



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

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April 29, 2021

The Honorable Mayors and Members of the City Councils  
of the following Texas Cities:

Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas

Dear Mayors and Members of the City Councils:

The Company hereby files its 2021 annual COSA filing pursuant to the COSA Clause, Rate Schedule No. 1-1, for the incorporated areas of its RGVSA which includes Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas ("RGVSA Cities").

The 2021 COSA filing shows an overall revenue requirement increase of \$4,622,720, resulting in customers in the RGVSA Cities receiving an increase in rates. A residential customer using an average of 12 Ccf of gas per month will experience a monthly bill increase of \$3.57 per month. The proposed change in rates will affect approximately 56,876 residential, 3,733 commercial, 454 public authority, 27 industrial, 23 commercial standard transportation, 4 public authority standard transportation, and 17 industrial standard transportation customers in the incorporated areas of the RGVSA. 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 \$4,622,720 is \$2 million rate base related, \$368 thousand operating and maintenance ("O&M") expense related and \$2.1 million revenue related. Rate base in 2020 increased due to \$19.2 million in RGVSA direct plant additions. Included in this plant investment is the installation and replacement of \$7.7 million in mains and \$5.1 million in measuring and regulator stations, as well as \$5.4 million in service lines and meters for customers. 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 \$512,060 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 \$4,015,768 and the average residential volumetric impact would decrease from \$0.25525 to \$0.21630. 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 5 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 2.24 percent, therefore the limitation is not applicable.

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 RGVSA revenues of \$4,622,720, of which \$4,262,987 is attributable to the RGVSA incorporated areas. Also included with the filing are RGVSA Rate Schedules 10, 20, 30, 40, and T-1, which reflect an increase to the monthly customer charge for all gas sales and standard transport customers and an increase in the volumetric rate for residential customers.

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,

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Attachments

cc: Thomas Brocato, Attorney for Certain RGV Cities

**2021 RGVSA INCORPORATED  
COSA  
PUBLIC NOTICE**

**PUBLIC NOTICE OF PROPOSED RATE INCREASE  
TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.  
RGVSA INCORPORATED COSA FILED APRIL 29, 2021**

Pursuant to Rio Grande Valley Service Area ("RGVSA") 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 RGVSA municipal regulatory authorities which includes the Cities of Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas on April 29, 2021.

The Company proposes to increase rates in the incorporated areas of the RGVSA 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 56,876 residential, 3,733 commercial, 454 public authority, 27 industrial, 23 commercial standard transportation, 4 public authority standard transportation and 17 industrial standard transportation customers in the RGVSA incorporated areas. The proposed change constitutes a "major change" as that term is defined by Section 104.101 of the Texas Utilities Code.

Customer Class	Current Monthly Customer Charge	Proposed Monthly Customer Charge	Monthly Customer Charge Increase	Volumetric (per Ccf) Increase	Average Monthly Customer Bill Increase	% Increase without Cost of Gas	% Increase with Cost of Gas	Average Monthly Usage per Ccf for Bill Impacts
Residential	\$17.02	\$17.52	\$0.50	\$0.25525	\$3.57	15.20%	13.48%	12
Commercial	\$94.84	\$127.64	\$32.80	N/A	\$32.80	14.69%	10.11%	406
Commercial - Church	\$76.84	\$109.64	\$32.80	N/A	\$32.80	37.45%	34.15%	34
Commercial Standard Transport	\$436.84	\$469.64	\$32.80	N/A	\$32.80	5.03%	N/A	12,136
Public Authority	\$82.93	\$117.95	\$35.02	N/A	\$35.03	19.16%	14.11%	262
Public Authority Standard Transport	\$437.93	\$472.95	\$35.02	N/A	\$35.02	5.51%	N/A	12,423
Industrial	\$457.09	\$764.77	\$307.68	N/A	\$307.68	21.36%	13.68%	3,242
Industrial Standard Transport	\$707.09	\$1,014.77	\$307.68	N/A	\$307.68	19.73%	N/A	24,674

2020 Cost of Gas was \$0.2495/Ccf excluding revenue related taxes.

The adjustment to rates was calculated on the Company's total revenue requirement for service in the RGVSA which includes customers residing in both the incorporated areas and the surrounding environs. The incorporated areas' share of the service area-wide increase of \$4,622,720 is approximately \$4,262,987. If approved, the proposed rates will increase the Company's RGVSA revenues by 11.99 percent when gas cost revenues are included or by 14.65 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 5602 E. Grimes Rd., Harlingen, Texas 78550 or on the Company's website at <https://www.texasgasservice.com/rate-information/rio-grande-valley>. 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 Río Grande (de aquí en adelante, "RGVSA", por sus siglas en inglés), la compañía Texas Gas Service, 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 RGVSA, que incluye las Ciudades de Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, y Weslaco, Texas. La Compañía propone aumentar las tarifas en las áreas incorporadas del RGVSA. De conformidad con la Clase de Tarifa número 1-1, la fecha propuesta para la entrada en vigor de las tarifas propuestas es para los contadores leídos a partir del 28 de julio del 2021.

Cualquier persona que tenga una pregunta específica o que 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 5602 East Grimes, Harlingen, Texas 78550, o visitando la página de internet de la Compañía en <https://www.texasgasservice.com/rate-information/rio-grande-valley>. Cualquier persona que se vea afectada dentro de las áreas incorporadas puede contactar a su consejo municipal.

**2021 RGVSA INCORPORATED  
COSA  
RATE SCHEDULES (TARIFFS)**

**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, a division of ONE Gas, Inc. (the "Company") currently in force in the incorporated areas of the Company's Rio Grande Valley Service Area ("RGVSA"). All rate calculations under this tariff shall be made on a RGVSA 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. This Rate Schedule 1-1 is authorized for an initial implementation period of three years commencing with the Company's filing under this rate schedule for the calendar year 2017, effective the first billing cycle of August 2018 and shall automatically renew for successive annual periods unless either the Company or the regulatory authority having original jurisdiction gives written notice to the contrary to the other by February 1, 2021, or February 1 of each succeeding year. Both the cities and the Company retain their statutory right to initiate a rate proceeding at any time.

**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 Rider shall be no later than May 1, 2018 and shall be based on the financial results for the calendar year ending December 31, 2017.

**C. COMPONENTS OF THE RATE ADJUSTMENT**

Calculation of the rate adjustment will be based on operating expenses, return on investment, and Federal Income Tax. The first \$0.50 of the residential rate adjustment shall be included in the residential monthly Customer Charge of the applicable rate schedules with the excess of that amount applied to the Commodity Charge. The rate adjustment shall be included in the monthly Customer Charge of all other applicable rate schedules. The actual percentage change in total calendar year operating expenses shall not exceed five percent (5%), 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 five (5%) 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 RGVSA level (either directly or allocated) in a manner consistent with the most recent RGVSA 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.

**COST OF SERVICE ADJUSTMENT CLAUSE**

\*\*\* 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 RGVSA must be supported by workpapers containing the allocated amount, methodology and factors. The Company shall provide additional information for all 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 the Weighted Cost of Capital authorized in the most recent RGVSA rate case. 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 \*  
RRC 8.209 Regulatory Asset Balance

Plus:

Other Rate Base Items:

Materials and Supplies Inventories -13-month average  
Prepayments (including Prepaid Pension) – 13-month average  
Cash Working Capital – shall be calculated using the lead/lag days from the most recent RGVSA rate case

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 RGVSA 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 RGVSA rate case)

Multiplied by: Tax Factor  $(.21 / (1-.21))$  or .265823.

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.

### COST OF SERVICE ADJUSTMENT CLAUSE

**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.

The formula to calculate the Cost of Service Adjustment is:

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

### C.5 Cost of Service Adjustment Rate and Cost of Service Adjustment Volumetric 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 RGVSA. The cost of service adjustment for each customer class will then be converted into a per-customer per-month amount to produce the Cost of Service Adjustment Rate. The per customer adjustment will be the Cost of Service Adjustment as allocated to that class, divided by the average number of gas sales customers in each class for the RGVSA. The Cost of Service Adjustment Rate will be this per customer adjustment amount divided by 12 to produce a monthly adjustment amount, either an increase or decrease, which will be included in the gas sales and standard transportation customer charges. For the residential class only, the Cost of Service Adjustment rate will be limited to \$0.50 in any one year, and the remaining portion of the Cost of Service Adjustment allocated to the residential class will be recovered through a Cost of Service Adjustment Volumetric Rate, which will be calculated by dividing the remaining portion to be recovered from residential customers by annual, weather-normalized residential volumes.

### 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;

**COST OF SERVICE ADJUSTMENT CLAUSE**

- 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.

**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, 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.



**Texas Gas Service Company, a Division of ONE Gas, Inc.**

**Rio Grande Valley Service Area**

**RATE SCHEDULE 20**

**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 Rio Grande Valley Service Area includes the incorporated areas of Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas.

