

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 5588 COMPANY NAME: COSERV GAS

TARIFF CODE: DS RRC TARIFF NO: 35295

DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 08/03/2021 ORIGINAL CONTRACT DATE: RECEIVED DATE: 06/07/2022
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO: 180533
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID DESCRIPTION
 DEF

Definitions:

COMMERCIAL CUSTOMER ` A customer, other than a residential customer, and not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.

COMMISSION - The Railroad Commission of Texas.

COMPANY - CoServ Gas, Ltd., its successors, and its assigns.

CUSTOMER - An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving or who is receiving the benefit of gas service at a specified point of delivery.

ENVIRONS ` The unincorporated areas outside the city limits in the Companys service area.

RATE SCHEDULE - A statement of the method of determining charges for gas service, including the conditions under which such method applies.

RESIDENTIAL CUSTOMER - Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.

RESIDENTIAL END USES - Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.

CI

Commercial Incorporated Areas Sales:
 Application of Schedule Schedule applies to commercial customers in incorporated areas.

Monthly Base Rate Customers base monthly bill will be calculated using the following customer and Ccf charges:
 Customer Charge \$35.00 per month, plus
 Volumetric Charge \$0.06479 per Ccf

Other Fees and Credits Purchased Gas Factor:
 The basic rates for cost of service set forth above shall be increased by the amount of the Purchased Gas Factor for the billing month computed in accordance

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with the provisions of Rate Schedule PGF ` Purchased Gas Factor.

Rate Case Expenses:

Plus applicable charge in accordance with provisions of Rate Schedule RCE ` Rate Case Expenses.

Taxes:

Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule ITF ` Incorporated Areas Tax Factors.

Pipeline Safety Fee:

Plus applicable charge in accordance with the provisions of Rate Schedule PSF ` Pipeline Safety Fee.

Excess Deferred Income Tax Credit:

Credit to Volumetric Charge has been applied in accordance with provisions of Rate Schedule EDIT ` Excess Deferred Income Tax Credit.

ITF

Incorporated Areas Tax Factors: Taxes In addition to the monthly charges, each customers bill will include a charge for an amount equivalent to the customers proportional part of the city franchise fees, state gross receipts taxes, or other governmental levies payable by the Company, exclusive of federal income taxes. Municipal franchise fees are determined by each municipalitys franchise ordinance. Each municipalitys franchise ordinance will specify the percentage and applicability of franchise fees. From time to time, the tax factor may be adjusted, if required, to account for any over- or under-recovery of municipal franchise fees by the Company and to include an amount equivalent to the proportionate part of any new tax or increased franchise fee or tax, or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable. Gross receipts taxes and municipal franchise fees will only be charged to customers within the incorporated areas.

PGF

Purchase Gas Factor:

Purpose and Intent

This provision is intended to allow collection of the gas purchase costs of CoServ Gas, Ltd. (hereinafter CoServ Gas or the Company) in a manner that will lessen monthly fluctuations in the Purchased Gas Factor and ensure that actual costs billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised, and a revised tariff filed to reflect such revisions. The Company will

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make appropriate regulatory filings and obtain regulatory approvals, as required, before making changes to its rates. The Company will notify the Railroad Commission within 10 days of the date its policies and procedures for recovering the uncollectable portion of its gas cost charges.

Applicability:

This clause shall apply to all CoServ Gas tariffs that incorporate this Purchased Gas Factor provision and which have been properly filed and implemented with the appropriate jurisdictional authority.

Definitions:

Standard Cubic Foot of Gas ` the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit.

Ccf ` one hundred standard cubic feet of gas.

Mcf ` one thousand standard cubic feet of gas.

Purchased Gas Volumes ` The volumes of gas, expressed in Mcfs, purchased by the Company and received into the Companys distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s) `The total cost of Purchased Gas Volumes, as received into the Companys distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas ` The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf. Weighting us by the volume of each gas component.

Billed Gas Volumes ` The volumes of gas billed to customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcfs

Billed Gas Revenues ` The total amount of revenues attributable to billings by CoServ for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Factor during the same period.

Lost and Unaccounted for Gas (LUG) ` Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Purchased Gas Factor (PGF) ` A factor on each customers monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

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Fixed Transportation Costs (FTC) ` The fixed monthly or demand amount of transportation costs determined by a Maximum Daily Quantity (MDQ) or such other similarly named fixed costs for transportation.

Estimated Fixed Transportation Costs (EFTC) ` The anticipated FTC to be incurred during the Annual Review period.

Annual Fixed Transportation Costs (AFTC) ` The actual FTC incurred during the Annual Review Period.

Annual Review Period ` The 12-month period ending June 30 of each year.

Annual Review ` An annual review of the Companys records covering the 12-month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total ` The total amount determined through the Annual Review to be credited or surcharged to customers bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor ` A credit or surcharge included in the Purchased Gas Factor to reflect the pro-rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company-owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Companys distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by CoServ, pipeline transportation volumetric charges, gas storage charges (both volumetric and demand), and an adjustment for any gas imbalances due to or from the shipper.

Fixed Transportation Costs will be estimated for the year (EFTC). The EFTC will be divided by the estimated annual volume of gas to be delivered to determine the FTC rate per Mcf. This rate will be applied monthly to the anticipated gas volume for a particular month and will be included in the PGF. The EFTC will be updated for

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the remainder of the Annual Review Period and a new rate will be determined and used for calculating the PGF during the remaining months of the Annual Review Period. A running over or under collected balance will be maintained and an interest will be added to or subtracted from the over/under balance as appropriate.

Any remaining balance in the over/under account will be added to or subtracted from the EFTC for the subsequent Annual Review Period. The Company shall account separately for gas injected into storage on a specific identification basis and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro-rata amount to adjust for previous over- or under-estimates of the Weighted Average Cost of Gas; plus the total amount of gas cost determined to have been uncollectible, written off, and remaining unpaid; plus a Reconciliation Factor to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers bills over a twelve-month period commencing each September 1 following the Annual Review Period.

Annual Imbalance Total -- LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative

If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period.

Annual Imbalance Total ` LUG Volume is positive and is greater than five percent of Purchased Gas Volumes

If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows:

The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined;

Minus, the Purchased Gas Costs attributable to LUG volumes in excess of 5% of the

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Purchase Gas Volumes, using the Companys Weighted Average Cost of Purchased Gas for the Review Period.

Reconciliation Factor Calculation

The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows:

The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period.

The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total.

The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month.

Each month of the twelve-month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over- or under-estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month.

At the end of each 12-month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12-month period.

Annual Reconciliation Report

The Company shall file an Annual Reconciliation Report with the Regulatory Authority that shall include but not necessarily be limited to:

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30;
2. A tabulation of the uncollectible gas cost by month for the twelve months ending June 30;
3. A description of all other costs and refunds made during the year and their effect on Rate Schedule PGF ` Purchased Gas Factor to date;
4. A tabulation of gas units sold to general service customers and related Rate

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Schedule PGF - Purchased Gas Factor revenues; and,
5. A description of the imbalance payments made to and received from the Companys transportation customers within the service area, including monthly imbalances incurred, the monthly imbalances resolved, and the amount of cumulative imbalances. The description should reflect the system imbalance and imbalance amount for each supplier using the Companys distribution system during the reconciliation period.
6. The Annual Reconciliation Report prepared for the Railroad Commission shall be sent to the Audit Section of the Gas Services Division and shall also include uncollected expenses, uncollected margin, uncollected gas costs, uncollected taxes, subsequent collected gas costs and subsequent collected margin.

The Company shall maintain detailed information that will allow the Regulatory Authority to audit the operation of the uncollectible gas cost recovery process.

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UO

Utility Operations:

CoServ Gas, Ltd. owns and operates a natural gas distribution system that provides natural gas service in Texas.

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The following will respond to inquiries regarding provisions of this Tariff for Gas Service:

Tariff Coordinator CoServ Gas, Ltd.
 7701 South Stemmons
 Corinth, Texas 76210
 Telephone: (940) 321-7800
 Email Address: tariff@coserv.com

SAI

INCORPORATED SERVICE AREAS

- Allen
- Argyle
- Aubrey
- Bartonville
- Carrollton
- Celina
- Copper
- Canyon Corinth
- Crossroads
- Denton
- Double Oak
- Fairview
- Flower Mound
- Forney
- Fort Worth
- Frisco
- Highland Village
- Little Elm
- Lewisville
- Lucas
- McKinney
- Murphy
- Northlake
- Parker
- Plano
- Ponder
- Prosper
- Providence
- Village
- St. Paul
- Shady Shores
- The Colony
- Wylie

COUNTIES

- Denton
- Denton
- Kaufman

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CAPCR

CoServ Gas customers who were previously customers of Denton County Electric Cooperative, d/b/a CoServ Electric, may receive Capital Credits from CoServ Electric. Any such credits will be considered to be a payment on those customers gas bills and will be treated as a credit on such bills.

PSF

Application of Schedule:
Applicable to all customer classes.

Monthly Calculation

Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commissions rules. Compliance Report The Company shall file an annual pipeline safety fee (PSF) report no later than 90 days after the last billing cycle in which the pipeline safety fee surcharge is billed to customers. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department, referencing OS-20-00005136, and titling the report Pipeline Safety Fee Recovery Report. The report shall include the following: a) the pipeline safety fee-amount paid to the Commission; b) the unit rate for each customer; c) the date or dates the surcharge was billed to customers; and d) the total amount billed to customers for the surcharge. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967

RCE

Application of Schedule:
Applicable to residential, commercial, and public authority customer classes.

Monthly Surcharge Pursuant to the Final Order in OS-20-00005136, CoServ is authorized to recover a total of \$774,683.93 in rate case expenses from OS-20-00005136 customers identified above by a surcharge of \$0.00333 per Ccf for a period of approximately 24 months commencing TBD 2021.

Compliance Report: The Company shall file an annual rate case expense reconciliation report within 90 days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department and referencing OS-20-00005136 Rate Case Expense Recovery Report. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports to the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of

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Texas P.O. Box 12967 Austin, TX 78711-2967

WNA

Application of Schedule:

Applicable to residential, commercial and public authority customers.

Purpose and Intent

This provision is intended to account for the effects of abnormal temperatures on both customers and the Company. Under this provision customers will receive a credit when the temperature is colder than normal or will be surcharged when the temperature is warmer than normal. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised so that the goals are achieved, subject to review by the Gas Services Division of the Railroad Commission of Texas.

Applicability:

This tariff shall be applicable for the months of November through April of each year. The WNA charge shall be reflected on the monthly bills rendered to customers in the months of December through May to account for the variation in gas consumption due to the variation in temperatures from normal during the November through April period. The WNA charge billed for a month will be based on Heating Degree Day parameters for the previous month, actual number of customers for the previous month, and estimated rate class Ccf consumption for the current month.

Definitions:

Ccf ` One hundred standard cubic feet of gas

HDD ` Heating Degree Days

HDDn ` Normal heating degree days for the previous month based on normal determined by NOAA for the Dallas Fort Worth International Airport (KDFW weather station)

HDDa ` Actual heating degree days for the previous month

HL` Is a factor for heat load per HDD for the test year. The factor is 0.10012 for residential customers, 0.457193 for commercial customers and 1.385462 for public authority customers

C `Number of customers in the customer class at the end of the previous month.

WNV `Weather Normalization Volume calculated by customer class using the following formula: $WNV = C * (HL * (HDDn - HDDa))$

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BMVe ` The estimate of the volume of natural gas for the current month to be consumed by each customer class.

WNAf ` Weather Normalization Adjustment factor

VC ` The Volumetric Charge in effect for the appropriate customer class.

RF ` The Reconciliation Factor is an adjustment to be applied to the current monthly billing to account for differences in WNA revenues calculated using actual, final billing and HDD parameters for previous periods and the WNA revenues actually recovered in previous periods. Any remaining RF balance after the May billing will be included in the next December billing.

WNA Calculation

The amount to be billed or credited to each customer in a customer class will be determined as follows:

$$WNAf = ((WNV * VC) - RF) / BMVe$$

The customer will be charged or credited as follows:

$$WNA = \text{Customers Actual Ccf Consumption} \times WNAf$$

Monthly Report:

By the 25th day of the month following the month in which a given WNA is billed or credited, the Company will file with the Regulatory Authority a report showing the volume adjustments and WNA revenues for each applicable customer class. Supporting documentation will be made available for review upon request.

Annual Report:

An annual report shall be filed with the regulatory authority for each five-month period beginning with November and ending the subsequent April by customer class. The report shall provide: (a) the total amount of volumetric revenues collected from customers including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather sensitive revenues billed, and (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause.

Compliance Report:

The Company shall file with the Commission an annual report verifying the past years WNA collections or refunds. The report shall show the amount collected or refunded by WNA month, total monthly volume, average WNA rate, average bill impact, percent bill impact and itemized by service area. The Company shall file the report

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with the Commission electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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

EDIT

Application of Schedule:

This Excess Deferred Income Tax Credit applies to all general service rate schedules of CoServ Gas, Ltd. (Company) currently in force within the incorporated and unincorporated areas of Collin, Denton, and Kaufman Counties. Calculation of Credit: The annual amortization of the regulatory liability for excess deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017 and in compliance with GUD No. 10695, will be credited to customers monthly on avolumetric basis until fully amortized. The initial credit will occur in September 01, 2021.

EDIT CREDIT `

The total amount, if any, of the credit in a given year will be determined by: The average rate assumption method (ARAM) as required by the Tax Cuts and Jobs Act of 2017 Section 13001(d) for the protected portion of the regulatory liability for excess deferred income taxes, which results in an amortization over approximately 38 years.

TRUE-UP ADJUSTMENT `

The Excess Deferred Income Tax credit shall be trued-up in CoServs next rate case. The True-Up Adjustment will be the difference between the amount of the EDIT Credit and the amount actually credited to customers. EDIT Credit per Ccf

Residential: \$0.00247
Commercial: \$0.00100
Public Authority: \$0.00100

Other Adjustments:

Taxes:

Plus applicable taxes and fees (including franchise fees) related to above.

Compliance Filing:

The Company shall make a filing with the Commission no later than March 31 of each year, including the following information for the previous calendar year:

- a. the total dollar amount of that years EDIT Credit;
- b. the total dollar amount actually credited to customers;
- c. the amount of the upcoming years EDIT Credit; and d. the amounts of the upcoming years EDIT Credit per Customer.

Conditions:

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Subject to all applicable laws and orders, and the Company`s rules and regulations on file with the regulatory authority.

DEP

Customer deposits are not required with acceptable credit bureau or other report of good credit by a utility. Deposits may be required of CoServ Gas customers who have been disconnected for nonpayment and later request to be reconnected. Deposits will be determined by estimating one-sixth of the average annual bill, and may include allowable additional charges, as specified by Texas Railroad Commission regulation. See applicable Commission regulation at 16 TAC Section 7.45 (Quality of Service Rule) for other provisions governing deposits.

RIDER URI

A. PURPOSE: The purpose of the Winter Storm Uri Surcharge is to authorize CoServ Gas, Ltd. (CoServ Gas or the Company) to recover the reasonable, necessary, and prudent extraordinary costs incurred by the Company as a result of Winter Storm Uri. The rate schedule is authorized by the Railroad Commission of Texas (Commission) (1) Regulatory Asset Determination Order in OS-21-00007061 (Regulatory Asset Order), (2) original jurisdiction to prescribe the manner and form of the books, records, and accounts for gas utilities under Texas Utilities Code 102.101(a), (b) and (d), (3) Regulatory Asset Notice issued on February 13, 2021, and (4) Notice to Gas Utilities issued on June 17, 2021. The Commission authorizes and directs the Company to assess the Winter Storm Uri Surcharge rate as set forth:
 B. APPLICABILITY: This rate shall apply to all CoServ customers located in the incorporated and unincorporated service areas. C. SURCHARGE RATE: All Ccf during each billing period: \$0.07 per Ccf, to all customers through the Companys Purchase Gas Factor. This rate will be in effect until all approved and expended Winter Storm Uri costs, up to \$67,224,791 (Regulatory Asset Amount) plus carrying cost, are recovered under the applicable rate schedules. Any excess recovery of the Regulatory Asset Amount shall be calculated and refunded to customers through the Companys Purchase Gas Factor. D. OTHER ADJUSTMENTS: Plus applicable taxes and fees (including franchise fees) related to above.

RATE ADJUSTMENT PROVISIONS

None

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| CUSTOMERS | | | | |
|------------------------|----------------------|---------------------|---------------------------|---------------------------|
| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
| 1 | N | | | |
| <u>CUSTOMER NAME</u> | City of Flower Mound | | | |
| 2 | N | | | |
| <u>CUSTOMER NAME</u> | City of Plano | | | |
| 3 | N | | | |
| <u>CUSTOMER NAME</u> | City of Frisco | | | |
| 4 | N | | | |
| <u>CUSTOMER NAME</u> | City of Prosper | | | |
| 5 | N | | | |
| <u>CUSTOMER NAME</u> | City of Denton | | | |
| 6 | N | | | |
| <u>CUSTOMER NAME</u> | City of Allen | | | |
| 7 | N | | | |
| <u>CUSTOMER NAME</u> | City of Argyle | | | |
| 8 | N | | | |
| <u>CUSTOMER NAME</u> | City of Bartonville | | | |
| 10 | N | | | |
| <u>CUSTOMER NAME</u> | City of Double Oak | | | |
| 11 | N | | | |
| <u>CUSTOMER NAME</u> | City of Little Elm | | | |
| 12 | N | | | |
| <u>CUSTOMER NAME</u> | City of Ponder | | | |
| 15 | N | | | |
| <u>CUSTOMER NAME</u> | City of Shady Shores | | | |
| 16 | N | | | |
| <u>CUSTOMER NAME</u> | Lavon System Wylie | | | |
| 17 | N | | | |
| <u>CUSTOMER NAME</u> | Lavon System Murphy | | | |
| 18 | N | | | |
| <u>CUSTOMER NAME</u> | Lavon System Parker | | | |
| 19 | N | | | |
| <u>CUSTOMER NAME</u> | Lavon System Lucas | | | |
| 4424 | N | | | |
| <u>CUSTOMER NAME</u> | City of Fort Worth | | | |

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CUSTOMERS

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|----------------------------|---------------------|---------------------------|---------------------------|
| 4425 | N | | | |
| <u>CUSTOMER NAME</u> | City of Highland Village | | | |
| 4426 | N | | | |
| <u>CUSTOMER NAME</u> | City of Fairview | | | |
| 4485 | N | | | |
| <u>CUSTOMER NAME</u> | City of Corinth | | | |
| 4486 | N | | | |
| <u>CUSTOMER NAME</u> | City of McKinney | | | |
| 9 | N | | | |
| <u>CUSTOMER NAME</u> | City of The Colony | | | |
| 18267 | N | | | |
| <u>CUSTOMER NAME</u> | City of Celina | | | |
| 18268 | N | | | |
| <u>CUSTOMER NAME</u> | City of St. Paul | | | |
| 18269 | N | | | |
| <u>CUSTOMER NAME</u> | City of Lewisville | | | |
| 27601 | N | | | |
| <u>CUSTOMER NAME</u> | Cross Roads, Inc | | | |
| 41977 | N | | | |
| <u>CUSTOMER NAME</u> | City of Aubrey | | | |
| 41979 | N | | | |
| <u>CUSTOMER NAME</u> | City of Carrollton | | | |
| 41980 | N | | | |
| <u>CUSTOMER NAME</u> | Town of Copper Canyon | | | |
| 41981 | N | | | |
| <u>CUSTOMER NAME</u> | City of Forney | | | |
| 41987 | N | | | |
| <u>CUSTOMER NAME</u> | Town of Northlake | | | |
| 41989 | N | | | |
| <u>CUSTOMER NAME</u> | City of Providence Village | | | |

REASONS FOR FILING

NEW?: N

RRC DOCKET NO:

CITY ORDINANCE NO: See Ord REF

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AMENDMENT (EXPLAIN):

OTHER (EXPLAIN): To renumber service charges.

SERVICES

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> |
|-------------------------------|----------------------------|
| B | Commercial Sales |
| <u>OTHER TYPE DESCRIPTION</u> | |

PREPARER - PERSON FILING

RRC NO: 782 ACTIVE FLAG: Y INACTIVE DATE:
 FIRST NAME: Charley MIDDLE: LAST NAME: Harrell
 TITLE: Director of Finance
 ADDRESS LINE 1: 7701 S. Stemmons
 ADDRESS LINE 2:
 CITY: Corinth STATE: TX ZIP: 76210 ZIP4:
 AREA CODE: 940 PHONE NO: 321-7834 EXTENSION:

CURTAILMENT PLAN

| <u>PLAN ID</u> | <u>DESCRIPTION</u> |
|----------------|---|
| CP | CoServ Gas follows the requirements of the order in the Railroad Commission of Texas, Gas Utilities Docket No. 489. |

LINE EXTENSION POLICY

| <u>POLICY ID</u> | <u>DESCRIPTION</u> |
|------------------|---|
| 1246 | Line Extension Policy: The Company has the right to contract with individual customers for the installation of gas facilities as provided for by the city franchise. Upon the request of a prospective new residential or commercial customer for service in an area served by CoServ Gas, CoServ Gas will extend its main lines up to 100 feet from an existing CoServ Gas main in the Public Rights of Way, without charge. The 100-foot allowance applies to a single customer or to a group of customers requesting service from the same extension. Customers requesting mainline extensions in excess of 100 feet shall bear the cost of any additional main, and shall bear the cost of all yard lines, service lines, customer meters and regulators, and appurtenant equipment, in accordance with the charges listed in item 11, Line Extension and Installation, of Rate Schedule M, Miscellaneous Service Charges. CoServ Gas is not required to extend its mains or facilities if the customer will not use gas for space heating and water heating, or the equivalent load, at a minimum. |

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QUALITY OF SERVICE

| QUAL_SERVICE ID | DESCRIPTION |
|-----------------|--|
| Q | <p>Sections 7.45 (Quality of Service):</p> <p>For gas utility service to residential and small commercial customers, the following minimum service standards shall be applicable in unincorporated areas. In addition, each gas distribution utility is ordered to amend its service rules to include said minimum service standards within the utility service rules applicable to residential and small commercial customers within incorporated areas, but only to the extent that said minimum service standards do not conflict with standards lawfully established within a particular municipality for a gas distribution utility. Said gas distribution utility shall file service rules incorporating said minimum service standards with the Railroad Commission and with the municipalities in the manner prescribed by law.</p> <p>(1) Continuity of service.</p> <p>(A) Service interruptions.</p> <p>(i) Every gas utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.</p> <p>(ii) Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.</p> <p>(iii) In the event of national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.</p> <p>(B) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, each utility shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.</p> <p>(C) Report to commission. The commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four hours. The notice shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.</p> <p>(2) Customer relations.</p> <p>(A) Information to customers. Each utility shall:</p> <p>(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information</p> |

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which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, shall be kept by the utility in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the utility to advise applicants and others entitled to the information as to the facilities available for serving that locality;

(ii) assist the customer or applicant in selecting the most economical rate schedule;

(iii) in compliance with applicable law or regulations, notify customers affected by a change in rates or schedule or classification;

(iv) post a notice in a conspicuous place in each business office of the utility where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the commission are available for inspection;

(v) upon request inform its customers as to the method of reading meters;

(vi) provide to new customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform the customers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish:

(I) the customer's right to information concerning rates and services and the customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;

(II) the customer's right to have his or her meter checked without charge under paragraph (7) of this section, if applicable;

(III) the time allowed to pay outstanding bills;

(IV) grounds for termination of service;

(V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service;

(VII) information on alternative payment plans offered by the utility;

(VIII) the steps necessary to have service reconnected after involuntary termination;

(IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority;

(X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and

(XI) the customer's right to be instructed by the utility how to read his or her meter; (vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

(B) Customer complaints. Upon complaint to the utility by residential or small commercial customers either at its office, by letter, or by telephone, the utility shall promptly make a suitable investigation and advise the complainant of the results thereof. It shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint.

(C) Utility response. Upon receipt of a complaint, either by letter or by telephone, from the

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regulatory authority on behalf of a customer, the utility shall make a suitable investigation and advise the regulatory authority and complainant of the results thereof. An initial response must be made by the next working day. The utility must make a final and complete response within 15 days from the date of the complaint, unless additional time is granted within the 15-day period. The commission encourages all customer complaints to be made in writing to assist the regulatory authority in maintaining records of the quality of service of each utility; however, telephone communications will be acceptable.

(D) Deferred payment plan. The utility is encouraged to offer a deferred payment plan for delinquent residential accounts. If such a plan is offered, it shall conform to the following guidelines:

(i) Every deferred payment plan entered into due to the customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

(ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer's ability to pay; customer's payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.

(iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer's signature and in bold-face print at least two sizes larger than any other used, that: If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement.

(iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

(v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

(vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

(i) Applicability. This subparagraph applies only to:

(I) a utility that assesses late payment charges on residential customers and that suspends

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service before the 26th day after the date of the bill for which collection action is taken;
(II) utility bills issued on or after August 30, 1993; and
(III) an elderly person, as defined in clause (ii) of this subparagraph, who is a residential customer and who occupies the entire premises for which a delay is requested.

(ii) Definitions.

(I) Elderly person--A person who is 60 years of age or older.

(II) Utility--A gas utility or municipally owned utility, as defined in Texas Utilities Code, 101.003(7), 101.003(8), and 121.001 - 121.006.

(iii) An elderly person may request that the utility implement the delay for either the most recent utility bill or for the most recent utility bill and each subsequent utility bill.

(iv) On request of an elderly person, a utility shall delay without penalty the payment date of a bill for providing utility services to that person until the 25th day after the date on which the bill is issued.

(v) The utility may require the requesting person to present reasonable proof that the person is 60 years of age or older.

(vi) Every utility shall notify its customers of this delayed payment option no less often than yearly. A utility may include this notice with other information provided pursuant to subparagraph (A) of this paragraph.

(3) Refusal of service.

(A) Compliance by applicant. Any utility may decline to serve an applicant for whom service is available from previously installed facilities until such applicant has complied with the state and municipal regulations and approved rules and regulations of the utility on file with the commission governing the service applied for or for the following reasons.

(i) Applicant`s facilities inadequate. If the applicant`s installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.

(ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.

(iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

(B) Applicant`s recourse. In the event that the utility shall refuse to serve an applicant under the provisions of these rules, the utility must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the municipal regulatory authority or commission, whichever is appropriate.

(C) Insufficient grounds for refusal to serve. The following shall not constitute sufficient

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cause for refusal of service to a present customer or applicant:

(i) delinquency in payment for service by a previous occupant of the premises to be served;
(ii) failure to pay for merchandise or charges for nonutility service purchased from the utility;
(iii) failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
(iv) violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to comply with these rules;
(v) failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the utility as a condition precedent to service; and
(vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

(A) The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

(B) A utility may offer an inducement for prompt payment of bills by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate regulatory authority.

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the customer at least five working days prior to the stated date of disconnection, with the words Termination Notice or similar language prominently displayed on the notice. The notice shall be provided in English and Spanish as necessary to adequately inform the customer, and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the utility may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

(D) Utility service may be disconnected for any of the following reasons:

(i) failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;
(ii) violation of the utility's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;
(iii) failure to comply with deposit or guarantee arrangements where required by paragraph (5) of this section;
(iv) without notice where a known dangerous condition exists for as long as the condition exists;

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(v) tampering with the utility company's meter or equipment or bypassing the same.

