



**Texas
Gas Service™**

A Division of ONE Gas

1301 South Mopac Expressway, Suite 400
Austin, Texas 78746
texasgasservice.com

February 21, 2020

VIA ELECTRONIC DELIVERY

Ms. Kari French, Director
Oversight and Safety Division
Gas Services Department
Railroad Commission of Texas
1701 N. Congress Ave.
Austin, TX 78701-1494

RE: Texas Gas Service Company Docket Compliance, GUD No. 10506, Pipeline Integrity Testing Rider Annual Report

Texas Gas Service Company, a division of ONE Gas, Inc., (“TGS” or the “Company”) was authorized recovery of Pipeline Integrity Testing (“PIT”) expenses for the West Texas Service Area (“WTSA”) pursuant to Rate Schedule PIT Rider approved in the Final Order in Gas Utilities Docket No. 10506. TGS is filing this letter in compliance with the annual reporting requirements of the PIT Rider rate schedule.

For the calendar year ending December 31, 2019, the Company incurred Pipeline Integrity Testing expenses in the WTSA totaling negative \$7,645, due to some credits related to prior year testing activity. As a result of the 2019 annual PIT report, the Company was authorized to recover \$676,556. During the period April 2019 through December 2019, the Company recovered \$361,816. The Company estimates it will recover an additional \$361,816 during the period January through March 2020, leaving no balance uncollected. As a result of the 2018 annual PIT report, the Company was authorized to recover \$985,371. During the period April 2018 through March 2019, the Company recovered \$1,006,470, leaving an over-collected balance of \$22,636, which will be netted against the recovery during 2020 as set forth in the tariff. The Company has calculated a rate of negative \$0.00016 per Ccf to be refunded to customers for the 12-month period, April 2020 through March 2021.

Enclosed are a copy of the PIT-Rider tariff showing the negative \$0.00016 rate, a copy of the proposed Public Notice and supporting documentation. The proposed Public Notice follows the same format as that of the initial notice previously approved as required by the PIT Rider.

If you have any questions or concerns, please contact me at stacey.mctaggart@onegas.com or at 512-370-8354.

Respectfully submitted,

Stacey McTaggart
Rates and Regulatory Director

PUBLIC NOTICE
2020 WTSA Pipeline Integrity Testing Rider

Texas Gas Service Company, a division of ONE Gas, Inc., (the “Company” or “TGS”) hereby gives notice of rates to be charged from April 2020 through March 2021 under the Pipeline Integrity Testing (PIT) Rider applicable to the incorporated and adjacent unincorporated areas of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, Socorro, San Elizario, Thorntonville, Vinton, Wickett, and Wink, Texas in the Company’s West Texas Service Area (“WTSA”). The PIT Rider was approved by the Railroad Commission by Final Order dated September 27, 2016, in GUD No. 10506 for all unincorporated customers and for incorporated customers in Anthony, Clint, Dell City, El Paso, Fabens, Horizon City, Socorro, San Elizario, and Vinton, Texas. The PIT Rider was approved by the Cities of Andrews, Barstow, Crane, McCamey, Monahans, Pecos, Pyote, Thorntonville, Wickett, and Wink, Texas, on December 1, 2016. The PIT Rider permits the Company to recover the cost of pipeline safety testing that the Company is required to perform by law.

The effect of the PIT Rider on the various customer classes within the WTSA is set forth in the table below:

Customer Class	PIT Rate Per CCF	Average Monthly Bill Impact	No. of Customers
Residential	\$0.00016	\$0.01	239,429
Commercial and A/C	\$0.00016	\$0.04	14,096
Industrial and Standby	\$0.00016	\$0.50	38
Public Authority and A/C	\$0.00016	\$0.13	1,214
Water Pumping	\$0.00016	\$1.05	20
Commercial and Cogen. Transportation	\$0.00016	\$5.97	13
Industrial Transportation	\$0.00016	\$5.75	14
Pub. Auth. Transportation	\$0.00016	\$8.75	11

Persons with specific questions or desiring additional information about this Rider 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 4600 Pollard in El Paso, Texas, or on the Company's website at <https://www.texasgasservice.com/newsletters-and-notices/rate-notices>.

PIPELINE INTEGRITY TESTING (PIT) SURCHARGE RIDER

A. APPLICABILITY

The Pipeline Integrity Testing Surcharge (PIT) rate as set forth in Section (B) below is pursuant to Final Order in GUD 10506. This rate shall apply to the following rate schedules of Texas Gas Service Company in the incorporated and unincorporated areas of and adjacent to the West Texas Service Area (WTSA): 10, 20, 21, 30, 40, 41, 42, E5, SS, C-1, T-1, 1Z, 2Z, 2A, 3Z, 4Z, 4A, 4B, SS-ENV, C-1-ENV and T-1-ENV.