**COST OF SERVICE RATE**

During each monthly billing period:

A Customer Charge per meter per month of	\$127.64 plus (For Commercial Service)
	\$109.64 plus (For Church Service)
All Ccf @	\$0.31650 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.

Energy Efficiency Program: Adjustments in accordance with the provisions of the Energy Efficiency Program, Rate Schedule IEE, if applicable.

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 franchises 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.

Supersedes Same Sheet Dated  
July 29, 2020

Meters Read On and After  
July 28, 2021

**Texas Gas Service Company, a Division of ONE Gas, Inc.**

**Rio Grande Valley Service Area**

**RATE SCHEDULE 30**

**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 Rio Grande Valley Service Area includes the incorporated areas of Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas.

**COST OF SERVICE RATE**

During each monthly billing period:

A Customer Charge per meter per month of \$764.77 plus

All Ccf @ \$0.30336 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.

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 franchises 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 Texas Gas Service Company, a Division of ONE Gas, Inc.'s (the "Company") 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 Rio Grande Valley distribution system which includes the incorporated areas of Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas. 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:

Commercial	\$469.64 per month
Industrial	\$1,014.77 per month
Public Authority	\$472.95 per month

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

Commercial	The First 5000 Ccf @	\$0.31650 per Ccf
	All Over 5000 Ccf @	\$0.01777 per Ccf

**TRANSPORTATION SERVICE RATE  
(Continued)**

Industrial	The First 5000 Ccf @	\$0.30336 per Ccf
	All Over 5000 Ccf @	\$0.03453 per Ccf
Public Authority	The First 5000 Ccf @	\$0.38068 per Ccf
	All Over 5000 Ccf @	\$0.01595 per Ccf

**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 Rio Grande Valley 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 RGVSA INCORPORATED  
COSA  
SCHEDULES AND WORKPAPERS**

SUMMARY OF RATE ADJUSTMENT

LINE NO.	DESCRIPTION	TWELVE MONTHS ENDED DEC. 2020	ALLOWABLE REVENUE REQUIREMENT	TWELVE MONTHS ENDED DEC. 2019	INCR(DECR)
1	Rate Base	\$145,986,143		\$127,778,009	\$18,208,135
2	Rate of Return	7.3491%		7.3491%	
3	Required Return	10,728,697		9,390,559	\$1,338,138
4	Depreciation and Amortization	5,370,668		4,965,934	404,734
5	Taxes Other Than FIT (Ad Valorem only)	954,472		908,547	45,925
6	Federal Income Tax	2,279,413		1,989,611	289,802
7	Rate Base Related	\$19,333,250		\$17,254,652	\$2,078,598
8	Taxes Other Than FIT (excludes Ad Valorem)	506,459		512,150	(5,691)
9	Interest on Customer Deposits	64,054		56,997	7,057
10	Transmission and Distribution Expenses	7,885,094		7,605,945	279,149
11	Customer Related Expenses	2,380,289		2,101,941	278,348
12	Administrative & General	5,978,273		6,169,346	(191,074)
13	O&M Expense Related	\$16,814,169		\$16,446,379	\$367,790
14	Revenue Requirement (Line 7 + Line 13)	\$36,147,419	\$36,147,419	\$33,701,030	\$2,446,388
15	Test Year Sales, Transport, and Misc. Revenues	(31,559,369)	(31,559,369)	(33,701,030)	2,141,662
16	Revenue Deficiency	\$4,588,050	\$4,588,050	\$0	\$4,588,050
17	Gross up for Texas Franchise Tax	0.0075	34,670	0	34,670
	Gross up for Uncollectible Expense	0.0000	0	0	0
18	Total Cost of Service Adjustment (grossed up for Texas Franchise Tax rate of 0.0075)	\$4,622,720	\$4,622,720	\$0	\$4,622,720

TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.  
2021 RGVSA IS COSA TYE 2020

SUMMARY OF RATE ADJUSTMENT

NOTES TO SCHEDULE 1:

	TWELVE MONTHS ENDED DEC. 2020	ALLOWABLE REVENUE REQUIREMENT
<b>Note 1: Calculation of Allowable Revenue Requirement</b>		
1 Current Rate Base Related	\$19,333,250	\$19,333,250
2 Current O&M Expense Related (Allowable is limited to percentage increase below)	16,814,169	16,814,169
3 Revenue Requirement from current year	<u>\$36,147,419</u>	<u>\$36,147,419</u>
4 Prior Rate Base Related	\$17,254,652	\$17,254,652
5 Prior O&M Expense Related	16,446,379	16,446,379
6 Revenue Requirement from prior year	<u>\$33,701,030</u>	<u>\$33,701,030</u>
7 Total Change in Return and Expenses	<u>\$2,446,388</u>	<u>\$2,446,388</u>
 <b>Calculation of Limitation on Expense Increase</b>		
Actual Operating Expense Change Percentage	<b>2.2400%</b>	
Limitation on Expenses*		5.0000%

\* Determined by Terms of Cost of Service Adjustment Clause (The actual percentage change in total calendar year operating expenses shall not exceed five percent (5%), 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 5% limitation.

TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.  
2021 RGVSA IS COSA TYE 2020

ALLOWABLE EXPENSES

LINE NO.	DESCRIPTION	FERC ACCOUNT	TWELVE MONTHS ENDED DEC. 2020	TWELVE MONTHS ENDED DEC. 2019	INCR(DEC)
1	Depreciation and Amortization	403-405	\$5,370,668	\$4,965,934	\$404,734
2	Taxes Other Than FIT*	408	1,460,931	1,420,697	40,234
3	Interest on Customer Deposits	431	64,054	56,997	7,057
4	Transmission and Distribution Expenses	850-894	7,885,094	7,605,945	279,149
5	Customer Related Expenses	901-916	2,380,289	2,101,941	278,348
6	Administrative & General	920-932	<u>5,978,273</u>	<u>6,169,346</u>	<u>(191,074)</u>
7	Total		<u>\$23,139,308</u>	<u>\$22,320,860</u>	<u>\$818,449</u>

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

TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.  
2021 RGVSA IS COSA TYE 2020

RETURN ON INVESTMENT

LINE NO.	DESCRIPTION	TWELVE MONTHS ENDED DEC. 2020	TWELVE MONTHS ENDED DEC. 2019	INCR(DEC)
1	Net Plant in Service (Year to Date Balance)	\$163,344,850	\$144,940,837	\$18,404,013
2	RRC 8.209 Regulatory Asset Balance (Year to Date Balance)	225,380	130,818	94,562
3	Other Rate Base Items*	5,843,385	5,497,120	346,264
4	Customer Deposits (Acct. 235) (Year to Date Balance)	(2,804,469)	(2,901,653)	97,184
5	Customer Advances (Acct.252) (Year to Date Balance)	(1,260,436)	(1,803,048)	542,612
6	Deferred Income Taxes	(19,362,566)	(18,086,065)	(1,276,501)
7	Rate Base	\$145,986,143	\$127,778,009	\$18,208,135
8	Rate of Return**	7.349%	7.349%	7.349%
9	Return on Investment	\$10,728,697	\$9,390,559	\$1,338,138

\* Other Rate Base Items

Materials and Supplies Inventory (13 month avg ending balances through Dec. 2020)

\$1,561,670

Prepayments (13 month avg ending balances through Dec 2020)

5,576,149

Cash Working Capital\*\*\*

(1,294,434)

Total Other Rate Base Items

\$5,843,385

\*\* Settled rate of return in rate case TYE 2016. See Note 1 below.

\*\*\* Cash Working Capital (per the COSA tariff) – shall be calculated using the lead/lag days from rate case TYE 2016.

NOTE 1				
COST OF CAPITAL				
LINE NO.	DESCRIPTION	RATIO	COST RATE %	COMPOSITE RATE %
		(a)	(b)	(c)
1	Long-Term Debt	38.71%	3.94%	1.53%
2	Common Equity	61.29%	9.50%	5.82%
3	Total	100.00%		7.35%

TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.  
2021 RGVSA IS COSA TYE 2020

