

**PUBLIC NOTICE OF PROPOSED RATE CHANGE
NATURAL GAS UTILITY RATES**

On June 3, 2024, Texas Gas Service Company, a Division of ONE Gas, Inc. (“TGS” or the “Company”), filed a Statement of Intent to Change Rates (“Statement of Intent”) in the Central-Gulf Service Area (“CGSA”) with the Railroad Commission of Texas (“Commission”) and with the Cities of Austin, Bastrop (Environs) Bayou Vista, Beaumont, Bee Cave, Buda, Cedar Park, Cuero, Dripping Springs, Galveston, Georgetown, Gonzales, Groves, Hutto, Jamaica Beach, Kyle, Lakeway, Lockhart, Luling, Marble Falls, Mustang Ridge, Nederland, Nixon, Pflugerville, Port Arthur, Port Neches, Rollingwood, Shiner, Sunset Valley, West Lake Hills and Yoakum, Texas for the gas utility rates charged by the Company to customers. The proposed change in rates will affect all residential, commercial, commercial transportation, industrial, industrial transportation, public authority, public authority transportation, public school space heating, public school space heating transportation, electrical cogeneration, electrical cogeneration transportation, compressed natural gas, compressed natural gas transportation and unmetered gas light customers within the cities listed above and the unincorporated areas of the CGSA. The proposed effective date of the requested rate changes is July 8, 2024.

The proposed rates and tariffs are expected to increase the Company’s annual system-wide revenues within the CGSA by approximately \$25.8 million or 9.83% including gas cost or 15.59% excluding gas cost. The proposed change in rates does constitute a “major change” as that term is defined by Section 104.101 of the Texas Utilities Code because the proposed rates will increase the total aggregate revenues of the Company in the CGSA by more than two and one-half percent. The proposed change in rates will not become effective until similar changes have become effective within the nearest incorporated city.

The Company proposes to implement the rates included in Table 1 below:

TABLE 1 – Proposed Rate Changes for Incorporated and Unincorporated/Environs Customers

Customer Class	Current Rates Incorporated and Unincorporated/Environs		Proposed CGSA Rates
	CGSA Incorporated Rates	CGSA Environs Rates	
Residential			
No. of Customers Affected	281,253	30,284	
Customer Charge	\$25.47	\$25.47	
Volumetric Charge (per Ccf)	\$0.32626	\$0.32626	
Small Customer Charge			\$25.50
Small Volumetric Charge (per Ccf)			\$0.69448
Large Customer Charge			\$39.00
Large Volumetric Charge (per Ccf)			\$0.23425
Commercial			
No. of Customers Affected	12,743	433	
Customer Charge	\$96.08	\$96.08	
Volumetric Charge (per Ccf)	\$0.12679	\$0.12679	
Small Customer Charge			\$85.00
Small Volumetric Charge (per Ccf)			\$0.15710
Large Customer Charge			\$100.00
Large Volumetric Charge (per Ccf)			\$0.10765

Commercial Transportation			
No. of Customers Affected	313	11	
Customer Charge	\$308.08	\$308.08	\$297.51
Volumetric Charge (per Ccf)	\$0.12679	\$0.12679	\$0.12679
Industrial			
No. of Customers Affected	25	0	
Customer Charge	\$1,005.41	\$1,005.41	\$572.02
Volumetric Charge (per Ccf)	\$0.12707	\$0.12707	\$0.12707
Industrial Transportation			
No. of Customers Affected	28	9	
Customer Charge	\$1,205.41	\$1,205.41	\$772.02
Volumetric Charge (per Ccf)	\$0.12707	\$0.12707	\$0.12707
Public Authority			
No. of Customers Affected	777	54	
Customer Charge	\$160.70	\$160.70	\$156.05
Volumetric Charge (per Ccf)	\$0.12549	\$0.12549	\$0.12549
Public Authority Transportation			
No. of Customers Affected	412	8	
Customer Charge	\$183.70	\$183.70	\$179.05
Volumetric Charge (per Ccf)	\$0.12549	\$0.12549	\$0.12549
Public School Space Heating (Reclassified to Public Authority)			
No. of Customers Affected	6	1	
Customer Charge	\$213.70	\$213.70	\$156.05
Volumetric Charge (per Ccf)	\$0.10012	\$0.10012	\$0.12549
Public School Space Heating Transportation (Reclassified to Public Authority Transportation)			
No. of Customers Affected	76	2	
Customer Charge	\$313.70	\$313.70	\$179.05
Volumetric Charge (per Ccf)	\$0.10012	\$0.10012	\$0.12549
Electric Generation (Previously Known as Electric Cogeneration)			
No. of Customers Affected	0	0	
Customer Charge	\$183.70	\$183.70	\$175.98
Volumetric Charge (per Ccf)			
First 5,000 Ccf/Month	\$0.07720	\$0.07720	\$0.07427
Next 35,000 Ccf/Month	\$0.06850	\$0.06850	\$0.06590
Next 60,000 Ccf/Month	\$0.05524	\$0.05524	\$0.05314
All Over 100,000 Ccf/Month	\$0.04016	\$0.04016	\$0.03864