(E) Utility service may not be disconnected for any of the following reasons:

- (i) delinquency in payment for service by a previous occupant of the premises;
- (ii) failure to pay for merchandise or charges for nonutility service by the utility;
- (iii) failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;
- (iv) failure to pay the account of another customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service;
- (v) failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;
- (vi) failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due;
- (vii) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the utility is unable to read the meter due to circumstances beyond its control.

(F) Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the utility are not available to the public for the purpose of making collections and reconnecting service.

(G) No utility may abandon a customer without written approval from the regulatory authority.

(H) No utility may discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service is discontinued. Any customer seeking to avoid termination of service under this section must make a written request supported by a written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

(A) Establishment of credit for residential applicants. Each utility may require a residential applicant for service to satisfactorily establish credit but such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills. Subject to these rules, a residential applicant shall not be required to pay a deposit:

- (i) if the residential applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;

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(ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or

(iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity.

(B) Reestablishment of credit. Every applicant who has previously been a customer of the utility and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay all his amounts due the utility or execute a written deferred payment agreement, if offered, and reestablish credit as provided in subparagraph (A) of this paragraph.

(C) Amount of deposit and interest for residential service, and exemption from deposit.

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, 71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

(ii) The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, the utility may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

(iii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(I) Payment of interest to the customer shall be annually or at the time the deposit is returned or credited to the customer's account.

(II) The deposit shall cease to draw interest on the date it is returned or credited to the customer's account.

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk,

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provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show:

- (I) the name and address of each depositor;
- (II) the amount and date of the deposit; and
- (III) each transaction concerning the deposit.

(ii) The utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

(iii) A record of each unclaimed deposit must be maintained for at least four years, during which time the utility shall make a reasonable effort to return the deposit.

(F) Refund of deposit.

(i) If service is not connected or after disconnection of service, the utility shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.

(ii) When the customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

(G) Upon sale or transfer of utility or company. Upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

(H) Complaint by applicant or customer. Each utility shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or reestablish credit under the provisions of these rules to inform the customer, if dissatisfaction is expressed with the utility's decision, of the customer's right to file a complaint with the regulatory authority thereon.

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

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(B) The customer`s bill must show all the following information. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

- (i) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;
- (ii) the number and kind of units billed;
- (iii) the applicable rate schedule title or code;
- (iv) the total base bill;
- (v) the total of any adjustments to the base bill and the amount of adjustments per billing unit;
- (vi) the date by which the customer must pay the bill to get prompt payment discount;
- (vii) the total amount due before and after any discount for prompt payment within a designated period;
- (viii) a distinct marking to identify an estimated bill.

(C) Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. For the second consecutive month in which the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, the utility must provide the customer with a postcard and request that the customer read the meter and return the card to the utility if the meter is of a type that can be read by the customer without significant inconvenience or special tools or equipment. If such a postcard is not received by the utility in time for billing, the utility may estimate the meter reading and render the bill accordingly.

(D) Disputed bills.

(i) In the event of a dispute between the customer and the utility regarding the bill, the utility must forthwith make such investigation as is required by the particular case and report the results thereof to the customer. If the customer wishes to obtain the benefits of clause (ii) of this subparagraph, notification of the dispute must be given to the utility prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the utility shall inform the customer of the complaint procedures of the appropriate regulatory authority.

(ii) Notwithstanding any other subsection of this section, the customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that customer`s average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this section only, the customer`s average usage for the billing period shall be the average of the customer`s usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar customers and under similar conditions.

(7) Meters.

(A) Meter requirements.

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(i) Use of meter. All gas sold by a utility must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the regulatory authority, or tariff.

(ii) Installation by utility. Unless otherwise authorized by the regulatory authority, each utility must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its customers.

(iii) Standard type. No utility may furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

(B) Meter records. Each utility must keep the following records:

(i) Meter equipment records. Each utility must keep a record of all its meters, showing the customer's address and date of the last test.

(ii) Records of meter tests. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

(iii) Meter readings--meter unit location. In general, each meter must indicate clearly the units of service for which charge is made to the customer.

(iv) Meter tests on request of customer.

(I) Each utility must, upon request of a customer, make a test of the accuracy of the meter serving that customer. The utility must inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four years, the utility is entitled to charge a fee for the test not to exceed \$15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory authority. The customer must be properly informed of the result of any test on a meter that serves him.

(II) Notwithstanding subclause (I) of this clause, if the meter is found to be more than nominally defective, to either the customer's or the utility's disadvantage, any fee charged for a meter test must be refunded to the customer. More than nominally defective means a deviation of more than 2.0% from accurate registration.

(v) Bill adjustments due to meter error.

(I) If any meter test reveals a meter to be more than nominally defective, the utility must correct previous readings consistent with the inaccuracy found in the meter for the period of either:

(-a-) the last six months; or

GAS SERVICES DIVISION

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| RRC COID: 5588 | COMPANY NAME: COSERV GAS |
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(-b-) the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by the utility if the error is to the utility's disadvantage.

(II) If a meter is found not to register for any period of time, the utility may make a charge for units used but not metered for a period not to exceed three months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

Q1

(8) New construction.

(A) Standards of construction. Each utility is to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law, and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.

(B) Line extension and construction charges. Every utility must file its extension policy. The policy must be consistent, nondiscriminatory, and is subject to the approval of the regulatory authority. No contribution in aid of construction may be required of any customer except as provided for in extension policy.

(C) Response to request for service. Every gas utility must serve each qualified applicant for service within its service area as rapidly as practical. As a general policy, those applications not involving line extensions or new facilities should be filled within seven working days. Those applications for individual residential service requiring line extensions should be filled within 90 days unless unavailability of materials or other causes beyond the control of the utility result in unavoidable delays. In the event that residential service is delayed in excess of 90 days after an applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report must be made to the regulatory authority listing the name of the applicant, location, and cause for delay. Unless such delays are due to causes which are reasonably beyond the control of the utility, a delay in excess of 90 days may be found to constitute a refusal to serve.

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SERVICE CHARGES

| <u>RRC CHARGE NO.</u> | <u>CHARGE ID</u> | <u>CHARGE AMOUNT</u> | <u>SERVICE PROVIDED</u> |
|-----------------------|------------------|----------------------|---|
| 301702 | SC1 | | Connection Charge During Business Hours: During standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. (b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations. The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including the inability for CoServ to gain access to the premises, failure of the appliances to meet required specifications, a leak in the piping, or the like. This will be identified as a Failed Connect Attempt. \$65.00 |
| 301703 | SC2 | | Connection Charge After Business Hours: After standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. (b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations. The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including the inability for CoServ to gain access to the premises, failure of the appliances to meet required specifications, a leak in the piping, or the like. This will be identified as a Failed Connect Attempt. \$97.00 |
| 301704 | SC3 | | Field Read of Meter: A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party. \$19.00 |
| 301705 | SC4 | | Returned Check Charges: Returned check handling charge for each check returned to Company for any reason. \$20.00 |
| 301706 | SC5 | | Charge for Temporary Discontinuance of Service - Residential: Whenever service has been temporarily |

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| 301707 | SC6 | <p>disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$65.00</p> |
| 301708 | SC7 | <p>Charge for Temporary Discontinuance of Service.5 Non-Residential: Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$107.00</p> |
| 301709 | SC8 | <p>Charge for Meter Testing: The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Test Fee. The customer must be properly informed of the result of any test on a meter that services the customer. \$15.00</p> |
| 301710 | SC9 | <p>Charge for Service Calls During Business Hours: A Service Call Charge is made for responding to a service call during standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem. \$26.00</p> |
| 301701 | SCAP | <p>Charge for Service Calls After Business Hours: A Service Call Charge is made for responding to a service call after standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem. \$40.00</p> |
| 301711 | SC10 | <p>Application of Schedule: The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges.</p> |
| | | <p>Tampering Charge: No Company meters, equipment, or other property, whether on Customer's premises or elsewhere, are to be tampered with or interfered with for any reason. A Tampering Charge is made for unauthorized reconnection or other tampering with</p> |

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| 301712 | SC11 | <p>Company metering facilities or a theft of gas service by a person on the customer's premises or evidence by whomsoever at customer's premises. An additional cost for the cost of repairs and/or replacement of damaged facilities and the installation of protective facilities or relocation of meter are made at cost plus appropriate charges as may be detailed in the Company's Service Rules and Regulations \$125.00</p> |
| 301712 | SC11 | <p>Line Extension and Installation Charges: Customers in incorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to main extension policy in municipal franchise and in Rate Schedule LEI - Line Extension Policy - Incorporated Areas. Credit for main pursuant to municipal franchise. The customer is responsible for the installation of yard line and yard line risers. Customers in unincorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to line extension policy contained in Rate Schedule LEU - Line Extension Policy - Unincorporated Areas. The customer is responsible for the installation of yard line and yard line risers. *Actual cost of the portion of any extensions exceeding the free extension allowance provided within the line extension. Actual Cost*</p> |
| 301713 | SC12 | <p>Construction Crew Charges: All labor charges if a construction crew is required. Actual Cost</p> |
| 301714 | SC13 | <p>Construction Costs Charges: All other construction charges. Actual Cost</p> |

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DESCRIPTION: Distribution Sales STATUS: A
EFFECTIVE DATE: 08/03/2021 ORIGINAL CONTRACT DATE: RECEIVED DATE: 06/07/2022
GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO: 180533
BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID DESCRIPTION
DEF

Definitions:

COMMERCIAL CUSTOMER ` A customer, other than a residential customer, and not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.

COMMISSION - The Railroad Commission of Texas.

COMPANY - CoServ Gas, Ltd., its successors, and its assigns.

CUSTOMER - An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving or who is receiving the benefit of gas service at a specified point of delivery.

ENVIRONS ` The unincorporated areas outside the city limits in the Companys service area.

RATE SCHEDULE - A statement of the method of determining charges for gas service, including the conditions under which such method applies.

RESIDENTIAL CUSTOMER - Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.

RESIDENTIAL END USES - Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.

CU

Commercial Unincorporated Areas Sales:
Application of Schedule applies to commercial customers in unincorporated areas.

Monthly Base Rate Customers base monthly bill will be calculated using the following customer and Ccf charges:
Customer Charge \$35.00 per month, plus
Volumetric Charge \$0.06479 per Ccf

Other Fees and Credits Purchased Gas Factor:
The basic rates for cost of service set forth above shall be increased by the amount of the Purchased Gas Factor for the billing month computed in accordance with the provisions of Rate Schedule PGF ` Purchased Gas Factor.

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RATE SCHEDULE

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DESCRIPTION

Rate Case Expenses:
Plus applicable charge in accordance with provisions of Rate Schedule RCE ` Rate Case Expenses.

Taxes:
Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule UTF ` Unincorporated Areas Tax Factors.

Pipeline Safety Fee:
Plus applicable charge in accordance with the provisions of Rate Schedule PSF ` Pipeline Safety Fee.

Excess Deferred Income Tax Credit:
Credit to Volumetric Charge has been applied in accordance with provisions of Rate Schedule EDIT ` Excess Deferred Income Tax Credit.

UTF

Unincorporated Areas Tax Factors:
Environs Area: Frisco, Denton Co.

Fee:
4% of gross receipts.

Entity Collecting Fee:
Denton Co. Fresh Water Supply Dist. No. 8A, 8B, 9, 10, 11A, and 11B.

Environs Area:
Lantana Subdiv. Fee: 3% of gross receipts. Entity Collecting Fee: Denton Co. Fresh Water Supply Denton Co. Dists. No. 6 and 7. Windmill Farms Subdiv. Fee: 4% of gross receipts.

Entity Collecting Fee:
Kaufman Co. Dev. Dist. No. 1 Kaufman Co. In addition to the monthly charges above, each customers bill in the above referenced areas will include a charge for an amount equivalent to the customers proportional part of any taxes, fees, or similar levies payable by the Company to governmental or quasi-governmental entities with authority over the area in which the customer resides. Any such charge will be computed by multiplying the Monthly Base Rate charges and Purchased Gas Factor charges by a factor calculated to recover the actual amount of such taxes, fees, or similar levies. Currently applicable taxes, fees, or similar levies for each unincorporated area are detailed on the CoServ Rate Schedule UTF ` Unincorporated Areas Tax Factors. CoServ does not charge municipal franchise fees to unincorporated area customers.

PGF

Purchase Gas Factor:

Purpose and Intent

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RATE SCHEDULE

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DESCRIPTION

This provision is intended to allow collection of the gas purchase costs of CoServ Gas, Ltd. (hereinafter CoServ Gas or the Company) in a manner that will lessen monthly fluctuations in the Purchased Gas Factor and ensure that actual costs billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised, and a revised tariff filed to reflect such revisions. The Company will make appropriate regulatory filings and obtain regulatory approvals, as required, before making changes to its rates. The Company will notify the Railroad Commission within 10 days of the date its policies and procedures for recovering the uncollectable portion of its gas cost charges.

Applicability:

This clause shall apply to all CoServ Gas tariffs that incorporate this Purchased Gas Factor provision and which have been properly filed and implemented with the appropriate jurisdictional authority.

Definitions:

Standard Cubic Foot of Gas ` the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit.

Ccf ` one hundred standard cubic feet of gas.

Mcf ` one thousand standard cubic feet of gas.

Purchased Gas Volumes ` The volumes of gas, expressed in Mcfs, purchased by the Company and received into the Companys distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s) `The total cost of Purchased Gas Volumes, as received into the Companys distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas ` The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf. Weighting us by the volume of each gas component.

Billed Gas Volumes ` The volumes of gas billed to customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcfs

Billed Gas Revenues ` The total amount of revenues attributable to billings by CoServ for Purchased Gas Costs during a given period, exclusive of any billings for

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any Reconciliation Factor during the same period.

Lost and Unaccounted for Gas (LUG) ` Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Purchased Gas Factor (PGF) ` A factor on each customers monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

Fixed Transportation Costs (FTC) ` The fixed monthly or demand amount of transportation costs determined by a Maximum Daily Quantity (MDQ) or such other similarly named fixed costs for transportation.

Estimated Fixed Transportation Costs (EFTC) ` The anticipated FTC to be incurred during the Annual Review period.

Annual Fixed Transportation Costs (AFTC) ` The actual FTC incurred during the Annual Review Period.

Annual Review Period ` The 12-month period ending June 30 of each year.

Annual Review ` An annual review of the Companys records covering the 12-month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total ` The total amount determined through the Annual Review to be credited or surcharged to customers bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor ` A credit or surcharge included in the Purchased Gas Factor to reflect the pro-rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company-owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Companys distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where

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such fees are integrally tied to the purchase or transportation of gas purchased by CoServ, pipeline transportation volumetric charges, gas storage charges (both volumetric and demand), and an adjustment for any gas imbalances due to or from the shipper.

Fixed Transportation Costs will be estimated for the year (EFTC). The EFTC will be divided by the estimated annual volume of gas to be delivered to determine the FTC rate per Mcf. This rate will be applied monthly to the anticipated gas volume for a particular month and will be included in the PGF. The EFTC will be updated for the remainder of the Annual Review Period and a new rate will be determined and used for calculating the PGF during the remaining months of the Annual Review Period. A running over or under collected balance will be maintained and an interest will be added to or subtracted from the over/under balance as appropriate.

Any remaining balance in the over/under account will be added to or subtracted from the EFTC for the subsequent Annual Review Period. The Company shall account separately for gas injected into storage on a specific identification basis and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro-rata amount to adjust for previous over- or under-estimates of the Weighted Average Cost of Gas; plus the total amount of gas cost determined to have been uncollectible, written off, and remaining unpaid; plus a Reconciliation Factor to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers bills over a twelve-month period commencing each September 1 following the Annual Review Period.

Annual Imbalance Total -- LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative

If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period.

Annual Imbalance Total ` LUG Volume is positive and is greater than five percent of Purchased Gas Volumes

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If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows:

The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined;

Minus, the Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Companys Weighted Average Cost of Purchased Gas for the Review Period.

Reconciliation Factor Calculation

The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows:

The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period.

The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total.

The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month.

Each month of the twelve-month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over- or under-estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month.

At the end of each 12-month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12-month period.

Annual Reconciliation Report

The Company shall file an Annual Reconciliation Report with the Regulatory Authority that shall include but not necessarily be limited to:

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1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30;
2. A tabulation of the uncollectible gas cost by month for the twelve months ending June 30;
3. A description of all other costs and refunds made during the year and their effect on Rate Schedule PGF ` Purchased Gas Factor to date;
4. A tabulation of gas units sold to general service customers and related Rate Schedule PGF - Purchased Gas Factor revenues; and,
5. A description of the imbalance payments made to and received from the Companys transportation customers within the service area, including monthly imbalances incurred, the monthly imbalances resolved, and the amount of cumulative imbalances. The description should reflect the system imbalance and imbalance amount for each supplier using the Companys distribution system during the reconciliation period.
6. The Annual Reconciliation Report prepared for the Railroad Commission shall be sent to the Audit Section of the Gas Services Division and shall also include uncollected expenses, uncollected margin, uncollected gas costs, uncollected taxes, subsequent collected gas costs and subsequent collected margin.

The Company shall maintain detailed information that will allow the Regulatory Authority to audit the operation of the uncollectible gas cost recovery process.

PSF

Application of Schedule:
Applicable to all customer classes.

Monthly Calculation

Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commissions rules. Compliance Report The Company shall file an annual pipeline safety fee (PSF) report no later than 90 days after the last billing cycle in which the pipeline safety fee surcharge is billed to customers. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department, referencing OS-20-00005136, and titling the report Pipeline Safety Fee Recovery Report. The report shall include the following: a) the pipeline safety fee-amount paid to the Commission; b) the unit rate for each customer; c) the date or dates the surcharge was billed to customers; and d) the total amount billed to customers for the surcharge. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967

RCE

Application of Schedule:
Applicable to residential, commercial, and public authority customer classes.

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RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Monthly Surcharge Pursuant to the Final Order in OS-20-00005136, CoServ is authorized to recover a total of \$774,683.93 in rate case expenses from OS-20-00005136 customers identified above by a surcharge of \$0.00333 per Ccf for a period of approximately 24 months commencing TBD 2021.

Compliance Report: The Company shall file an annual rate case expense reconciliation report within 90 days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department and referencing OS-20-00005136 Rate Case Expense Recovery Report. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports to the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967

WNA

Application of Schedule:

Applicable to residential, commercial and public authority customers.

Purpose and Intent

This provision is intended to account for the effects of abnormal temperatures on both customers and the Company. Under this provision customers will receive a credit when the temperature is colder than normal or will be surcharged when the temperature is warmer than normal. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised so that the goals are achieved, subject to review by the Gas Services Division of the Railroad Commission of Texas.

Applicability:

This tariff shall be applicable for the months of November through April of each year. The WNA charge shall be reflected on the monthly bills rendered to customers in the months of December through May to account for the variation in gas consumption due to the variation in temperatures from normal during the November through April period. The WNA charge billed for a month will be based on Heating Degree Day parameters for the previous month, actual number of customers for the previous month, and estimated rate class Ccf consumption for the current month.

Definitions:

Ccf ` One hundred standard cubic feet of gas

HDD ` Heating Degree Days

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HDDn ` Normal heating degree days for the previous month based on normal determined by NOAA for the Dallas Fort Worth International Airport (KDFW weather station)

HDDa ` Actual heating degree days for the previous month

HL` Is a factor for heat load per HDD for the test year. The factor is 0.10012 for residential customers, 0.457193 for commercial customers and 1.385462 for public authority customers

C `Number of customers in the customer class at the end of the previous month.

WNV `Weather Normalization Volume calculated by customer class using the following formula: $WNV = C * (HL * (HDDn - HDDa))$

BMVe ` The estimate of the volume of natural gas for the current month to be consumed by each customer class.

WNAf ` Weather Normalization Adjustment factor

VC ` The Volumetric Charge in effect for the appropriate customer class.

RF ` The Reconciliation Factor is an adjustment to be applied to the current monthly billing to account for differences in WNA revenues calculated using actual, final billing and HDD parameters for previous periods and the WNA revenues actually recovered in previous periods. Any remaining RF balance after the May billing will be included in the next December billing.

WNA Calculation

The amount to be billed or credited to each customer in a customer class will be determined as follows:

$$WNAf = ((WNV * VC) - RF) / BMVe$$

The customer will be charged or credited as follows:

$$WNA = \text{Customers Actual Ccf Consumption} \times WNAf$$

Monthly Report:

By the 25th day of the month following the month in which a given WNA is billed or credited, the Company will file with the Regulatory Authority a report showing the volume adjustments and WNA revenues for each applicable customer class. Supporting documentation will be made available for review upon request.

Annual Report:

An annual report shall be filed with the regulatory authority for each five-month period beginning with November and ending the subsequent April by customer class.

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The report shall provide: (a) the total amount of volumetric revenues collected from customers including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather sensitive revenues billed, and (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause.

Compliance Report:

The Company shall file with the Commission an annual report verifying the past years WNA collections or refunds. The report shall show the amount collected or refunded by WNA month, total monthly volume, average WNA rate, average bill impact, percent bill impact and itemized by service area. The Company shall file the report with the Commission electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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

EDIT

Application of Schedule:

This Excess Deferred Income Tax Credit applies to all general service rate schedules of CoServ Gas, Ltd. (Company) currently in force within the incorporated and unincorporated areas of Collin, Denton, and Kaufman Counties. Calculation of Credit: The annual amortization of the regulatory liability for excess deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017 and in compliance with GUD No. 10695, will be credited to customers monthly on avolumetric basis until fully amortized. The initial credit will occur in September 01, 2021.

EDIT CREDIT `

The total amount, if any, of the credit in a given year will be determined by: The average rate assumption method (ARAM) as required by the Tax Cuts and Jobs Act of 2017 Section 13001(d) for the protected portion of the regulatory liability for excess deferred income taxes, which results in an amortization over approximately 38 years.

TRUE-UP ADJUSTMENT `

The Excess Deferred Income Tax credit shall be trued-up in CoServs next rate case. The True-Up Adjustment will be the difference between the amount of the EDIT Credit and the amount actually credited to customers. EDIT Credit per Ccf

Residential: \$0.00247
Commercial: \$0.00100
Public Authority: \$0.00100

Other Adjustments:

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RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Taxes:

Plus applicable taxes and fees (including franchise fees) related to above.

Compliance Filing:

The Company shall make a filing with the Commission no later than March 31 of each year, including the following information for the previous calendar year:

- a. the total dollar amount of that years EDIT Credit;
- b. the total dollar amount actually credited to customers;
- c. the amount of the upcoming years EDIT Credit; and d. the amounts of the upcoming years EDIT Credit per Customer.

Conditions:

Subject to all applicable laws and orders, and the Company`s rules and regulations on file with the regulatory authority.

DEP

Customer deposits are not required with acceptable credit bureau or other report of good credit by a utility. Deposits may be required of CoServ Gas customers who have been disconnected for nonpayment and later request to be reconnected. Deposits will be determined by estimating one-sixth of the average annual bill, and may include allowable additional charges, as specified by Texas Railroad Commission regulation. See applicable Commission regulation at 16 TAC Section 7.45 (Quality of Service Rule) for other provisions governing deposits.

RIDER URI

A. PURPOSE: The purpose of the Winter Storm Uri Surcharge is to authorize CoServ Gas, Ltd. (CoServ Gas or the Company) to recover the reasonable, necessary, and prudent extraordinary costs incurred by the Company as a result of Winter Storm Uri. The rate schedule is authorized by the Railroad Commission of Texas (Commission) (1) Regulatory Asset Determination Order in OS-21-00007061 (Regulatory Asset Order), (2) original jurisdiction to prescribe the manner and form of the books, records, and accounts for gas utilities under Texas Utilities Code 102.101(a), (b) and (d), (3) Regulatory Asset Notice issued on February 13, 2021, and (4) Notice to Gas Utilities issued on June 17, 2021. The Commission authorizes and directs the Company to assess the Winter Storm Uri Surcharge rate as set forth:
 B. APPLICABILITY: This rate shall apply to all CoServ customers located in the incorporated and unincorporated service areas. C. SURCHARGE RATE: All Ccf during each billing period: \$0.07 per Ccf, to all customers through the Companys Purchase Gas Factor. This rate will be in effect until all approved and expended Winter Storm Uri costs, up to \$67,224,791 (Regulatory Asset Amount) plus carrying cost, are recovered under the applicable rate schedules. Any excess recovery of the Regulatory Asset Amount shall be calculated and refunded to customers through the Companys Purchase Gas Factor. D. OTHER ADJUSTMENTS: Plus applicable taxes and fees (including franchise fees) related to above.

CAPCR

CoServ Gas customers who were previously customers of Denton County Electric

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RATE SCHEDULE

SCHEDULE ID DESCRIPTION

Cooperative, d/b/a CoServ Electric, may receive Capital Credits from CoServ Electric. Any such credits will be considered to be a payment on those customers gas bills and will be treated as a credit on such bills.

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UO

Utility Operations:

CoServ Gas, Ltd. owns and operates a natural gas distribution system that provides natural gas service in Texas.

The following will respond to inquiries regarding provisions of this Tariff for Gas Service:

Tariff Coordinator CoServ Gas, Ltd.
 7701 South Stemmons
 Corinth, Texas 76210
 Telephone: (940) 321-7800
 Email Address: tariff@coserv.com

SAU

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RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

UNINCORPORATED SERVICE AREAS

- Allen environs
- Argyle environs
- Aubrey environs
- Bartonville environs
- Celina environs
- Crossroads environs
- Denton environs
- Forney environs
- Fort Worth environs
- Frisco environs
- Little Elm environs
- Lewisville environs
- Lucas environs
- McKinney environs
- Parker environs
- Prosper environs
- St. Paul environs
- Wylie environs

UNINCORPORATED MASTER PLAN COMMUNITIES

- Denton County Fresh Water District 1A (Castle Hills)
- Denton County Fresh Water District 7 (Lantana)
- Kaufman County Development District (Windmill Farms)

RATE ADJUSTMENT PROVISIONS

None

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CUSTOMERS

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|---------------------------------|---------------------|---------------------------|---------------------------|
| 14 | N | | | |
| <u>CUSTOMER NAME</u> | Environs of the Town of Prosper | | | |
| 20 | N | | | |
| <u>CUSTOMER NAME</u> | Castle Hills Subdivision | | | |
| 21 | N | | | |
| <u>CUSTOMER NAME</u> | Lantana Subdivision | | | |
| 4427 | N | | | |
| <u>CUSTOMER NAME</u> | Windmill Farms | | | |
| 18264 | N | | | |
| <u>CUSTOMER NAME</u> | Argyle Environs | | | |
| 18265 | N | | | |
| <u>CUSTOMER NAME</u> | McKinney Environs | | | |
| 18266 | N | | | |
| <u>CUSTOMER NAME</u> | Frisco Environs | | | |
| 29398 | N | | | |
| <u>CUSTOMER NAME</u> | Lucas Environs | | | |
| 41978 | N | | | |
| <u>CUSTOMER NAME</u> | Aubrey Environs | | | |
| 41982 | N | | | |
| <u>CUSTOMER NAME</u> | Forney Environs | | | |
| 41983 | N | | | |
| <u>CUSTOMER NAME</u> | Fort Worth Environs | | | |
| 41984 | N | | | |
| <u>CUSTOMER NAME</u> | Little Elm Environs | | | |
| 41985 | N | | | |
| <u>CUSTOMER NAME</u> | Lewisville Environs | | | |
| 41988 | N | | | |
| <u>CUSTOMER NAME</u> | Parker Environs | | | |
| 41990 | N | | | |
| <u>CUSTOMER NAME</u> | St. Paul Environs | | | |
| 41991 | N | | | |
| <u>CUSTOMER NAME</u> | City of Wylie Environs | | | |

REASONS FOR FILING

NEW?: N

RRC DOCKET NO: OS-20-00005136

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CITY ORDINANCE NO:

AMENDMENT (EXPLAIN):

OTHER (EXPLAIN): To renumber service charges.