## CASH WORKING CAPITAL

LINE NO.	DESCRIPTION	TEST YEAR AMOUNT	AVERAGE DAILY QUANTITY	REVENUE LAG DAYS	REFERENCE	EXPENSE LAG DAYS	REFERENCE	NET (LEAD)/LAG DAYS	WORKING CAPITAL REQUIREMENTS
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Operations and Maintenance Expenses								
2	Purchased Gas Costs	\$6,997,713	\$19,172	38.63	A	(40.41)	B	(1.77)	\$(34,023)
3	Labor - Regular Payroll Expense	5,860,008	\$16,055	38.63	A	(22.13)	C	16.50	264,911
4	Labor - Annual Incentive Comp	1,111,078	\$3,044	38.63	A	(243.29)	C	(204.66)	(622,988)
5	Non-Labor - Other O&M Expense	9,272,570	25,404	38.63	A	(42.82)	C	(4.18)	(106,279)
6	<u>Total O&amp;M Expenses</u>	<u>\$23,241,369</u>	<u>\$63,675</u>						<u>\$(498,379)</u>
7	Federal Income Taxes								
8	Current Income Taxes	\$2,279,413	\$6,245	38.63	A	(37.00)	D	1.63	\$10,203
9	Deferred Income Taxes		0	0.00		0.00		0.00	0
10	<u>Total Federal Income Taxes</u>	<u>\$2,279,413</u>	<u>\$6,245</u>						<u>\$10,203</u>
11	Taxes Other Than Income Taxes								
12	FICA	\$302,022	\$827	38.63	A	(12.49)	E	26.14	\$21,629
13	Federal Unemployment	3,812	\$10	38.63	A	(30.19)	E	8.44	88
14	State Unemployment	9,875	\$27	38.63	A	(30.19)	E	8.44	228
12	State Gross Receipts	692,040	\$1,896	38.63	A	(75.90)	E	(37.27)	(70,656)
15	Local Franchise Tax	1,900,395	\$5,207	38.63	A	(112.61)	E	(73.97)	(385,152)
16	State Franchise Tax	190,751	\$523	38.63	A	46.71	E	85.34	44,600
17	Ad Valorem	954,472	\$2,615	38.63	A	(194.00)	E	(155.36)	(406,272)
18	Sales Tax	1,569,472	\$4,300	38.63	A	(35.48)	E	3.16	13,580
19	RRC Gas Utility Tax	11,206	31	38.63	A	(92.97)	E	(54.34)	(1,668)
20	<u>Taxes Other Than Income Taxes</u>	<u>\$5,634,044</u>	<u>\$15,436</u>	<u>38.63</u>	<u>A</u>	<u>(62.02)</u>			<u>\$(783,623)</u>
21	<u>Interest on Customer Deposits</u>	<u>\$64,054</u>	<u>\$175</u>	<u>38.63</u>	<u>A</u>	<u>(167.62)</u>	<u>F</u>	<u>(128.98)</u>	<u>\$(22,635)</u>
22	<u>Depreciation Expense</u>	<u>\$5,370,668</u>	<u>\$14,714</u>	<u>0.00</u>		<u>0.00</u>		<u>0.00</u>	<u>\$0</u>
23	<u>Return</u>	<u>\$10,728,697</u>	<u>\$29,394</u>	<u>0.00</u>		<u>0.00</u>		<u>0.00</u>	<u>\$0</u>
24	<u>Total</u>	<u>\$47,318,245</u>	<u>\$129,639</u>						<u>\$(1,294,434)</u>

Note: References A-F are related to GUD 10656, in which this data originated

FEDERAL INCOME TAXES

LINE NO.	DESCRIPTION	TWELVE MONTHS ENDED DEC. 2020	TWELVE MONTHS ENDED DEC. 2019	INCR(DEC)
1	Taxable Income (Schedule 3, Line 9)	\$10,728,697	\$9,390,559	\$1,338,138
2	Interest On Long Term Debt (Schedule 3, Line 7 x 1.526%)*	(2,228,136)	(1,950,232)	(277,905)
3	Net Taxable Income before parking adjustment	\$8,500,561	\$7,440,327	\$1,060,234
4	Add: Parking Expense - no longer tax deductible under TCJA***	74,368	44,395	29,973
5	Net After Tax Income	\$8,574,929	\$7,484,722	\$1,090,207
6	Federal Income Taxes**	\$2,279,413	\$1,989,611	\$289,802

\* Interest on Long Term Debt is the Debt Cost Component of Return (1.526% from the rate case TYE 12/31/2016) multiplied by rate base.

\*\* Tax factor of 0.265823 is the income tax rate of 21% divided by (1 minus the 21% tax rate) for the period ending Dec 2019 and the period ending Dec 2020.

\*\*\* 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.

TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.  
2021 RGVSA IS COSA TYE 2020

## BASE REVENUES

LINE NO.	DESCRIPTION	FERC ACCT	TWELVE MONTHS ENDED DEC. 2020
1	Gas Sales Revenue	480-482	\$34,625,969
2	Less: Cost of Gas		(6,997,713)
3	Annualized to Current Rates		1,219,875
4	Base Gas Sales Revenue		<u>\$28,848,131</u>
5	Misc. Service Fees	487-488	\$266,862
6	Less: Return on Gas in Storage		(52,741)
7			<u>\$214,121</u>
8	Transportation Revenue	489.3	\$2,552,945
9	Less: Estimated Revenue		(7,087)
10	Annualized to Current Rates		(48,741)
11	Base Transportation Revenue		<u>\$2,497,117</u>
12	Total Base Revenues		<u><u>\$31,559,369</u></u>

\*Annualized Revenues at Current Rates per Proof of Revenue filed pursuant to Section 104.111.

RATE DESIGN AND PROOF OF REVENUE

LINE NO.	CUSTOMER CLASS	PERCENT OF REVENUES PER RGV Inc Settlement Agreement (a)	ANNUAL REV. REQ. INCREASE (SCH 1) (b)	ANNUAL BILLS CY 2019 (c)	Monthly Customer Charge Increase Note 1 (d)	Total Customer Charge Increase (e) (c) * (d)	ANNUAL NORMALIZED VOLUMES (f)	Monthly Volume Charge Increase - Note 1 (g)	Total Volumetric Increase/ (Decrease) (h) (f)*(g)	Total Increase/ (Decrease) (i) (e)+(h)
1	Residential	55.71%	\$2,575,318	722,199	\$0.50	\$361,100	8,674,790	\$0.25525	\$2,214,218	\$2,575,318
2	Commercial and Commercial Standard Transport	33.42%	1,544,913	47,094	32.80	1,544,913	21,440,735			\$1,544,913
3	Public Authority and Public Authority Standard Transport	4.68%	216,343	6,177	35.02	216,343	2,642,895			\$216,343
4	Industrial and Industrial Standard Transport	6.19%	286,146	930	307.68	286,146	12,509,387			\$286,146
5	Grand Total	<u>100.00%</u>	<u>\$4,622,720</u>	<u>776,400</u>	<u>\$376.01</u>	<u>\$2,408,502</u>	<u>45,267,808</u>		<u>\$2,214,218</u>	<u>\$4,622,720</u>
6	Annual Revenue Requirement Increase (Sch 1)			\$4,622,720						
7	Total Base Revenues (Sch 1)			<u>31,559,369</u>						
8	Revenue Requirement plus Gross up for Texas Franchise Tax			<u>\$36,182,089</u>						

Note 1 Cost of Service Adjustment Clause; Rate Schedule 1-1 Section C. states: " The first \$0.50 of the residential rate adjustment shall be included in the residential monthly Customer Charge of the applicable rate schedules with the excess of that amount applied to the Commodity Charge. The rate adjustment shall be included in the monthly Customer Charge of all other applicable rate schedules."

RATE DESIGN AND PROOF OF REVENUE

CUSTOMER CLASS	RGVSA Incorporated and RGVSA Environs - Breakout of Customer Charge Revenue Increase/(Decrease):					
	TOTAL REQUIRED INCREASE	INCORPORATED REQUIRED INCREASE	ENVIRONS REQUIRED INCREASE	TOTAL BILL COUNT CY 2020	INCORPORATED BILL COUNT CY 2020	ENVIRONS BILL COUNT CY 2020
Residential	\$361,100	\$341,256	\$19,844	722,199	682,512	39,687
Commercial and Commercial Standard Transport	1,544,913	1,478,746	66,167	47,094	45,077	2,017
Public Authority and Public Authority Standard Transport	216,343	192,597	23,746	6,177	5,499	678
Industrial and Industrial Standard Transport	286,146	162,150	123,997	930	527	403
	\$2,408,502	\$2,174,748	\$233,754	776,400	733,615	42,785
	100.00%	90.29%	9.71%	100.00%	94.49%	5.51%

CUSTOMER CLASS	RGVSA Incorporated and RGVSA Environs - Breakout of Delivery Charge Revenue Increase/(Decrease):					
	TOTAL REQUIRED INCREASE	INCORPORATED REQUIRED INCREASE	ENVIRONS REQUIRED INCREASE	TOTAL ANNUAL VOLUME CY 2020	INCORPORATED ANNUAL VOLUME CY 2020	ENVIRONS ANNUAL VOLUME CY 2020
Residential	\$2,214,218	\$2,088,239	\$125,979	8,674,790	8,181,233	493,557
Commercial and Commercial Standard Transport	0.00	0.00	0.00	21,440,735	20,493,218	947,517
Public Authority and Public Authority Standard Transport	0.00	0.00	0.00	2,642,895	2,109,609	533,286
Industrial and Industrial Standard Transport	0.00	0.00	0.00	12,509,387	7,973,696	4,535,691
	\$2,214,218	\$2,088,239	\$125,979	45,267,808	38,757,756	6,510,051
	100.00%	94.31%	5.69%	100.00%	85.62%	14.38%

RGVSA Grand Total Breakout of Revenue		
TOTAL	INCORPORATED	ENVIRONS
\$2,575,318	\$2,429,495	\$145,823
1,544,913	1,478,746	66,167
216,343	192,597	23,746
286,146	162,150	123,997
\$4,622,720	\$4,262,987	\$359,733
100.00%	92.22%	7.78%