Electric Generation Transportation (Previously Known as Electric Cogeneration Transportation)			
No. of Customers Affected	1	0	
Customer Charge	\$183.70	\$183.70	\$175.98
Volumetric Charge (per Ccf)			
First 5,000 Ccf/Month	\$0.07720	\$0.07720	\$0.07427
Next 35,000 Ccf/Month	\$0.06850	\$0.06850	\$0.06590
Next 60,000 Ccf/Month	\$0.05524	\$0.05524	\$0.05314
All Over 100,000 Ccf/Month	\$0.04016	\$0.04016	\$0.03864
Compressed Natural Gas			
No. of Customers Affected	1	0	
Customer Charge	\$812.71	\$812.71	\$594.88
Volumetric Charge (per Ccf)	\$0.06684	\$0.06684	\$0.06684
Compressed Natural Gas Transportation			
No. of Customers Affected	3	1	
Customer Charge	\$837.71	\$837.71	\$619.88
Volumetric Charge (per Ccf)	\$0.06684	\$0.06684	\$0.06684
Unmetered Gas Light			
No. of Customers Affected	1	0	
Customer Charge	\$0.00	\$0.00	\$0.00
Public Authority Volumetric Charge (per Ccf)	\$0.12549	\$0.12549	\$0.12549
Residential Volumetric Charge (per Ccf)	\$0.69448	\$0.69448	\$0.69448
Commercial Volumetric Charge (per Ccf)	\$0.15710	\$0.15710	\$0.15710
Industrial Volumetric Charge (per Ccf)	\$0.12707	\$0.12707	\$0.12707

TABLE 2 – Impact on Average Bill

Customer Class CGSA (Average Usage)	Current Average Monthly Bill Including Cost of Gas	Proposed Average Monthly Bill Including Cost of Gas	Proposed Monthly Dollar Change	Proposed Percentage Change with Gas Cost	Proposed Percentage Change without Gas Cost
Sales Service					
Residential - Small (17 Ccf)					
Incorporated	\$41.76	\$48.02	\$6.26	14.99%	20.20%
Environs	\$41.76	\$48.02	\$6.26	14.99%	20.20%
Residential - Large (43 Ccf)					
Incorporated	\$67.28	\$76.81	\$9.53	14.16%	24.04%
Environs	\$67.28	\$76.81	\$9.53	14.16%	24.04%
Commercial - Small (62 Ccf)					
Incorporated	\$143.11	\$133.90	\$(9.21)	(6.44)%	(8.87)%
Environs	\$143.11	\$133.90	\$(9.21)	(6.44)%	(8.87)%
Commercial - Large (966 Ccf)					
Incorporated	\$833.61	\$819.03	\$(14.58)	(1.75)%	(6.67)%
Environs	\$833.61	\$819.03	\$(14.58)	(1.75)%	(6.67)%