B. PIT RATE

\$(0.00016) per Ccf, (a refund)

This rate will be in effect until all approved and expended pipeline integrity testing expenses are recovered under the applicable rate schedules.

C. OTHER ADJUSTMENTS

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

D. CONDITIONS

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

Supersedes Rate Schedule dated:
March 29, 2019

Meters Read On and After
March 27, 2020

Texas Gas Service
West Texas Service Area
Pipeline Integrity Testing Rider
2020 Rate Calculation

Line	Description	Amount
1	Pipeline Integrity Testing Costs Deferred in 2019	(\$7,645)
2	Prior years true-up	<u>(22,636)</u>
3	Total to Recover April 2020 through March 2021	<u>(\$30,282)</u>
4	Annual Volumes (Ccf)	<u>184,505,384</u>
5	(source: GUD 10506 Proof of Revenues)	
6	PIT Rider Rate per Ccf for April 2020 through March 2021	<u>(\$0.00016)</u>
7	(Line 3 divided by Line 4)	

Texas Gas Service
 West Texas Service Area
 Pipeline Integrity Testing Rider
 2020 Bill Impact

Line	Rate Schedule	Bills	Customers	Volumes	Average Use per Customer	PIT Rate per Ccf	Average Monthly Bill Impact
1	Residential	2,873,145	239,429	111,950,985	39	-0.00016	\$ (0.01)
2	Commercial and A/C	169,151	14,096	38,464,408	227	-0.00016	(0.04)
3	Industrial and Standby	460	38	1,423,477	3,097	-0.00016	(0.50)
4	Public Authority and A/C	14,568	1,214	12,011,678	825	-0.00016	(0.13)
5	Water Pumping Commercial and Cogeneration	239	20	1,573,097	6,579	-0.00016	(1.05)
6	Transportation	156	13	5,825,106	37,340	-0.00016	(5.97)
7	Industrial Transportation	168	14	6,035,487	35,926	-0.00016	(5.75)
8	Public Authority Transportation	132	11	7,221,146	54,706	-0.00016	(8.75)

Texas Gas Service
 West Texas Service Area
 Pipeline Integrity Testing Rider
 True-up of prior years recovery of Pipeline Integrity Testing expenses

Line	Description	Amount	
1	Approved 2017 Amount to Recover	\$985,371	
2	Recoveries Apr-Dec 2018	(513,000)	
3	Unrecovered 2017 PIT Expenses at 12/13/2018	\$472,371	
4	Recoveries Jan - Mar 2019	(493,470)	
5	Unrecovered 2017 PIT Expenses at 12/13/2019	(\$21,099)	
6	Interest on Under (Over) Recovery at WACOC	(1,537)	
7	Remaining 2017 Costs to recover (refund)	(\$22,636)	(\$22,636)
8	Approved 2018 Amount to Recover	\$676,556	
9	Recoveries Apr-Dec 2019	(361,816)	
10	Unrecovered 2018 PIT Expenses at 12/13/2019	\$314,740	
11	Estimated recoveries Jan-Mar 2020	(314,740)	
12	Estimated unrecovered 2018 PIT Expenses at 3/31/2020	\$0	\$0
13	Total Prior Year True-Up		(\$22,636)

Texas Gas Service
 West Texas Service Area
 Pipeline Integrity Testing Rider
 2019 recovery of Pipeline Integrity Testing expenses

ACCOUNT NUMBER 1823553

JANUARY TO DECEMBER 2019

REVENUE CLASS		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total
10	RESIDENTIAL	140,874.49	107,939.16	81,582.88	30,203.59	16,798.72	14,584.97	12,414.97	10,834.69	11,211.13	12,186.72	26,969.07	63,172.84	528,773.23
20	COMMERCIAL	39,696.19	31,269.78	25,917.61	11,259.17	7,779.67	7,426.95	6,772.40	6,324.76	6,800.59	6,665.16	9,871.15	18,702.96	178,486.39
30	INDUSTRIAL	913.45	842.14	604.17	278.42	229.56	207.32	167.97	193.85	290.32	258.90	305.89	449.01	4,741.00
40	PUBLIC AUTHORITY	14,272.72	11,873.98	9,356.29	3,557.90	2,144.03	1,578.91	1,066.07	892.40	1,285.48	1,108.13	3,217.67	6,367.98	56,721.56
50	TRANSPORTATION	9,248.31	10,079.93	8,999.19	6,696.68	6,235.87	6,723.76	6,341.22	6,469.52	6,253.59	5,987.41	6,744.42	6,783.76	86,563.66
Grand Total		205,005.16	162,004.99	126,460.14	51,995.76	33,187.85	30,521.91	26,762.63	24,715.22	25,841.11	26,206.32	47,108.20	95,476.55	855,285.84