Percentage Share of Revenue Increase Based on Current Bill Count:	% Share of Revenue Impact	Annual Bill Count	% Share of Current Bills
Alamo	\$46,453	15,670	2.14%
Alton	5,662	1,910	0.26%
Brownsville	517,052	174,419	23.78%
Combes	4,073	1,374	0.19%
Donna	61,927	20,890	2.85%
Edcouch	12,329	4,159	0.57%
Edinburg	130,669	44,079	6.01%
Elsa	26,155	8,823	1.20%
Harlingen	238,046	80,301	10.95%
Hidalgo	9,044	3,051	0.42%
La Feria	24,400	8,231	1.12%
La Joya	7,073	2,386	0.33%
La Villa	8,873	2,993	0.41%
Laguna Vista	4,079	1,376	0.19%
Los Fresnos	17,292	5,833	0.80%
Luford	7,796	2,630	0.36%
McAllen	317,615	107,142	14.60%
Mercedes	80,398	27,121	3.70%
Mission	160,974	54,302	7.40%
Palm Valley	2,582	871	0.12%
Palmhurst	611	206	0.03%
Palmview	6,003	2,025	0.28%
Penitas	1,856	626	0.09%
Pharr	130,038	43,866	5.98%
Port Isabel	20,650	6,966	0.95%
Primera	10,257	3,460	0.47%
Progreso	631	213	0.03%
Rancho Viejo	3,940	1,329	0.18%
Raymondville	44,306	14,946	2.04%
Rio Hondo	9,317	3,143	0.43%
San Benito	101,626	34,282	4.67%
San Juan	56,523	19,067	2.60%
Santa Rosa	8,837	2,981	0.41%
Weslaco	97,660	32,944	4.49%
Environs	233,754	-	0.00%
<b>Total</b>	<b>\$2,408,502</b>	<b>733,615</b>	<b>100.00%</b>
<b>Incorporated Areas Share</b>	<b>\$2,174,748</b>	<b>733,615</b>	<b>100.00%</b>
	<b>Avg Monthly Bill Count</b>	<b>61,135</b>	
	<b>Avg Monthly Incorp. Customer Count</b>	<b>61,135</b>	

RGVSA Incorporated Customer Count by Class	Annual Bill Count	Avg Monthly Customer Count
RESIDENTIAL	682,512	56,876
COMMERCIAL	44,801	3,733
COMMERCIAL STANDARD TRANSPORT	276	23
PUBLIC AUTHORITY	5,451	454
PUBLIC AUTHORITY STANDARD TRANSPORT	48	4
INDUSTRIAL	325	27
INDUSTRIAL STANDARD TRANSPORT	202	17
<b>Total</b>	<b>733,615</b>	<b>61,135</b>

	AVERAGE USAGE (Ccf)	CURRENT MONTHLY BILL	PROPOSED MONTHLY BILL EFFECTIVE IN 2021	MONTHLY BILL \$ CHANGE	MONTHLY BILL % CHANGE
<b>RESIDENTIAL</b>					
Cost of Service Only	12	\$23.49	\$27.06	\$3.57	15.20%
Total Bill *	12	\$26.49	\$30.06	\$3.57	13.48%
<b>COMMERCIAL</b>					
Cost of Service Only	406	\$223.26	\$256.07	\$32.80	14.69%
Total Bill *	406	\$324.49	\$357.29	\$32.80	10.11%
<b>COMMERCIAL - CHURCH</b>					
Cost of Service Only	34	\$87.57	\$120.38	\$32.80	37.45%
Total Bill *	34	\$96.03	\$128.84	\$32.80	34.15%
<b>COMMERCIAL STANDARD TRANSPORT</b>					
Cost of Service Only	12,136	\$652.50	\$685.31	\$32.80	5.03%
Total Bill	N/A	N/A	N/A	N/A	N/A
<b>PUBLIC AUTHORITY</b>					
Cost of Service Only	262	\$182.85	\$217.88	\$35.03	19.16%
Total Bill *	262	\$248.33	\$283.36	\$35.03	14.11%
<b>PUBLIC AUTHORITY STANDARD TRANSPORT</b>					
Cost of Service Only	12,423	\$636.08	\$671.10	\$35.02	5.51%
Total Bill	N/A	N/A	N/A	N/A	N/A
<b>INDUSTRIAL</b>					
Cost of Service Only	3,242	\$1,440.50	\$1,748.19	\$307.68	21.36%
Total Bill *	3,242	\$2,249.19	\$2,556.88	\$307.68	13.68%
<b>INDUSTRIAL STANDARD TRANSPORT</b>					
Cost of Service Only	24,674	\$1,559.09	\$1,866.77	\$307.68	19.73%
Total Bill	N/A	N/A	N/A	N/A	N/A

\* Total Bill includes 12 month average COG of \$0.2495/CCF and excludes revenue related taxes.

PROOF OF REVENUES

Current Year  
Revenue Impact

\$ 4,622,720

Line No.	CURRENT RATES	Increase (Decrease) from last rate filing	PROPOSED RATES	CURRENT CALENDAR YEAR BILLS	CURRENT CALENDAR YEAR WEATHER NORMALIZED VOLUMES (Ccf)	REVENUE AT CURRENT RATES	REVENUE AT PROPOSED RATES	REVENUE IMPACT	Avg customer count and usage per month (in current yr)
<b>RESIDENTIAL</b>									
1	\$17.02	\$0.50	\$17.52	722,199		\$12,291,827	\$12,652,926	\$361,100	60,183
2	\$0.53863	\$0.26	\$0.79388		8,674,790	4,672,502	6,886,720	2,214,218	12
3				722,199.00	8,674,790	\$16,964,329	\$19,539,646	\$2,575,318	
<b>COMMERCIAL</b>									
4	\$94.84	\$32.80	\$127.64	43,991.00		\$4,172,106	\$5,615,226	\$1,443,120	3,666
5	\$0.31650		\$0.31650		17,849,985	5,649,520	5,649,520	0	406
6				43,991.00	17,849,985	\$9,821,626	\$11,264,746	\$1,443,120	
<b>COMMERCIAL - CHURCH</b>									
7	\$76.84	\$32.80	\$109.64	2,815.00		\$216,305	\$308,650	\$92,346	235
8	\$0.31650		\$0.31650		95,468	30,215	30,215	0	34
9				2,815.00	95,468	\$246,520	\$338,865	\$92,346	
<b>COMMERCIAL STANDARD TRANSPORT</b>									
10	\$436.84	\$32.80	\$469.64	288.00		\$125,810	\$135,258	\$9,448	24
11								0	12,136
12	\$0.31650		\$0.31650		1,091,558	345,478	345,478		
13	\$0.01777		\$0.01777		2,403,725	42,714	42,714		
14				288.00	3,495,283	\$514,002	\$523,450	\$9,448	
<b>PUBLIC AUTHORITY</b>									
15	\$82.93	\$35.02	\$117.95	6,093.00		\$505,292	\$718,694	\$213,401	508
16	\$0.38068		\$0.38068		1,599,345	608,839	608,839	0	262
17				6,093.00	1,599,345	\$1,114,131	\$1,327,533	\$213,401	
<b>PUBLIC AUTHORITY STANDARD TRANSPORT</b>									
18	\$437.93	\$35.02	\$472.95	84.00		\$36,786	\$39,728	\$2,942	7
19								0	12,423
20	\$0.38068		\$0.38068		484,435	184,415	184,415		
21	\$0.01595		\$0.01595		559,115	8,918	8,918		
22				84.00	1,043,550	\$230,119	\$233,061	\$2,942	
<b>INDUSTRIAL</b>									
23	\$457.09	\$307.68	\$764.77	487.00		\$222,603	\$372,445	\$149,842	41
24	\$0.30		\$0.30		1,578,724	478,922	478,922	0	3,242
25				487.00	1,578,724	\$701,525	\$851,367	\$149,842	
<b>INDUSTRIAL STANDARD TRANSPORT</b>									
26	\$707.09	\$307.68	\$1,014.77	443.00		\$313,241	\$449,545	\$136,304	37
27								0	24,674
28	\$0.30336		\$0.30336		1,993,418	604,723	604,723		
29	\$0.03453		\$0.03453		8,937,245	308,603	308,603		
30				443	10,930,663	\$1,226,567	\$1,362,871	\$136,304	
31				776,400	45,267,808	\$30,818,819	\$35,441,539	\$4,622,720	