SERVICES

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> |
|-------------------------------|----------------------------|
| B | Commercial Sales |
| <u>OTHER TYPE DESCRIPTION</u> | |

PREPARER - PERSON FILING

RRC NO: 782 ACTIVE FLAG: Y INACTIVE DATE:
 FIRST NAME: Charley MIDDLE: LAST NAME: Harrell
 TITLE: Director of Finance
 ADDRESS LINE 1: 7701 S. Stemmons
 ADDRESS LINE 2:
 CITY: Corinth STATE: TX ZIP: 76210 ZIP4:
 AREA CODE: 940 PHONE NO: 321-7834 EXTENSION:

CURTAILMENT PLAN

| <u>PLAN ID</u> | <u>DESCRIPTION</u> |
|----------------|---|
| CP | CoServ Gas follows the requirements of the order in the Railroad Commission of Texas, Gas Utilities Docket No. 489. |

LINE EXTENSION POLICY

| <u>POLICY ID</u> | <u>DESCRIPTION</u> |
|------------------|---|
| 1246 | Line Extension Policy: The Company has the right to contract with individual customers for the installation of gas facilities as provided for by the city franchise. Upon the request of a prospective new residential or commercial customer for service in an area served by CoServ Gas, CoServ Gas will extend its main lines up to 100 feet from an existing CoServ Gas main in the Public Rights of Way, without charge. The 100-foot allowance applies to a single customer or to a group of customers requesting service from the same extension. Customers requesting mainline extensions in excess of 100 feet shall bear the cost of any additional main, and shall bear the cost of all yard lines, service lines, customer meters and regulators, and appurtenant equipment, in accordance with the charges listed in item 11, Line Extension and Installation, of Rate Schedule M, Miscellaneous Service Charges. CoServ Gas is not required to extend its mains or facilities if the customer will not use gas for space heating and water heating, or the equivalent load, at a minimum. |

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QUALITY OF SERVICE

| <u>QUAL_SERVICE_ID</u> | <u>DESCRIPTION</u> |
|------------------------|--|
| Q | <p>Sections 7.45 (Quality of Service):</p> <p>For gas utility service to residential and small commercial customers, the following minimum service standards shall be applicable in unincorporated areas. In addition, each gas distribution utility is ordered to amend its service rules to include said minimum service standards within the utility service rules applicable to residential and small commercial customers within incorporated areas, but only to the extent that said minimum service standards do not conflict with standards lawfully established within a particular municipality for a gas distribution utility. Said gas distribution utility shall file service rules incorporating said minimum service standards with the Railroad Commission and with the municipalities in the manner prescribed by law.</p> <p>(1) Continuity of service.</p> <p>(A) Service interruptions.</p> <p>(i) Every gas utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.</p> <p>(ii) Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.</p> <p>(iii) In the event of national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.</p> <p>(B) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, each utility shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.</p> <p>(C) Report to commission. The commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four hours. The notice shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.</p> <p>(2) Customer relations.</p> <p>(A) Information to customers. Each utility shall:</p> <p>(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information</p> |

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which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, shall be kept by the utility in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the utility to advise applicants and others entitled to the information as to the facilities available for serving that locality;

(ii) assist the customer or applicant in selecting the most economical rate schedule;

(iii) in compliance with applicable law or regulations, notify customers affected by a change in rates or schedule or classification;

(iv) post a notice in a conspicuous place in each business office of the utility where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the commission are available for inspection;

(v) upon request inform its customers as to the method of reading meters;

(vi) provide to new customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform the customers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish:

(I) the customer's right to information concerning rates and services and the customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;

(II) the customer's right to have his or her meter checked without charge under paragraph (7) of this section, if applicable;

(III) the time allowed to pay outstanding bills;

(IV) grounds for termination of service;

(V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service;

(VII) information on alternative payment plans offered by the utility;

(VIII) the steps necessary to have service reconnected after involuntary termination;

(IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority;

(X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and

(XI) the customer's right to be instructed by the utility how to read his or her meter; (vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

(B) Customer complaints. Upon complaint to the utility by residential or small commercial customers either at its office, by letter, or by telephone, the utility shall promptly make a suitable investigation and advise the complainant of the results thereof. It shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint.

(C) Utility response. Upon receipt of a complaint, either by letter or by telephone, from the

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regulatory authority on behalf of a customer, the utility shall make a suitable investigation and advise the regulatory authority and complainant of the results thereof. An initial response must be made by the next working day. The utility must make a final and complete response within 15 days from the date of the complaint, unless additional time is granted within the 15-day period. The commission encourages all customer complaints to be made in writing to assist the regulatory authority in maintaining records of the quality of service of each utility; however, telephone communications will be acceptable.

(D) Deferred payment plan. The utility is encouraged to offer a deferred payment plan for delinquent residential accounts. If such a plan is offered, it shall conform to the following guidelines:

(i) Every deferred payment plan entered into due to the customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

(ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer's ability to pay; customer's payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.

(iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer's signature and in bold-face print at least two sizes larger than any other used, that: If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement.

(iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

(v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

(vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

(i) Applicability. This subparagraph applies only to:

(I) a utility that assesses late payment charges on residential customers and that suspends

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service before the 26th day after the date of the bill for which collection action is taken;
(II) utility bills issued on or after August 30, 1993; and
(III) an elderly person, as defined in clause (ii) of this subparagraph, who is a residential customer and who occupies the entire premises for which a delay is requested.

(ii) Definitions.

(I) Elderly person--A person who is 60 years of age or older.

(II) Utility--A gas utility or municipally owned utility, as defined in Texas Utilities Code, 101.003(7), 101.003(8), and 121.001 - 121.006.

(iii) An elderly person may request that the utility implement the delay for either the most recent utility bill or for the most recent utility bill and each subsequent utility bill.

(iv) On request of an elderly person, a utility shall delay without penalty the payment date of a bill for providing utility services to that person until the 25th day after the date on which the bill is issued.

(v) The utility may require the requesting person to present reasonable proof that the person is 60 years of age or older.

(vi) Every utility shall notify its customers of this delayed payment option no less often than yearly. A utility may include this notice with other information provided pursuant to subparagraph (A) of this paragraph.

(3) Refusal of service.

(A) Compliance by applicant. Any utility may decline to serve an applicant for whom service is available from previously installed facilities until such applicant has complied with the state and municipal regulations and approved rules and regulations of the utility on file with the commission governing the service applied for or for the following reasons.

(i) Applicant`s facilities inadequate. If the applicant`s installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.

(ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.

(iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

(B) Applicant`s recourse. In the event that the utility shall refuse to serve an applicant under the provisions of these rules, the utility must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the municipal regulatory authority or commission, whichever is appropriate.

(C) Insufficient grounds for refusal to serve. The following shall not constitute sufficient

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cause for refusal of service to a present customer or applicant:

(i) delinquency in payment for service by a previous occupant of the premises to be served;
(ii) failure to pay for merchandise or charges for nonutility service purchased from the utility;
(iii) failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
(iv) violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to comply with these rules;
(v) failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the utility as a condition precedent to service; and
(vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

(A) The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

(B) A utility may offer an inducement for prompt payment of bills by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate regulatory authority.

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the customer at least five working days prior to the stated date of disconnection, with the words Termination Notice or similar language prominently displayed on the notice. The notice shall be provided in English and Spanish as necessary to adequately inform the customer, and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the utility may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

(D) Utility service may be disconnected for any of the following reasons:

(i) failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;
(ii) violation of the utility's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;
(iii) failure to comply with deposit or guarantee arrangements where required by paragraph (5) of this section;
(iv) without notice where a known dangerous condition exists for as long as the condition exists;

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(v) tampering with the utility company's meter or equipment or bypassing the same.

(E) Utility service may not be disconnected for any of the following reasons:

- (i) delinquency in payment for service by a previous occupant of the premises;
- (ii) failure to pay for merchandise or charges for nonutility service by the utility;
- (iii) failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;
- (iv) failure to pay the account of another customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service;
- (v) failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;
- (vi) failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due;
- (vii) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the utility is unable to read the meter due to circumstances beyond its control.

(F) Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the utility are not available to the public for the purpose of making collections and reconnecting service.

(G) No utility may abandon a customer without written approval from the regulatory authority.

(H) No utility may discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service is discontinued. Any customer seeking to avoid termination of service under this section must make a written request supported by a written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

(A) Establishment of credit for residential applicants. Each utility may require a residential applicant for service to satisfactorily establish credit but such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills. Subject to these rules, a residential applicant shall not be required to pay a deposit:

- (i) if the residential applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;

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(ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or

(iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity.

(B) Reestablishment of credit. Every applicant who has previously been a customer of the utility and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay all his amounts due the utility or execute a written deferred payment agreement, if offered, and reestablish credit as provided in subparagraph (A) of this paragraph.

(C) Amount of deposit and interest for residential service, and exemption from deposit.

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, 71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

(ii) The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, the utility may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

(iii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(I) Payment of interest to the customer shall be annually or at the time the deposit is returned or credited to the customer's account.

(II) The deposit shall cease to draw interest on the date it is returned or credited to the customer's account.

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk,

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provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show:

- (I) the name and address of each depositor;
- (II) the amount and date of the deposit; and
- (III) each transaction concerning the deposit.

(ii) The utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

(iii) A record of each unclaimed deposit must be maintained for at least four years, during which time the utility shall make a reasonable effort to return the deposit.

(F) Refund of deposit.

(i) If service is not connected or after disconnection of service, the utility shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.

(ii) When the customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

(G) Upon sale or transfer of utility or company. Upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

(H) Complaint by applicant or customer. Each utility shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or reestablish credit under the provisions of these rules to inform the customer, if dissatisfaction is expressed with the utility's decision, of the customer's right to file a complaint with the regulatory authority thereon.

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

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(B) The customer`s bill must show all the following information. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

- (i) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;
- (ii) the number and kind of units billed;
- (iii) the applicable rate schedule title or code;
- (iv) the total base bill;
- (v) the total of any adjustments to the base bill and the amount of adjustments per billing unit;
- (vi) the date by which the customer must pay the bill to get prompt payment discount;
- (vii) the total amount due before and after any discount for prompt payment within a designated period;
- (viii) a distinct marking to identify an estimated bill.

(C) Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. For the second consecutive month in which the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, the utility must provide the customer with a postcard and request that the customer read the meter and return the card to the utility if the meter is of a type that can be read by the customer without significant inconvenience or special tools or equipment. If such a postcard is not received by the utility in time for billing, the utility may estimate the meter reading and render the bill accordingly.

(D) Disputed bills.

(i) In the event of a dispute between the customer and the utility regarding the bill, the utility must forthwith make such investigation as is required by the particular case and report the results thereof to the customer. If the customer wishes to obtain the benefits of clause (ii) of this subparagraph, notification of the dispute must be given to the utility prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the utility shall inform the customer of the complaint procedures of the appropriate regulatory authority.

(ii) Notwithstanding any other subsection of this section, the customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that customer`s average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this section only, the customer`s average usage for the billing period shall be the average of the customer`s usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar customers and under similar conditions.

(7) Meters.

(A) Meter requirements.

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(i) Use of meter. All gas sold by a utility must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the regulatory authority, or tariff.

(ii) Installation by utility. Unless otherwise authorized by the regulatory authority, each utility must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its customers.

(iii) Standard type. No utility may furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

(B) Meter records. Each utility must keep the following records:

(i) Meter equipment records. Each utility must keep a record of all its meters, showing the customer's address and date of the last test.

(ii) Records of meter tests. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

(iii) Meter readings--meter unit location. In general, each meter must indicate clearly the units of service for which charge is made to the customer.

(iv) Meter tests on request of customer.

(I) Each utility must, upon request of a customer, make a test of the accuracy of the meter serving that customer. The utility must inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four years, the utility is entitled to charge a fee for the test not to exceed \$15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory authority. The customer must be properly informed of the result of any test on a meter that serves him.

(II) Notwithstanding subclause (I) of this clause, if the meter is found to be more than nominally defective, to either the customer's or the utility's disadvantage, any fee charged for a meter test must be refunded to the customer. More than nominally defective means a deviation of more than 2.0% from accurate registration.

(v) Bill adjustments due to meter error.

(I) If any meter test reveals a meter to be more than nominally defective, the utility must correct previous readings consistent with the inaccuracy found in the meter for the period of either:

(-a-) the last six months; or

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(-b-) the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by the utility if the error is to the utility's disadvantage.

(II) If a meter is found not to register for any period of time, the utility may make a charge for units used but not metered for a period not to exceed three months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

Q1

(8) New construction.

(A) Standards of construction. Each utility is to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law, and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.

(B) Line extension and construction charges. Every utility must file its extension policy. The policy must be consistent, nondiscriminatory, and is subject to the approval of the regulatory authority. No contribution in aid of construction may be required of any customer except as provided for in extension policy.

(C) Response to request for service. Every gas utility must serve each qualified applicant for service within its service area as rapidly as practical. As a general policy, those applications not involving line extensions or new facilities should be filled within seven working days. Those applications for individual residential service requiring line extensions should be filled within 90 days unless unavailability of materials or other causes beyond the control of the utility result in unavoidable delays. In the event that residential service is delayed in excess of 90 days after an applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report must be made to the regulatory authority listing the name of the applicant, location, and cause for delay. Unless such delays are due to causes which are reasonably beyond the control of the utility, a delay in excess of 90 days may be found to constitute a refusal to serve.

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SERVICE CHARGES

| <u>RRC CHARGE NO.</u> | <u>CHARGE ID</u> | <u>CHARGE AMOUNT</u> | <u>SERVICE PROVIDED</u> |
|-----------------------|------------------|----------------------|---|
| 301717 | SC1 | | Connection Charge During Business Hours: During standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. (b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations. The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including the inability for CoServ to gain access to the premises, failure of the appliances to meet required specifications, a leak in the piping, or the like. This will be identified as a Failed Connect Attempt. \$65.00 |
| 301718 | SC2 | | Connection Charge After Business Hours: After standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. (b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations. The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including the inability for CoServ to gain access to the premises, failure of the appliances to meet required specifications, a leak in the piping, or the like. This will be identified as a Failed Connect Attempt. \$97.00 |
| 301719 | SC3 | | Field Read of Meter: A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party. \$19.00 |
| 301720 | SC4 | | Returned Check Charges: Returned check handling charge for each check returned to Company for any reason. \$20.00 |
| 301721 | SC5 | | Charge for Temporary Discontinuance of Service - Residential: Whenever service has been temporarily |

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| 301722 | SC6 | <p>disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$65.00</p> |
| 301723 | SC7 | <p>Charge for Temporary Discontinuance of Service.5 Non-Residential: Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$107.00</p> |
| 301724 | SC8 | <p>Charge for Meter Testing: The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Test Fee. The customer must be properly informed of the result of any test on a meter that services the customer. \$15.00</p> |
| 301725 | SC9 | <p>Charge for Service Calls During Business Hours: A Service Call Charge is made for responding to a service call during standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem. \$26.00</p> |
| 301716 | SCAP | <p>Charge for Service Calls After Business Hours: A Service Call Charge is made for responding to a service call after standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem. \$40.00</p> |
| 301726 | SC10 | <p>Application of Schedule: The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges.</p> |
| | | <p>Tampering Charge: No Company meters, equipment, or other property, whether on Customer's premises or elsewhere, are to be tampered with or interfered with for any reason. A Tampering Charge is made for unauthorized reconnection or other tampering with</p> |

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| 301727 | SC11 | <p>Company metering facilities or a theft of gas service by a person on the customer's premises or evidence by whomsoever at customer's premises. An additional cost for the cost of repairs and/or replacement of damaged facilities and the installation of protective facilities or relocation of meter are made at cost plus appropriate charges as may be detailed in the Company's Service Rules and Regulations \$125.00</p> |
| 301727 | SC11 | <p>Line Extension and Installation Charges: Customers in incorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to main extension policy in municipal franchise and in Rate Schedule LEI - Line Extension Policy - Incorporated Areas. Credit for main pursuant to municipal franchise. The customer is responsible for the installation of yard line and yard line risers. Customers in unincorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to line extension policy contained in Rate Schedule LEU - Line Extension Policy - Unincorporated Areas. The customer is responsible for the installation of yard line and yard line risers. *Actual cost of the portion of any extensions exceeding the free extension allowance provided within the line extension. Actual Cost*</p> |
| 301728 | SC12 | <p>Construction Crew Charges: All labor charges if a construction crew is required. Actual Cost</p> |
| 301729 | SC13 | <p>Construction Costs Charges: All other construction charges. Actual Cost</p> |

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DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 08/03/2021 ORIGINAL CONTRACT DATE: RECEIVED DATE: 06/07/2022
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO: 180533
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID DESCRIPTION
 DEF

Definitions:

COMMERCIAL CUSTOMER ` A customer, other than a residential customer, and not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.

COMMISSION - The Railroad Commission of Texas.

COMPANY - CoServ Gas, Ltd., its successors, and its assigns.

CUSTOMER - An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving or who is receiving the benefit of gas service at a specified point of delivery.

ENVIRONS ` The unincorporated areas outside the city limits in the Companys service area.

RATE SCHEDULE - A statement of the method of determining charges for gas service, including the conditions under which such method applies.

RESIDENTIAL CUSTOMER - Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.

RESIDENTIAL END USES - Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.

PI

Public Authority Incorporated Areas Sales:
 Application of Schedule Schedule applies to public authority customers in unincorporated areas.

Monthly Base Rate Customers base monthly bill will be calculated using the following customer and Ccf charges:
 Customer Charge \$35.00 per month, plus
 Volumetric Charge \$0.06479 per Ccf

Other Fees and Credits Purchased Gas Factor:
 The basic rates for cost of service set forth above shall be increased by the amount of the Purchased Gas Factor for the billing month computed in accordance

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RATE SCHEDULE

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with the provisions of Rate Schedule PGF ` Purchased Gas Factor.

Rate Case Expenses:

Plus applicable charge in accordance with provisions of Rate Schedule RCE ` Rate Case Expenses.

Taxes:

Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule ITF ` Incorporated Areas Tax Factors. Pipeline Safety Fee: Plus applicable charge in accordance with the provisions of Rate Schedule PSF ` Pipeline Safety Fee.

Excess Deferred Income Tax Credit:

Credit to Volumetric Charge has been applied in accordance with provisions of Rate Schedule EDIT ` Excess Deferred Income Tax Credit. Application of Schedule Schedule applies to public authority customers in unincorporated areas.

Monthly Base Rate Customers base monthly bill will be calculated using the following customer and Ccf charges:

Customer Charge \$35.00 per month, plus
 Volumetric Charge \$0.06479 per Ccf

Other Fees and Credits Purchased Gas Factor: The basic rates for cost of service set forth above shall be increased by the amount of the Purchased Gas Factor for the billing month computed in accordance with the provisions of Rate Schedule PGF ` Purchased Gas Factor. Rate Case Expenses: Plus applicable charge in accordance with provisions of Rate Schedule RCE ` Rate Case Expenses.

Taxes:

Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule ITF ` Incorporated Areas Tax Factors.

Pipeline Safety Fee:

Plus applicable charge in accordance with the provisions of Rate Schedule PSF ` Pipeline Safety Fee.

Excess Deferred Income Tax Credit:

Credit to Volumetric Charge has been applied in accordance with provisions of Rate Schedule EDIT ` Excess Deferred Income Tax Credit.

ITF

Incorporated Areas Tax Factors: Taxes In addition to the monthly charges, each customers bill will include a charge for an amount equivalent to the customers proportional part of the city franchise fees, state gross receipts taxes, or other governmental levies payable by the Company, exclusive of federal income taxes. Municipal franchise fees are determined by each municipalitys franchise ordinance. Each municipalitys franchise ordinance will specify the percentage and applicability of franchise fees. From time to time, the tax factor may be

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adjusted, if required, to account for any over- or under-recovery of municipal franchise fees by the Company and to include an amount equivalent to the proportionate part of any new tax or increased franchise fee or tax, or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable. Gross receipts taxes and municipal franchise fees will only be charged to customers within the incorporated areas.

PGF

Purchase Gas Factor:

Purpose and Intent

This provision is intended to allow collection of the gas purchase costs of CoServ Gas, Ltd. (hereinafter CoServ Gas or the Company) in a manner that will lessen monthly fluctuations in the Purchased Gas Factor and ensure that actual costs billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised, and a revised tariff filed to reflect such revisions. The Company will make appropriate regulatory filings and obtain regulatory approvals, as required, before making changes to its rates. The Company will notify the Railroad Commission within 10 days of the date its policies and procedures for recovering the uncollectable portion of its gas cost charges.

Applicability:

This clause shall apply to all CoServ Gas tariffs that incorporate this Purchased Gas Factor provision and which have been properly filed and implemented with the appropriate jurisdictional authority.

Definitions:

Standard Cubic Foot of Gas ` the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit.

Ccf ` one hundred standard cubic feet of gas.

Mcf ` one thousand standard cubic feet of gas.

Purchased Gas Volumes ` The volumes of gas, expressed in Mcfs, purchased by the Company and received into the Companys distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

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Purchased Gas Cost(s) `The total cost of Purchased Gas Volumes, as received into the Companys distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas ` The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf. Weighting us by the volume of each gas component.

Billed Gas Volumes ` The volumes of gas billed to customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcfs

Billed Gas Revenues ` The total amount of revenues attributable to billings by CoServ for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Factor during the same period.

Lost and Unaccounted for Gas (LUG) ` Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Purchased Gas Factor (PGF) ` A factor on each customers monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

Fixed Transportation Costs (FTC) ` The fixed monthly or demand amount of transportation costs determined by a Maximum Daily Quantity (MDQ) or such other similarly named fixed costs for transportation.

Estimated Fixed Transportation Costs (EFTC) ` The anticipated FTC to be incurred during the Annual Review period.

Annual Fixed Transportation Costs (AFTC) ` The actual FTC incurred during the Annual Review Period.

Annual Review Period ` The 12-month period ending June 30 of each year.

Annual Review ` An annual review of the Companys records covering the 12-month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total ` The total amount determined through the Annual Review to be credited or surcharged to customers bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor ` A credit or surcharge included in the Purchased Gas Factor to reflect the pro-rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

Record Keeping

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The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company-owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Company's distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by CoServ, pipeline transportation volumetric charges, gas storage charges (both volumetric and demand), and an adjustment for any gas imbalances due to or from the shipper.

Fixed Transportation Costs will be estimated for the year (EFTC). The EFTC will be divided by the estimated annual volume of gas to be delivered to determine the FTC rate per Mcf. This rate will be applied monthly to the anticipated gas volume for a particular month and will be included in the PGF. The EFTC will be updated for the remainder of the Annual Review Period and a new rate will be determined and used for calculating the PGF during the remaining months of the Annual Review Period. A running over or under collected balance will be maintained and an interest will be added to or subtracted from the over/under balance as appropriate.

Any remaining balance in the over/under account will be added to or subtracted from the EFTC for the subsequent Annual Review Period. The Company shall account separately for gas injected into storage on a specific identification basis and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro-rata amount to adjust for previous over- or under-estimates of the Weighted Average Cost of Gas; plus the total amount of gas cost determined to have been uncollectible, written off, and remaining unpaid; plus a Reconciliation Factor to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers bills over a twelve-month period commencing each September 1 following the Annual Review Period.

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Annual Imbalance Total -- LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative

If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period.

Annual Imbalance Total ` LUG Volume is positive and is greater than five percent of Purchased Gas Volumes

If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows:

The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined;

Minus, the Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Companys Weighted Average Cost of Purchased Gas for the Review Period.

Reconciliation Factor Calculation

The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows:

The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period.

The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total.

The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month.

Each month of the twelve-month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an

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amount to correct for any previous over- or under-estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month.

At the end of each 12-month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12-month period.

Annual Reconciliation Report

The Company shall file an Annual Reconciliation Report with the Regulatory Authority that shall include but not necessarily be limited to:

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30;
2. A tabulation of the uncollectible gas cost by month for the twelve months ending June 30;
3. A description of all other costs and refunds made during the year and their effect on Rate Schedule PGF ` Purchased Gas Factor to date;
4. A tabulation of gas units sold to general service customers and related Rate Schedule PGF - Purchased Gas Factor revenues; and,
5. A description of the imbalance payments made to and received from the Companys transportation customers within the service area, including monthly imbalances incurred, the monthly imbalances resolved, and the amount of cumulative imbalances. The description should reflect the system imbalance and imbalance amount for each supplier using the Companys distribution system during the reconciliation period.
6. The Annual Reconciliation Report prepared for the Railroad Commission shall be sent to the Audit Section of the Gas Services Division and shall also include uncollected expenses, uncollected margin, uncollected gas costs, uncollected taxes, subsequent collected gas costs and subsequent collected margin.

The Company shall maintain detailed information that will allow the Regulatory Authority to audit the operation of the uncollectible gas cost recovery process.

PSF

Application of Schedule:
 Applicable to all customer classes.

Monthly Calculation

Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commissions rules. Compliance Report The Company shall file an annual pipeline safety fee (PSF) report no later than 90 days after the last billing cycle in which the pipeline safety fee surcharge is billed to customers. The Company shall file the report with the Railroad Commission of Texas addressed

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to the Director of Oversight and Safety Division, Gas Services Department, referencing OS-20-00005136, and titling the report Pipeline Safety Fee Recovery Report. The report shall include the following: a) the pipeline safety fee-amount paid to the Commission; b) the unit rate for each customer; c) the date or dates the surcharge was billed to customers; and d) the total amount billed to customers for the surcharge. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967

RCE

Application of Schedule:
Applicable to residential, commercial, and public authority customer classes.

Monthly Surcharge Pursuant to the Final Order in OS-20-00005136, CoServ is authorized to recover a total of \$774,683.93 in rate case expenses from OS-20-00005136 customers identified above by a surcharge of \$0.00333 per Ccf for a period of approximately 24 months commencing TBD 2021.

Compliance Report: The Company shall file an annual rate case expense reconciliation report within 90 days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department and referencing OS-20-00005136 Rate Case Expense Recovery Report. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports to the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967

WNA

Application of Schedule:
Applicable to residential, commercial and public authority customers.

Purpose and Intent

This provision is intended to account for the effects of abnormal temperatures on both customers and the Company. Under this provision customers will receive a credit when the temperature is colder than normal or will be surcharged when the temperature is warmer than normal. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised so that the goals are achieved, subject to review by the Gas Services Division of the Railroad Commission of Texas.

Applicability:

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This tariff shall be applicable for the months of November through April of each year. The WNA charge shall be reflected on the monthly bills rendered to customers in the months of December through May to account for the variation in gas consumption due to the variation in temperatures from normal during the November through April period. The WNA charge billed for a month will be based on Heating Degree Day parameters for the previous month, actual number of customers for the previous month, and estimated rate class Ccf consumption for the current month.

