND AMORTIZATION

		Adjusted Balance at 12/31/2020		
Line No.	Description	NTSA Direct Reserves	TGS Div and Corp Allocated Reserves	Total NTSA Reserves
<u>INTANGIBLE PLANT</u>				
1	(301) Organization	\$(80,922)	\$0	\$(80,922)
2	(302) Franchises & Consents	17,634	0	17,634
3	(303) Misc. Intangible	(19,255)	0	(19,255)
4	Total Intangible Plant	\$(82,543)	\$0	\$(82,543)
<u>TRANSMISSION PLANT</u>				
5	(365.2) Rights-Of-Way	\$0	\$0	\$0
6	(367) Mains	(181,377)	0	(181,377)
7	(369) Measure/Reg Station Equip	(170,205)	0	(170,205)
8	Total Transmission Plant	\$(351,582)	\$0	\$(351,582)
<u>DISTRIBUTION PLANT</u>				
9	(374) Land & Land Rights	\$(32)	\$0	\$(32)
10	(375) Structures & Improvements	(14,427)	0	(14,427)
11	(376) Mains	(3,169,767)	0	(3,169,767)
12	(377) Compressor Station Equipment	0	0	0
13	(378) Meas. & Reg. Station - General	(52,125)	0	(52,125)
14	(379) Meas. & Reg. Station - C.G.	(34,200)	0	(34,200)
15	(380) Services	(690,029)	0	(690,029)
16	(381) Meters	(460,232)	0	(460,232)
17	(382) Meter Installations	(5,845)	0	(5,845)
18	(383) House Regulators	(45,660)	0	(45,660)
19	(385) Indust. Meas. & Reg. Stat. Equipment	(86,072)	0	(86,072)
20	(386) Other Property on Customer Premises	(8,629)	0	(8,629)
21	(387) Other Equipment	0	0	0
22	Total Distribution Plant	\$(4,567,018)	\$0	\$(4,567,018)
<u>GENERAL PLANT</u>				
23	(389) Land & Land Rights	\$0	\$0	\$0
24	(390) Structures & Improvements	(148,164)	(23,236)	(171,400)
25	(391) Office Furniture & Equipment	(60,794)	(552,478)	(613,272)
26	(392) Transportation Equipment	(994,053)	0	(994,053)
27	(393) Stores Equipment	(2,927)	0	(2,927)
28	(394) Tools, Shop & Garage	(430,189)	(255)	(430,444)
29	(395) Laboratory Equipment	(42)	0	(42)
30	(396) Major Work Equipment	(218,626)	0	(218,626)
31	(397) Communication Equipment	(699,332)	(17,756)	(717,089)
32	(398) Miscellaneous General Plant	(216)	0	(216)
33	Total General plant	\$(2,554,343)	\$(593,725)	\$(3,148,068)
34	Total Accumulated Reserves For Depreciation and Amortization	\$(7,555,486)	\$(593,725)	\$(8,149,211)

ACCUMULATED RESERVES FOR DEPRECIATION AND AMORTIZATION
NTSA DIRECT

Line No.	Description	NTSA Direct Per Book Balance @12/31/2020	Adjustments	NTSA Direct Adjusted Balance @12/31/2020
<u>INTANGIBLE PLANT</u>				
1	(301) Organization	\$(80,922)	\$0	\$(80,922)
2	(302) Franchises & Consents	17,634	0	17,634
3	(303) Misc. Intangible	(19,255)	0	(19,255)
4	Total Intangible Plant	\$(82,543)	\$0	\$(82,543)
<u>TRANSMISSION PLANT</u>				
5	(365.2) Rights-Of-Way	\$0	\$0	\$0
6	(367) Mains	(181,377)	0	(181,377)
7	(369) Measure/Reg Station Equip	(170,205)	0	(170,205)
8	Total Transmission Plant	\$(351,582)	\$0	\$(351,582)
<u>DISTRIBUTION PLANT</u>				
9	(374) Land & Land Rights	\$(32)	\$0	\$(32)
10	(375) Structures & Improvements	(14,427)	0	(14,427)
11	(376) Mains	(3,169,767)	0	(3,169,767)
12	(377) Compressor Station Equipment	0	0	0
13	(378) Meas. & Reg. Station - General	(52,125)	0	(52,125)
14	(379) Meas. & Reg. Station - C.G.	(34,200)	0	(34,200)
15	(380) Services	(690,029)	0	(690,029)
16	(381) Meters	(460,232)	0	(460,232)
17	(382) Meter Installations	(5,845)	0	(5,845)
18	(383) House Regulators	(45,660)	0	(45,660)
19	(385) Indust. Meas. & Reg. Stat. Equipment	(86,072)	0	(86,072)
20	(386) Other Property on Customer Premises	(8,629)	0	(8,629)
21	(387) Other Equipment	0	0	0
22	Total Distribution Plant	\$(4,567,018)	\$0	\$(4,567,018)
<u>GENERAL PLANT</u>				
23	(389) Land & Land Rights	\$0	\$0	\$0
24	(390) Structures & Improvements	(148,164)	0	(148,164)
25	(391) Office Furniture & Equipment	(60,794)	0	(60,794)
26	(392) Transportation Equipment	(994,053)	0	(994,053)
27	(393) Stores Equipment	(2,927)	0	(2,927)
28	(394) Tools, Shop & Garage	(430,189)	0	(430,189)
29	(395) Laboratory Equipment	(42)	0	(42)
30	(396) Major Work Equipment	(218,626)	0	(218,626)
31	(397) Communication Equipment	(699,332)	0	(699,332)
32	(398) Miscellaneous General Plant	(216)	0	(216)
33	Total General plant	\$(2,554,343)	\$0	\$(2,554,343)
34	Total Accumulated Reserves For Depreciation and Amortization	\$(7,555,486)	\$0	\$(7,555,486)