TOTAL PLANT IN SERVICE

LINE NO.	DESCRIPTION	ADJUSTED BALANCE @ 12/31/2020		
		RGVSA DIRECT PLANT	TGS DIV & CORP ALLOCATED PLANT	TOTAL RGVSA PLANT
<b>INTANGIBLE PLANT</b>				
1	(301) Organization	\$0	\$0	\$0
2	(302) Franchises & Consents	0	0	0
3	(303) Misc. Intangible	0	0	0
4	Total Intangible Plant	\$0	\$0	\$0
<b>TRANSMISSION PLANT</b>				
5	(365.1) Land	\$23,277	\$0	\$23,277
6	(365.2) Rights-Of-Way	37,579	0	37,579
7	(366) Meas/Reg Station Structures	27,231	0	27,231
8	(367) Mains	19,431,385	0	19,431,385
9	(368) Compressor Station Equipment	19,687	0	19,687
10	(369) Measure/Reg Station Equip	6,367,316	0	6,367,316
11	(371) Other Equipment	54,504	0	54,504
12	Total Transmission Plant	\$25,960,979	\$0	\$25,960,979
<b>DISTRIBUTION PLANT</b>				
13	(374) Land & Land Rights	\$40,409	\$0	\$40,409
14	(375) Structures & Improvements	114,218	0	114,218
15	(376) Mains	56,890,209	0	56,890,209
16	(378) Meas. & Reg. Station - General	3,243,220	0	3,243,220
17	(379) Meas. & Reg. Station - C.G.	1,774,034	0	1,774,034
18	(380) Services	46,141,027	0	46,141,027
19	(381) Meters	14,306,052	0	14,306,052
20	(382) Meter Installations	0	0	0
21	(383) House Regulators	4,714,388	0	4,714,388
22	(385) Indust. Meas. & Reg. Stat. Equipment	2,039,264	0	2,039,264
23	(386) Other Property on Customer Premises	6,144	0	6,144
24	(387) Other Equipment	0	0	0
25	Total Distribution Plant	\$129,268,963	\$0	\$129,268,963
<b>GENERAL PLANT</b>				
26	(389) Land & Land Rights	\$127,368	\$42,581	\$169,948
27	(390) Structures & Improvements	1,921,793	444,711	2,366,504
28	(391) Office Furniture & Equipment	1,560,653	5,629,900	7,190,554
29	(392) Transportation Equipment	3,622,848	0	3,622,848
30	(393) Stores Equipment	6,557	0	6,557
31	(394) Tools, Shop & Garage	3,472,296	1,916	3,474,212
32	(395) Laboratory Equipment	0	0	0
33	(396) Major Work Equipment	428,346	0	428,346
34	(397) Communication Equipment	5,344,111	103,052	5,447,163
35	(398) Miscellaneous General Plant	0	0	0
36	Total General plant	\$16,483,973	\$6,222,160	\$22,706,133
37	Total Orig Cost Plant in Service	\$171,713,915	\$6,222,160	\$177,936,075

PLANT IN SERVICE  
RGVSA DIRECT

LINE NO.	DESCRIPTION	RGVSA DIRECT PER BOOK BALANCE @12/31/2020	ADJUSTMENTS	ADJUSTED RGVSA DIRECT 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 Plant	\$0	\$0	\$0
<u>TRANSMISSION PLANT</u>				
5	(365.1) Land	\$23,277	\$0	\$23,277
6	(365.2) Rights-Of-Way	37,579	0	37,579
7	(366) Meas/Reg Station Structures	27,231	0	27,231
8	(367) Mains	19,431,385	0	19,431,385
9	(368) Compressor Station Equipment	19,687	0	19,687
10	(369) Measure/Reg Station Equip	6,367,316	0	6,367,316
11	(371) Other Equipment	54,504	0	54,504
12	Total Transmission Plant	\$25,960,979	\$0	\$25,960,979
<u>DISTRIBUTION PLANT</u>				
13	(374) Land & Land Rights	\$40,409	\$0	\$40,409
14	(375) Structures & Improvements	114,218	0	114,218
15	(376) Mains	56,842,269	47,940	56,890,209
16	(378) Meas. & Reg. Station - General	3,243,220	0	3,243,220
17	(379) Meas. & Reg. Station - C.G.	1,774,034	0	1,774,034
18	(380) Services	46,141,115	(89)	46,141,027
19	(381) Meters	14,306,052	0	14,306,052
20	(382) Meter Installations	0	0	0
21	(383) House Regulators	4,714,388	0	4,714,388
22	(385) Indust. Meas. & Reg. Stat. Equipment	2,039,264	0	2,039,264
23	(386) Other Property on Customer Premises	6,144	0	6,144
24	(387) Other Equipment	0	0	0
25	Total Distribution Plant	\$129,221,112	\$47,851	\$129,268,963
<u>GENERAL PLANT</u>				
26	(389) Land & Land Rights	\$127,368	\$0	\$127,368
27	(390) Structures & Improvements	1,921,793	0	1,921,793
28	(391) Office Furniture & Equipment	1,560,653	0	1,560,653
29	(392) Transportation Equipment	3,622,848	0	3,622,848
30	(393) Stores Equipment	6,557	0	6,557
31	(394) Tools, Shop & Garage	3,472,296	0	3,472,296
32	(395) Laboratory Equipment	0	0	0
33	(396) Major Work Equipment	428,346	0	428,346
34	(397) Communication Equipment	5,344,111	0	5,344,111
35	(398) Miscellaneous General Plant	0	0	0
36	Total General plant	\$16,483,973	\$0	\$16,483,973
37	Total Orig Cost Plant in Service	\$171,666,064	\$47,851	\$171,713,915

TGS DIVISION AND CORPORATE ALLOCATED TO TGS DIVISION  
PLANT IN SERVICE

		BALANCES AT 12/31/2020			
LINE NO.	DESCRIPTION	TGS DIVISION	ALLOCATED CORPORATE TO TGS DIV	TOTAL	ALLOCATE TO RGVSA 9.54910% (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>TRANSMISSION PLANT</u>					
5	(365.1) Land	\$0	\$0	\$0	\$0
6	(365.2) Rights-Of-Way	0	0	0	0
7	(366) Meas/Reg Station Structures	0	0	0	0
8	(367) Mains	0	0	0	0
9	(368) Compressor Station Equipment	0	0	0	0
10	(369) Measure/Reg Station Equip	0	0	0	0
11	(371) Other Transmission System Equipment	0	0	0	0
12	Total Transmission Plant	\$0	\$0	\$0	\$0
<u>DISTRIBUTION PLANT</u>					
13	(374) Land & Land Rights	\$0	\$0	\$0	\$0
14	(375) Structures & Improvements	0	0	0	0
15	(376) Mains	0	0	0	0
16	(378) Meas. & Reg. Station - General	0	0	0	0
17	(379) Meas. & Reg. Station - C.G.	0	0	0	0
18	(380) Services	0	0	0	0
19	(381) Meters	0	0	0	0
20	(383) House Regulators	0	0	0	0
21	(385) Indust. Meas. & Reg. Stat. Equipment	0	0	0	0
22	(386) Other Property on Customer Premises	0	0	0	0
23	(387) Other Equipment	0	0	0	0
23	Total Distribution Plant	\$0	\$0	\$0	\$0
<u>GENERAL PLANT</u>					
24	(389) Land & Land Rights	\$434,697	\$11,217	\$445,914	\$42,581
25	(390) Structures & Improvements	3,239,946	1,417,152	4,657,097	444,711
26	(391) Office Furniture & Equipment	4,689,478	54,267,912	58,957,390	5,629,900
27	(392) Transportation Equipment	0	0	0	0
28	(393) Stores Equipment	0	0	0	0
29	(394) Tools, Shop & Garage	20,066	0	20,066	1,916
30	(395) Laboratory Equipment	0	0	0	0
31	(396) Major Work Equipment	0	0	0	0
32	(397) Communication Equipment	1,052,911	26,268	1,079,179	103,052
33	(398) Miscellaneous General Plant	0	0	0	0
34	Total General plant	\$9,437,098	\$55,722,548	\$65,159,646	\$6,222,160
35	Total Orig Cost Plant in Service	\$9,437,098	\$55,722,548	\$65,159,646	\$6,222,160

TOTAL COMPLETED CONSTRUCTION NOT CLASSIFIED (CCNC)