Definitions:

Ccf ` One hundred standard cubic feet of gas

HDD ` Heating Degree Days

HDDn ` Normal heating degree days for the previous month based on normal determined by NOAA for the Dallas Fort Worth International Airport (KDFW weather station)

HDDa ` Actual heating degree days for the previous month

HL` Is a factor for heat load per HDD for the test year. The factor is 0.10012 for residential customers, 0.457193 for commercial customers and 1.385462 for public authority customers

C `Number of customers in the customer class at the end of the previous month.

WNV `Weather Normalization Volume calculated by customer class using the following formula: $WNV = C * (HL * (HDDn - HDDa))$

BMVe ` The estimate of the volume of natural gas for the current month to be consumed by each customer class.

WNAf ` Weather Normalization Adjustment factor

VC ` The Volumetric Charge in effect for the appropriate customer class.

RF ` The Reconciliation Factor is an adjustment to be applied to the current monthly billing to account for differences in WNA revenues calculated using actual, final billing and HDD parameters for previous periods and the WNA revenues actually recovered in previous periods. Any remaining RF balance after the May billing will be included in the next December billing.

WNA Calculation

The amount to be billed or credited to each customer in a customer class will be determined as follows:

$$WNAf = ((WNV * VC) - RF) / BMVe$$

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The customer will be charged or credited as follows:
 WNA = Customers Actual Ccf Consumption X WNAf

Monthly Report:

By the 25th day of the month following the month in which a given WNA is billed or credited, the Company will file with the Regulatory Authority a report showing the volume adjustments and WNA revenues for each applicable customer class. Supporting documentation will be made available for review upon request.

Annual Report:

An annual report shall be filed with the regulatory authority for each five-month period beginning with November and ending the subsequent April by customer class. The report shall provide: (a) the total amount of volumetric revenues collected from customers including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather sensitive revenues billed, and (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause.

Compliance Report:

The Company shall file with the Commission an annual report verifying the past years WNA collections or refunds. The report shall show the amount collected or refunded by WNA month, total monthly volume, average WNA rate, average bill impact, percent bill impact and itemized by service area. The Company shall file the report with the Commission electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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

EDIT

Application of Schedule:

This Excess Deferred Income Tax Credit applies to all general service rate schedules of CoServ Gas, Ltd. (Company) currently in force within the incorporated and unincorporated areas of Collin, Denton, and Kaufman Counties. Calculation of Credit: The annual amortization of the regulatory liability for excess deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017 and in compliance with GUD No. 10695, will be credited to customers monthly on avolumetric basis until fully amortized. The initial credit will occur in September 01, 2021.

EDIT CREDIT `

The total amount, if any, of the credit in a given year will be determined by: The

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average rate assumption method (ARAM) as required by the Tax Cuts and Jobs Act of 2017 Section 13001(d) for the protected portion of the regulatory liability for excess deferred income taxes, which results in an amortization over approximately 38 years.

TRUE-UP ADJUSTMENT

The Excess Deferred Income Tax credit shall be trued-up in CoServs next rate case. The True-Up Adjustment will be the difference between the amount of the EDIT Credit and the amount actually credited to customers. EDIT Credit per Ccf

Residential: \$0.00247
 Commercial: \$0.00100
 Public Authority: \$0.00100

Other Adjustments:

Taxes:

Plus applicable taxes and fees (including franchise fees) related to above.

Compliance Filing:

The Company shall make a filing with the Commission no later than March 31 of each year, including the following information for the previous calendar year:

- a. the total dollar amount of that years EDIT Credit;
- b. the total dollar amount actually credited to customers;
- c. the amount of the upcoming years EDIT Credit; and d. the amounts of the upcoming years EDIT Credit per Customer.

Conditions:

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

DEP

Customer deposits are not required with acceptable credit bureau or other report of good credit by a utility. Deposits may be required of CoServ Gas customers who have been disconnected for nonpayment and later request to be reconnected. Deposits will be determined by estimating one-sixth of the average annual bill, and may include allowable additional charges, as specified by Texas Railroad Commission regulation. See applicable Commission regulation at 16 TAC Section 7.45 (Quality of Service Rule) for other provisions governing deposits.

RIDER URI

A. PURPOSE: The purpose of the Winter Storm Uri Surcharge is to authorize CoServ Gas, Ltd. (CoServ Gas or the Company) to recover the reasonable, necessary, and prudent extraordinary costs incurred by the Company as a result of Winter Storm Uri. The rate schedule is authorized by the Railroad Commission of Texas (Commission) (1) Regulatory Asset Determination Order in OS-21-00007061 (Regulatory Asset Order), (2) original jurisdiction to prescribe the manner and form of the books, records, and accounts for gas utilities under Texas Utilities Code

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102.101(a), (b) and (d), (3) Regulatory Asset Notice issued on February 13, 2021, and (4) Notice to Gas Utilities issued on June 17, 2021. The Commission authorizes and directs the Company to assess the Winter Storm Uri Surcharge rate as set forth: B. APPLICABILITY: This rate shall apply to all CoServ customers located in the incorporated and unincorporated service areas. C. SURCHARGE RATE: All Ccf during each billing period: \$0.07 per Ccf, to all customers through the Companys Purchase Gas Factor. This rate will be in effect until all approved and expended Winter Storm Uri costs, up to \$67,224,791 (Regulatory Asset Amount) plus carrying cost, are recovered under the applicable rate schedules. Any excess recovery of the Regulatory Asset Amount shall be calculated and refunded to customers through the Companys Purchase Gas Factor. D. OTHER ADJUSTMENTS: Plus applicable taxes and fees (including franchise fees) related to above.

CAPCR

CoServ Gas customers who were previously customers of Denton County Electric Cooperative, d/b/a CoServ Electric, may receive Capital Credits from CoServ Electric. Any such credits will be considered to be a payment on those customers gas bills and will be treated as a credit on such bills.

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 CU COMMERCIAL UNINCORPORATED AREAS SALES
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UO

Utility Operations:
CoServ Gas, Ltd. owns and operates a natural gas distribution system that provides natural gas service in Texas.

The following will respond to inquiries regarding provisions of this Tariff for Gas Service:

Tariff Coordinator CoServ Gas, Ltd.
7701 South Stemmons
Corinth, Texas 76210
Telephone: (940) 321-7800
Email Address: tariff@coserv.com

SAI

INCORPORATED SERVICE AREAS

- Allen
- Argyle
- Aubrey
- Bartonville
- Carrollton
- Celina
- Copper
- Canyon Corinth
- Crossroads
- Denton
- Double Oak
- Fairview
- Flower Mound
- Forney
- Fort Worth
- Frisco
- Highland Village
- Little Elm
- Lewisville
- Lucas
- McKinney
- Murphy
- Northlake
- Parker
- Plano
- Ponder
- Prosper
- Providence
- Village
- St. Paul
- Shady Shores
- The Colony
- Wylie

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| <u>SCHEDULE ID</u> | <u>DESCRIPTION</u> |
|--------------------|--------------------|
| | COUNTIES |
| | Denton |
| | Denton |
| | Kaufman |

RATE ADJUSTMENT PROVISIONS

None

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CUSTOMERS

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|----------------------|---------------------|---------------------------|---------------------------|
| 1 | N | | | |
| <u>CUSTOMER NAME</u> | City of Flower Mound | | | |
| 2 | N | | | |
| <u>CUSTOMER NAME</u> | City of Plano | | | |
| 3 | N | | | |
| <u>CUSTOMER NAME</u> | City of Frisco | | | |
| 4 | N | | | |
| <u>CUSTOMER NAME</u> | City of Prosper | | | |
| 5 | N | | | |
| <u>CUSTOMER NAME</u> | City of Denton | | | |
| 6 | N | | | |
| <u>CUSTOMER NAME</u> | City of Allen | | | |
| 7 | N | | | |
| <u>CUSTOMER NAME</u> | City of Argyle | | | |
| 8 | N | | | |
| <u>CUSTOMER NAME</u> | City of Bartonville | | | |
| 10 | N | | | |
| <u>CUSTOMER NAME</u> | City of Double Oak | | | |
| 11 | N | | | |
| <u>CUSTOMER NAME</u> | City of Little Elm | | | |
| 12 | N | | | |
| <u>CUSTOMER NAME</u> | City of Ponder | | | |
| 15 | N | | | |
| <u>CUSTOMER NAME</u> | City of Shady Shores | | | |
| 16 | N | | | |
| <u>CUSTOMER NAME</u> | Lavon System Wylie | | | |
| 17 | N | | | |
| <u>CUSTOMER NAME</u> | Lavon System Murphy | | | |
| 18 | N | | | |
| <u>CUSTOMER NAME</u> | Lavon System Parker | | | |
| 19 | N | | | |
| <u>CUSTOMER NAME</u> | Lavon System Lucas | | | |
| 4424 | N | | | |
| <u>CUSTOMER NAME</u> | City of Fort Worth | | | |

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CUSTOMERS

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|----------------------------|---------------------|---------------------------|---------------------------|
| 4425 | N | | | |
| <u>CUSTOMER NAME</u> | City of Highland Village | | | |
| 4426 | N | | | |
| <u>CUSTOMER NAME</u> | City of Fairview | | | |
| 4485 | N | | | |
| <u>CUSTOMER NAME</u> | City of Corinth | | | |
| 4486 | N | | | |
| <u>CUSTOMER NAME</u> | City of McKinney | | | |
| 9 | N | | | |
| <u>CUSTOMER NAME</u> | City of The Colony | | | |
| 18267 | N | | | |
| <u>CUSTOMER NAME</u> | City of Celina | | | |
| 18268 | N | | | |
| <u>CUSTOMER NAME</u> | City of St. Paul | | | |
| 18269 | N | | | |
| <u>CUSTOMER NAME</u> | City of Lewisville | | | |
| 27601 | N | | | |
| <u>CUSTOMER NAME</u> | Cross Roads, Inc | | | |
| 41977 | N | | | |
| <u>CUSTOMER NAME</u> | City of Aubrey | | | |
| 41979 | N | | | |
| <u>CUSTOMER NAME</u> | City of Carrollton | | | |
| 41980 | N | | | |
| <u>CUSTOMER NAME</u> | Town of Copper Canyon | | | |
| 41981 | N | | | |
| <u>CUSTOMER NAME</u> | City of Forney | | | |
| 41987 | N | | | |
| <u>CUSTOMER NAME</u> | Town of Northlake | | | |
| 41989 | N | | | |
| <u>CUSTOMER NAME</u> | City of Providence Village | | | |

REASONS FOR FILING

NEW?: N

RRC DOCKET NO:

CITY ORDINANCE NO: See Ord REF

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TARIFF CODE: DS **RRC TARIFF NO:** 35297

AMENDMENT (EXPLAIN):

OTHER (EXPLAIN): To renumber service charges.

SERVICES

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> |
|-------------------------------|----------------------------|
| D | Public Authority Sales |
| <u>OTHER TYPE DESCRIPTION</u> | |

PREPARER - PERSON FILING

RRC NO: 782 **ACTIVE FLAG:** Y **INACTIVE DATE:**
FIRST NAME: Charley **MIDDLE:** **LAST NAME:** Harrell
TITLE: Director of Finance
ADDRESS LINE 1: 7701 S. Stemmons
ADDRESS LINE 2:
CITY: Corinth **STATE:** TX **ZIP:** 76210 **ZIP4:**
AREA CODE: 940 **PHONE NO:** 321-7834 **EXTENSION:**

CURTAILMENT PLAN

| <u>PLAN ID</u> | <u>DESCRIPTION</u> |
|----------------|---|
| CP | CoServ Gas follows the requirements of the order in the Railroad Commission of Texas, Gas Utilities Docket No. 489. |

LINE EXTENSION POLICY

| <u>POLICY ID</u> | <u>DESCRIPTION</u> |
|------------------|---|
| 1246 | Line Extension Policy: The Company has the right to contract with individual customers for the installation of gas facilities as provided for by the city franchise. Upon the request of a prospective new residential or commercial customer for service in an area served by CoServ Gas, CoServ Gas will extend its main lines up to 100 feet from an existing CoServ Gas main in the Public Rights of Way, without charge. The 100-foot allowance applies to a single customer or to a group of customers requesting service from the same extension. Customers requesting mainline extensions in excess of 100 feet shall bear the cost of any additional main, and shall bear the cost of all yard lines, service lines, customer meters and regulators, and appurtenant equipment, in accordance with the charges listed in item 11, Line Extension and Installation, of Rate Schedule M, Miscellaneous Service Charges. CoServ Gas is not required to extend its mains or facilities if the customer will not use gas for space heating and water heating, or the equivalent load, at a minimum. |

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QUALITY OF SERVICE

| <u>QUAL_SERVICE ID</u> | <u>DESCRIPTION</u> |
|------------------------|---|
| Q | <p data-bbox="310 415 753 436">Sections 7.45 (Quality of Service):</p> <p data-bbox="310 474 1524 730">For gas utility service to residential and small commercial customers, the following minimum service standards shall be applicable in unincorporated areas. In addition, each gas distribution utility is ordered to amend its service rules to include said minimum service standards within the utility service rules applicable to residential and small commercial customers within incorporated areas, but only to the extent that said minimum service standards do not conflict with standards lawfully established within a particular municipality for a gas distribution utility. Said gas distribution utility shall file service rules incorporating said minimum service standards with the Railroad Commission and with the municipalities in the manner prescribed by law.</p> <p data-bbox="310 768 639 789">(1) Continuity of service.</p> <p data-bbox="310 827 639 848">(A) Service interruptions.</p> <p data-bbox="310 886 1524 995">(i) Every gas utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.</p> <p data-bbox="310 1033 1524 1142">(ii) Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.</p> <p data-bbox="310 1180 1524 1289">(iii) In the event of national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.</p> <p data-bbox="310 1327 1524 1474">(B) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, each utility shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.</p> <p data-bbox="310 1512 1524 1684">(C) Report to commission. The commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four hours. The notice shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.</p> <p data-bbox="310 1722 599 1743">(2) Customer relations.</p> <p data-bbox="310 1780 932 1801">(A) Information to customers. Each utility shall:</p> <p data-bbox="310 1839 1524 1894">(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information</p> |

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|-----------------|----------------------|

which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, shall be kept by the utility in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the utility to advise applicants and others entitled to the information as to the facilities available for serving that locality;

(ii) assist the customer or applicant in selecting the most economical rate schedule;

(iii) in compliance with applicable law or regulations, notify customers affected by a change in rates or schedule or classification;

(iv) post a notice in a conspicuous place in each business office of the utility where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the commission are available for inspection;

(v) upon request inform its customers as to the method of reading meters;

(vi) provide to new customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform the customers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish:

(I) the customer's right to information concerning rates and services and the customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;

(II) the customer's right to have his or her meter checked without charge under paragraph (7) of this section, if applicable;

(III) the time allowed to pay outstanding bills;

(IV) grounds for termination of service;

(V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service;

(VII) information on alternative payment plans offered by the utility;

(VIII) the steps necessary to have service reconnected after involuntary termination;

(IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority;

(X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and

(XI) the customer's right to be instructed by the utility how to read his or her meter; (vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

(B) Customer complaints. Upon complaint to the utility by residential or small commercial customers either at its office, by letter, or by telephone, the utility shall promptly make a suitable investigation and advise the complainant of the results thereof. It shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint.

(C) Utility response. Upon receipt of a complaint, either by letter or by telephone, from the

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regulatory authority on behalf of a customer, the utility shall make a suitable investigation and advise the regulatory authority and complainant of the results thereof. An initial response must be made by the next working day. The utility must make a final and complete response within 15 days from the date of the complaint, unless additional time is granted within the 15-day period. The commission encourages all customer complaints to be made in writing to assist the regulatory authority in maintaining records of the quality of service of each utility; however, telephone communications will be acceptable.

(D) Deferred payment plan. The utility is encouraged to offer a deferred payment plan for delinquent residential accounts. If such a plan is offered, it shall conform to the following guidelines:

(i) Every deferred payment plan entered into due to the customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

(ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer's ability to pay; customer's payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.

(iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer's signature and in bold-face print at least two sizes larger than any other used, that: If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement.

(iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

(v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

(vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

(i) Applicability. This subparagraph applies only to:

(I) a utility that assesses late payment charges on residential customers and that suspends

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service before the 26th day after the date of the bill for which collection action is taken;
(II) utility bills issued on or after August 30, 1993; and
(III) an elderly person, as defined in clause (ii) of this subparagraph, who is a residential customer and who occupies the entire premises for which a delay is requested.

(ii) Definitions.

(I) Elderly person--A person who is 60 years of age or older.

(II) Utility--A gas utility or municipally owned utility, as defined in Texas Utilities Code, 101.003(7), 101.003(8), and 121.001 - 121.006.

(iii) An elderly person may request that the utility implement the delay for either the most recent utility bill or for the most recent utility bill and each subsequent utility bill.

(iv) On request of an elderly person, a utility shall delay without penalty the payment date of a bill for providing utility services to that person until the 25th day after the date on which the bill is issued.

(v) The utility may require the requesting person to present reasonable proof that the person is 60 years of age or older.

(vi) Every utility shall notify its customers of this delayed payment option no less often than yearly. A utility may include this notice with other information provided pursuant to subparagraph (A) of this paragraph.

(3) Refusal of service.

(A) Compliance by applicant. Any utility may decline to serve an applicant for whom service is available from previously installed facilities until such applicant has complied with the state and municipal regulations and approved rules and regulations of the utility on file with the commission governing the service applied for or for the following reasons.

(i) Applicant`s facilities inadequate. If the applicant`s installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.

(ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.

(iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

(B) Applicant`s recourse. In the event that the utility shall refuse to serve an applicant under the provisions of these rules, the utility must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the municipal regulatory authority or commission, whichever is appropriate.

(C) Insufficient grounds for refusal to serve. The following shall not constitute sufficient

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cause for refusal of service to a present customer or applicant:

(i) delinquency in payment for service by a previous occupant of the premises to be served;
(ii) failure to pay for merchandise or charges for nonutility service purchased from the utility;
(iii) failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
(iv) violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to comply with these rules;
(v) failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the utility as a condition precedent to service; and
(vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

(A) The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

(B) A utility may offer an inducement for prompt payment of bills by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate regulatory authority.

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the customer at least five working days prior to the stated date of disconnection, with the words Termination Notice or similar language prominently displayed on the notice. The notice shall be provided in English and Spanish as necessary to adequately inform the customer, and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the utility may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

(D) Utility service may be disconnected for any of the following reasons:

(i) failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;
(ii) violation of the utility's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;
(iii) failure to comply with deposit or guarantee arrangements where required by paragraph (5) of this section;
(iv) without notice where a known dangerous condition exists for as long as the condition exists;

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(v) tampering with the utility company's meter or equipment or bypassing the same.

(E) Utility service may not be disconnected for any of the following reasons:

- (i) delinquency in payment for service by a previous occupant of the premises;
- (ii) failure to pay for merchandise or charges for nonutility service by the utility;
- (iii) failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;
- (iv) failure to pay the account of another customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service;
- (v) failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;
- (vi) failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due;
- (vii) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the utility is unable to read the meter due to circumstances beyond its control.

(F) Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the utility are not available to the public for the purpose of making collections and reconnecting service.

(G) No utility may abandon a customer without written approval from the regulatory authority.

(H) No utility may discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service is discontinued. Any customer seeking to avoid termination of service under this section must make a written request supported by a written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

(A) Establishment of credit for residential applicants. Each utility may require a residential applicant for service to satisfactorily establish credit but such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills. Subject to these rules, a residential applicant shall not be required to pay a deposit:

- (i) if the residential applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;

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(ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or

(iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity.

(B) Reestablishment of credit. Every applicant who has previously been a customer of the utility and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay all his amounts due the utility or execute a written deferred payment agreement, if offered, and reestablish credit as provided in subparagraph (A) of this paragraph.

(C) Amount of deposit and interest for residential service, and exemption from deposit.

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, 71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

(ii) The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, the utility may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

(iii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(I) Payment of interest to the customer shall be annually or at the time the deposit is returned or credited to the customer's account.

(II) The deposit shall cease to draw interest on the date it is returned or credited to the customer's account.

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk,

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provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show:

(I) the name and address of each depositor;
(II) the amount and date of the deposit; and
(III) each transaction concerning the deposit.

(ii) The utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

(iii) A record of each unclaimed deposit must be maintained for at least four years, during which time the utility shall make a reasonable effort to return the deposit.

(F) Refund of deposit.

(i) If service is not connected or after disconnection of service, the utility shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.

(ii) When the customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

(G) Upon sale or transfer of utility or company. Upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

(H) Complaint by applicant or customer. Each utility shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or reestablish credit under the provisions of these rules to inform the customer, if dissatisfaction is expressed with the utility's decision, of the customer's right to file a complaint with the regulatory authority thereon.

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

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(B) The customer`s bill must show all the following information. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

- (i) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;
- (ii) the number and kind of units billed;
- (iii) the applicable rate schedule title or code;
- (iv) the total base bill;
- (v) the total of any adjustments to the base bill and the amount of adjustments per billing unit;
- (vi) the date by which the customer must pay the bill to get prompt payment discount;
- (vii) the total amount due before and after any discount for prompt payment within a designated period;
- (viii) a distinct marking to identify an estimated bill.

(C) Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. For the second consecutive month in which the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, the utility must provide the customer with a postcard and request that the customer read the meter and return the card to the utility if the meter is of a type that can be read by the customer without significant inconvenience or special tools or equipment. If such a postcard is not received by the utility in time for billing, the utility may estimate the meter reading and render the bill accordingly.

(D) Disputed bills.

(i) In the event of a dispute between the customer and the utility regarding the bill, the utility must forthwith make such investigation as is required by the particular case and report the results thereof to the customer. If the customer wishes to obtain the benefits of clause (ii) of this subparagraph, notification of the dispute must be given to the utility prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the utility shall inform the customer of the complaint procedures of the appropriate regulatory authority.

(ii) Notwithstanding any other subsection of this section, the customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that customer`s average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this section only, the customer`s average usage for the billing period shall be the average of the customer`s usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar customers and under similar conditions.

(7) Meters.

(A) Meter requirements.

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(i) Use of meter. All gas sold by a utility must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the regulatory authority, or tariff.

(ii) Installation by utility. Unless otherwise authorized by the regulatory authority, each utility must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its customers.

(iii) Standard type. No utility may furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

(B) Meter records. Each utility must keep the following records:

(i) Meter equipment records. Each utility must keep a record of all its meters, showing the customer's address and date of the last test.

(ii) Records of meter tests. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

(iii) Meter readings--meter unit location. In general, each meter must indicate clearly the units of service for which charge is made to the customer.

(iv) Meter tests on request of customer.

(I) Each utility must, upon request of a customer, make a test of the accuracy of the meter serving that customer. The utility must inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four years, the utility is entitled to charge a fee for the test not to exceed \$15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory authority. The customer must be properly informed of the result of any test on a meter that serves him.

(II) Notwithstanding subclause (I) of this clause, if the meter is found to be more than nominally defective, to either the customer's or the utility's disadvantage, any fee charged for a meter test must be refunded to the customer. More than nominally defective means a deviation of more than 2.0% from accurate registration.

(v) Bill adjustments due to meter error.

(I) If any meter test reveals a meter to be more than nominally defective, the utility must correct previous readings consistent with the inaccuracy found in the meter for the period of either:

(-a-) the last six months; or

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(-b-) the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by the utility if the error is to the utility's disadvantage.

(II) If a meter is found not to register for any period of time, the utility may make a charge for units used but not metered for a period not to exceed three months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

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(8) New construction.

(A) Standards of construction. Each utility is to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law, and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.

(B) Line extension and construction charges. Every utility must file its extension policy. The policy must be consistent, nondiscriminatory, and is subject to the approval of the regulatory authority. No contribution in aid of construction may be required of any customer except as provided for in extension policy.

(C) Response to request for service. Every gas utility must serve each qualified applicant for service within its service area as rapidly as practical. As a general policy, those applications not involving line extensions or new facilities should be filled within seven working days. Those applications for individual residential service requiring line extensions should be filled within 90 days unless unavailability of materials or other causes beyond the control of the utility result in unavoidable delays. In the event that residential service is delayed in excess of 90 days after an applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report must be made to the regulatory authority listing the name of the applicant, location, and cause for delay. Unless such delays are due to causes which are reasonably beyond the control of the utility, a delay in excess of 90 days may be found to constitute a refusal to serve.

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SERVICE CHARGES

| <u>RRC CHARGE NO.</u> | <u>CHARGE ID</u> | <u>CHARGE AMOUNT</u> | <u>SERVICE PROVIDED</u> |
|-----------------------|------------------|----------------------|---|
| 301732 | SC1 | | Connection Charge During Business Hours: During standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. (b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations. The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including the inability for CoServ to gain access to the premises, failure of the appliances to meet required specifications, a leak in the piping, or the like. This will be identified as a Failed Connect Attempt. \$65.00 |
| 301733 | SC2 | | Connection Charge After Business Hours: After standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. (b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations. The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including the inability for CoServ to gain access to the premises, failure of the appliances to meet required specifications, a leak in the piping, or the like. This will be identified as a Failed Connect Attempt. \$97.00 |
| 301734 | SC3 | | Field Read of Meter: A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party. \$19.00 |
| 301735 | SC4 | | Returned Check Charges: Returned check handling charge for each check returned to Company for any reason. \$20.00 |
| 301736 | SC5 | | Charge for Temporary Discontinuance of Service - Residential: Whenever service has been temporarily |

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| 301737 | SC6 | <p>disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$65.00</p> |
| 301738 | SC7 | <p>Charge for Temporary Discontinuance of Service.5 Non-Residential: Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$107.00</p> |
| 301739 | SC8 | <p>Charge for Meter Testing: The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Test Fee. The customer must be properly informed of the result of any test on a meter that services the customer. \$15.00</p> |
| 301740 | SC9 | <p>Charge for Service Calls During Business Hours: A Service Call Charge is made for responding to a service call during standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem. \$26.00</p> |
| 301731 | SCAP | <p>Charge for Service Calls After Business Hours: A Service Call Charge is made for responding to a service call after standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem. \$40.00</p> |
| 301741 | SC10 | <p>Application of Schedule: The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges.</p> |
| | | <p>Tampering Charge: No Company meters, equipment, or other property, whether on Customer's premises or elsewhere, are to be tampered with or interfered with for any reason. A Tampering Charge is made for unauthorized reconnection or other tampering with</p> |

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| 301742 | SC11 | <p>Company metering facilities or a theft of gas service by a person on the customer's premises or evidence by whomsoever at customer's premises. An additional cost for the cost of repairs and/or replacement of damaged facilities and the installation of protective facilities or relocation of meter are made at cost plus appropriate charges as may be detailed in the Company's Service Rules and Regulations \$125.00</p> |
| 301742 | SC11 | <p>Line Extension and Installation Charges: Customers in incorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to main extension policy in municipal franchise and in Rate Schedule LEI - Line Extension Policy - Incorporated Areas. Credit for main pursuant to municipal franchise. The customer is responsible for the installation of yard line and yard line risers. Customers in unincorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to line extension policy contained in Rate Schedule LEU - Line Extension Policy - Unincorporated Areas. The customer is responsible for the installation of yard line and yard line risers. *Actual cost of the portion of any extensions exceeding the free extension allowance provided within the line extension. Actual Cost*</p> |
| 301743 | SC12 | <p>Construction Crew Charges: All labor charges if a construction crew is required. Actual Cost</p> |
| 301744 | SC13 | <p>Construction Costs Charges: All other construction charges. Actual Cost</p> |

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DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 08/03/2021 ORIGINAL CONTRACT DATE: RECEIVED DATE: 06/07/2022
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO: 180533
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID DESCRIPTION

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Public Authority Unincorporated Areas Sales:
Application of Schedule applies to public authority customers in unincorporated areas.