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

Adjusted Balance at 12/31/2020

Line No.	Description	TGS Division	Allocated Corporate To TGS Division	Total	Allocate to NTSA 2.37799% (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>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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>GENERAL PLANT</u>					
18	(389) Land & Land Rights	\$0	\$0	\$0	\$0
19	(390) Structures & Improvements	(277,781)	(699,356)	(977,137)	(23,236)
20	(391) Office Furniture & Equipment	(1,688,607)	(21,544,371)	(23,232,978)	(552,478)
21	(392) Transportation Equipment	0	0	0	0
22	(393) Stores Equipment	0	0	0	0
23	(394) Tools, Shop & Garage	(10,703)	0	(10,703)	(255)
24	(395) Laboratory Equipment	0	0	0	0
25	(396) Major Work Equipment	0	0	0	0
26	(397) Communication Equipment	(742,317)	(4,375)	(746,691)	(17,756)
27	(398) Miscellaneous General Plant	0	0	0	0
28	Total General plant	<u>\$(2,719,407)</u>	<u>\$(22,248,102)</u>	<u>\$(24,967,509)</u>	<u>\$(593,725)</u>
29	Total Accumulated Reserves For Depreciation and Amortization	<u>\$(2,719,407)</u>	<u>\$(22,248,102)</u>	<u>\$(24,967,509)</u>	<u>\$(593,725)</u>