LINE NO.	DESCRIPTION	BALANCES AT 12/31/2020		
		RGVSA DIRECT	TGS DIV & CORP ALLOCATED	TOTAL RGVSA
		CCNC	CCNC	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	(366.2) Measuring Station Structure	\$674,170	\$0	\$674,170
6	(367) Mains	2,385,141	0	2,385,141
7	(369) Measure/Reg. Station Equipment	3,327,685	0	3,327,685
8	(371) Other Transmission System Equipment	1,638	0	1,638
9	Total Transmission CCNC	\$6,388,634	\$0	\$6,388,634
<u>DISTRIBUTION PLANT</u>				
10	(374) Land & Land Rights	\$7,140	\$0	\$7,140
11	(375) Structures & Improvements	0	0	0
12	(376) Mains	4,113,136	0	4,113,136
13	(378) Meas. & Reg. Station - General	233,402	0	233,402
14	(379) Meas. & Reg. Station - C.G.	387,288	0	387,288
15	(380) Services	324,225	0	324,225
16	(381) Meters	40,757	0	40,757
17	(382) Meter Installations	24,205	0	24,205
18	(383) House Regulators	25,038	0	25,038
19	(385) Indust. Meas. & Reg. Stat. Equipment	172,060	0	172,060
20	(386) Other Property on Customer Premises	0	0	0
21	(387) Other Equipment	0	0	0
22	Total Distribution CCNC	\$5,327,249	\$0	\$5,327,249
<u>GENERAL PLANT</u>				
23	(389) Land & Land Rights	\$0	\$84	\$84
24	(390) Structures & Improvements	58,519	451,332	509,851
25	(391) Office Furniture & Equipment	17,253	101,017	118,271
26	(392) Transportation Equipment	210,931	0	210,931
27	(393) Stores Equipment	0	0	0
28	(394) Tools, Shop & Garage	66,484	0	66,484
29	(395) Laboratory Equipment	0	0	0
30	(396) Major Work Equipment	5,980	0	5,980
31	(397) Communication Equipment	0	0	0
32	(398) Miscellaneous General Plant	0	0	0
33	Total General CCNC	\$359,168	\$552,433	\$911,601
34	Total Orig Cost CCNC	\$12,075,051	\$552,433	\$12,627,484

COMPLETED CONSTRUCTION NOT CLASSIFIED (CCNC)  
 RGVSA DIRECT

LINE NO.	DESCRIPTION	RGVSA DIRECT PER BOOK BALANCE @12/31/2020	ADJUSTMENTS	ADJUSTED RGVSA DIRECT 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	(366.2) Measuring Station Structure	\$674,170	\$0	\$674,170
6	(367) Mains	2,385,141	0	2,385,141
7	(369) Measure/Reg. Station Equipment	3,327,685	0	3,327,685
8	(371) Other Transmission System Equipment	1,638	0	1,638
9	Total Transmission CCNC	\$6,388,634	\$0	\$6,388,634
<u>DISTRIBUTION PLANT</u>				
10	(374) Land & Land Rights	\$7,140	\$0	\$7,140
11	(375) Structures & Improvements	0	0	0
12	(376) Mains	4,113,136	0	4,113,136
13	(378) Meas. & Reg. Station - General	233,402	0	233,402
14	(379) Meas. & Reg. Station - C.G.	387,288	0	387,288
15	(380) Services	324,225	0	324,225
16	(381) Meters	40,757	0	40,757
17	(382) Meter Installations	24,205	0	24,205
18	(383) House Regulators	25,038	0	25,038
19	(385) Indust. Meas. & Reg. Stat. Equipment	172,060	0	172,060
20	(386) Other Property on Customer Premises	0	0	0
21	(387) Other Equipment	0	0	0
22	Total Distribution CCNC	\$5,327,249	\$0	\$5,327,249
<u>GENERAL PLANT</u>				
23	(389) Land & Land Rights	\$0	\$0	\$0
24	(390) Structures & Improvements	58,519	0	58,519
25	(391) Office Furniture & Equipment	17,253	0	17,253
26	(392) Transportation Equipment	210,931	0	210,931
27	(393) Stores Equipment	0	0	0
28	(394) Tools, Shop & Garage	66,484	0	66,484
29	(395) Laboratory Equipment	0	0	0
30	(396) Major Work Equipment	5,980	0	5,980
31	(397) Communication Equipment	0	0	0
32	(398) Miscellaneous General Plant	0	0	0
33	Total General CCNC	\$359,168	\$0	\$359,168
34	Total Orig Cost CCNC	\$12,075,051	\$0	\$12,075,051

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

BALANCES AT 12/31/2020
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LINE NO.	DESCRIPTION	TGS DIVISION	ALLOCATED CORPORATE TO TGS DIV	TOTAL	ALLOCATE TO RGVSA 9.54910% (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	(366.2) Measuring Station Structure	\$0	\$0	0	0
6	(367) Mains	0	0	0	0
7	(369) Measure/Reg. Station Equipment	0	0	0	0
8	(371) Other Transmission System Equipment	0	0	0	0
9	Total Transmission CCNC	\$0	\$0	\$0	\$0
<u>DISTRIBUTION PLANT</u>					
10	(374) Land & Land Rights	\$0	\$0	\$0	\$0
11	(375) Structures & Improvements	0	0	0	0
12	(376) Mains	0	0	0	0
13	(378) Meas. & Reg. Station - General	0	0	0	0
14	(379) Meas. & Reg. Station - C.G.	0	0	0	0
15	(380) Services	0	0	0	0
16	(381) Meters	0	0	0	0
17	(383) House Regulators	0	0	0	0
18	(385) Indust. Meas. & Reg. Stat. Equipment	0	0	0	0
19	(386) Other Property on Customer Premises	0	0	0	0
20	Total Distribution CCNC	\$0	\$0	\$0	\$0
<u>GENERAL PLANT</u>					
21	(389) Land & Land Rights	\$0	\$878	\$878	\$84
22	(390) Structures & Improvements	3,560,114	1,166,319	4,726,433	451,332
23	(391) Office Furniture & Equipment	0	1,057,873	1,057,873	101,017
24	(392) Transportation Equipment	0	0	0	0
25	(393) Stores Equipment	0	0	0	0
26	(394) Tools, Shop & Garage	0	0	0	0
27	(395) Laboratory Equipment	0	0	0	0
28	(396) Major Work Equipment	0	0	0	0
29	(397) Communication Equipment	0	0	0	0
30	(398) Miscellaneous General Plant	0	0	0	0
31	Total General CCNC	\$3,560,114	\$2,225,070	\$5,785,184	\$552,433
32	Total Orig Cost CCNC	\$3,560,114	\$2,225,070	\$5,785,184	\$552,433

TOTAL ACCUMULATED RESERVES FOR DEPRECIATION AND AMORTIZATION

LINE NO.	DESCRIPTION	ADJUSTED BALANCE @ 12/31/2020		
		RGVSA DIRECT RESERVES	TGS DIV & CORP ALLOCATED RESERVES	TOTAL RGVSA RESERVES
<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 Plant	\$0	\$0	\$0
<u>TRANSMISSION PLANT</u>				
5	(365) Land	\$(1,399)	\$0	\$(1,399)
6	(366) Meas/Reg Station Structures	(11,060)	0	(11,060)
7	(367) Mains	2,507,992	0	2,507,992
8	(368) Compressor Station Equipment	(6,122)	0	(6,122)
9	(369) Measure/Reg Station Equip	(300,296)	0	(300,296)
10	(371) Other Transmission System Equipment	(9,523)	0	(9,523)
11	Total Transmission Plant	\$2,179,592	\$0	\$2,179,592
<u>DISTRIBUTION PLANT</u>				
12	(374) Land & Land Rights	\$(35,457)	\$0	\$(35,457)
13	(375) Structures & Improvements	(66,216)	0	(66,216)
14	(376) Mains	(11,492,828)	0	(11,492,828)
15	(378) Meas. & Reg. Station - General	(706,574)	0	(706,574)
16	(379) Meas. & Reg. Station - C.G.	235,753	0	235,753
17	(380) Services	2,475	0	2,475
18	(381) Meters	(6,980,699)	0	(6,980,699)
19	(382) Meter Installations	(4,805)	0	(4,805)
20	(383) House Regulators	(1,292,980)	0	(1,292,980)
21	(385) Indust. Meas. & Reg. Stat. Equipment	(54,839)	0	(54,839)
22	(386) Other Property on Customer Premises	(5,875)	0	(5,875)
23	(387) Other Equipment	0	0	0
24	Total Distribution Plant	\$(20,402,045)	\$0	\$(20,402,045)
<u>GENERAL PLANT</u>				
25	(389) Land & Land Rights	\$0	\$0	\$0
26	(390) Structures & Improvements	131,591	(93,308)	38,283
27	(391) Office Furniture & Equipment	(1,284,084)	(2,218,540)	(3,502,624)
28	(392) Transportation Equipment	(1,076,487)	0	(1,076,487)
29	(393) Stores Equipment	(6,242)	0	(6,242)
30	(394) Tools, Shop & Garage	(1,619,363)	(1,022)	(1,620,385)
31	(395) Laboratory Equipment	0	0	0
32	(396) Major Work Equipment	(153,027)	0	(153,027)
33	(397) Communication Equipment	(2,605,102)	(71,302)	(2,676,404)
34	(398) Miscellaneous General Plant	631	0	631
35	Total General plant	\$(6,612,084)	\$(2,384,172)	\$(8,996,256)
36	Total Accumulated Reserves For Depreciation	\$24,834,537	\$(2,384,172)	\$(27,218,709)

