

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 West Texas Service Area distribution system which includes the incorporated areas of, Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett and Wink, 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	\$400.00 per month		
plus Interim Rate Adjustments	\$9.42 (Footnote 1)	Total Rate	\$409.42
Cogeneration	\$400.00 per month		
plus Interim Rate Adjustments	\$9.42 (Footnote 2)	Total Rate	\$409.42
Industrial	\$400.00 per month		
plus Interim Rate Adjustments	\$233.17 (Footnote 3)	Total Rate	\$633.17
Public Authority	\$400.00 per month		
plus Interim Rate Adjustments	\$36.70 (Footnote 4)	Total Rate	\$436.70

TRANSPORTATION SERVICE RATE (Continued)

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

Commercial	The First 500 Ccf @	\$0.08223 per Ccf (Footnote 5)
	All Over 500 Ccf @	\$0.06223 per Ccf (Footnote 6)
Cogeneration	<u>Oct. – Apr. (Winter)</u>	
	First 5,000 Ccf @	\$0.05696 per Ccf (Footnote 7)
	Next 95,000 Ccf @	\$0.04696 per Ccf (Footnote 8)
	Next 300,000 Ccf @	\$0.03696 per Ccf (Footnote 9)
	All Over 400,000 Ccf @	\$0.02696 per Ccf (Footnote 10)
	<u>May – Sept. (Summer)</u>	
	First 5,000 Ccf @	\$0.04695 per Ccf (Footnote 11)
	Next 95,000 Ccf @	\$0.03694 per Ccf (Footnote 12)
	Next 300,000 Ccf @	\$0.02695 per Ccf (Footnote 13)
	All Over 400,000 Ccf @	\$0.01694 per Ccf (Footnote 14)
Industrial	The First 500 Ccf @	\$0.12458 per Ccf (Footnote 15)
	All Over 500 Ccf @	\$0.10458 per Ccf (Footnote 16)
Public Authority	The First 500 Ccf @	\$0.11461 per Ccf (Footnote 17)
	All Over 500 Ccf @	\$0.09461 per Ccf (Footnote 18)

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) A charge will be made each month to recover the cost of any applicable taxes and fees, including franchise fees paid to the cities.
- 3) In the event the Company incurs a demand charge, balancing service rate, or reservation charge from its gas supplier(s) or transportation providers in the incorporated areas of the West Texas Service Area, the customer may be charged its proportionate share of the demand charge, balancing service rate, or reservation charge based on benefit received by the customer.
- 4) Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.
- 5) Pipeline Integrity Testing Rider: Adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT.

TRANSPORTATION SERVICE RATE (Continued)

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 - \$3.55 (GUD No. 10612) revised to \$3.16 (GUD No. 10713); 2017 IRA - \$2.91 (GUD No. 10710); 2018 IRA - \$3.35 (GUD No. 10830)

Footnote 2: 2016 IRA - \$3.55 (GUD No. 10612) revised to \$3.16 (GUD No. 10713); 2017 IRA - \$2.91 (GUD No. 10710); 2018 IRA - \$3.35 (GUD No. 10830)

Footnote 3: 2016 IRA - \$89.14 (GUD No. 10612) revised to \$79.31 (GUD No. 10713); 2017 IRA - \$70.85 (GUD No. 10710); 2018 IRA - \$83.01 (GUD No. 10830)

Footnote 4: 2016 IRA - \$13.98 (GUD No. 10612) revised to \$12.44 (GUD No. 10713); 2017 IRA - \$11.29 (GUD No. 10710); 2018 IRA - \$12.97 (GUD No. 10830)

Footnote 5: \$0.09520 (GUD No. 10506) revised to \$0.08223 (GUD No. 10713)

Footnote 6: \$0.07520 (GUD No. 10506) revised to \$0.06223 (GUD No. 10713)

Footnote 7: \$0.06993 (GUD No. 10506) revised to \$0.05696 (GUD No. 10713)

Footnote 8: \$0.05993 (GUD No. 10506) revised to \$0.04696 (GUD No. 10713)

Footnote 9: \$0.04993 (GUD No. 10506) revised to \$0.03696 (GUD No. 10713)

Footnote 10: \$0.03993 (GUD No. 10506) revised to \$0.02696 (GUD No. 10713)

Footnote 11: \$0.05992 (GUD No. 10506) revised to \$0.04695 (GUD No. 10713)

Footnote 12: \$0.04991 (GUD No. 10506) revised to \$0.03694 (GUD No. 10713)

Footnote 13: \$0.03992 (GUD No. 10506) revised to \$0.02695 (GUD No. 10713)

Footnote 14: \$0.02991 (GUD No. 10506) revised to \$0.01694 (GUD No. 10713)

Footnote 15: \$0.13202 (GUD No. 10506) revised to \$0.12458 (GUD No. 10713)

Footnote 16: \$0.11202 (GUD No. 10506) revised to \$0.10458 (GUD No. 10713)

Footnote 17: \$0.12499 (GUD No. 10506) revised to \$0.11461 (GUD No. 10713)

Footnote 18: \$0.10499 (GUD No. 10506) revised to \$0.09461 (GUD No. 10713)