PER BOOK NTSA DIRECT AND ALLOCATED OPERATING EXPENSES

				TYE Dec. 2020		
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>Depreciation & Amortization Expense</u>						
1	Depreciation and Amortization Expense	4030-4050		\$2,012,495	\$134,381	\$2,146,876
2	Pension & FAS 106 Amortization Expense	4073		0	0	0
3	Total Depr. & Amort.			<u>\$2,012,495</u>	<u>\$134,381</u>	<u>\$2,146,876</u>
<u>Taxes Other Than Income</u>						
4	Payroll	4081		\$0	\$62,171	\$62,171
5	Ad Valorem	4081	190	482,033	(1,720)	480,313
6	Revenue Related	4081	133,138 & 140	0	0	0
7	Other	4081	131, 233, 995	0	32,851	32,851
8	Total Taxes Other Than Income			<u>\$482,033</u>	<u>\$93,302</u>	<u>\$575,335</u>
9	<u>Interest on Customer Deposits</u>	4310		<u>\$13,667</u>	<u>\$0</u>	<u>\$13,667</u>
10	<u>Storage Misc.</u>	8140-8360		<u>\$0</u>	<u>\$(14)</u>	<u>\$(14)</u>
<u>Transmission & High-Pressure Distribution</u>						
11	Operation Supervision and Engineering	8500		\$0	\$171	\$171
12	Transmission Communication Equip	8520		0	0	0
13	Compressor Station Labor and Expenses	8530		0	0	0
14	Mains Expenses	8560		117,906	10,415	128,321
15	Measuring and Regulating Station Expenses	8570		3,823	50	3,873
16	Trans/Compression of Gas by Others	8580		0	0	0
17	Other Expenses	8590		0	18	18
18	Rent	8600		0	80	80
19	Maintenance Supervision and Engineering	8610		0	57	57
20	Maintenance of Mains	8630		4,896	63	4,959
21	Measuring and Regulating Station Expenses	8640		0	0	0
22	Maintenance of Measuring and Regulating Station Equipment	8650		1,047	0	1,047
23	Maintenance of Communication Equipment	8660		0	0	0
24	Total Transmission			<u>\$127,672</u>	<u>\$10,854</u>	<u>\$138,526</u>
<u>Distribution Operations</u>						
25	Supervision and Engineering	8700		\$44,791	\$24,227	\$69,018
26	Distribution Load Dispatch	8710		0	12,483	12,483
27	Mains & Services	8740		693,107	3,929	697,037
28	Meas & Reg. Stat. Exp. - General	8750		10,276	3,778	14,054
29	Meas & Reg. Stat. Exp. - Ind.	8760		0	2,710	2,710
30	Meas & Reg. Stat. Exp. - City Gate	8770		500	102	603
31	Meter & House Reg. Exp.	8780		652,030	1,661	653,690
32	Customer Installation Exp	8790		16	0	16
33	Other Expense	8800		37,548	10,768	48,316
34	Rents	8810		665	0	665
35	Corporate & TGS Division Expenses Credit	8820		0	0	0
36	Total Distribution Operations			<u>\$1,438,934</u>	<u>\$59,658</u>	<u>\$1,498,592</u>
<u>Distribution Maintenance</u>						
37	Supervision and Engineering	8850		\$0	\$0	\$0
38	Struct. & Improv.	8860		137,002	576	137,578
39	Mains	8870		551,321	1,979	553,299
40	Meas. & Reg. Stat. Exp. - Gen	8890		133,168	217	133,386
41	Meas. & Reg. Stat. Exp. - Ind.	8900		83,127	281	83,408
42	Meas. & Reg. Stat. Exp. - City Gate	8910		750	60	809
43	Maintenance of Services	8920		163,348	0	163,348
44	Meters & House Reg.	8930		1,142	0	1,142
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>\$1,069,858</u>	<u>\$3,112</u>	<u>\$1,072,970</u>
49	Total Distribution			<u>\$2,508,792</u>	<u>\$62,770</u>	<u>\$2,571,562</u>

PER BOOK NTSA DIRECT AND ALLOCATED OPERATING EXPENSES

						TYE Dec. 2020			
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 Accounting</u>									
50	Supervision	9010		\$0	\$7,211	\$7,211			
51	Meter Reading	9020		31,764	1,522	33,286			
52	Customer Accounting	9030		413	163,534	163,947			
53	Bad Debts	9040		409,045	11,890	420,935			
54	Miscellaneous	9050		0	18,288	18,288			
55	Total Customer Accounting			<u>\$441,222</u>	<u>\$202,445</u>	<u>\$643,667</u>			
<u>Customer Information</u>									
56	Supervision	9070		\$0	\$2	\$2			
57	Customer Assistance Expense	9080		51,510	9,369	60,879			
58	Inform. & Instruct. Adver. Exp.	9090		0	1,654	1,654			
59	Customer Svc and Informational Svc	9100		0	0	0			
60	Total Customer Information			<u>\$51,510</u>	<u>\$11,025</u>	<u>\$62,535</u>			
<u>Sales</u>									
61	Supervision	9110		\$0	\$0	\$0			
62	Demonstrating and Selling Expense	9120		0	0	0			
63	Advertising	9130		0	(39)	(39)			
64	Employee Sales Referrals	9140		0	0	0			
65	Misc. Gas Sales Expense	9163		0	0	0			
66	Total Sales			<u>\$0</u>	<u>\$(39)</u>	<u>\$(39)</u>			
67	Total Customer Accounts Expense			<u>\$492,732</u>	<u>\$213,431</u>	<u>\$706,163</u>			
<u>Administrative & General</u>									
68	Salaries	9200		\$121,254	\$337,691	\$458,945			
69	Office Supplies & Expenses	9210		214,590	54,627	269,217			
70	Transferred Credit	9220		0	(216,603)	(216,603)			
71	Outside Services	9230		1,706	14,758	16,464			
72	Property Insurance	9240		0	12,628	12,628			
73	Injuries & Damages	9250		(18,871)	87,146	68,276			
74	Employee Pensions & Benefits	9260		732	266,397	267,129			
75	Regulatory Commission Expenses	9280		32,022	94	32,116			
76	Duplicate Charges - Credit	9290		0	0	0			
77	General Advertising Expenses	9301		2,446	13	2,458			
78	Miscellaneous General Expenses	9302		(10,155)	865,319	855,164			
79	Rents	9310		28,291	34,425	62,716			
80	Maintenance of General Plant	9320		676	13,172	13,848			
81	Misc. General Expenses	9400's		0	0	0			
82	Total A&G Operations			<u>\$372,690</u>	<u>\$1,469,668</u>	<u>\$1,842,358</u>			
83	Total Operating Expense			<u>\$6,010,080</u>	<u>\$1,984,392</u>	<u>\$7,994,473</u>			