ACCUMULATED RESERVES FOR DEPRECIATION AND AMORTIZATION  
RGUSA DIRECT

LINE NO.	DESCRIPTION	RGV DIRECT PER BOOK BALANCE @12/31/2020	ADJUSTMENTS	ADJUSTED RGV DIRECT 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 Plant	\$0	\$0	\$0
<u>TRANSMISSION PLANT</u>				
5	(365) Land	\$(1,399)	\$0	\$(1,399)
6	(366) Meas/Reg Station Structures	(11,060)	0	(11,060)
7	(367) Mains	2,507,992	0	2,507,992
8	(368) Compressor Station Equipment	(6,122)	0	(6,122)
9	(369) Measure/Reg Station Equip	(300,296)	0	(300,296)
10	(371) Other Transmission System Equipment	(9,523)	0	(9,523)
11	Total Transmission Plant	2,179,592	\$0	\$2,179,592
<u>DISTRIBUTION PLANT</u>				
12	(374) Land & Land Rights	\$(35,457)	\$0	\$(35,457)
13	(375) Structures & Improvements	(66,216)	0	(66,216)
14	(376) Mains	(11,492,828)	0	(11,492,828)
15	(378) Meas. & Reg. Station - General	(706,574)	0	(706,574)
16	(379) Meas. & Reg. Station - C.G.	235,753	0	235,753
17	(380) Services	2,475	0	2,475
18	(381) Meters	(6,980,699)	0	(6,980,699)
19	(382) Meter Installations	(4,805)	0	(4,805)
20	(383) House Regulators	(1,292,980)	0	(1,292,980)
21	(385) Indust. Meas. & Reg. Stat. Equipment	(54,839)	0	(54,839)
22	(386) Other Property on Customer Premises	(5,875)	0	(5,875)
23	(387) Other Equipment	0	0	0
24	Total Distribution Plant	\$(20,402,045)	\$0	\$(20,402,045)
<u>GENERAL PLANT</u>				
25	(389) Land & Land Rights	\$0	\$0	\$0
26	(390) Structures & Improvements	131,591	0	131,591
27	(391) Office Furniture & Equipment	(1,284,084)	0	(1,284,084)
28	(392) Transportation Equipment	(1,076,487)	0	(1,076,487)
29	(393) Stores Equipment	(6,242)	0	(6,242)
30	(394) Tools, Shop & Garage	(1,619,363)	0	(1,619,363)
31	(395) Laboratory Equipment	0	0	0
32	(396) Major Work Equipment	(153,027)	0	(153,027)
33	(397) Communication Equipment	(2,605,102)	0	(2,605,102)
34	(398) Miscellaneous General Plant	631	0	631
35	Total General plant	\$(6,612,084)	\$0	\$(6,612,084)
36	Total Accumulated Reserves For Depreciation	\$(24,834,537)	\$0	\$(24,834,537)

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

		BALANCES AT 12/31/2020			
LINE NO.	DESCRIPTION	TGS DIVISION	ALLOCATED CORPORATE TO TGS DIV	TOTAL	ALLOCATE TO RGUSA 9.54910% (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	(277,781)	(699,356)	(977,137)	(93,308)
20	(391) Office Furniture & Equipment	(1,688,607)	(21,544,371)	(23,232,978)	(2,218,540)
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)	(1,022)
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)	(71,302)
27	(398) Miscellaneous General Plant	0	0	0	0
28	Total General plant	\$(2,719,407)	\$(22,248,102)	\$(24,967,509)	\$(2,384,172)
29	Total Accumulated Reserves For Depreciation	\$(2,719,407)	\$(22,248,102)	\$(24,967,509)	\$(2,384,172)

TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.  
2021 RGUSA IS COSA TYE DEC 2020

PER BOOK OPERATING EXPENSES

LINE NO.	DESCRIPTION	ACCT. NO.	SUB ACCT.	TYE Dec. 2020		
				DIRECT SERVICE AREA PER BOOKS (a)	ALLOCATED DIVISION TO SERVICE AREA PER BOOKS (b)	TOTAL SERVICE AREA AND ALLOCATED DIVISION PER BOOKS (c)
	<u>Deprec. &amp; Amort. Expense</u>					
1	Depreciation and Amortization Expense	4030-4050		\$4,831,045	\$539,623	\$5,370,668
2	Pension & FAS 106 Amortization Expense	4073		0		0
3	Total Depr. & Amort.			\$4,831,045	\$539,623	\$5,370,668
	<u>Taxes Other Than Income</u>					
4	Payroll	4081		\$0	\$246,794	\$246,794
5	Ad Valorem	4081	190	1,070,695	(6,909)	1,063,786
6	Revenue Related	4081	133,138 & 140	0	0	0
7	Other	4081	131, 233, 995	0	134,778	134,778
8	Total Taxes Other Than Income			\$1,070,695	\$374,663	\$1,445,358
9	<u>Interest on Customer Deposits</u>	4310		\$64,054	\$0	\$64,054
10	<u>Storage Misc.</u>	8140-8360		\$0	\$(55)	\$(55)
	<u>Transmission &amp; High-Pressure Distribution</u>					
11	Operation Supervision and Engineering	8500		\$0	\$686	\$686
12	Transmission Communication Equip	8520		0	0	0
13	Compressor Station Labor and Expenses	8530		0	0	0
14	Mains Expenses	8560		877,739	41,822	919,561
15	Measuring and Regulating Station Expenses	8570		197,890	202	198,091
16	Trans/Compression of Gas by Others	8580		0	0	0
17	Other Expenses	8590		526	72	598
18	Rent	8600		16,907	320	17,226
19	Maintenance Supervision and Engineering	8610		0	230	230
20	Maintenance of Mains	8630		130,231	254	130,485
21	Measuring and Regulating Station Expenses	8640		0	0	0
22	Maintenance of Measuring and Regulating Station Equipment	8650		717	0	717
23	Maintenance of Communication Equipment	8660		0	0	0
24	Total Transmission			\$1,224,010	\$43,585	\$1,267,595
	<u>Distribution Operations</u>					
25	Supervision and Engineering	8700		\$215,808	\$97,286	\$313,094
26	Distribution Load Dispatch	8710		0	50,127	50,127
27	Mains & Services	8740		2,052,941	15,778	2,068,719
28	Meas & Reg. Stat. Exp. - General	8750		177,619	15,172	192,791
29	Meas & Reg. Stat. Exp. - Ind.	8760		23,405	10,881	34,286
30	Meas & Reg. Stat. Exp. - City Gate	8770		55,239	411	55,650
31	Meter & House Reg. Exp.	8780		1,022,064	6,670	1,028,734
32	Customer Installation Exp	8790		47,756	1	47,757
33	Other Expense	8800		108,335	43,240	151,575
34	Rents	8810		711	0	711
35	Corporate & TGS Division Expenses Credit	8820		0	0	0
36	Total Distribution Operations			\$3,703,879	\$239,565	\$3,943,444
	<u>Distribution Maintenance</u>					
37	Supervision and Engineering	8850		\$0	\$0	\$0
38	Struct. & Improv.	8860		226,957	2,311	229,268
39	Mains	8870		1,694,610	7,945	1,702,555
40	Meas. & Reg. Stat. Exp. - Gen	8890		464,383	872	465,255
41	Meas. & Reg. Stat. Exp. - Ind.	8900		121,451	1,128	122,580
42	Meas. & Reg. Stat. Exp. - City Gate	8910		7,168	240	7,408
43	Maintenance of Services	8920		147,290	0	147,290
44	Meters & House Reg.	8930		0	0	0
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

TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.  
2021 RGVA IS COSA TYE DEC 2020

PER BOOK OPERATING EXPENSES

				TYE Dec. 2020		
LINE NO.	DESCRIPTION	ACCT. NO.	SUB ACCT.	DIRECT SERVICE AREA PER BOOKS	ALLOCATED DIVISION TO SERVICE AREA PER BOOKS	TOTAL SERVICE AREA AND ALLOCATED DIVISION PER BOOKS
48	Total Distribution Maintenance			\$2,661,859	\$12,496	\$2,674,355
49	Total Distribution			\$6,365,738	\$252,061	\$6,617,799
	<u>Customer Accounting</u>					
50	Supervision	9010		\$0	\$28,957	\$28,957
51	Meter Reading	9020		652,536	6,111	658,647
52	Customer Accounting	9030		2,028	656,690	658,718
53	Bad Debts	9040		730,612	47,745	778,357
54	Miscellaneous	9050		0	73,438	73,438
55	Total Customer Accounting			\$1,385,176	\$812,942	\$2,198,118
	<u>Customer Information</u>					
56	Supervision	9070		\$0	\$9	\$9
57	Customer Assistance Expense	9080		138,357	37,622	175,980
58	Inform. & Instruct. Adver. Exp.	9090		0	6,640	6,640
59	Customer Svc and Informational Svc	9100		0	0	0
60	Total Customer Information			\$138,357	\$44,271	\$182,628
	<u>Sales</u>					
61	Supervision	9110		\$0	\$0	\$0
62	Demonstrating and Selling Expense	9120		0	0	0
63	Advertising	9130		0	(156)	(156)
64	Employee Sales Referrals	9140		0	0	0
65	Misc. Gas Sales Expense	9163		0	0	0
66	Total Sales			\$0	\$(156)	\$(156)
67	Total Customer Accounts Expense			\$1,523,534	\$857,057	\$2,380,590
	<u>Administrative &amp; General</u>					
68	Salaries	9200		\$101,063	\$1,356,040	\$1,457,102
69	Office Supplies & Expenses	9210		232,336	219,363	451,699
70	Transferred Credit	9220		0	(869,795)	(869,795)
71	Outside Services	9230		11,156	59,261	70,417
72	Property Insurance	9240		0	50,708	50,708
73	Injuries & Damages	9250		(62,220)	349,946	287,726
74	Employee Pensions & Benefits	9260		2,086	1,069,749	1,071,835
75	Regulatory Commission Expenses	9280		85,805	379	86,184
76	Duplicate Charges - Credit	9290		0	0	0
77	General Advertising Expenses	9301		1,212	52	1,264
78	Miscellaneous General Expenses	9302		69,312	3,474,791	3,544,102
79	Rents	9310		6,925	138,239	145,164
80	Maintenance of General Plant	9320		839	52,895	53,734
81	Misc. General Expenses	9400's		0	-	0
82	Total A&G Operations			\$448,513	\$5,901,627	\$6,350,140
83	Total Operating Expense			\$15,527,587.58	\$7,968,561	\$23,496,148