Monthly Base Rate Customers base monthly bill will be calculated using the following customer and Ccf charges:
Customer Charge \$35.00 per month, plus
Volumetric Charge \$0.06479 per Ccf

Other Fees and Credits Purchased Gas Factor: The basic rates for cost of service set forth above shall be increased by the amount of the Purchased Gas Factor for the billing month computed in accordance with the provisions of Rate Schedule PGF ` Purchased Gas Factor.

Rate Case Expenses: Plus applicable charge in accordance with provisions of the Rate Schedule RCE ` Rate Case Expenses. Taxes: Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule. UTF ` Unincorporated Areas Tax Factors. Pipeline Safety Fee: Plus applicable charge in accordance with the provisions of Rate Schedule PSF ` Pipeline Safety Fee.

Excess Deferred Income Tax Credit: Credit to Volumetric Charge has been applied in accordance with provisions of Rate Schedule EDIT ` Excess Deferred Income Tax Credit.

DEF

Definitions:

COMMERCIAL CUSTOMER ` A customer, other than a residential customer, and not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.

COMMISSION - The Railroad Commission of Texas.

COMPANY - CoServ Gas, Ltd., its successors, and its assigns.

CUSTOMER - An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving or who is receiving the benefit of gas service at a specified point of delivery.

ENVIRONS ` The unincorporated areas outside the city limits in the Companys service area.

GAS SERVICES DIVISION
 GSD - 1 TARIFF REPORT

RRC COID: 5588 COMPANY NAME: COSERV GAS

TARIFF CODE: DS RRC TARIFF NO: 35298

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

RATE SCHEDULE - A statement of the method of determining charges for gas service, including the conditions under which such method applies.

RESIDENTIAL CUSTOMER - Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.

RESIDENTIAL END USES - Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.

UTF

Unincorporated Areas Tax Factors:
 Environs Area: Frisco, Denton Co.

Fee:
 4% of gross receipts.

Entity Collecting Fee:
 Denton Co. Fresh Water Supply Dist. No. 8A, 8B, 9, 10, 11A, and 11B.

Environs Area:
 Lantana Subdiv. Fee: 3% of gross receipts. Entity Collecting Fee: Denton Co.
 Fresh Water Supply Denton Co. Dists. No. 6 and 7. Windmill Farms Subdiv. Fee: 4% of gross receipts.

Entity Collecting Fee:
 Kaufman Co. Dev. Dist. No. 1 Kaufman Co. In addition to the monthly charges above, each customers bill in the above referenced areas will include a charge for an amount equivalent to the customers proportional part of any taxes, fees, or similar levies payable by the Company to governmental or quasi-governmental entities with authority over the area in which the customer resides. Any such charge will be computed by multiplying the Monthly Base Rate charges and Purchased Gas Factor charges by a factor calculated to recover the actual amount of such taxes, fees, or similar levies. Currently applicable taxes, fees, or similar levies for each unincorporated area are detailed on the CoServ Rate Schedule UTF ` Unincorporated Areas Tax Factors. CoServ does not charge municipal franchise fees to unincorporated area customers.

PGF

Purchase Gas Factor:

Purpose and Intent

This provision is intended to allow collection of the gas purchase costs of CoServ Gas, Ltd. (hereinafter CoServ Gas or the Company) in a manner that will lessen monthly fluctuations in the Purchased Gas Factor and ensure that actual costs

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billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised, and a revised tariff filed to reflect such revisions. The Company will make appropriate regulatory filings and obtain regulatory approvals, as required, before making changes to its rates. The Company will notify the Railroad Commission within 10 days of the date its policies and procedures for recovering the uncollectable portion of its gas cost charges.

Applicability:

This clause shall apply to all CoServ Gas tariffs that incorporate this Purchased Gas Factor provision and which have been properly filed and implemented with the appropriate jurisdictional authority.

Definitions:

Standard Cubic Foot of Gas ` the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit.

Ccf ` one hundred standard cubic feet of gas.

Mcf ` one thousand standard cubic feet of gas.

Purchased Gas Volumes ` The volumes of gas, expressed in Mcfs, purchased by the Company and received into the Companys distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s) `The total cost of Purchased Gas Volumes, as received into the Companys distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas ` The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf. Weighting us by the volume of each gas component.

Billed Gas Volumes ` The volumes of gas billed to customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcfs

Billed Gas Revenues ` The total amount of revenues attributable to billings by CoServ for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Factor during the same period.

Lost and Unaccounted for Gas (LUG) ` Purchased Gas Volumes minus the sum of Billed

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Gas Volumes and metered Company used gas.

Purchased Gas Factor (PGF) ` A factor on each customers monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

Fixed Transportation Costs (FTC) ` The fixed monthly or demand amount of transportation costs determined by a Maximum Daily Quantity (MDQ) or such other similarly named fixed costs for transportation.

Estimated Fixed Transportation Costs (EFTC) ` The anticipated FTC to be incurred during the Annual Review period.

Annual Fixed Transportation Costs (AFTC) ` The actual FTC incurred during the Annual Review Period.

Annual Review Period ` The 12-month period ending June 30 of each year.

Annual Review ` An annual review of the Companys records covering the 12-month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total ` The total amount determined through the Annual Review to be credited or surcharged to customers bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor ` A credit or surcharge included in the Purchased Gas Factor to reflect the pro-rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company-owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Companys distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by CoServ, pipeline transportation volumetric charges, gas storage charges (both volumetric and demand), and an adjustment for any gas imbalances due to or from the

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shipper.

Fixed Transportation Costs will be estimated for the year (EFTC). The EFTC will be divided by the estimated annual volume of gas to be delivered to determine the FTC rate per Mcf. This rate will be applied monthly to the anticipated gas volume for a particular month and will be included in the PGF. The EFTC will be updated for the remainder of the Annual Review Period and a new rate will be determined and used for calculating the PGF during the remaining months of the Annual Review Period. A running over or under collected balance will be maintained and an interest will be added to or subtracted from the over/under balance as appropriate.

Any remaining balance in the over/under account will be added to or subtracted from the EFTC for the subsequent Annual Review Period. The Company shall account separately for gas injected into storage on a specific identification basis and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro-rata amount to adjust for previous over- or under-estimates of the Weighted Average Cost of Gas; plus the total amount of gas cost determined to have been uncollectible, written off, and remaining unpaid; plus a Reconciliation Factor to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers bills over a twelve-month period commencing each September 1 following the Annual Review Period.

Annual Imbalance Total -- LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative

If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period.

Annual Imbalance Total ` LUG Volume is positive and is greater than five percent of Purchased Gas Volumes

If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the

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Annual Imbalance Total shall be determined as follows:

The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined;

Minus, the Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Companys Weighted Average Cost of Purchased Gas for the Review Period.

Reconciliation Factor Calculation

The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows:

The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period.

The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total.

The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month.

Each month of the twelve-month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over- or under-estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month.

At the end of each 12-month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12-month period.

Annual Reconciliation Report

The Company shall file an Annual Reconciliation Report with the Regulatory Authority that shall include but not necessarily be limited to:

1. A tabulation of volumes of gas purchased and costs incurred listed by account or

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type of gas, supplier and source by month for the twelve months ending June 30;
 2. A tabulation of the uncollectible gas cost by month for the twelve months ending June 30;
 3. A description of all other costs and refunds made during the year and their effect on Rate Schedule PGF ` Purchased Gas Factor to date;
 4. A tabulation of gas units sold to general service customers and related Rate Schedule PGF - Purchased Gas Factor revenues; and,
 5. A description of the imbalance payments made to and received from the Companys transportation customers within the service area, including monthly imbalances incurred, the monthly imbalances resolved, and the amount of cumulative imbalances. The description should reflect the system imbalance and imbalance amount for each supplier using the Companys distribution system during the reconciliation period.
 6. The Annual Reconciliation Report prepared for the Railroad Commission shall be sent to the Audit Section of the Gas Services Division and shall also include uncollected expenses, uncollected margin, uncollected gas costs, uncollected taxes, subsequent collected gas costs and subsequent collected margin.

The Company shall maintain detailed information that will allow the Regulatory Authority to audit the operation of the uncollectible gas cost recovery process.

PSF

Application of Schedule:
Applicable to all customer classes.

Monthly Calculation

Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commissions rules. Compliance Report The Company shall file an annual pipeline safety fee (PSF) report no later than 90 days after the last billing cycle in which the pipeline safety fee surcharge is billed to customers. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department, referencing OS-20-00005136, and titling the report Pipeline Safety Fee Recovery Report. The report shall include the following: a) the pipeline safety fee-amount paid to the Commission; b) the unit rate for each customer; c) the date or dates the surcharge was billed to customers; and d) the total amount billed to customers for the surcharge. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967

RCE

Application of Schedule:
Applicable to residential, commercial, and public authority customer classes.

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DESCRIPTION

Monthly Surcharge Pursuant to the Final Order in OS-20-00005136, CoServ is authorized to recover a total of \$774,683.93 in rate case expenses from OS-20-00005136 customers identified above by a surcharge of \$0.00333 per Ccf for a period of approximately 24 months commencing TBD 2021.

Compliance Report: The Company shall file an annual rate case expense reconciliation report within 90 days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department and referencing OS-20-00005136 Rate Case Expense Recovery Report. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports to the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967

WNA

Application of Schedule:

Applicable to residential, commercial and public authority customers.

Purpose and Intent

This provision is intended to account for the effects of abnormal temperatures on both customers and the Company. Under this provision customers will receive a credit when the temperature is colder than normal or will be surcharged when the temperature is warmer than normal. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised so that the goals are achieved, subject to review by the Gas Services Division of the Railroad Commission of Texas.

Applicability:

This tariff shall be applicable for the months of November through April of each year. The WNA charge shall be reflected on the monthly bills rendered to customers in the months of December through May to account for the variation in gas consumption due to the variation in temperatures from normal during the November through April period. The WNA charge billed for a month will be based on Heating Degree Day parameters for the previous month, actual number of customers for the previous month, and estimated rate class Ccf consumption for the current month.

Definitions:

Ccf ` One hundred standard cubic feet of gas

HDD ` Heating Degree Days

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RATE SCHEDULE

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HDDn ` Normal heating degree days for the previous month based on normal determined by NOAA for the Dallas Fort Worth International Airport (KDFW weather station)

HDDa ` Actual heating degree days for the previous month

HL` Is a factor for heat load per HDD for the test year. The factor is 0.10012 for residential customers, 0.457193 for commercial customers and 1.385462 for public authority customers

C `Number of customers in the customer class at the end of the previous month.

WNV `Weather Normalization Volume calculated by customer class using the following formula: $WNV = C * (HL * (HDDn - HDDa))$

BMVe ` The estimate of the volume of natural gas for the current month to be consumed by each customer class.

WNAf ` Weather Normalization Adjustment factor

VC ` The Volumetric Charge in effect for the appropriate customer class.

RF ` The Reconciliation Factor is an adjustment to be applied to the current monthly billing to account for differences in WNA revenues calculated using actual, final billing and HDD parameters for previous periods and the WNA revenues actually recovered in previous periods. Any remaining RF balance after the May billing will be included in the next December billing.

WNA Calculation

The amount to be billed or credited to each customer in a customer class will be determined as follows:

$$WNAf = ((WNV * VC) - RF) / BMVe$$

The customer will be charged or credited as follows:

$$WNA = \text{Customers Actual Ccf Consumption} \times WNAf$$

Monthly Report:

By the 25th day of the month following the month in which a given WNA is billed or credited, the Company will file with the Regulatory Authority a report showing the volume adjustments and WNA revenues for each applicable customer class. Supporting documentation will be made available for review upon request.

Annual Report:

An annual report shall be filed with the regulatory authority for each five-month period beginning with November and ending the subsequent April by customer class.

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The report shall provide: (a) the total amount of volumetric revenues collected from customers including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather sensitive revenues billed, and (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause.

Compliance Report:

The Company shall file with the Commission an annual report verifying the past years WNA collections or refunds. The report shall show the amount collected or refunded by WNA month, total monthly volume, average WNA rate, average bill impact, percent bill impact and itemized by service area. The Company shall file the report with the Commission electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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

EDIT

Application of Schedule:

This Excess Deferred Income Tax Credit applies to all general service rate schedules of CoServ Gas, Ltd. (Company) currently in force within the incorporated and unincorporated areas of Collin, Denton, and Kaufman Counties. Calculation of Credit: The annual amortization of the regulatory liability for excess deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017 and in compliance with GUD No. 10695, will be credited to customers monthly on avolumetric basis until fully amortized. The initial credit will occur in September 01, 2021.

EDIT CREDIT `

The total amount, if any, of the credit in a given year will be determined by: The average rate assumption method (ARAM) as required by the Tax Cuts and Jobs Act of 2017 Section 13001(d) for the protected portion of the regulatory liability for excess deferred income taxes, which results in an amortization over approximately 38 years.

TRUE-UP ADJUSTMENT `

The Excess Deferred Income Tax credit shall be trued-up in CoServs next rate case. The True-Up Adjustment will be the difference between the amount of the EDIT Credit and the amount actually credited to customers. EDIT Credit per Ccf

Residential: \$0.00247
 Commercial: \$0.00100
 Public Authority: \$0.00100

Other Adjustments:

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Taxes:

Plus applicable taxes and fees (including franchise fees) related to above.

Compliance Filing:

The Company shall make a filing with the Commission no later than March 31 of each year, including the following information for the previous calendar year:

- a. the total dollar amount of that years EDIT Credit;
- b. the total dollar amount actually credited to customers;
- c. the amount of the upcoming years EDIT Credit; and d. the amounts of the upcoming years EDIT Credit per Customer.

Conditions:

Subject to all applicable laws and orders, and the Company`s rules and regulations on file with the regulatory authority.

DEP

Customer deposits are not required with acceptable credit bureau or other report of good credit by a utility. Deposits may be required of CoServ Gas customers who have been disconnected for nonpayment and later request to be reconnected. Deposits will be determined by estimating one-sixth of the average annual bill, and may include allowable additional charges, as specified by Texas Railroad Commission regulation. See applicable Commission regulation at 16 TAC Section 7.45 (Quality of Service Rule) for other provisions governing deposits.

RIDER URI

A. PURPOSE: The purpose of the Winter Storm Uri Surcharge is to authorize CoServ Gas, Ltd. (CoServ Gas or the Company) to recover the reasonable, necessary, and prudent extraordinary costs incurred by the Company as a result of Winter Storm Uri. The rate schedule is authorized by the Railroad Commission of Texas (Commission) (1) Regulatory Asset Determination Order in OS-21-00007061 (Regulatory Asset Order), (2) original jurisdiction to prescribe the manner and form of the books, records, and accounts for gas utilities under Texas Utilities Code 102.101(a), (b) and (d), (3) Regulatory Asset Notice issued on February 13, 2021, and (4) Notice to Gas Utilities issued on June 17, 2021. The Commission authorizes and directs the Company to assess the Winter Storm Uri Surcharge rate as set forth:
 B. APPLICABILITY: This rate shall apply to all CoServ customers located in the incorporated and unincorporated service areas. C. SURCHARGE RATE: All Ccf during each billing period: \$0.07 per Ccf, to all customers through the Companys Purchase Gas Factor. This rate will be in effect until all approved and expended Winter Storm Uri costs, up to \$67,224,791 (Regulatory Asset Amount) plus carrying cost, are recovered under the applicable rate schedules. Any excess recovery of the Regulatory Asset Amount shall be calculated and refunded to customers through the Companys Purchase Gas Factor. D. OTHER ADJUSTMENTS: Plus applicable taxes and fees (including franchise fees) related to above.

CAPCR

CoServ Gas customers who were previously customers of Denton County Electric

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Cooperative, d/b/a CoServ Electric, may receive Capital Credits from CoServ Electric. Any such credits will be considered to be a payment on those customers gas bills and will be treated as a credit on such bills.

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UO

Utility Operations:

CoServ Gas, Ltd. owns and operates a natural gas distribution system that provides natural gas service in Texas.

The following will respond to inquiries regarding provisions of this Tariff for Gas Service:

Tariff Coordinator CoServ Gas, Ltd.
 7701 South Stemmons
 Corinth, Texas 76210
 Telephone: (940) 321-7800
 Email Address: tariff@coserv.com

SAU

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RATE SCHEDULE

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DESCRIPTION

UNINCORPORATED SERVICE AREAS

- Allen environs
- Argyle environs
- Aubrey environs
- Bartonville environs
- Celina environs
- Crossroads environs
- Denton environs
- Forney environs
- Fort Worth environs
- Frisco environs
- Little Elm environs
- Lewisville environs
- Lucas environs
- McKinney environs
- Parker environs
- Prosper environs
- St. Paul environs
- Wylie environs

UNINCORPORATED MASTER PLAN COMMUNITIES

- Denton County Fresh Water District 1A (Castle Hills)
- Denton County Fresh Water District 7 (Lantana)
- Kaufman County Development District (Windmill Farms)

RATE ADJUSTMENT PROVISIONS

None

RAILROAD COMMISSION OF TEXAS
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CUSTOMERS

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|---------------------------------|---------------------|---------------------------|---------------------------|
| 14 | N | | | |
| <u>CUSTOMER NAME</u> | Environs of the Town of Prosper | | | |
| 20 | N | | | |
| <u>CUSTOMER NAME</u> | Castle Hills Subdivision | | | |
| 21 | N | | | |
| <u>CUSTOMER NAME</u> | Lantana Subdivision | | | |
| 4427 | N | | | |
| <u>CUSTOMER NAME</u> | Windmill Farms | | | |
| 18264 | N | | | |
| <u>CUSTOMER NAME</u> | Argyle Environs | | | |
| 18265 | N | | | |
| <u>CUSTOMER NAME</u> | McKinney Environs | | | |
| 18266 | N | | | |
| <u>CUSTOMER NAME</u> | Frisco Environs | | | |
| 29398 | N | | | |
| <u>CUSTOMER NAME</u> | Lucas Environs | | | |
| 41978 | N | | | |
| <u>CUSTOMER NAME</u> | Aubrey Environs | | | |
| 41982 | N | | | |
| <u>CUSTOMER NAME</u> | Forney Environs | | | |
| 41983 | N | | | |
| <u>CUSTOMER NAME</u> | Fort Worth Environs | | | |
| 41984 | N | | | |
| <u>CUSTOMER NAME</u> | Little Elm Environs | | | |
| 41985 | N | | | |
| <u>CUSTOMER NAME</u> | Lewisville Environs | | | |
| 41988 | N | | | |
| <u>CUSTOMER NAME</u> | Parker Environs | | | |
| 41990 | N | | | |
| <u>CUSTOMER NAME</u> | St. Paul Environs | | | |
| 41991 | N | | | |
| <u>CUSTOMER NAME</u> | City of Wylie Environs | | | |

REASONS FOR FILING

NEW?: Y

RRC DOCKET NO: OS-20-00005136

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CITY ORDINANCE NO:

AMENDMENT (EXPLAIN):

OTHER (EXPLAIN): To renumber service charges.

SERVICES

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> |
|-------------------------------|----------------------------|
| D | Public Authority Sales |
| <u>OTHER TYPE DESCRIPTION</u> | |

PREPARER - PERSON FILING

RRC NO: 782 ACTIVE FLAG: Y INACTIVE DATE:
 FIRST NAME: Charley MIDDLE: LAST NAME: Harrell
 TITLE: Director of Finance
 ADDRESS LINE 1: 7701 S. Stemmons
 ADDRESS LINE 2:
 CITY: Corinth STATE: TX ZIP: 76210 ZIP4:
 AREA CODE: 940 PHONE NO: 321-7834 EXTENSION:

CURTAILMENT PLAN

| <u>PLAN ID</u> | <u>DESCRIPTION</u> |
|----------------|---|
| CP | CoServ Gas follows the requirements of the order in the Railroad Commission of Texas, Gas Utilities Docket No. 489. |

LINE EXTENSION POLICY

| <u>POLICY ID</u> | <u>DESCRIPTION</u> |
|------------------|---|
| 1246 | Line Extension Policy: The Company has the right to contract with individual customers for the installation of gas facilities as provided for by the city franchise. Upon the request of a prospective new residential or commercial customer for service in an area served by CoServ Gas, CoServ Gas will extend its main lines up to 100 feet from an existing CoServ Gas main in the Public Rights of Way, without charge. The 100-foot allowance applies to a single customer or to a group of customers requesting service from the same extension. Customers requesting mainline extensions in excess of 100 feet shall bear the cost of any additional main, and shall bear the cost of all yard lines, service lines, customer meters and regulators, and appurtenant equipment, in accordance with the charges listed in item 11, Line Extension and Installation, of Rate Schedule M, Miscellaneous Service Charges. CoServ Gas is not required to extend its mains or facilities if the customer will not use gas for space heating and water heating, or the equivalent load, at a minimum. |

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QUALITY OF SERVICE

| <u>QUAL SERVICE ID</u> | <u>DESCRIPTION</u> |
|------------------------|--|
| Q | <p>Sections 7.45 (Quality of Service):</p> <p>For gas utility service to residential and small commercial customers, the following minimum service standards shall be applicable in unincorporated areas. In addition, each gas distribution utility is ordered to amend its service rules to include said minimum service standards within the utility service rules applicable to residential and small commercial customers within incorporated areas, but only to the extent that said minimum service standards do not conflict with standards lawfully established within a particular municipality for a gas distribution utility. Said gas distribution utility shall file service rules incorporating said minimum service standards with the Railroad Commission and with the municipalities in the manner prescribed by law.</p> <p>(1) Continuity of service.</p> <p>(A) Service interruptions.</p> <p>(i) Every gas utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.</p> <p>(ii) Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.</p> <p>(iii) In the event of national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.</p> <p>(B) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, each utility shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.</p> <p>(C) Report to commission. The commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four hours. The notice shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.</p> <p>(2) Customer relations.</p> <p>(A) Information to customers. Each utility shall:</p> <p>(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information</p> |

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which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, shall be kept by the utility in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the utility to advise applicants and others entitled to the information as to the facilities available for serving that locality;

(ii) assist the customer or applicant in selecting the most economical rate schedule;

(iii) in compliance with applicable law or regulations, notify customers affected by a change in rates or schedule or classification;

(iv) post a notice in a conspicuous place in each business office of the utility where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the commission are available for inspection;

(v) upon request inform its customers as to the method of reading meters;

(vi) provide to new customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform the customers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish:

(I) the customer's right to information concerning rates and services and the customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;

(II) the customer's right to have his or her meter checked without charge under paragraph (7) of this section, if applicable;

(III) the time allowed to pay outstanding bills;

(IV) grounds for termination of service;

(V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service;

(VII) information on alternative payment plans offered by the utility;

(VIII) the steps necessary to have service reconnected after involuntary termination;

(IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority;

(X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and

(XI) the customer's right to be instructed by the utility how to read his or her meter; (vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

(B) Customer complaints. Upon complaint to the utility by residential or small commercial customers either at its office, by letter, or by telephone, the utility shall promptly make a suitable investigation and advise the complainant of the results thereof. It shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint.

(C) Utility response. Upon receipt of a complaint, either by letter or by telephone, from the

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regulatory authority on behalf of a customer, the utility shall make a suitable investigation and advise the regulatory authority and complainant of the results thereof. An initial response must be made by the next working day. The utility must make a final and complete response within 15 days from the date of the complaint, unless additional time is granted within the 15-day period. The commission encourages all customer complaints to be made in writing to assist the regulatory authority in maintaining records of the quality of service of each utility; however, telephone communications will be acceptable.

(D) Deferred payment plan. The utility is encouraged to offer a deferred payment plan for delinquent residential accounts. If such a plan is offered, it shall conform to the following guidelines:

(i) Every deferred payment plan entered into due to the customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

(ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer's ability to pay; customer's payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.

(iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer's signature and in bold-face print at least two sizes larger than any other used, that: If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement.

(iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

(v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

(vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

(i) Applicability. This subparagraph applies only to:

(I) a utility that assesses late payment charges on residential customers and that suspends

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service before the 26th day after the date of the bill for which collection action is taken;
(II) utility bills issued on or after August 30, 1993; and
(III) an elderly person, as defined in clause (ii) of this subparagraph, who is a residential customer and who occupies the entire premises for which a delay is requested.

(ii) Definitions.

(I) Elderly person--A person who is 60 years of age or older.

(II) Utility--A gas utility or municipally owned utility, as defined in Texas Utilities Code, 101.003(7), 101.003(8), and 121.001 - 121.006.

(iii) An elderly person may request that the utility implement the delay for either the most recent utility bill or for the most recent utility bill and each subsequent utility bill.

(iv) On request of an elderly person, a utility shall delay without penalty the payment date of a bill for providing utility services to that person until the 25th day after the date on which the bill is issued.

(v) The utility may require the requesting person to present reasonable proof that the person is 60 years of age or older.

(vi) Every utility shall notify its customers of this delayed payment option no less often than yearly. A utility may include this notice with other information provided pursuant to subparagraph (A) of this paragraph.

(3) Refusal of service.

(A) Compliance by applicant. Any utility may decline to serve an applicant for whom service is available from previously installed facilities until such applicant has complied with the state and municipal regulations and approved rules and regulations of the utility on file with the commission governing the service applied for or for the following reasons.

(i) Applicant`s facilities inadequate. If the applicant`s installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.

(ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.

(iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

(B) Applicant`s recourse. In the event that the utility shall refuse to serve an applicant under the provisions of these rules, the utility must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the municipal regulatory authority or commission, whichever is appropriate.

(C) Insufficient grounds for refusal to serve. The following shall not constitute sufficient

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cause for refusal of service to a present customer or applicant:

(i) delinquency in payment for service by a previous occupant of the premises to be served;
(ii) failure to pay for merchandise or charges for nonutility service purchased from the utility;
(iii) failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
(iv) violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to comply with these rules;
(v) failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the utility as a condition precedent to service; and
(vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

(A) The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

(B) A utility may offer an inducement for prompt payment of bills by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate regulatory authority.

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the customer at least five working days prior to the stated date of disconnection, with the words Termination Notice or similar language prominently displayed on the notice. The notice shall be provided in English and Spanish as necessary to adequately inform the customer, and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the utility may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

(D) Utility service may be disconnected for any of the following reasons:

(i) failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;
(ii) violation of the utility's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;
(iii) failure to comply with deposit or guarantee arrangements where required by paragraph (5) of this section;
(iv) without notice where a known dangerous condition exists for as long as the condition exists;

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(v) tampering with the utility company's meter or equipment or bypassing the same.

(E) Utility service may not be disconnected for any of the following reasons:

- (i) delinquency in payment for service by a previous occupant of the premises;
- (ii) failure to pay for merchandise or charges for nonutility service by the utility;
- (iii) failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;
- (iv) failure to pay the account of another customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service;
- (v) failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;
- (vi) failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due;
- (vii) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the utility is unable to read the meter due to circumstances beyond its control.

(F) Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the utility are not available to the public for the purpose of making collections and reconnecting service.

(G) No utility may abandon a customer without written approval from the regulatory authority.

(H) No utility may discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service is discontinued. Any customer seeking to avoid termination of service under this section must make a written request supported by a written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

(A) Establishment of credit for residential applicants. Each utility may require a residential applicant for service to satisfactorily establish credit but such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills. Subject to these rules, a residential applicant shall not be required to pay a deposit:

- (i) if the residential applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;

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(ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or

(iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity.

