

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 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, nonresidential customer for the transportation of customer owned natural gas through the Company’s Rio Grande Valley distribution system which includes the unincorporated areas of 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, 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 month listed by customer class as follows:

Commercial	\$ 400.00 per month	
Plus Interim Rate Adjustment	\$17.81 (Footnote 1)	Total \$417.81
Industrial	\$ 400.00 per month	
Plus Interim Rate Adjustment	\$143.98 (Footnote 2)	Total \$543.98
Public Authority	\$ 400.00 per month	
Plus Interim Rate Adjustment	\$18.20 (Footnote 3)	Total \$418.20

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

Commercial	The First 5000 Ccf @	\$ 0.31650 per Ccf
	All Over 5000 Ccf @	\$ 0.01777 per Ccf
Industrial	The First 5000 Ccf @	\$ 0.30336 per Ccf
	All Over 5000 Ccf @	\$ 0.03453 per Ccf
Public Authority	The First 5000 Ccf @	\$ 0.38068 per Ccf
	All Over 5000 Ccf @	\$ 0.01595 per Ccf

**TRANSPORTATION SERVICE RATE
(Continued)**

ADDITIONAL CHARGES

- 1) A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to the provision of 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 Rio Grande Valley Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.
- 3) Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider RCE - ENV.
- 4) The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT.

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: 2017 IRA - \$6.58 (GUD No. 10784); 2018 IRA - \$11.23 (GUD No. 10874)

Footnote 2: 2017 IRA - \$54.40 (GUD No. 10784); 2018 IRA - \$89.58 (GUD No. 10874)

Footnote 3: 2017 IRA - \$6.66 (GUD No. 10784); 2018 IRA - \$11.54 (GUD No. 10874)