

**TRANSPORTATION SERVICE RATE**

**APPLICABILITY**

Applicable to customers who have elected Transportation Service not otherwise specifically provided for under any other rate schedule.

Service under this rate schedule is available for the transportation of customer-owned natural gas through the Company’s distribution system. The customer must arrange with its gas supplier to have the customer’s gas delivered to one of the Company’s existing delivery receipt points for transportation by the Company to the customer’s facilities at the customer’s delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.

**AVAILABILITY**

Natural gas service under this rate schedule is available to any individually metered, non-residential customer for the transportation of customer owned natural gas through the Company’s unincorporated areas of the Gulf Coast Service Area distribution system which includes the environs of Bayou Vista, Galveston, Groves, Jamaica Beach, Nederland, Port Arthur and Port Neches, Texas. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.

**COST OF SERVICE RATE**

During each monthly billing period, a customer charge per meter per month listed by customer class as follows:

Commercial	\$ 300.00 per month			
plus Interim Rate Adjustments	\$5.92 (Footnote 1)	Total Rate	\$305.92	
Industrial	\$ 300.00 per month			
plus Interim Rate Adjustments	\$132.79 (Footnote 2)	Total Rate	\$432.79	
Public Authority	\$ 300.00 per month			
plus Interim Rate Adjustments	\$7.78 (Footnote 3)	Total Rate	\$307.78	

Plus – All Ccf per monthly billing period listed by customer class as follows:

Commercial	The First 250 Ccf@	\$ 0.20185 per Ccf (Footnote 4)
	All Over 250 Ccf @	\$ 0.17425 per Ccf (Footnote 5)
Industrial	The First 250 Ccf@	\$ 0.37808 per Ccf (Footnote 6)
	All Over 250 Ccf @	\$ 0.35228 per Ccf (Footnote 7)
Public Authority	The First 250 Ccf@	\$ 0.13587 per Ccf (Footnote 8)
	All Over 250 Ccf @	\$ 0.11007 per Ccf (Footnote 9)

Supersedes Sheet Dated  
 January 23, 2019  
 (Billing implementation January 30, 2019)

Meters Read On and After  
 September 26, 2019

**ADDITIONAL CHARGES**

- 1) A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder.
- 2) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the unincorporated areas of the Gulf Coast Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.
- 3) Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.

**SUBJECT TO**

- 1) Tariff T-TERMS, General Terms and Conditions for Transportation
- 2) Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.
- 3) Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Footnote 1: 2016 IRA - \$3.57 (GUD No. 10666); 2017 IRA - \$1.48 (GUD No. 10781); 2018 IRA - \$0.87 (GUD No. 10857)  
Footnote 2: 2016 IRA - \$85.98 (GUD No. 10666); 2017 IRA - \$29.54 (GUD No. 10781) ; 2018 IRA - \$17.27 (GUD No. 10857)  
Footnote 3: 2016 IRA - \$4.66 (GUD No. 10666); 2017 IRA - \$1.97 (GUD No. 10781) ; 2018 IRA - \$1.15 (GUD No. 10857)  
Footnote 4: \$0.22140 (GUD No. 10488) revised to \$0.20185 (GUD No. 10730)  
Footnote 5: \$0.19380 (GUD No. 10488) revised to \$0.17425 (GUD No. 10730)  
Footnote 6: \$0.40060 (GUD No. 10488) revised to \$0.37808 (GUD No. 10730)  
Footnote 7: \$0.37480 (GUD No. 10488) revised to \$0.35228 (GUD No. 10730)  
Footnote 8: \$0.15672 (GUD No. 10488) revised to \$0.13587 (GUD No. 10730)  
Footnote 9: \$0.13092 (GUD No. 10488) revised to \$0.11007 (GUD No. 10730)