

WEATHER NORMALIZATION ADJUSTMENT CLAUSE**APPLICABILITY**

The Weather Normalization Adjustment Clause (WNA) shall apply to the following general service rate schedules of Texas Gas Service Company, a Division of ONE Gas, Inc. (the "Company") within the incorporated and unincorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1: Rate Schedules 10, 15, 1Z, 1Y, 20, 25, 2Z, 2Y, 40, and 4Z. The WNA shall be effective during the September through May billing cycles.

PURPOSE

The WNA adjusts customer bills to address variations in weather experienced during the billing period that are above or below the 'normal' weather range established in the Company's most recent rate filing. The WNA refunds over-collections or surcharges of revenue due to colder than normal weather or under-collections of revenue due to warmer than normal weather, as established in the Company's most recent rate filing.

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. 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:

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

CV = Current Volumes (at 14.65 psi) for the billing period.

WNAD = Weather Normalization Adjustment Dollars to be collected from each billing cycle and rate schedule.

This factor shall be based on the following formula:

Supersedes Rate Schedule Dated

November 27, 2024 (All Central-Gulf Areas except Jarrell, Jonah, Creedmoor, and Spicewood)

January 27, 2023 (All West-North Areas except Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)

February 27, 2023 (Incorporated Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Millsap, Mineral Wells, Weatherford and Willow Park)

January 30, 2024 (Rio Grande Valley)

July 1, 2025 (Incorporated and Environs Jarrell and Unincorporated Jonah)

August 15, 2025 (Incorporated and Environs Creedmoor)

December 17, 2025 (Unincorporated Spicewood)

Consumption On and After

January 27, 2026 (All Areas except Spicewood)

February 5, 2026 (Unincorporated Spicewood)

WEATHER NORMALIZATION ADJUSTMENT CLAUSE (Continued)

WNAD = (HDD Diff * CB * WF) * 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.

The Weather Factors (WF) and associated weather station for each applicable incorporated or environs area are established as follows:

Austin, Bastrop (environs only), Bee Cave, Buda, Cedar Park, Creedmoor, Dripping Springs, Georgetown, Hutto, Jarrell, Jonah, Kyle, Lakeway, Marble Falls, Mustang Ridge, Pflugerville, Rollingwood, Spicewood, Sunset Valley, and West Lake Hills:

Residential 0.14202; Commercial 0.48000; Public Authority 2.06571
Weather Station: KATT

Cuero, Gonzales, Lockhart, Luling, Nixon, Shiner, and Yoakum:

Residential 0.12176; Commercial 0.18681; Public Authority 0.97873
Weather Station: KSAT

Bayou Vista, Galveston, and Jamaica Beach:

Residential 0.19431; Commercial 0.42720; Public Authority 2.91772
Weather Station: KGLS

Beaumont, Groves, Nederland, Port Arthur, and Port Neches:

Residential 0.14652; Commercial 0.29381; Public Authority 1.09440
Weather Station: KBPT

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WEATHER NORMALIZATION ADJUSTMENT CLAUSE (Continued)

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, the unincorporated cities of Bayview, Laguna Heights, Monte Alto, Olmito, and San Carlos and the unincorporated areas of Jim Hogg and Starr counties:

Residential 0.07609; Commercial 1.29246; Public Authority 2.52362
Weather Station: KBRO

Borger and Skellytown:

Residential 0.14039; Commercial 0.64194; Public Authority 2.24684
Weather Station: KAMA

Aledo, Breckenridge, Bryson, Graford, Graham, Hudson Oaks, Jacksboro, Jermyn, Millsap, Mineral Wells, Palo Pinto, Perrin, Possum Kingdom, Punkin Center, Weatherford, Whitt, and Willow Park:

Residential 0.13605; Commercial 0.46630; Public Authority 2.16192
Weather Station: KABI

Anthony, Canutillo, Clint, El Paso, Fabens, Horizon City, San Elizario, Socorro, and Vinton:

Residential 0.14485; Commercial 0.51375; Public Authority 3.33692
Weather Station: KELP

Andrews, Barstow, Crane, McCamey, Monahans, Pecos, Pyote, Thorntonville, Wickett, and Wink:

Residential 0.11833; Commercial 0.51375; Public Authority 1.51545
Weather Station: KMAF

Dell City:

Residential 0.14485; Commercial 0.51375; Public Authority 3.33692
Weather Station: KELP

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WEATHER NORMALIZATION ADJUSTMENT CLAUSE (Continued)

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

The Company will file 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.

The Company shall file the report with the RRC electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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

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