(B) Reestablishment of credit. Every applicant who has previously been a customer of the utility and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay all his amounts due the utility or execute a written deferred payment agreement, if offered, and reestablish credit as provided in subparagraph (A) of this paragraph.

(C) Amount of deposit and interest for residential service, and exemption from deposit.

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, 71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

(ii) The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, the utility may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

(iii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(I) Payment of interest to the customer shall be annually or at the time the deposit is returned or credited to the customer's account.

(II) The deposit shall cease to draw interest on the date it is returned or credited to the customer's account.

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk,

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provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show:

- (I) the name and address of each depositor;
- (II) the amount and date of the deposit; and
- (III) each transaction concerning the deposit.

(ii) The utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

(iii) A record of each unclaimed deposit must be maintained for at least four years, during which time the utility shall make a reasonable effort to return the deposit.

(F) Refund of deposit.

(i) If service is not connected or after disconnection of service, the utility shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.

(ii) When the customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

(G) Upon sale or transfer of utility or company. Upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

(H) Complaint by applicant or customer. Each utility shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or reestablish credit under the provisions of these rules to inform the customer, if dissatisfaction is expressed with the utility's decision, of the customer's right to file a complaint with the regulatory authority thereon.

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

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(B) The customer`s bill must show all the following information. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

- (i) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;
- (ii) the number and kind of units billed;
- (iii) the applicable rate schedule title or code;
- (iv) the total base bill;
- (v) the total of any adjustments to the base bill and the amount of adjustments per billing unit;
- (vi) the date by which the customer must pay the bill to get prompt payment discount;
- (vii) the total amount due before and after any discount for prompt payment within a designated period;
- (viii) a distinct marking to identify an estimated bill.

(C) Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. For the second consecutive month in which the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, the utility must provide the customer with a postcard and request that the customer read the meter and return the card to the utility if the meter is of a type that can be read by the customer without significant inconvenience or special tools or equipment. If such a postcard is not received by the utility in time for billing, the utility may estimate the meter reading and render the bill accordingly.

(D) Disputed bills.

(i) In the event of a dispute between the customer and the utility regarding the bill, the utility must forthwith make such investigation as is required by the particular case and report the results thereof to the customer. If the customer wishes to obtain the benefits of clause (ii) of this subparagraph, notification of the dispute must be given to the utility prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the utility shall inform the customer of the complaint procedures of the appropriate regulatory authority.

(ii) Notwithstanding any other subsection of this section, the customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that customer`s average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this section only, the customer`s average usage for the billing period shall be the average of the customer`s usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar customers and under similar conditions.

(7) Meters.

(A) Meter requirements.

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(i) Use of meter. All gas sold by a utility must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the regulatory authority, or tariff.

(ii) Installation by utility. Unless otherwise authorized by the regulatory authority, each utility must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its customers.

(iii) Standard type. No utility may furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

(B) Meter records. Each utility must keep the following records:

(i) Meter equipment records. Each utility must keep a record of all its meters, showing the customer's address and date of the last test.

(ii) Records of meter tests. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

(iii) Meter readings--meter unit location. In general, each meter must indicate clearly the units of service for which charge is made to the customer.

(iv) Meter tests on request of customer.

(I) Each utility must, upon request of a customer, make a test of the accuracy of the meter serving that customer. The utility must inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four years, the utility is entitled to charge a fee for the test not to exceed \$15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory authority. The customer must be properly informed of the result of any test on a meter that serves him.

(II) Notwithstanding subclause (I) of this clause, if the meter is found to be more than nominally defective, to either the customer's or the utility's disadvantage, any fee charged for a meter test must be refunded to the customer. More than nominally defective means a deviation of more than 2.0% from accurate registration.

(v) Bill adjustments due to meter error.

(I) If any meter test reveals a meter to be more than nominally defective, the utility must correct previous readings consistent with the inaccuracy found in the meter for the period of either:

(-a-) the last six months; or

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(-b-) the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by the utility if the error is to the utility's disadvantage.

(II) If a meter is found not to register for any period of time, the utility may make a charge for units used but not metered for a period not to exceed three months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

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(8) New construction.

(A) Standards of construction. Each utility is to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law, and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.

(B) Line extension and construction charges. Every utility must file its extension policy. The policy must be consistent, nondiscriminatory, and is subject to the approval of the regulatory authority. No contribution in aid of construction may be required of any customer except as provided for in extension policy.

(C) Response to request for service. Every gas utility must serve each qualified applicant for service within its service area as rapidly as practical. As a general policy, those applications not involving line extensions or new facilities should be filled within seven working days. Those applications for individual residential service requiring line extensions should be filled within 90 days unless unavailability of materials or other causes beyond the control of the utility result in unavoidable delays. In the event that residential service is delayed in excess of 90 days after an applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report must be made to the regulatory authority listing the name of the applicant, location, and cause for delay. Unless such delays are due to causes which are reasonably beyond the control of the utility, a delay in excess of 90 days may be found to constitute a refusal to serve.

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SERVICE CHARGES

| <u>RRC CHARGE NO.</u> | <u>CHARGE ID</u> | <u>CHARGE AMOUNT</u> | <u>SERVICE PROVIDED</u> |
|-----------------------|------------------|----------------------|---|
| 301747 | SC1 | | Connection Charge During Business Hours: During standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. (b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations. The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including the inability for CoServ to gain access to the premises, failure of the appliances to meet required specifications, a leak in the piping, or the like. This will be identified as a Failed Connect Attempt. \$65.00 |
| 301748 | SC2 | | Connection Charge After Business Hours: After standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. (b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations. The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including the inability for CoServ to gain access to the premises, failure of the appliances to meet required specifications, a leak in the piping, or the like. This will be identified as a Failed Connect Attempt. \$97.00 |
| 301749 | SC3 | | Field Read of Meter: A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party. \$19.00 |
| 301750 | SC4 | | Returned Check Charges: Returned check handling charge for each check returned to Company for any reason. \$20.00 |
| 301751 | SC5 | | Charge for Temporary Discontinuance of Service - Residential: Whenever service has been temporarily |

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| 301752 | SC6 | <p>disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$65.00</p> |
| 301753 | SC7 | <p>Charge for Temporary Discontinuance of Service.5 Non-Residential: Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$107.00</p> |
| 301754 | SC8 | <p>Charge for Meter Testing: The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Test Fee. The customer must be properly informed of the result of any test on a meter that services the customer. \$15.00</p> |
| 301755 | SC9 | <p>Charge for Service Calls During Business Hours: A Service Call Charge is made for responding to a service call during standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem. \$26.00</p> |
| 301746 | SCAP | <p>Charge for Service Calls After Business Hours: A Service Call Charge is made for responding to a service call after standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem. \$40.00</p> |
| 301756 | SC10 | <p>Application of Schedule: The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges.</p> |
| | | <p>Tampering Charge: No Company meters, equipment, or other property, whether on Customer's premises or elsewhere, are to be tampered with or interfered with for any reason. A Tampering Charge is made for unauthorized reconnection or other tampering with</p> |

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| 301757 | SC11 | <p>Company metering facilities or a theft of gas service by a person on the customer's premises or evidence by whomsoever at customer's premises. An additional cost for the cost of repairs and/or replacement of damaged facilities and the installation of protective facilities or relocation of meter are made at cost plus appropriate charges as may be detailed in the Company's Service Rules and Regulations \$125.00</p> |
| 301757 | SC11 | <p>Line Extension and Installation Charges: Customers in incorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to main extension policy in municipal franchise and in Rate Schedule LEI - Line Extension Policy - Incorporated Areas. Credit for main pursuant to municipal franchise. The customer is responsible for the installation of yard line and yard line risers. Customers in unincorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to line extension policy contained in Rate Schedule LEU - Line Extension Policy - Unincorporated Areas. The customer is responsible for the installation of yard line and yard line risers. *Actual cost of the portion of any extensions exceeding the free extension allowance provided within the line extension. Actual Cost*</p> |
| 301758 | SC12 | <p>Construction Crew Charges: All labor charges if a construction crew is required. Actual Cost</p> |
| 301759 | SC13 | <p>Construction Costs Charges: All other construction charges. Actual Cost</p> |

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DESCRIPTION: Distribution Sales STATUS: A
EFFECTIVE DATE: 08/03/2021 ORIGINAL CONTRACT DATE: RECEIVED DATE: 06/07/2022
GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO: 180533
BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID DESCRIPTION
DEF

Definitions:

COMMERCIAL CUSTOMER ` A customer, other than a residential customer, and not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.

COMMISSION - The Railroad Commission of Texas.

COMPANY - CoServ Gas, Ltd., its successors, and its assigns.

CUSTOMER - An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving or who is receiving the benefit of gas service at a specified point of delivery.

ENVIRONS ` The unincorporated areas outside the city limits in the Companys service area.

RATE SCHEDULE - A statement of the method of determining charges for gas service, including the conditions under which such method applies.

RESIDENTIAL CUSTOMER - Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.

RESIDENTIAL END USES - Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.

RI

Residential Incorporated Areas Sales:

Application of Schedule Schedule applies to all Residential Customers in incorporated areas.

Monthly Base Rate Customers base monthly bill will be calculated using the following Customer and Ccf charges:

Customer Charge \$15.00 per month, plus

Volumetric Charge \$0.12097 per Ccf

Other Fees and Credits Purchased Gas Factor:

The basic rates for cost of service set forth above shall be increased by the amount of the Purchased Gas Factor for the billing month computed in accordance

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| <u>SCHEDULE ID</u> | <u>DESCRIPTION</u> |
|--------------------|--------------------|
|--------------------|--------------------|

with the provisions of Rate Schedule PGF ` Purchased Gas Factor.

Rate Case Expenses: Plus applicable charge in accordance with provisions of Rate Schedule RCE ` Rate Case Expenses.

Taxes: Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule ITF ` Incorporated Areas Tax Factors.

Pipeline Safety Fee: Plus applicable charge in accordance with the provisions of Rate Schedule PSF ` Pipeline Safety Fee.

Excess Deferred Income Tax Credit: Credit to Volumetric Charge has been applied in accordance with provisions of Rate Schedule EDIT ` Excess Deferred Income Tax Credit.

ITF

Incorporated Areas Tax Factors: Taxes In addition to the monthly charges, each customers bill will include a charge for an amount equivalent to the customers proportional part of the city franchise fees, state gross receipts taxes, or other governmental levies payable by the Company, exclusive of federal income taxes. Municipal franchise fees are determined by each municipalitys franchise ordinance. Each municipalitys franchise ordinance will specify the percentage and applicability of franchise fees. From time to time, the tax factor may be adjusted, if required, to account for any over- or under-recovery of municipal franchise fees by the Company and to include an amount equivalent to the proportionate part of any new tax or increased franchise fee or tax, or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable. Gross receipts taxes and municipal franchise fees will only be charged to customers within the incorporated areas.

PGF

Purchase Gas Factor:

Purpose and Intent

This provision is intended to allow collection of the gas purchase costs of CoServ Gas, Ltd. (hereinafter CoServ Gas or the Company) in a manner that will lessen monthly fluctuations in the Purchased Gas Factor and ensure that actual costs billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised, and a revised tariff filed to reflect such revisions. The Company will make appropriate regulatory filings and obtain regulatory approvals, as required, before making changes to its rates. The Company will notify the Railroad Commission within 10 days of the date its policies and procedures for recovering

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the uncollectable portion of its gas cost charges.

Applicability:

This clause shall apply to all CoServ Gas tariffs that incorporate this Purchased Gas Factor provision and which have been properly filed and implemented with the appropriate jurisdictional authority.

Definitions:

Standard Cubic Foot of Gas ` the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit.

Ccf ` one hundred standard cubic feet of gas.

Mcf ` one thousand standard cubic feet of gas.

Purchased Gas Volumes ` The volumes of gas, expressed in Mcfs, purchased by the Company and received into the Companys distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s) `The total cost of Purchased Gas Volumes, as received into the Companys distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas ` The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf. Weighting us by the volume of each gas component.

Billed Gas Volumes ` The volumes of gas billed to customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcfs

Billed Gas Revenues ` The total amount of revenues attributable to billings by CoServ for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Factor during the same period.

Lost and Unaccounted for Gas (LUG) ` Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Purchased Gas Factor (PGF) ` A factor on each customers monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

Fixed Transportation Costs (FTC) ` The fixed monthly or demand amount of transportation costs determined by a Maximum Daily Quantity (MDQ) or such other

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similarly named fixed costs for transportation.

Estimated Fixed Transportation Costs (EFTC) ` The anticipated FTC to be incurred during the Annual Review period.

Annual Fixed Transportation Costs (AFTC) ` The actual FTC incurred during the Annual Review Period.

Annual Review Period ` The 12-month period ending June 30 of each year.

Annual Review ` An annual review of the Companys records covering the 12-month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total ` The total amount determined through the Annual Review to be credited or surcharged to customers bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor ` A credit or surcharge included in the Purchased Gas Factor to reflect the pro-rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company-owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Companys distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by CoServ, pipeline transportation volumetric charges, gas storage charges (both volumetric and demand), and an adjustment for any gas imbalances due to or from the shipper.

Fixed Transportation Costs will be estimated for the year (EFTC). The EFTC will be divided by the estimated annual volume of gas to be delivered to determine the FTC rate per Mcf. This rate will be applied monthly to the anticipated gas volume for a particular month and will be included in the PGF. The EFTC will be updated for the remainder of the Annual Review Period and a new rate will be determined and used for calculating the PGF during the remaining months of the Annual Review

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Period. A running over or under collected balance will be maintained and an interest will be added to or subtracted from the over/under balance as appropriate.

Any remaining balance in the over/under account will be added to or subtracted from the EFTC for the subsequent Annual Review Period. The Company shall account separately for gas injected into storage on a specific identification basis and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro-rata amount to adjust for previous over- or under-estimates of the Weighted Average Cost of Gas; plus the total amount of gas cost determined to have been uncollectible, written off, and remaining unpaid; plus a Reconciliation Factor to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers bills over a twelve-month period commencing each September 1 following the Annual Review Period.

Annual Imbalance Total -- LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative

If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period.

Annual Imbalance Total ` LUG Volume is positive and is greater than five percent of Purchased Gas Volumes

If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows:

The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined;

Minus, the Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Companys Weighted Average Cost of Purchased Gas for the Review Period.

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Reconciliation Factor Calculation

The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows:

The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period.

The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total.

The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month.

Each month of the twelve-month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over- or under-estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month.

At the end of each 12-month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12-month period.

Annual Reconciliation Report

The Company shall file an Annual Reconciliation Report with the Regulatory Authority that shall include but not necessarily be limited to:

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30;
2. A tabulation of the uncollectible gas cost by month for the twelve months ending June 30;
3. A description of all other costs and refunds made during the year and their effect on Rate Schedule PGF ` Purchased Gas Factor to date;
4. A tabulation of gas units sold to general service customers and related Rate Schedule PGF - Purchased Gas Factor revenues; and,
5. A description of the imbalance payments made to and received from the Companys transportation customers within the service area, including monthly imbalances

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incurred, the monthly imbalances resolved, and the amount of cumulative imbalances. The description should reflect the system imbalance and imbalance amount for each supplier using the Companys distribution system during the reconciliation period. 6. The Annual Reconciliation Report prepared for the Railroad Commission shall be sent to the Audit Section of the Gas Services Division and shall also include uncollected expenses, uncollected margin, uncollected gas costs, uncollected taxes, subsequent collected gas costs and subsequent collected margin.

The Company shall maintain detailed information that will allow the Regulatory Authority to audit the operation of the uncollectible gas cost recovery process.

PSF

Application of Schedule:
Applicable to all customer classes.

Monthly Calculation

Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commissions rules. Compliance Report The Company shall file an annual pipeline safety fee (PSF) report no later than 90 days after the last billing cycle in which the pipeline safety fee surcharge is billed to customers. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department, referencing OS-20-00005136, and titling the report Pipeline Safety Fee Recovery Report. The report shall include the following: a) the pipeline safety fee-amount paid to the Commission; b) the unit rate for each customer; c) the date or dates the surcharge was billed to customers; and d) the total amount billed to customers for the surcharge. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967

RCE

Application of Schedule:
Applicable to residential, commercial, and public authority customer classes.

Monthly Surcharge Pursuant to the Final Order in OS-20-00005136, CoServ is authorized to recover a total of \$774,683.93 in rate case expenses from OS-20-00005136 customers identified above by a surcharge of \$0.00333 per Ccf for a period of approximately 24 months commencing TBD 2021.

Compliance Report: The Company shall file an annual rate case expense reconciliation report within 90 days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Railroad Commission of Texas

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addressed to the Director of Oversight and Safety Division, Gas Services Department and referencing OS-20-00005136 Rate Case Expense Recovery Report. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports to the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967

WNA

Application of Schedule:

Applicable to residential, commercial and public authority customers.

Purpose and Intent

This provision is intended to account for the effects of abnormal temperatures on both customers and the Company. Under this provision customers will receive a credit when the temperature is colder than normal or will be surcharged when the temperature is warmer than normal. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised so that the goals are achieved, subject to review by the Gas Services Division of the Railroad Commission of Texas.

Applicability:

This tariff shall be applicable for the months of November through April of each year. The WNA charge shall be reflected on the monthly bills rendered to customers in the months of December through May to account for the variation in gas consumption due to the variation in temperatures from normal during the November through April period. The WNA charge billed for a month will be based on Heating Degree Day parameters for the previous month, actual number of customers for the previous month, and estimated rate class Ccf consumption for the current month.

Definitions:

Ccf ` One hundred standard cubic feet of gas

HDD ` Heating Degree Days

HDDn ` Normal heating degree days for the previous month based on normal determined by NOAA for the Dallas Fort Worth International Airport (KDFW weather station)

HDDa ` Actual heating degree days for the previous month

HL` Is a factor for heat load per HDD for the test year. The factor is 0.10012 for residential customers, 0.457193 for commercial customers and 1.385462 for public authority customers

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C `Number of customers in the customer class at the end of the previous month.

WNV `Weather Normalization Volume calculated by customer class using the following formula: $WNV = C * (HL * (HDDn - HDDa))$

BMVe ` The estimate of the volume of natural gas for the current month to be consumed by each customer class.

WNAf ` Weather Normalization Adjustment factor

VC ` The Volumetric Charge in effect for the appropriate customer class.

RF ` The Reconciliation Factor is an adjustment to be applied to the current monthly billing to account for differences in WNA revenues calculated using actual, final billing and HDD parameters for previous periods and the WNA revenues actually recovered in previous periods. Any remaining RF balance after the May billing will be included in the next December billing.

WNA Calculation

The amount to be billed or credited to each customer in a customer class will be determined as follows:

$$WNAf = ((WNV * VC) - RF) / BMVe$$

The customer will be charged or credited as follows:

$$WNA = \text{Customers Actual Ccf Consumption} \times WNAf$$

Monthly Report:

By the 25th day of the month following the month in which a given WNA is billed or credited, the Company will file with the Regulatory Authority a report showing the volume adjustments and WNA revenues for each applicable customer class. Supporting documentation will be made available for review upon request.

Annual Report:

An annual report shall be filed with the regulatory authority for each five-month period beginning with November and ending the subsequent April by customer class. The report shall provide: (a) the total amount of volumetric revenues collected from customers including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather sensitive revenues billed, and (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause.

Compliance Report:

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The Company shall file with the Commission an annual report verifying the past years WNA collections or refunds. The report shall show the amount collected or refunded by WNA month, total monthly volume, average WNA rate, average bill impact, percent bill impact and itemized by service area. The Company shall file the report with the Commission electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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

EDIT

Application of Schedule:

This Excess Deferred Income Tax Credit applies to all general service rate schedules of CoServ Gas, Ltd. (Company) currently in force within the incorporated and unincorporated areas of Collin, Denton, and Kaufman Counties. Calculation of Credit: The annual amortization of the regulatory liability for excess deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017 and in compliance with GUD No. 10695, will be credited to customers monthly on avolumetric basis until fully amortized. The initial credit will occur in September 01, 2021.

EDIT CREDIT `

The total amount, if any, of the credit in a given year will be determined by: The average rate assumption method (ARAM) as required by the Tax Cuts and Jobs Act of 2017 Section 13001(d) for the protected portion of the regulatory liability for excess deferred income taxes, which results in an amortization over approximately 38 years.

TRUE-UP ADJUSTMENT `

The Excess Deferred Income Tax credit shall be trued-up in CoServs next rate case. The True-Up Adjustment will be the difference between the amount of the EDIT Credit and the amount actually credited to customers. EDIT Credit per Ccf

Residential: \$0.00247
Commercial: \$0.00100
Public Authority: \$0.00100

Other Adjustments:

Taxes:

Plus applicable taxes and fees (including franchise fees) related to above.

Compliance Filing:

The Company shall make a filing with the Commission no later than March 31 of each year, including the following information for the previous calendar year:

- a. the total dollar amount of that years EDIT Credit;
- b. the total dollar amount actually credited to customers;

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c. the amount of the upcoming years EDIT Credit; and d. the amounts of the upcoming years EDIT Credit per Customer.

Conditions:

Subject to all applicable laws and orders, and the Company`s rules and regulations on file with the regulatory authority.

DEP

Customer deposits are not required with acceptable credit bureau or other report of good credit by a utility. Deposits may be required of CoServ Gas customers who have been disconnected for nonpayment and later request to be reconnected. Deposits will be determined by estimating one-sixth of the average annual bill, and may include allowable additional charges, as specified by Texas Railroad Commission regulation. See applicable Commission regulation at 16 TAC Section 7.45 (Quality of Service Rule) for other provisions governing deposits.

RIDER URI

A. PURPOSE: The purpose of the Winter Storm Uri Surcharge is to authorize CoServ Gas, Ltd. (CoServ Gas or the Company) to recover the reasonable, necessary, and prudent extraordinary costs incurred by the Company as a result of Winter Storm Uri. The rate schedule is authorized by the Railroad Commission of Texas (Commission) (1) Regulatory Asset Determination Order in OS-21-00007061 (Regulatory Asset Order), (2) original jurisdiction to prescribe the manner and form of the books, records, and accounts for gas utilities under Texas Utilities Code 102.101(a), (b) and (d), (3) Regulatory Asset Notice issued on February 13, 2021, and (4) Notice to Gas Utilities issued on June 17, 2021. The Commission authorizes and directs the Company to assess the Winter Storm Uri Surcharge rate as set forth:
 B. APPLICABILITY: This rate shall apply to all CoServ customers located in the incorporated and unincorporated service areas. C. SURCHARGE RATE: All Ccf during each billing period: \$0.07 per Ccf, to all customers through the Companys Purchase Gas Factor. This rate will be in effect until all approved and expended Winter Storm Uri costs, up to \$67,224,791 (Regulatory Asset Amount) plus carrying cost, are recovered under the applicable rate schedules. Any excess recovery of the Regulatory Asset Amount shall be calculated and refunded to customers through the Companys Purchase Gas Factor. D. OTHER ADJUSTMENTS: Plus applicable taxes and fees (including franchise fees) related to above.

CAPCR

CoServ Gas customers who were previously customers of Denton County Electric Cooperative, d/b/a CoServ Electric, may receive Capital Credits from CoServ Electric. Any such credits will be considered to be a payment on those customers gas bills and will be treated as a credit on such bills.

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TARIFF CODE: DS RRC TARIFF NO: 35299

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Schedules specific to Incorporated Areas
 RI RESIDENTIAL INCORPORATED AREAS SALES
 CI COMMERCIAL INCORPORATED AREAS SALES
 PI PUBLIC AUTHORITY INCORPORATED AREAS SALES
 ITF INCORPORATED AREAS TAX FACTORS
 LEI LINE EXTENSION POLICY ` INCORPORATED AREAS

Schedules specific to Unincorporated Areas
 RU RESIDENTIAL UNINCORPORATED AREAS SALES
 CU COMMERCIAL UNINCORPORATED AREAS SALES
 PU PUBLIC AUTHORITY UNINCORPORATED AREAS SALES
 UTF UNINCORPORATED AREAS TAX FACTORS
 LEU LINE EXTENSION POLICY ` UNINCORPORATED AREAS

Schedules applicable to all areas
 PGF PURCHASED GAS FACTOR
 PSF PIPELINE SAFETY FEE RCE RATE CASE EXPENSES
 WNA WEATHER NORMALIZATION ADJUSTMENT
 EDIT EXCESS DEFERRED INCOME TAX CREDIT
 M MISCELLANEOUS SERVICE CHARGES
 Q QUALITY OF SERVICE
 CP CURTAILMENT POLICY
 DEP CUSTOMER DEPOSITS

UO

Utility Operations:
 CoServ Gas, Ltd. owns and operates a natural gas distribution system that provides natural gas service in Texas.

The following will respond to inquiries regarding provisions of this Tariff for Gas Service:

Tariff Coordinator CoServ Gas, Ltd.
 7701 South Stemmons
 Corinth, Texas 76210
 Telephone: (940) 321-7800
 Email Address: tariff@coserv.com

SAI

INCORPORATED SERVICE AREAS
 Allen
 Argyle
 Aubrey
 Bartonville
 Carrollton
 Celina
 Copper
 Canyon Corinth
 Crossroads

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RATE SCHEDULE

| <u>SCHEDULE ID</u> | <u>DESCRIPTION</u> |
|--------------------|--------------------|
| | Denton |
| | Double Oak |
| | Fairview |
| | Flower Mound |
| | Forney |
| | Fort Worth |
| | Frisco |
| | Highland Village |
| | Little Elm |
| | Lewisville |
| | Lucas |
| | McKinney |
| | Murphy |
| | Northlake |
| | Parker |
| | Plano |
| | Ponder |
| | Prosper |
| | Providence |
| | Village |
| | St. Paul |
| | Shady Shores |
| | The Colony |
| | Wylie |
| | COUNTIES |
| | Denton |
| | Denton |
| | Kaufman |

RATE ADJUSTMENT PROVISIONS

None

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| CUSTOMERS | | | | |
|------------------------|----------------------|---------------------|---------------------------|---------------------------|
| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
| 1 | N | | | |
| <u>CUSTOMER NAME</u> | City of Flower Mound | | | |
| 2 | N | | | |
| <u>CUSTOMER NAME</u> | City of Plano | | | |
| 3 | N | | | |
| <u>CUSTOMER NAME</u> | City of Frisco | | | |
| 4 | N | | | |
| <u>CUSTOMER NAME</u> | City of Prosper | | | |
| 5 | N | | | |
| <u>CUSTOMER NAME</u> | City of Denton | | | |
| 6 | N | | | |
| <u>CUSTOMER NAME</u> | City of Allen | | | |
| 7 | N | | | |
| <u>CUSTOMER NAME</u> | City of Argyle | | | |
| 8 | N | | | |
| <u>CUSTOMER NAME</u> | City of Bartonville | | | |
| 10 | N | | | |
| <u>CUSTOMER NAME</u> | City of Double Oak | | | |
| 11 | N | | | |
| <u>CUSTOMER NAME</u> | City of Little Elm | | | |
| 12 | N | | | |
| <u>CUSTOMER NAME</u> | City of Ponder | | | |
| 15 | N | | | |
| <u>CUSTOMER NAME</u> | City of Shady Shores | | | |
| 16 | N | | | |
| <u>CUSTOMER NAME</u> | Lavon System Wylie | | | |
| 17 | N | | | |
| <u>CUSTOMER NAME</u> | Lavon System Murphy | | | |
| 18 | N | | | |
| <u>CUSTOMER NAME</u> | Lavon System Parker | | | |
| 19 | N | | | |
| <u>CUSTOMER NAME</u> | Lavon System Lucas | | | |
| 4424 | N | | | |
| <u>CUSTOMER NAME</u> | City of Fort Worth | | | |

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CUSTOMERS

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|----------------------------|---------------------|---------------------------|---------------------------|
| 4425 | N | | | |
| <u>CUSTOMER NAME</u> | City of Highland Village | | | |
| 4426 | N | | | |
| <u>CUSTOMER NAME</u> | City of Fairview | | | |
| 4485 | N | | | |
| <u>CUSTOMER NAME</u> | City of Corinth | | | |
| 4486 | N | | | |
| <u>CUSTOMER NAME</u> | City of McKinney | | | |
| 9 | N | | | |
| <u>CUSTOMER NAME</u> | City of The Colony | | | |
| 18267 | N | | | |
| <u>CUSTOMER NAME</u> | City of Celina | | | |
| 18268 | N | | | |
| <u>CUSTOMER NAME</u> | City of St. Paul | | | |
| 18269 | N | | | |
| <u>CUSTOMER NAME</u> | City of Lewisville | | | |
| 27601 | N | | | |
| <u>CUSTOMER NAME</u> | Cross Roads, Inc | | | |
| 41977 | N | | | |
| <u>CUSTOMER NAME</u> | City of Aubrey | | | |
| 41979 | N | | | |
| <u>CUSTOMER NAME</u> | City of Carrollton | | | |
| 41980 | N | | | |
| <u>CUSTOMER NAME</u> | Town of Copper Canyon | | | |
| 41981 | N | | | |
| <u>CUSTOMER NAME</u> | City of Forney | | | |
| 41987 | N | | | |
| <u>CUSTOMER NAME</u> | Town of Northlake | | | |
| 41989 | N | | | |
| <u>CUSTOMER NAME</u> | City of Providence Village | | | |

REASONS FOR FILING

NEW?: N

RRC DOCKET NO:

CITY ORDINANCE NO: See Ord REF

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AMENDMENT (EXPLAIN):

OTHER (EXPLAIN): To renumber service charges.