COMPARE CURRENT COSA TO TYE DEC. 2019 NTSA COSA

Line No.	Description	Acct. No.	Sub Acct.	NTSA TYE Dec. 2020 Adjusted	NTSA TYE Dec. 2019 Adjusted	Change
<u>Depreciation & Amortization Expense</u>						
1	Depreciation and Amortization Expense	4030-4050		\$2,146,876	\$1,946,288	\$200,588
2	Pension & FAS 106 Amortization Expense	4073		0	0	0
3	Total Depr. & Amort.			\$2,146,876	\$1,946,288	\$200,588
<u>TAXES OTHER THAN INCOME TAXES (excludes revenue related)</u>						
4	Payroll	4081		\$132,620	\$163,790	\$(31,170)
5	Ad Valorem	4081	190	320,241	290,881	29,360
6	Revenue Related	4081	133,138 & 140	0	0	0
7	Other	4081	131, 233, 995	46,790	14,414	32,376
8	Total Taxes Other Than Income Taxes			\$499,651	\$469,085	\$30,566
9	<u>Interest on Customer Deposits</u>	4310		\$13,667	\$10,973	\$2,694
10	<u>Storage Misc.</u>	8140-8360		\$(2)	\$2	\$(4)
<u>Transmission & High Pressure Distribution</u>						
11	Operation Supervision and Engineering	8500		\$171	\$168	\$3
12	Transmission Communication Equip	8520		0	0	0
13	Compressor Station Labor and Expenses	8530		0	0	0
14	Mains Expenses	8560		128,320	114,122	14,198
15	Measuring and Regulating Station Expenses	8570		3,873	1,547	2,326
16	Trans/Compression of Gas by Others	8580		0	0	0
17	Other Expenses	8590		18	110	(92)
18	Rent	8600		80	151	(71)
19	Maintenance Supervision and Engineering	8610		57	369	(312)
20	Maintenance of Mains	8630		4,959	428	4,531
21	Measuring and Regulating Station Expenses	8640		0	0	0
22	Maintenance of Measuring and Regulating Station Equipment	8650		1,047	40	1,007
23	Maintenance of Communication Equipment	8660		0	0	0
24	Total Transmission			\$138,524	\$116,935	\$21,589
<u>Distribution Operations</u>						
25	Supervision and Engineering	8700		\$69,015	\$74,278	\$(5,263)
26	Distribution Load Dispatch	8710		12,483	12,790	(307)
27	Mains & Services	8740		696,905	671,080	25,825
28	Meas & Reg. Stat. Exp. - General	8750		13,301	4,908	8,393
29	Meas & Reg. Stat. Exp. - Ind.	8760		2,710	2,612	98
30	Meas & Reg. Stat. Exp. - City Gate	8770		603	207	396
31	Meter & House Reg. Exp.	8780		653,690	655,758	(2,068)
32	Customer Installation Exp	8790		16	996	(980)
33	Other Expense	8800		47,943	147,255	(99,312)
34	Rents	8810		665	16,431	(15,766)
35	Corporate & TGS Division Expenses Credit	8820		0	0	0
36	Total Distribution Operations			\$1,497,330	\$1,586,315	\$(88,985)
<u>Distribution Maintenance</u>						
37	Supervision and Engineering	8850		\$0	\$0	\$0
38	Struct. & Improv.	8860		137,578	110,430	27,148
39	Mains	8870		553,298	558,210	(4,912)
40	Meas. & Reg. Stat. Exp. - Gen	8890		133,386	100,727	32,659
41	Meas. & Reg. Stat. Exp. - Ind.	8900		83,408	86,800	(3,392)
42	Meas. & Reg. Stat. Exp. - City Gate	8910		809	10	799
43	Maintenance of Services	8920		163,348	159,079	4,269
44	Meters & House Reg.	8930		1,142	727	415
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			\$1,072,968	\$1,015,983	\$56,985
49	Total Distribution			\$2,570,299	\$2,602,298	\$(31,999)

