

ELECTRICAL COGENERATION RATE

APPLICABILITY

Service under this rate schedule is available to any customers who use natural gas for the purpose of cogeneration or the use of fuel cell technology. Cogeneration is defined as the use of thermal energy to produce electricity with recapture of by-product heat in the form of steam, exhaust heat, etc. for industrial process use, space heating, food processing or other purposes.

TERRITORY

The incorporated areas of the Central Texas Service Area, which includes, Austin, Bee Cave, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Nixon, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of Interim Rate Adjustments (IRA)	\$ 70.00 plus <u>\$ 34.70 per month (Footnote 1)</u>
Total Customer Charge	\$104.70 per month
For the First 5,000 Ccf/Month	\$0.07720 per Ccf (Footnote 2)
For the Next 35,000 Ccf/Month	\$0.06850 per Ccf (Footnote 3)
For the Next 60,000 Ccf/Month	\$0.05524 per Ccf (Footnote 4)
All Over 100,000 Ccf/Month	\$0.04016 per Ccf (Footnote 5)

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.

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

Gas taken under this rate shall be used exclusively for the purpose of cogeneration and fuel cell technology as defined in the Applicability section of this rate schedule and not for other purposes. The gas taken under this rate will be separately metered.

**ELECTRICAL COGENERATION RATE
(Continued)**

This rate will not be available for standby use.

The curtailment priority of any customer served under this rate schedule shall be the same as the curtailment priority which would pertain if gas were used directly to provide energy for uses as defined and listed in the Company's curtailment plan.

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

Footnote 1: 2016 IRA - \$13.96 (GUD No. 10610) revised to \$12.46 (GUD No. 10714); 2017 IRA - \$9.03 (GUD No. 10703); 2018 IRA - \$13.21 (GUD No. 10824)

Footnote 2: \$0.08708 (GUD No. 10526) revised to \$0.07720 (GUD No. 10714)

Footnote 3: \$0.07838 (GUD No. 10526) revised to \$0.06850 (GUD No. 10714)

Footnote 4: \$0.06512 (GUD No. 10526) revised to \$0.05524 (GUD No. 10714)

Footnote 5: \$0.05004 (GUD No. 10526) revised to \$0.04016 (GUD No. 10714)