

RATE CASE EXPENSE SURCHARGE

A. APPLICABILITY

The Rate Case Expense (“RCE”) Surcharge rate as set forth in Section (B) below is pursuant to Gas Utilities Docket No. 10928 : Statement of Intent Filed by Texas Gas Service Company, a Division of ONE Gas, Inc. to Increase Gas Utility Rates Within the Unincorporated Areas of the Central Texas Service Area and Gulf Coast Service Area and, Final Order Finding of Fact No. . This rate shall apply to the following rate schedules of the Company in the unincorporated areas served in the Central-Gulf Service Area including Austin, Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Gonzales, Groves, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Nederland, Nixon, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas: 1Z, 2Z, 3Z, 4H, 4Z, C-1-ENV, CNG-1-ENV, and T-1-ENV.

B. RCE RATE

All Ccf during each billing period: \$0.00437 per Ccf

This rate will be in effect until all approved and expended rate case expenses are recovered under the applicable rate schedules. The Company will recover \$1,388,135.45 in actual expense and up to \$324,000 in estimated expense, not to exceed actual expense. The Rate Case Expense Surcharge will be a separate line item on the bill.

C. OTHER ADJUSTMENTS

Taxes: Plus applicable taxes and 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.

E. COMPLIANCE

The Company shall file an annual rate case expense reconciliation report within 90 days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department and referencing Gas Utilities Docket No. 10928 Rate Case Expense Recovery Report. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

Compliance Filing
Director of Oversight and Safety Division
Gas Services Dept.
Railroad Commission of Texas
P.O. Box 12967
Austin, TX 78711-2967