COMPARE CURRENT COSA TO TYE DEC. 2019 NTSA COSA

Line No.	Description	Acct. No.	Sub Acct.	NTSA TYE Dec. 2020 Adjusted	NTSA TYE Dec. 2019 Adjusted	Change
<u>Customer Accounting</u>						
50	Supervision	9010		\$7,205	\$7,419	\$(214)
51	Meter Reading	9020		33,286	47,911	(14,625)
52	Customer Accounting	9030		163,939	220,895	(56,956)
53	Bad Debts	9040		332,797	117,645	215,152
54	Miscellaneous	9050		18,288	17,825	463
55	Total Customer Accounting			\$555,515	\$411,695	\$143,820
<u>Customer Information</u>						
56	Supervision	9070		\$2	\$4	\$(2)
57	Customer Assistance Expense	9080		60,818	51,940	8,878
58	Inform. & Instruct. Adver. Exp.	9090		1,654	4,255	(2,601)
59	Customer Svc and Informational Svc	9100		0	0	0
60	Total Customer Information			\$62,474	\$56,199	\$6,275
<u>Sales</u>						
61	Supervision	9110		\$0	\$0	\$0
62	Demonstrating and Selling Expense	9120		0	0	0
63	Advertising	9130		(39)	571	(610)
64	Employee Sales Referrals	9140		0	0	0
65	Misc. Gas Sales Expense	9163		0	0	0
66	Total Sales			\$(39)	\$571	\$(610)
67	Total Customer Accounts Expense			\$617,950	\$468,465	\$149,485
<u>Administrative & General</u>						
68	Salaries	9200		\$458,945	\$444,219	\$14,726
69	Office Supplies & Expenses	9210		150,457	99,334	51,123
70	Transferred Credit	9220		(216,603)	(218,667)	2,064
71	Outside Services	9230		16,464	16,089	375
72	Property Insurance	9240		12,628	10,621	2,007
73	Injuries & Damages	9250		68,346	31,841	36,505
74	Employee Pensions & Benefits	9260		693,073	718,432	(25,359)
75	Regulatory Commission Expenses	9280		32,116	12,898	19,218
76	Duplicate Charges - Credit	9290		0	0	0
77	General Advertising Expense	9301		2,458	476	1,982
78	Misc. General Expenses	9302		544,809	575,028	(30,219)
79	Rents	9310		62,716	65,910	(3,194)
80	Maintenance of General Plant	9320		13,848	10,080	3,768
81	Misc. General Expenses	9400's		0	0	0
82	Total A&G Operations			\$1,839,257	\$1,766,261	\$72,996
83	Total Operating Expense			\$7,826,223	\$7,380,307	\$445,916

CUSTOMER ALLOCATION FACTORS

Line No.	Service Area	Average Monthly Customer Count (includes final billed) @12/31/2020	Allocation Factor
1	Central-Gulf Service Area	315,395	46.54%
2	North Texas Service Area	16,114	2.38%
3	Borger/Skellytown Service Area	5,523	0.82%
4	Rio Grande Valley Service Area	64,709	9.55%
5	West Texas Service Area	275,904	40.72%
6	Total Texas Gas Service	<u>677,645</u>	<u>100.00%</u>

**2021 NTSA INCORPORATED COSA
ATTESTATION**

AFFIDAVIT

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared Stacey McTaggart, who being by me duly sworn, deposed as follows:


1. My name is Stacey McTaggart. I am over twenty-one (21) years of age, of sound mind, capable of making this affidavit, and have personal knowledge of the facts herein stated, and I hereby swear and affirm that those facts are true and correct.
2. I am employed as the Rates and Regulatory Director for Texas Gas Service Company, a Division of ONE Gas, Inc. (“TGS” or the “Company”).
3. I have reviewed the schedules filed by the Company in this North Texas Service Area Cost of Service Adjustment Clause (“COSA”) filing. These filed schedules are in compliance with the provisions of the COSA tariff and are true and correct to the best of my knowledge, information and belief.

DocuSigned by:

 6CD297DAF6DA45E...

 Stacey McTaggart

SUBSCRIBED AND SWORN to before me on the 20th day of April 2021.

DocuSigned by:

 1C45AAFD08DC44A...

 Notary Public in and for the State of Texas