SERVICES

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> |
|-------------------------------|----------------------------|
| A | Residential Sales |
| <u>OTHER TYPE DESCRIPTION</u> | |

PREPARER - PERSON FILING

RRC NO: 782 ACTIVE FLAG: Y INACTIVE DATE:
 FIRST NAME: Charley MIDDLE: LAST NAME: Harrell
 TITLE: Director of Finance
 ADDRESS LINE 1: 7701 S. Stemmons
 ADDRESS LINE 2:
 CITY: Corinth STATE: TX ZIP: 76210 ZIP4:
 AREA CODE: 940 PHONE NO: 321-7834 EXTENSION:

CURTAILMENT PLAN

| <u>PLAN ID</u> | <u>DESCRIPTION</u> |
|----------------|---|
| CP | CoServ Gas follows the requirements of the order in the Railroad Commission of Texas, Gas Utilities Docket No. 489. |

LINE EXTENSION POLICY

| <u>POLICY ID</u> | <u>DESCRIPTION</u> |
|------------------|---|
| 1246 | Line Extension Policy: The Company has the right to contract with individual customers for the installation of gas facilities as provided for by the city franchise. Upon the request of a prospective new residential or commercial customer for service in an area served by CoServ Gas, CoServ Gas will extend its main lines up to 100 feet from an existing CoServ Gas main in the Public Rights of Way, without charge. The 100-foot allowance applies to a single customer or to a group of customers requesting service from the same extension. Customers requesting mainline extensions in excess of 100 feet shall bear the cost of any additional main, and shall bear the cost of all yard lines, service lines, customer meters and regulators, and appurtenant equipment, in accordance with the charges listed in item 11, Line Extension and Installation, of Rate Schedule M, Miscellaneous Service Charges. CoServ Gas is not required to extend its mains or facilities if the customer will not use gas for space heating and water heating, or the equivalent load, at a minimum. |

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QUALITY OF SERVICE

| <u>QUAL_SERVICE ID</u> | <u>DESCRIPTION</u> |
|------------------------|--|
| Q | <p data-bbox="310 415 753 436">Sections 7.45 (Quality of Service):</p> <p data-bbox="310 474 1524 735">For gas utility service to residential and small commercial customers, the following minimum service standards shall be applicable in unincorporated areas. In addition, each gas distribution utility is ordered to amend its service rules to include said minimum service standards within the utility service rules applicable to residential and small commercial customers within incorporated areas, but only to the extent that said minimum service standards do not conflict with standards lawfully established within a particular municipality for a gas distribution utility. Said gas distribution utility shall file service rules incorporating said minimum service standards with the Railroad Commission and with the municipalities in the manner prescribed by law.</p> <p data-bbox="310 772 639 793">(1) Continuity of service.</p> <p data-bbox="310 831 639 852">(A) Service interruptions.</p> <p data-bbox="310 890 1524 1003">(i) Every gas utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.</p> <p data-bbox="310 1041 1524 1155">(ii) Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.</p> <p data-bbox="310 1192 1524 1306">(iii) In the event of national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.</p> <p data-bbox="310 1344 1524 1482">(B) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, each utility shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.</p> <p data-bbox="310 1520 1524 1692">(C) Report to commission. The commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four hours. The notice shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.</p> <p data-bbox="310 1730 599 1751">(2) Customer relations.</p> <p data-bbox="310 1789 932 1810">(A) Information to customers. Each utility shall:</p> <p data-bbox="310 1848 1524 1894">(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information</p> |

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| | |
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which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, shall be kept by the utility in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the utility to advise applicants and others entitled to the information as to the facilities available for serving that locality;

(ii) assist the customer or applicant in selecting the most economical rate schedule;

(iii) in compliance with applicable law or regulations, notify customers affected by a change in rates or schedule or classification;

(iv) post a notice in a conspicuous place in each business office of the utility where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the commission are available for inspection;

(v) upon request inform its customers as to the method of reading meters;

(vi) provide to new customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform the customers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish:

(I) the customer's right to information concerning rates and services and the customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;

(II) the customer's right to have his or her meter checked without charge under paragraph (7) of this section, if applicable;

(III) the time allowed to pay outstanding bills;

(IV) grounds for termination of service;

(V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service;

(VII) information on alternative payment plans offered by the utility;

(VIII) the steps necessary to have service reconnected after involuntary termination;

(IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority;

(X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and

(XI) the customer's right to be instructed by the utility how to read his or her meter; (vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

(B) Customer complaints. Upon complaint to the utility by residential or small commercial customers either at its office, by letter, or by telephone, the utility shall promptly make a suitable investigation and advise the complainant of the results thereof. It shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint.

(C) Utility response. Upon receipt of a complaint, either by letter or by telephone, from the

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regulatory authority on behalf of a customer, the utility shall make a suitable investigation and advise the regulatory authority and complainant of the results thereof. An initial response must be made by the next working day. The utility must make a final and complete response within 15 days from the date of the complaint, unless additional time is granted within the 15-day period. The commission encourages all customer complaints to be made in writing to assist the regulatory authority in maintaining records of the quality of service of each utility; however, telephone communications will be acceptable.

(D) Deferred payment plan. The utility is encouraged to offer a deferred payment plan for delinquent residential accounts. If such a plan is offered, it shall conform to the following guidelines:

(i) Every deferred payment plan entered into due to the customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

(ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer's ability to pay; customer's payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.

(iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer's signature and in bold-face print at least two sizes larger than any other used, that: If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement.

(iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

(v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

(vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

(i) Applicability. This subparagraph applies only to:

(I) a utility that assesses late payment charges on residential customers and that suspends

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service before the 26th day after the date of the bill for which collection action is taken;
(II) utility bills issued on or after August 30, 1993; and
(III) an elderly person, as defined in clause (ii) of this subparagraph, who is a residential customer and who occupies the entire premises for which a delay is requested.

(ii) Definitions.

(I) Elderly person--A person who is 60 years of age or older.

(II) Utility--A gas utility or municipally owned utility, as defined in Texas Utilities Code, 101.003(7), 101.003(8), and 121.001 - 121.006.

(iii) An elderly person may request that the utility implement the delay for either the most recent utility bill or for the most recent utility bill and each subsequent utility bill.

(iv) On request of an elderly person, a utility shall delay without penalty the payment date of a bill for providing utility services to that person until the 25th day after the date on which the bill is issued.

(v) The utility may require the requesting person to present reasonable proof that the person is 60 years of age or older.

(vi) Every utility shall notify its customers of this delayed payment option no less often than yearly. A utility may include this notice with other information provided pursuant to subparagraph (A) of this paragraph.

(3) Refusal of service.

(A) Compliance by applicant. Any utility may decline to serve an applicant for whom service is available from previously installed facilities until such applicant has complied with the state and municipal regulations and approved rules and regulations of the utility on file with the commission governing the service applied for or for the following reasons.

(i) Applicant`s facilities inadequate. If the applicant`s installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.

(ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.

(iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

(B) Applicant`s recourse. In the event that the utility shall refuse to serve an applicant under the provisions of these rules, the utility must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the municipal regulatory authority or commission, whichever is appropriate.

(C) Insufficient grounds for refusal to serve. The following shall not constitute sufficient

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cause for refusal of service to a present customer or applicant:

(i) delinquency in payment for service by a previous occupant of the premises to be served;
(ii) failure to pay for merchandise or charges for nonutility service purchased from the utility;
(iii) failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
(iv) violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to comply with these rules;
(v) failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the utility as a condition precedent to service; and
(vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

(A) The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

(B) A utility may offer an inducement for prompt payment of bills by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate regulatory authority.

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the customer at least five working days prior to the stated date of disconnection, with the words Termination Notice or similar language prominently displayed on the notice. The notice shall be provided in English and Spanish as necessary to adequately inform the customer, and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the utility may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

(D) Utility service may be disconnected for any of the following reasons:

(i) failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;
(ii) violation of the utility's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;
(iii) failure to comply with deposit or guarantee arrangements where required by paragraph (5) of this section;
(iv) without notice where a known dangerous condition exists for as long as the condition exists;

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(v) tampering with the utility company's meter or equipment or bypassing the same.

(E) Utility service may not be disconnected for any of the following reasons:

- (i) delinquency in payment for service by a previous occupant of the premises;
- (ii) failure to pay for merchandise or charges for nonutility service by the utility;
- (iii) failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;
- (iv) failure to pay the account of another customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service;
- (v) failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;
- (vi) failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due;
- (vii) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the utility is unable to read the meter due to circumstances beyond its control.

(F) Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the utility are not available to the public for the purpose of making collections and reconnecting service.

(G) No utility may abandon a customer without written approval from the regulatory authority.

(H) No utility may discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service is discontinued. Any customer seeking to avoid termination of service under this section must make a written request supported by a written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

(A) Establishment of credit for residential applicants. Each utility may require a residential applicant for service to satisfactorily establish credit but such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills. Subject to these rules, a residential applicant shall not be required to pay a deposit:

- (i) if the residential applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;

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(ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or

(iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity.

(B) Reestablishment of credit. Every applicant who has previously been a customer of the utility and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay all his amounts due the utility or execute a written deferred payment agreement, if offered, and reestablish credit as provided in subparagraph (A) of this paragraph.

(C) Amount of deposit and interest for residential service, and exemption from deposit.

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, 71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

(ii) The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, the utility may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

(iii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(I) Payment of interest to the customer shall be annually or at the time the deposit is returned or credited to the customer's account.

(II) The deposit shall cease to draw interest on the date it is returned or credited to the customer's account.

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk,

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provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show:

- (I) the name and address of each depositor;
- (II) the amount and date of the deposit; and
- (III) each transaction concerning the deposit.

(ii) The utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

(iii) A record of each unclaimed deposit must be maintained for at least four years, during which time the utility shall make a reasonable effort to return the deposit.

(F) Refund of deposit.

(i) If service is not connected or after disconnection of service, the utility shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.

(ii) When the customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

(G) Upon sale or transfer of utility or company. Upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

(H) Complaint by applicant or customer. Each utility shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or reestablish credit under the provisions of these rules to inform the customer, if dissatisfaction is expressed with the utility's decision, of the customer's right to file a complaint with the regulatory authority thereon.

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

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(B) The customer`s bill must show all the following information. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

- (i) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;
- (ii) the number and kind of units billed;
- (iii) the applicable rate schedule title or code;
- (iv) the total base bill;
- (v) the total of any adjustments to the base bill and the amount of adjustments per billing unit;
- (vi) the date by which the customer must pay the bill to get prompt payment discount;
- (vii) the total amount due before and after any discount for prompt payment within a designated period;
- (viii) a distinct marking to identify an estimated bill.

(C) Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. For the second consecutive month in which the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, the utility must provide the customer with a postcard and request that the customer read the meter and return the card to the utility if the meter is of a type that can be read by the customer without significant inconvenience or special tools or equipment. If such a postcard is not received by the utility in time for billing, the utility may estimate the meter reading and render the bill accordingly.

(D) Disputed bills.

(i) In the event of a dispute between the customer and the utility regarding the bill, the utility must forthwith make such investigation as is required by the particular case and report the results thereof to the customer. If the customer wishes to obtain the benefits of clause (ii) of this subparagraph, notification of the dispute must be given to the utility prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the utility shall inform the customer of the complaint procedures of the appropriate regulatory authority.

(ii) Notwithstanding any other subsection of this section, the customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that customer`s average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this section only, the customer`s average usage for the billing period shall be the average of the customer`s usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar customers and under similar conditions.

(7) Meters.

(A) Meter requirements.

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(i) Use of meter. All gas sold by a utility must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the regulatory authority, or tariff.

(ii) Installation by utility. Unless otherwise authorized by the regulatory authority, each utility must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its customers.

(iii) Standard type. No utility may furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

(B) Meter records. Each utility must keep the following records:

(i) Meter equipment records. Each utility must keep a record of all its meters, showing the customer's address and date of the last test.

(ii) Records of meter tests. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

(iii) Meter readings--meter unit location. In general, each meter must indicate clearly the units of service for which charge is made to the customer.

(iv) Meter tests on request of customer.

(I) Each utility must, upon request of a customer, make a test of the accuracy of the meter serving that customer. The utility must inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four years, the utility is entitled to charge a fee for the test not to exceed \$15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory authority. The customer must be properly informed of the result of any test on a meter that serves him.

(II) Notwithstanding subclause (I) of this clause, if the meter is found to be more than nominally defective, to either the customer's or the utility's disadvantage, any fee charged for a meter test must be refunded to the customer. More than nominally defective means a deviation of more than 2.0% from accurate registration.

(v) Bill adjustments due to meter error.

(I) If any meter test reveals a meter to be more than nominally defective, the utility must correct previous readings consistent with the inaccuracy found in the meter for the period of either:

(-a-) the last six months; or

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(-b-) the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by the utility if the error is to the utility's disadvantage.

(II) If a meter is found not to register for any period of time, the utility may make a charge for units used but not metered for a period not to exceed three months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

Q1

(8) New construction.

(A) Standards of construction. Each utility is to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law, and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.

(B) Line extension and construction charges. Every utility must file its extension policy. The policy must be consistent, nondiscriminatory, and is subject to the approval of the regulatory authority. No contribution in aid of construction may be required of any customer except as provided for in extension policy.

(C) Response to request for service. Every gas utility must serve each qualified applicant for service within its service area as rapidly as practical. As a general policy, those applications not involving line extensions or new facilities should be filled within seven working days. Those applications for individual residential service requiring line extensions should be filled within 90 days unless unavailability of materials or other causes beyond the control of the utility result in unavoidable delays. In the event that residential service is delayed in excess of 90 days after an applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report must be made to the regulatory authority listing the name of the applicant, location, and cause for delay. Unless such delays are due to causes which are reasonably beyond the control of the utility, a delay in excess of 90 days may be found to constitute a refusal to serve.

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SERVICE CHARGES

| <u>RRC CHARGE NO.</u> | <u>CHARGE ID</u> | <u>CHARGE AMOUNT</u> | <u>SERVICE PROVIDED</u> |
|-----------------------|------------------|----------------------|---|
| 301762 | SC1 | | Connection Charge During Business Hours: During standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. (b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations. The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including the inability for CoServ to gain access to the premises, failure of the appliances to meet required specifications, a leak in the piping, or the like. This will be identified as a Failed Connect Attempt. \$65.00 |
| 301763 | SC2 | | Connection Charge After Business Hours: After standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. (b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations. The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including the inability for CoServ to gain access to the premises, failure of the appliances to meet required specifications, a leak in the piping, or the like. This will be identified as a Failed Connect Attempt. \$97.00 |
| 301764 | SC3 | | Field Read of Meter: A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party. \$19.00 |
| 301765 | SC4 | | Returned Check Charges: Returned check handling charge for each check returned to Company for any reason. \$20.00 |
| 301766 | SC5 | | Charge for Temporary Discontinuance of Service - Residential: Whenever service has been temporarily |

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| 301767 | SC6 | disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$65.00 |
| 301768 | SC7 | Charge for Temporary Discontinuance of Service.5 Non-Residential: Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$107.00 |
| 301769 | SC8 | Charge for Meter Testing: The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Test Fee. The customer must be properly informed of the result of any test on a meter that services the customer. \$15.00 |
| 301770 | SC9 | Charge for Service Calls During Business Hours: A Service Call Charge is made for responding to a service call during standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem. \$26.00 |
| 301761 | SCAP | Charge for Service Calls After Business Hours: A Service Call Charge is made for responding to a service call after standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem. \$40.00 |
| 301771 | SC10 | Application of Schedule: The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges. |
| | | Tampering Charge: No Company meters, equipment, or other property, whether on Customer's premises or elsewhere, are to be tampered with or interfered with for any reason. A Tampering Charge is made for unauthorized reconnection or other tampering with |

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| 301772 | SC11 | <p>Company metering facilities or a theft of gas service by a person on the customer's premises or evidence by whomsoever at customer's premises. An additional cost for the cost of repairs and/or replacement of damaged facilities and the installation of protective facilities or relocation of meter are made at cost plus appropriate charges as may be detailed in the Company's Service Rules and Regulations \$125.00</p> |
| 301772 | SC11 | <p>Line Extension and Installation Charges: Customers in incorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to main extension policy in municipal franchise and in Rate Schedule LEI - Line Extension Policy - Incorporated Areas. Credit for main pursuant to municipal franchise. The customer is responsible for the installation of yard line and yard line risers. Customers in unincorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to line extension policy contained in Rate Schedule LEU - Line Extension Policy - Unincorporated Areas. The customer is responsible for the installation of yard line and yard line risers. *Actual cost of the portion of any extensions exceeding the free extension allowance provided within the line extension. Actual Cost*</p> |
| 301773 | SC12 | <p>Construction Crew Charges: All labor charges if a construction crew is required. Actual Cost</p> |
| 301774 | SC13 | <p>Construction Costs Charges: All other construction charges. Actual Cost</p> |

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DESCRIPTION: Distribution Sales STATUS: A
 EFFECTIVE DATE: 08/03/2021 ORIGINAL CONTRACT DATE: RECEIVED DATE: 06/07/2022
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO: 180533
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID DESCRIPTION
 DEF

Definitions:

COMMERCIAL CUSTOMER ` A customer, other than a residential customer, and not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.

COMMISSION - The Railroad Commission of Texas.

COMPANY - CoServ Gas, Ltd., its successors, and its assigns.

CUSTOMER - An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving or who is receiving the benefit of gas service at a specified point of delivery.

ENVIRONS ` The unincorporated areas outside the city limits in the Companys service area.

RATE SCHEDULE - A statement of the method of determining charges for gas service, including the conditions under which such method applies.

RESIDENTIAL CUSTOMER - Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.

RESIDENTIAL END USES - Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.

RU

Residential Unincorporated Areas Sales:

Application of Schedule applies to all Residential Customers in unincorporated areas. Monthly Base Rate Customers base monthly bill will be calculated using the following Customer and Ccf charges:
 Customer Charge \$15.00 per month, plus
 Volumetric Charge \$0.12097 per Ccf

Other Fees and Credits

Purchased Gas Factor:
 The basic rates for cost of service set forth above shall be increased by the

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amount of the Purchased Gas Factor for the billing month computed in accordance with the provisions of Rate Schedule PGF ` Purchased Gas Factor.

Rate Case Expenses:

Plus applicable charge in accordance with provisions of Rate Schedule RCE ` Rate Case Expenses.

Taxes:

Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule UTF ` Unincorporated Areas Tax Factors.

Pipeline Safety Fee:

Plus applicable charge in accordance with the provisions of Rate Schedule PSF ` Pipeline Safety Fee.

Excess Deferred Income Tax Credit:

Credit to Volumetric Charge has been applied in accordance with provisions of Rate Schedule EDIT ` Excess Deferred Income Tax Credit.

UTF

Unincorporated Areas Tax Factors:

Environs Area: Frisco, Denton Co.

Fee:

4% of gross receipts.

Entity Collecting Fee:

Denton Co. Fresh Water Supply Dist. No. 8A, 8B, 9, 10, 11A, and 11B.

Environs Area:

Lantana Subdiv. Fee: 3% of gross receipts. Entity Collecting Fee: Denton Co.

Fresh Water Supply Denton Co. Dists. No. 6 and 7. Windmill Farms Subdiv. Fee: 4% of gross receipts.

Entity Collecting Fee:

Kaufman Co. Dev. Dist. No. 1 Kaufman Co. In addition to the monthly charges above, each customers bill in the above referenced areas will include a charge for an amount equivalent to the customers proportional part of any taxes, fees, or similar levies payable by the Company to governmental or quasi-governmental entities with authority over the area in which the customer resides. Any such charge will be computed by multiplying the Monthly Base Rate charges and Purchased Gas Factor charges by a factor calculated to recover the actual amount of such taxes, fees, or similar levies. Currently applicable taxes, fees, or similar levies for each unincorporated area are detailed on the CoServ Rate Schedule UTF ` Unincorporated Areas Tax Factors. CoServ does not charge municipal franchise fees to unincorporated area customers.

PGF

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Purchase Gas Factor:

Purpose and Intent

This provision is intended to allow collection of the gas purchase costs of CoServ Gas, Ltd. (hereinafter CoServ Gas or the Company) in a manner that will lessen monthly fluctuations in the Purchased Gas Factor and ensure that actual costs billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised, and a revised tariff filed to reflect such revisions. The Company will make appropriate regulatory filings and obtain regulatory approvals, as required, before making changes to its rates. The Company will notify the Railroad Commission within 10 days of the date its policies and procedures for recovering the uncollectable portion of its gas cost charges.

Applicability:

This clause shall apply to all CoServ Gas tariffs that incorporate this Purchased Gas Factor provision and which have been properly filed and implemented with the appropriate jurisdictional authority.

Definitions:

Standard Cubic Foot of Gas ` the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit.

Ccf ` one hundred standard cubic feet of gas.

Mcf ` one thousand standard cubic feet of gas.

Purchased Gas Volumes ` The volumes of gas, expressed in Mcfs, purchased by the Company and received into the Companys distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s) `The total cost of Purchased Gas Volumes, as received into the Companys distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas ` The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf. Weighting us by the volume of each gas component.

Billed Gas Volumes ` The volumes of gas billed to customers, plus volumes of gas

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billed to third parties following losses or damages, expressed in Mcfs

Billed Gas Revenues ` The total amount of revenues attributable to billings by CoServ for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Factor during the same period.

Lost and Unaccounted for Gas (LUG) ` Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Purchased Gas Factor (PGF) ` A factor on each customers monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

Fixed Transportation Costs (FTC) ` The fixed monthly or demand amount of transportation costs determined by a Maximum Daily Quantity (MDQ) or such other similarly named fixed costs for transportation.

Estimated Fixed Transportation Costs (EFTC) ` The anticipated FTC to be incurred during the Annual Review period.

Annual Fixed Transportation Costs (AFTC) ` The actual FTC incurred during the Annual Review Period.

Annual Review Period ` The 12-month period ending June 30 of each year.

Annual Review ` An annual review of the Companys records covering the 12-month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total ` The total amount determined through the Annual Review to be credited or surcharged to customers bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor ` A credit or surcharge included in the Purchased Gas Factor to reflect the pro-rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company-owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

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The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Companys distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by CoServ, pipeline transportation volumetric charges, gas storage charges (both volumetric and demand), and an adjustment for any gas imbalances due to or from the shipper.

Fixed Transportation Costs will be estimated for the year (EFTC). The EFTC will be divided by the estimated annual volume of gas to be delivered to determine the FTC rate per Mcf. This rate will be applied monthly to the anticipated gas volume for a particular month and will be included in the PGF. The EFTC will be updated for the remainder of the Annual Review Period and a new rate will be determined and used for calculating the PGF during the remaining months of the Annual Review Period. A running over or under collected balance will be maintained and an interest will be added to or subtracted from the over/under balance as appropriate.

Any remaining balance in the over/under account will be added to or subtracted from the EFTC for the subsequent Annual Review Period. The Company shall account separately for gas injected into storage on a specific identification basis and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro-rata amount to adjust for previous over- or under-estimates of the Weighted Average Cost of Gas; plus the total amount of gas cost determined to have been uncollectible, written off, and remaining unpaid; plus a Reconciliation Factor to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers bills over a twelve-month period commencing each September 1 following the Annual Review Period.

Annual Imbalance Total -- LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative

If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the

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Annual Review Period.

Annual Imbalance Total ` LUG Volume is positive and is greater than five percent of Purchased Gas Volumes

If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows:

The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined;

Minus, the Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Companys Weighted Average Cost of Purchased Gas for the Review Period.

Reconciliation Factor Calculation

The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows:

The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period.

The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total.

The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month.

Each month of the twelve-month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over- or under-estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month.

At the end of each 12-month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12-month period.

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Annual Reconciliation Report

The Company shall file an Annual Reconciliation Report with the Regulatory Authority that shall include but not necessarily be limited to:

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30;
2. A tabulation of the uncollectible gas cost by month for the twelve months ending June 30;
3. A description of all other costs and refunds made during the year and their effect on Rate Schedule PGF ` Purchased Gas Factor to date;
4. A tabulation of gas units sold to general service customers and related Rate Schedule PGF - Purchased Gas Factor revenues; and,
5. A description of the imbalance payments made to and received from the Companys transportation customers within the service area, including monthly imbalances incurred, the monthly imbalances resolved, and the amount of cumulative imbalances. The description should reflect the system imbalance and imbalance amount for each supplier using the Companys distribution system during the reconciliation period.
6. The Annual Reconciliation Report prepared for the Railroad Commission shall be sent to the Audit Section of the Gas Services Division and shall also include uncollected expenses, uncollected margin, uncollected gas costs, uncollected taxes, subsequent collected gas costs and subsequent collected margin.

The Company shall maintain detailed information that will allow the Regulatory Authority to audit the operation of the uncollectible gas cost recovery process.

PSF

Application of Schedule:
 Applicable to all customer classes.

Monthly Calculation

Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commissions rules. Compliance Report The Company shall file an annual pipeline safety fee (PSF) report no later than 90 days after the last billing cycle in which the pipeline safety fee surcharge is billed to customers. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department, referencing OS-20-00005136, and titling the report Pipeline Safety Fee Recovery Report. The report shall include the following: a) the pipeline safety fee-amount paid to the Commission; b) the unit rate for each customer; c) the date or dates the surcharge was billed to customers; and d) the total amount billed to customers for the surcharge. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of

GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 5588 COMPANY NAME: COSERV GAS

TARIFF CODE: DS RRC TARIFF NO: 35328

RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Texas P.O. Box 12967 Austin, TX 78711-2967

RCE

Application of Schedule:
Applicable to residential, commercial, and public authority customer classes.

