

WEATHER NORMALIZATION ADJUSTMENT CLAUSE

A. APPLICABILITY

The Weather Normalization Adjustment Clause (WNA) shall apply to the following general service rate schedules of Texas Gas Service Company in the incorporated and environs areas of Andrews, Anthony, Barstow, Canutillo, Clint, Crane, Dell City, El Paso, Fabens, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett and Wink, Texas: Rate Schedules 10, 1Z, 20, 2Z, 21, 2A, 40, 4Z, 41, and 4A. The WNA shall be effective during the September through May billing cycles.

B. PURPOSE

The WNA refunds over-collections or surcharges under-collections of revenue due to colder or warmer than normal weather, as established in the Company's most recent rate filing.

C. WNA MECHANISM

In order to reflect weather effects in a timely and accurate manner, the WNA adjustment shall be calculated separately for each billing cycle and rate schedule. The weather factor, determined for each rate schedule in the most recent rate case, shows the effect of one heating degree day on consumption for that rate schedule. During each billing cycle, the weather factor is multiplied by the difference between normal and actual heating degree days for the billing period and by the number of customers billed.

Supersedes Same Schedule Dated
October 5, 2016 (All Areas Except
Incorporated Areas of Andrews,
Barstow, Crane, McCamey,
Monahans, Pecos, Pyote,
Thortonville, Wickett, Wink)
December 1, 2016 (Andrews,
Barstow, Crane, McCamey,
Monahans, Pecos, Pyote,
Thortonville, Wickett, Wink)

Meters Read On and After
June 26, 2018

WEATHER NORMALIZATION ADJUSTMENT CLAUSE
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This WNA volume adjustment is priced at the current cost of service rate per Ccf to determine a WNA revenue adjustment, which is spread to the customers in the billing cycle on a prorata basis. The WNA for each billing cycle and rate schedule shall be based on the following formula:

$$\text{WNA Rate} = \frac{\text{WNAD}}{\text{CV}}, \text{ where}$$

WNAD = Weather Normalization Adjustment Dollars to be collected from each billing cycle and rate schedule. This factor shall be based on the following formula:

$$\text{WNAD} = (\text{HDD Diff} * \text{CB} * \text{WF}) * \text{COS rate, where}$$

HDD Diff = (Normal HDD – Actual HDD), the difference between normal and actual heating degree days for the billing period.

CB = Number of customers billed for the billing period.

WF = Weather factor determined for each rate schedule in the most recent rate case.

Anthony, Canutillo, Clint, El Paso, Fabens, Horizon City, San Elizario, Socorro, and Vinton: Residential 0.14198; Commercial and AC 0.41170; Public Authority and AC 3.19036.

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WEATHER NORMALIZATION ADJUSTMENT CLAUSE
(Continued)

Andrews, Barstow, Crane, McCamey, Monahans, Pecos, Pyote, Thorntonville, Wickett, and Wink: Residential 0.13604; Commercial 0.35225; Public Authority 1.65204.

Dell City: Residential 0.14198; Commercial 0.41170; Public Authority 3.19036.

CV = Current Volumes for the billing period.

D. FILING WITH THE CITIES AND THE RAILROAD COMMISSION OF TEXAS (RRC)

The Company will file with the Cities and the RRC monthly reports showing the rate adjustments for each applicable rate schedule. Supporting documentation will be made available for review upon request. By each October 1, the Company will file with the Cities and the RRC an annual report verifying the past year's WNA collections or refunds.

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