TOTAL DIRECT AND ALLOCATED EXPENSES

LINE NO.	DESCRIPTION	ACCT NO.	SUB ACCT.	2020	2019	VARIANCE
<u>Deprec. &amp; Amort. Expense</u>						
1	Depreciation and Amortization Expense	4030-4050		\$5,370,668	\$4,965,934	\$404,734
2	Pension & FAS 106 Amortization Expense	4073		0	0	0
3	Total Depr. & Amort.			\$5,370,668	\$4,965,934	\$404,734
<u>TAXES OTHER THAN INCOME TAXES (excludes revenue related)</u>						
4	Payroll	4081		\$315,708	\$339,338	\$(23,630)
5	Ad Valorem	4081	190	954,472	908,547	45,925
6	Revenue Related	4081	133,138 & 140	0	0	0
7	Other	4081	131, 233, 995	190,751	172,812	17,938
8	Total Taxes Other Than Income Taxes			\$1,460,931	\$1,420,697	\$40,234
9	<u>Interest on Customer Deposits</u>	4310		\$64,054	\$56,997	\$7,057
10	<u>Storage Misc.</u>	8140-8360		\$(6)	\$6	\$(12)
<u>Transmission &amp; High Pressure Distribution</u>						
11	Operation Supervision and Engineering	8500		\$686	\$679	\$6
12	Transmission Communication Equip	8520		0	0	0
13	Compressor Station Labor and Expenses	8530		0	1	(1)
14	Mains Expenses	8560		919,554	439,197	480,357
15	Measuring and Regulating Station Expenses	8570		198,091	103,873	94,219
16	Trans/Compression of Gas by Others	8580		0	0	0
17	Other Expenses	8590		598	3,173	(2,575)
18	Rent	8600		17,226	17,551	(325)
19	Maintenance Supervision and Engineering	8610		230	1,491	(1,261)
20	Maintenance of Mains	8630		130,485	96,302	34,182
21	Measuring and Regulating Station Expenses	8640		0	0	0
22	Maintenance of Measuring and Regulating Station Equipment	8650		717	21,860	(21,143)
23	Maintenance of Communication Equipment	8660		0	0	0
24	Total Transmission			\$1,267,588	\$684,129	\$583,459
<u>Distribution Operations</u>						
25	Supervision and Engineering	8700		\$313,081	\$302,252	\$10,829
26	Distribution Load Dispatch	8710		50,127	51,735	(1,608)
27	Mains & Services	8740		2,068,705	2,062,870	5,835
28	Meas & Reg. Stat. Exp. - General	8750		192,791	168,011	24,780
29	Meas & Reg. Stat. Exp. - Ind.	8760		34,286	47,814	(13,528)
30	Meas & Reg. Stat. Exp. - City Gate	8770		55,650	80,846	(25,196)
31	Meter & House Reg. Exp.	8780		1,028,732	891,615	137,118
32	Customer Installation Exp	8790		47,757	219,234	(171,477)
33	Other Expense	8800		151,394	305,133	(153,739)
34	Rents	8810		711	14,118	(13,407)
35	Corporate & TGS Division Expenses Credit	8820		0	0	0
36	Total Distribution Operations			\$3,943,234	\$4,143,627	\$(200,393)
<u>Distribution Maintenance</u>						
37	Supervision and Engineering	8850		\$0.00	\$0	\$0
38	Struct. & Improv.	8860		229,268	210,287	18,982
39	Mains	8870		1,702,472	1,850,938	(148,465)
40	Meas. & Reg. Stat. Exp. - Gen	8890		465,255	455,756	9,499
41	Meas. & Reg. Stat. Exp. - Ind.	8900		122,580	110,366	12,214
42	Meas. & Reg. Stat. Exp. - City Gate	8910		7,408	22,869	(15,462)
43	Maintenance of Services	8920		147,290	127,973	19,316
44	Meters & House Reg.	8930		0	0	0
45	Other Equipment	8940		0	0	0
46	Clearing - Meter Shop - Small Meters	8950		0	0	0

TOTAL DIRECT AND ALLOCATED EXPENSES

LINE NO.	DESCRIPTION	ACCT NO.	SUB ACCT.	2020	2019	VARIANCE
47	Clearing - Meter Shop - Large Meters	8960		0	0	0
48	Total Distribution Maintenance			\$2,674,273	\$2,778,189	\$(103,916)
49	Total Distribution			\$6,617,506	\$6,921,816	\$(304,309)
	<u>Customer Accounting</u>					
50	Supervision	9010		\$28,934	\$30,012	\$(1,078)
51	Meter Reading	9020		658,647	787,242	(128,595)
52	Customer Accounting	9030		658,688	736,875	(78,186)
53	Bad Debts	9040		778,357	266,298	512,060
54	Miscellaneous	9050		73,438	72,103	1,335
55	Total Customer Accounting			\$2,198,065	\$1,892,530	\$305,535
	<u>Customer Information</u>					
56	Supervision	9070		\$8.71	\$15	\$(6)
57	Customer Assistance Expense	9080		175,731	188,998	(13,267)
58	Inform. & Instruct. Adver. Exp.	9090		6,640	17,213	(10,572)
59	Customer Svc and Informational Svc	9100		0	0	0
60	Total Customer Information			\$182,380	\$206,226	\$(23,846)
	<u>Sales</u>					
61	Supervision	9110		\$0	\$0	\$0
62	Demonstrating and Selling Expense	9120		0	0	0
63	Advertising	9130		(156)	3,185	(3,341)
64	Employee Sales Referrals	9140		0	0	0
65	Misc. Gas Sales Expense	9163		0	0	0
66	Total Sales			\$(156)	\$3,185	\$(3,341)
67	Total Customer Accounts Expense			\$2,380,289	\$2,101,941	\$278,348
	<u>Administrative &amp; General</u>					
68	Salaries	9200		\$1,457,102	\$1,415,468	\$41,634
69	Office Supplies & Expenses	9210		401,701	364,516	37,184.65
70	Transferred Credit	9220		(869,795)	(884,529)	14,734
71	Outside Services	9230		70,417	60,795	9,622
72	Property Insurance	9240		50,708	42,962	7,746
73	Injuries & Damages	9250		287,726	345,728	(58,001)
74	Employee Pensions & Benefits	9260		1,426,628	1,500,404	(73,776)
75	Regulatory Commission Expenses	9280		86,184	65,567	20,616
76	Duplicate Charges - Credit	9290		0	0	0
77	General Advertising Expense	9301		1,264	2,605	(1,341)
78	Misc. General Expenses	9302		2,867,441	3,054,157	(186,716)
79	Rents	9310		145,164	162,952	(17,787)
80	Maintenance of General Plant	9320		53,734	38,723	15,011
81	Misc. General Expenses	9400's		0	0	0
82	Total A&G Operations			\$5,978,273	\$6,169,346	\$(191,074)
83	Total Operating Expense			\$23,139,302	\$22,320,866	\$818,436

CUSTOMER ALLOCATION FACTORS

		Average Monthly Customer Count (includes final billed) @12/31/20	Allocation Factor
<u>Texas Gas Service Division</u>			
1	RGV	<b>64,709</b>	<b>9.5491%</b>
2	CGSA	315,395	46.5428%
3	NTSA	16,114	2.3780%
4	Borger/Skellytown	5,523	0.8150%
5	WTSA	275,904	40.7151%
6	Total TGS	<b>677,645</b>	<b>100.000%</b>

**2021 RGVSA 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 Director of Rates and Regulatory 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 Rio Grande Valley 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:  
*Stacey McTaggart*  
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\_\_\_\_\_  
Stacey McTaggart

SUBSCRIBED AND SWORN to before me on the 21st day of April 2021.



DocuSigned by:  
*Christine Marie Bell*  
1C45AAFD08DC44A...  
\_\_\_\_\_  
Notary Public in and for the State of Texas