Monthly Surcharge Pursuant to the Final Order in OS-20-00005136, CoServ is authorized to recover a total of \$774,683.93 in rate case expenses from OS-20-00005136 customers identified above by a surcharge of \$0.00333 per Ccf for a period of approximately 24 months commencing TBD 2021.

Compliance Report: The Company shall file an annual rate case expense reconciliation report within 90 days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department and referencing OS-20-00005136 Rate Case Expense Recovery Report. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports to the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967

WNA

Application of Schedule:
Applicable to residential, commercial and public authority customers.

Purpose and Intent

This provision is intended to account for the effects of abnormal temperatures on both customers and the Company. Under this provision customers will receive a credit when the temperature is colder than normal or will be surcharged when the temperature is warmer than normal. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised so that the goals are achieved, subject to review by the Gas Services Division of the Railroad Commission of Texas.

Applicability:

This tariff shall be applicable for the months of November through April of each year. The WNA charge shall be reflected on the monthly bills rendered to customers in the months of December through May to account for the variation in gas consumption due to the variation in temperatures from normal during the November through April period. The WNA charge billed for a month will be based on Heating Degree Day parameters for the previous month, actual number of customers for the previous month, and estimated rate class Ccf consumption for the current month.

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Definitions:

Ccf ` One hundred standard cubic feet of gas

HDD ` Heating Degree Days

HDDn ` Normal heating degree days for the previous month based on normal determined by NOAA for the Dallas Fort Worth International Airport (KDFW weather station)

HDDa ` Actual heating degree days for the previous month

HL` Is a factor for heat load per HDD for the test year. The factor is 0.10012 for residential customers, 0.457193 for commercial customers and 1.385462 for public authority customers

C `Number of customers in the customer class at the end of the previous month.

WNV `Weather Normalization Volume calculated by customer class using the following formula: $WNV = C * (HL*(HDDn \text{ ` } HDDa))$

BMVe ` The estimate of the volume of natural gas for the current month to be consumed by each customer class.

WNAf ` Weather Normalization Adjustment factor

VC ` The Volumetric Charge in effect for the appropriate customer class.

RF ` The Reconciliation Factor is an adjustment to be applied to the current monthly billing to account for differences in WNA revenues calculated using actual, final billing and HDD parameters for previous periods and the WNA revenues actually recovered in previous periods. Any remaining RF balance after the May billing will be included in the next December billing.

WNA Calculation

The amount to be billed or credited to each customer in a customer class will be determined as follows:

$$WNAf = ((WNV * VC) \text{ ` } RF) / BMVe$$

The customer will be charged or credited as follows:

$$WNA = \text{Customers Actual Ccf Consumption} \times WNAf$$

Monthly Report:

By the 25th day of the month following the month in which a given WNA is billed or credited, the Company will file with the Regulatory Authority a report showing the volume adjustments and WNA revenues for each applicable customer class. Supporting

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documentation will be made available for review upon request.

Annual Report:

An annual report shall be filed with the regulatory authority for each five-month period beginning with November and ending the subsequent April by customer class. The report shall provide: (a) the total amount of volumetric revenues collected from customers including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather sensitive revenues billed, and (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause.

Compliance Report:

The Company shall file with the Commission an annual report verifying the past years WNA collections or refunds. The report shall show the amount collected or refunded by WNA month, total monthly volume, average WNA rate, average bill impact, percent bill impact and itemized by service area. The Company shall file the report with the Commission electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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

EDIT

Application of Schedule:

This Excess Deferred Income Tax Credit applies to all general service rate schedules of CoServ Gas, Ltd. (Company) currently in force within the incorporated and unincorporated areas of Collin, Denton, and Kaufman Counties. Calculation of Credit: The annual amortization of the regulatory liability for excess deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017 and in compliance with GUD No. 10695, will be credited to customers monthly on avolumetric basis until fully amortized. The initial credit will occur in September 01, 2021.

EDIT CREDIT `

The total amount, if any, of the credit in a given year will be determined by: The average rate assumption method (ARAM) as required by the Tax Cuts and Jobs Act of 2017 Section 13001(d) for the protected portion of the regulatory liability for excess deferred income taxes, which results in an amortization over approximately 38 years.

TRUE-UP ADJUSTMENT `

The Excess Deferred Income Tax credit shall be trued-up in CoServs next rate case. The True-Up Adjustment will be the difference between the amount of the EDIT Credit

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and the amount actually credited to customers. EDIT Credit per Ccf
Residential: \$0.00247
Commercial: \$0.00100
Public Authority: \$0.00100

Other Adjustments:

Taxes:

Plus applicable taxes and fees (including franchise fees) related to above.

Compliance Filing:

The Company shall make a filing with the Commission no later than March 31 of each year, including the following information for the previous calendar year:

- a. the total dollar amount of that years EDIT Credit;
- b. the total dollar amount actually credited to customers;
- c. the amount of the upcoming years EDIT Credit; and d. the amounts of the upcoming years EDIT Credit per Customer.

Conditions:

Subject to all applicable laws and orders, and the Company`s rules and regulations on file with the regulatory authority.

DEP

Customer deposits are not required with acceptable credit bureau or other report of good credit by a utility. Deposits may be required of CoServ Gas customers who have been disconnected for nonpayment and later request to be reconnected. Deposits will be determined by estimating one-sixth of the average annual bill, and may include allowable additional charges, as specified by Texas Railroad Commission regulation. See applicable Commission regulation at 16 TAC Section 7.45 (Quality of Service Rule) for other provisions governing deposits.

RIDER URI

A. PURPOSE: The purpose of the Winter Storm Uri Surcharge is to authorize CoServ Gas, Ltd. (CoServ Gas or the Company) to recover the reasonable, necessary, and prudent extraordinary costs incurred by the Company as a result of Winter Storm Uri. The rate schedule is authorized by the Railroad Commission of Texas (Commission) (1) Regulatory Asset Determination Order in OS-21-00007061 (Regulatory Asset Order), (2) original jurisdiction to prescribe the manner and form of the books, records, and accounts for gas utilities under Texas Utilities Code 102.101(a), (b) and (d), (3) Regulatory Asset Notice issued on February 13, 2021, and (4) Notice to Gas Utilities issued on June 17, 2021. The Commission authorizes and directs the Company to assess the Winter Storm Uri Surcharge rate as set forth:
B. APPLICABILITY: This rate shall apply to all CoServ customers located in the incorporated and unincorporated service areas. C. SURCHARGE RATE: All Ccf during each billing period: \$0.07 per Ccf, to all customers through the Companys Purchase Gas Factor. This rate will be in effect until all approved and expended Winter Storm Uri costs, up to \$67,224,791 (Regulatory Asset Amount) plus carrying cost,

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are recovered under the applicable rate schedules. Any excess recovery of the Regulatory Asset Amount shall be calculated and refunded to customers through the Companys Purchase Gas Factor. D. OTHER ADJUSTMENTS: Plus applicable taxes and fees (including franchise fees) related to above.

CAPCR

CoServ Gas customers who were previously customers of Denton County Electric Cooperative, d/b/a CoServ Electric, may receive Capital Credits from CoServ Electric. Any such credits will be considered to be a payment on those customers gas bills and will be treated as a credit on such bills.

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UO

Utility Operations:

CoServ Gas, Ltd. owns and operates a natural gas distribution system that provides natural gas service in Texas.

The following will respond to inquiries regarding provisions of this Tariff for Gas Service:

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RATE SCHEDULE

SCHEDULE ID

DESCRIPTION

Tariff Coordinator CoServ Gas, Ltd.
 7701 South Stemmons
 Corinth, Texas 76210
 Telephone: (940) 321-7800
 Email Address: tariff@coserv.com

SAU

UNINCORPORATED SERVICE AREAS

- Allen environs
- Argyle environs
- Aubrey environs
- Bartonville environs
- Celina environs
- Crossroads environs
- Denton environs
- Forney environs
- Fort Worth environs
- Frisco environs
- Little Elm environs
- Lewisville environs
- Lucas environs
- McKinney environs
- Parker environs
- Prosper environs
- St. Paul environs
- Wylie environs

UNINCORPORATED MASTER PLAN COMMUNITIES

- Denton County Fresh Water District 1A (Castle Hills)
- Denton County Fresh Water District 7 (Lantana)
- Kaufman County Development District (Windmill Farms)

RATE ADJUSTMENT PROVISIONS

None

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CUSTOMERS

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|---------------------------------|---------------------|---------------------------|---------------------------|
| 14 | N | | | |
| <u>CUSTOMER NAME</u> | Environs of the Town of Prosper | | | |
| 20 | N | | | |
| <u>CUSTOMER NAME</u> | Castle Hills Subdivision | | | |
| 21 | N | | | |
| <u>CUSTOMER NAME</u> | Lantana Subdivision | | | |
| 4427 | N | | | |
| <u>CUSTOMER NAME</u> | Windmill Farms | | | |
| 18264 | N | | | |
| <u>CUSTOMER NAME</u> | Argyle Environs | | | |
| 18265 | N | | | |
| <u>CUSTOMER NAME</u> | McKinney Environs | | | |
| 18266 | N | | | |
| <u>CUSTOMER NAME</u> | Frisco Environs | | | |
| 29398 | N | | | |
| <u>CUSTOMER NAME</u> | Lucas Environs | | | |
| 41978 | N | | | |
| <u>CUSTOMER NAME</u> | Aubrey Environs | | | |
| 41982 | N | | | |
| <u>CUSTOMER NAME</u> | Forney Environs | | | |
| 41983 | N | | | |
| <u>CUSTOMER NAME</u> | Fort Worth Environs | | | |
| 41984 | N | | | |
| <u>CUSTOMER NAME</u> | Little Elm Environs | | | |
| 41985 | N | | | |
| <u>CUSTOMER NAME</u> | Lewisville Environs | | | |
| 41988 | N | | | |
| <u>CUSTOMER NAME</u> | Parker Environs | | | |
| 41990 | N | | | |
| <u>CUSTOMER NAME</u> | St. Paul Environs | | | |
| 41991 | N | | | |
| <u>CUSTOMER NAME</u> | City of Wylie Environs | | | |

REASONS FOR FILING

NEW?: N

RRC DOCKET NO: OS-20-00005136

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CITY ORDINANCE NO:

AMENDMENT (EXPLAIN):

OTHER (EXPLAIN): To renumber service charges.

SERVICES

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> |
|-------------------------------|----------------------------|
| A | Residential Sales |
| <u>OTHER TYPE DESCRIPTION</u> | |

PREPARER - PERSON FILING

RRC NO: 782 ACTIVE FLAG: Y INACTIVE DATE:
 FIRST NAME: Charley MIDDLE: LAST NAME: Harrell
 TITLE: Director of Finance
 ADDRESS LINE 1: 7701 S. Stemmons
 ADDRESS LINE 2:
 CITY: Corinth STATE: TX ZIP: 76210 ZIP4:
 AREA CODE: 940 PHONE NO: 321-7834 EXTENSION:

CURTAILMENT PLAN

| <u>PLAN ID</u> | <u>DESCRIPTION</u> |
|----------------|---|
| CP | CoServ Gas follows the requirements of the order in the Railroad Commission of Texas, Gas Utilities Docket No. 489. |

LINE EXTENSION POLICY

| <u>POLICY ID</u> | <u>DESCRIPTION</u> |
|------------------|---|
| 1246 | Line Extension Policy: The Company has the right to contract with individual customers for the installation of gas facilities as provided for by the city franchise. Upon the request of a prospective new residential or commercial customer for service in an area served by CoServ Gas, CoServ Gas will extend its main lines up to 100 feet from an existing CoServ Gas main in the Public Rights of Way, without charge. The 100-foot allowance applies to a single customer or to a group of customers requesting service from the same extension. Customers requesting mainline extensions in excess of 100 feet shall bear the cost of any additional main, and shall bear the cost of all yard lines, service lines, customer meters and regulators, and appurtenant equipment, in accordance with the charges listed in item 11, Line Extension and Installation, of Rate Schedule M, Miscellaneous Service Charges. CoServ Gas is not required to extend its mains or facilities if the customer will not use gas for space heating and water heating, or the equivalent load, at a minimum. |

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QUALITY OF SERVICE

| <u>QUAL SERVICE ID</u> | <u>DESCRIPTION</u> |
|------------------------|--|
| Q | <p data-bbox="310 415 753 436">Sections 7.45 (Quality of Service):</p> <p data-bbox="310 474 1524 737">For gas utility service to residential and small commercial customers, the following minimum service standards shall be applicable in unincorporated areas. In addition, each gas distribution utility is ordered to amend its service rules to include said minimum service standards within the utility service rules applicable to residential and small commercial customers within incorporated areas, but only to the extent that said minimum service standards do not conflict with standards lawfully established within a particular municipality for a gas distribution utility. Said gas distribution utility shall file service rules incorporating said minimum service standards with the Railroad Commission and with the municipalities in the manner prescribed by law.</p> <p data-bbox="310 772 639 793">(1) Continuity of service.</p> <p data-bbox="310 831 639 852">(A) Service interruptions.</p> <p data-bbox="310 890 1524 1003">(i) Every gas utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.</p> <p data-bbox="310 1041 1524 1155">(ii) Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.</p> <p data-bbox="310 1192 1524 1306">(iii) In the event of national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.</p> <p data-bbox="310 1344 1524 1482">(B) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, each utility shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.</p> <p data-bbox="310 1520 1524 1692">(C) Report to commission. The commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four hours. The notice shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.</p> <p data-bbox="310 1730 599 1751">(2) Customer relations.</p> <p data-bbox="310 1789 932 1810">(A) Information to customers. Each utility shall:</p> <p data-bbox="310 1848 1524 1894">(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information</p> |

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| | |
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which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, shall be kept by the utility in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the utility to advise applicants and others entitled to the information as to the facilities available for serving that locality;

(ii) assist the customer or applicant in selecting the most economical rate schedule;

(iii) in compliance with applicable law or regulations, notify customers affected by a change in rates or schedule or classification;

(iv) post a notice in a conspicuous place in each business office of the utility where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the commission are available for inspection;

(v) upon request inform its customers as to the method of reading meters;

(vi) provide to new customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform the customers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish:

(I) the customer's right to information concerning rates and services and the customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;

(II) the customer's right to have his or her meter checked without charge under paragraph (7) of this section, if applicable;

(III) the time allowed to pay outstanding bills;

(IV) grounds for termination of service;

(V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service;

(VII) information on alternative payment plans offered by the utility;

(VIII) the steps necessary to have service reconnected after involuntary termination;

(IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority;

(X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and

(XI) the customer's right to be instructed by the utility how to read his or her meter; (vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

(B) Customer complaints. Upon complaint to the utility by residential or small commercial customers either at its office, by letter, or by telephone, the utility shall promptly make a suitable investigation and advise the complainant of the results thereof. It shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint.

(C) Utility response. Upon receipt of a complaint, either by letter or by telephone, from the

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regulatory authority on behalf of a customer, the utility shall make a suitable investigation and advise the regulatory authority and complainant of the results thereof. An initial response must be made by the next working day. The utility must make a final and complete response within 15 days from the date of the complaint, unless additional time is granted within the 15-day period. The commission encourages all customer complaints to be made in writing to assist the regulatory authority in maintaining records of the quality of service of each utility; however, telephone communications will be acceptable.

(D) Deferred payment plan. The utility is encouraged to offer a deferred payment plan for delinquent residential accounts. If such a plan is offered, it shall conform to the following guidelines:

(i) Every deferred payment plan entered into due to the customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

(ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer's ability to pay; customer's payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.

(iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer's signature and in bold-face print at least two sizes larger than any other used, that: If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement.

(iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

(v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

(vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

(i) Applicability. This subparagraph applies only to:

(I) a utility that assesses late payment charges on residential customers and that suspends

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service before the 26th day after the date of the bill for which collection action is taken;
(II) utility bills issued on or after August 30, 1993; and
(III) an elderly person, as defined in clause (ii) of this subparagraph, who is a residential customer and who occupies the entire premises for which a delay is requested.

(ii) Definitions.

(I) Elderly person--A person who is 60 years of age or older.

(II) Utility--A gas utility or municipally owned utility, as defined in Texas Utilities Code, 101.003(7), 101.003(8), and 121.001 - 121.006.

(iii) An elderly person may request that the utility implement the delay for either the most recent utility bill or for the most recent utility bill and each subsequent utility bill.

(iv) On request of an elderly person, a utility shall delay without penalty the payment date of a bill for providing utility services to that person until the 25th day after the date on which the bill is issued.

(v) The utility may require the requesting person to present reasonable proof that the person is 60 years of age or older.

(vi) Every utility shall notify its customers of this delayed payment option no less often than yearly. A utility may include this notice with other information provided pursuant to subparagraph (A) of this paragraph.

(3) Refusal of service.

(A) Compliance by applicant. Any utility may decline to serve an applicant for whom service is available from previously installed facilities until such applicant has complied with the state and municipal regulations and approved rules and regulations of the utility on file with the commission governing the service applied for or for the following reasons.

(i) Applicant`s facilities inadequate. If the applicant`s installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.

(ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.

(iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

(B) Applicant`s recourse. In the event that the utility shall refuse to serve an applicant under the provisions of these rules, the utility must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the municipal regulatory authority or commission, whichever is appropriate.

(C) Insufficient grounds for refusal to serve. The following shall not constitute sufficient

RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
GSD - 1 TARIFF REPORT

RRC COID: 5588 COMPANY NAME: COSERV GAS

TARIFF CODE: DS RRC TARIFF NO: 35328

cause for refusal of service to a present customer or applicant:

(i) delinquency in payment for service by a previous occupant of the premises to be served;
(ii) failure to pay for merchandise or charges for nonutility service purchased from the utility;
(iii) failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
(iv) violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to comply with these rules;
(v) failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the utility as a condition precedent to service; and
(vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

(A) The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

(B) A utility may offer an inducement for prompt payment of bills by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate regulatory authority.

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the customer at least five working days prior to the stated date of disconnection, with the words Termination Notice or similar language prominently displayed on the notice. The notice shall be provided in English and Spanish as necessary to adequately inform the customer, and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the utility may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

(D) Utility service may be disconnected for any of the following reasons:

(i) failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;
(ii) violation of the utility's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;
(iii) failure to comply with deposit or guarantee arrangements where required by paragraph (5) of this section;
(iv) without notice where a known dangerous condition exists for as long as the condition exists;

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(v) tampering with the utility company's meter or equipment or bypassing the same.

(E) Utility service may not be disconnected for any of the following reasons:

- (i) delinquency in payment for service by a previous occupant of the premises;
- (ii) failure to pay for merchandise or charges for nonutility service by the utility;
- (iii) failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;
- (iv) failure to pay the account of another customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service;
- (v) failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;
- (vi) failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due;
- (vii) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the utility is unable to read the meter due to circumstances beyond its control.

(F) Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the utility are not available to the public for the purpose of making collections and reconnecting service.

(G) No utility may abandon a customer without written approval from the regulatory authority.

(H) No utility may discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service is discontinued. Any customer seeking to avoid termination of service under this section must make a written request supported by a written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

(A) Establishment of credit for residential applicants. Each utility may require a residential applicant for service to satisfactorily establish credit but such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills. Subject to these rules, a residential applicant shall not be required to pay a deposit:

- (i) if the residential applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;

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(ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or

(iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity.

(B) Reestablishment of credit. Every applicant who has previously been a customer of the utility and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay all his amounts due the utility or execute a written deferred payment agreement, if offered, and reestablish credit as provided in subparagraph (A) of this paragraph.

(C) Amount of deposit and interest for residential service, and exemption from deposit.

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, 71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

(ii) The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, the utility may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

(iii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(I) Payment of interest to the customer shall be annually or at the time the deposit is returned or credited to the customer's account.

(II) The deposit shall cease to draw interest on the date it is returned or credited to the customer's account.

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk,

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provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show:

- (I) the name and address of each depositor;
- (II) the amount and date of the deposit; and
- (III) each transaction concerning the deposit.

(ii) The utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

(iii) A record of each unclaimed deposit must be maintained for at least four years, during which time the utility shall make a reasonable effort to return the deposit.

(F) Refund of deposit.

(i) If service is not connected or after disconnection of service, the utility shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.

(ii) When the customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

(G) Upon sale or transfer of utility or company. Upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

(H) Complaint by applicant or customer. Each utility shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or reestablish credit under the provisions of these rules to inform the customer, if dissatisfaction is expressed with the utility's decision, of the customer's right to file a complaint with the regulatory authority thereon.

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

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(B) The customer`s bill must show all the following information. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

- (i) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;
- (ii) the number and kind of units billed;
- (iii) the applicable rate schedule title or code;
- (iv) the total base bill;
- (v) the total of any adjustments to the base bill and the amount of adjustments per billing unit;
- (vi) the date by which the customer must pay the bill to get prompt payment discount;
- (vii) the total amount due before and after any discount for prompt payment within a designated period;
- (viii) a distinct marking to identify an estimated bill.

(C) Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. For the second consecutive month in which the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, the utility must provide the customer with a postcard and request that the customer read the meter and return the card to the utility if the meter is of a type that can be read by the customer without significant inconvenience or special tools or equipment. If such a postcard is not received by the utility in time for billing, the utility may estimate the meter reading and render the bill accordingly.

(D) Disputed bills.

(i) In the event of a dispute between the customer and the utility regarding the bill, the utility must forthwith make such investigation as is required by the particular case and report the results thereof to the customer. If the customer wishes to obtain the benefits of clause (ii) of this subparagraph, notification of the dispute must be given to the utility prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the utility shall inform the customer of the complaint procedures of the appropriate regulatory authority.

(ii) Notwithstanding any other subsection of this section, the customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that customer`s average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this section only, the customer`s average usage for the billing period shall be the average of the customer`s usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar customers and under similar conditions.

(7) Meters.

(A) Meter requirements.

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(i) Use of meter. All gas sold by a utility must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the regulatory authority, or tariff.

(ii) Installation by utility. Unless otherwise authorized by the regulatory authority, each utility must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its customers.

(iii) Standard type. No utility may furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

(B) Meter records. Each utility must keep the following records:

(i) Meter equipment records. Each utility must keep a record of all its meters, showing the customer's address and date of the last test.

(ii) Records of meter tests. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

(iii) Meter readings--meter unit location. In general, each meter must indicate clearly the units of service for which charge is made to the customer.

(iv) Meter tests on request of customer.

(I) Each utility must, upon request of a customer, make a test of the accuracy of the meter serving that customer. The utility must inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four years, the utility is entitled to charge a fee for the test not to exceed \$15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory authority. The customer must be properly informed of the result of any test on a meter that serves him.

(II) Notwithstanding subclause (I) of this clause, if the meter is found to be more than nominally defective, to either the customer's or the utility's disadvantage, any fee charged for a meter test must be refunded to the customer. More than nominally defective means a deviation of more than 2.0% from accurate registration.

(v) Bill adjustments due to meter error.

(I) If any meter test reveals a meter to be more than nominally defective, the utility must correct previous readings consistent with the inaccuracy found in the meter for the period of either:

(-a-) the last six months; or

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(-b-) the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by the utility if the error is to the utility's disadvantage.

(II) If a meter is found not to register for any period of time, the utility may make a charge for units used but not metered for a period not to exceed three months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

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(8) New construction.

(A) Standards of construction. Each utility is to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law, and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.

(B) Line extension and construction charges. Every utility must file its extension policy. The policy must be consistent, nondiscriminatory, and is subject to the approval of the regulatory authority. No contribution in aid of construction may be required of any customer except as provided for in extension policy.

(C) Response to request for service. Every gas utility must serve each qualified applicant for service within its service area as rapidly as practical. As a general policy, those applications not involving line extensions or new facilities should be filled within seven working days. Those applications for individual residential service requiring line extensions should be filled within 90 days unless unavailability of materials or other causes beyond the control of the utility result in unavoidable delays. In the event that residential service is delayed in excess of 90 days after an applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report must be made to the regulatory authority listing the name of the applicant, location, and cause for delay. Unless such delays are due to causes which are reasonably beyond the control of the utility, a delay in excess of 90 days may be found to constitute a refusal to serve.

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SERVICE CHARGES

| <u>RRC CHARGE NO.</u> | <u>CHARGE ID</u> | <u>CHARGE AMOUNT</u> | <u>SERVICE PROVIDED</u> |
|-----------------------|------------------|----------------------|---|
| 301777 | SC1 | | Connection Charge During Business Hours: During standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. (b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations. The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including the inability for CoServ to gain access to the premises, failure of the appliances to meet required specifications, a leak in the piping, or the like. This will be identified as a Failed Connect Attempt. \$65.00 |
| 301778 | SC2 | | Connection Charge After Business Hours: After standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. (b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations. The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including the inability for CoServ to gain access to the premises, failure of the appliances to meet required specifications, a leak in the piping, or the like. This will be identified as a Failed Connect Attempt. \$97.00 |
| 301779 | SC3 | | Field Read of Meter: A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party. \$19.00 |
| 301780 | SC4 | | Returned Check Charges: Returned check handling charge for each check returned to Company for any reason. \$20.00 |
| 301781 | SC5 | | Charge for Temporary Discontinuance of Service - Residential: Whenever service has been temporarily |

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disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$65.00

301782 SC6

Charge for Temporary Discontinuance of Service.5 Non-Residential: Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address. \$107.00

301783 SC7

Charge for Meter Testing: The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Test Fee. The customer must be properly informed of the result of any test on a meter that services the customer. \$15.00

301784 SC8

Charge for Service Calls During Business Hours: A Service Call Charge is made for responding to a service call during standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem. \$26.00

301785 SC9

Charge for Service Calls After Business Hours: A Service Call Charge is made for responding to a service call after standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem. \$40.00

301776 SCAP

Application of Schedule: The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges.

301786 SC10

Tampering Charge: No Company meters, equipment, or other property, whether on Customer's premises or elsewhere, are to be tampered with or interfered with for any reason. A Tampering Charge is made for unauthorized reconnection or other tampering with

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| 301787 | SC11 | <p>Company metering facilities or a theft of gas service by a person on the customer's premises or evidence by whomsoever at customer's premises. An additional cost for the cost of repairs and/or replacement of damaged facilities and the installation of protective facilities or relocation of meter are made at cost plus appropriate charges as may be detailed in the Company's Service Rules and Regulations \$125.00</p> |
| 301787 | SC11 | <p>Line Extension and Installation Charges: Customers in incorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to main extension policy in municipal franchise and in Rate Schedule LEI - Line Extension Policy - Incorporated Areas. Credit for main pursuant to municipal franchise. The customer is responsible for the installation of yard line and yard line risers. Customers in unincorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to line extension policy contained in Rate Schedule LEU - Line Extension Policy - Unincorporated Areas. The customer is responsible for the installation of yard line and yard line risers. *Actual cost of the portion of any extensions exceeding the free extension allowance provided within the line extension. Actual Cost*</p> |
| 301788 | SC12 | <p>Construction Crew Charges: All labor charges if a construction crew is required. Actual Cost</p> |
| 301789 | SC13 | <p>Construction Costs Charges: All other construction charges. Actual Cost</p> |