Customer Class CGSA (Average Usage)	Current Average Monthly Bill Including Cost of Gas	Proposed Average Monthly Bill Including Cost of Gas	Proposed Monthly Dollar Change	Proposed Percentage Change with Gas Cost	Proposed Percentage Change without Gas Cost
Industrial (2,085 Ccf)					
Incorporated	\$2,597.27	\$2,163.88	\$(433.39)	(16.69)%	(34.12)%
Environs	\$2,597.27	\$2,163.88	\$(433.39)	(16.69)%	(34.12)%
Public Authority (489 Ccf)					
Incorporated	\$533.27	\$528.62	\$(4.65)	(0.87)%	(2.09)%
Environs	\$533.27	\$528.62	\$(4.65)	(0.87)%	(2.09)%
Public Schools Space Heating (Withdrawing/Proposed Reclass to Public Authority) (1,391 Ccf)					
Incorporated	\$1,238.21	\$1,215.85	\$(22.36)	(1.81)%	(6.33)%
Environs	\$1,238.21	\$1,215.85	\$(22.36)	(1.81)%	(6.33)%
Compressed Natural Gas (0 Ccf)					
Incorporated	\$812.71	\$594.88	\$(217.83)	(26.80)%	(26.80)%
Environs	\$812.71	\$594.88	\$(217.83)	(26.80)%	(26.80)%
Electric Generation (Previously Known as Electric Cogeneration)					
Incorporated	NA	NA	\$0.00	0.00%	0.00%
Environs	NA	NA	\$0.00	0.00%	0.00%
Unmetered Gas Light (1,304 Ccf)					
Incorporated	\$993.52	\$993.52	\$0.00	0.00%	0.00%
Environs	NA	NA	\$0.00	0.00%	0.00%
Transportation Service					
Commercial Transportation (4,414 Ccf)					
Incorporated	\$3,536.39	\$3,525.82	\$(10.57)	(0.30)%	(1.22)%
Environs	\$3,536.39	\$3,525.82	\$(10.57)	(0.30)%	(1.22)%
Industrial Transportation (37,325 Ccf)					
Incorporated	\$28,514.60	\$28,081.21	\$(433.39)	(1.52)%	(7.29)%
Environs	\$28,514.60	\$28,081.21	\$(433.39)	(1.52)%	(7.29)%
Public Authority Transportation (1,612 Ccf)					
Incorporated	\$1,360.59	\$1,355.94	\$(4.65)	(0.34)%	(1.20)%
Environs	\$1,360.59	\$1,355.94	\$(4.65)	(0.34)%	(1.20)%
Public Schools Space Heating Transportation (Withdrawing/Proposed Reclass to Public Authority Transportation) (926 Ccf)					
Incorporated	\$966.26	\$855.10	\$(111.16)	(11.50)%	(27.35)%
Environs	\$966.26	\$855.10	\$(111.16)	(11.50)%	(27.35)%
Electric Generation Transportation (Previously Known as Electric Cogeneration Transportation) (337,558 Ccf)					
Incorporated	\$219,905.95	\$219,305.49	\$(600.46)	(0.27)%	(3.80)%
Environs	\$219,905.95	\$219,305.49	\$(600.46)	(0.27)%	(3.80)%
Compressed Natural Gas Transportation (23,647 Ccf)					
Incorporated	\$16,715.00	\$16,497.17	\$(217.83)	(1.30)%	(9.01)%
Environs	\$16,715.00	\$16,497.17	\$(217.83)	(1.30)%	(9.01)%

Table 2 calculations are based on a \$0.64 cost of gas and do not include revenue-related taxes.

The Company also proposes changes to Miscellaneous Service Charges included in Table 3 below.

Table 3 – Miscellaneous Service Charges

Incorporated/Environs Service Fees and Deposits	CGSA	
	Current Fee	Proposed Fee
Connect	\$35.00	\$38.00
Reconnect Fee	\$35.00	\$38.00
Read-In (Connect Fee - Read Only)	\$15.00	\$18.00
Special Handling	\$15.00	\$18.00
Expedited Service/Overtime/After Hours	\$60.00	\$70.00
Regular Labor Rate	\$45.00	\$50.00
No Access Fee (Door Tag)	\$15.00	\$18.00
Meter Test Up to 1500 CFH	\$150.00	\$150.00
Meter Test Over 1500 CFH	\$200.00	\$225.00
Orifice Meters	\$200.00	\$200.00
Payment Re-processing Fee (Returned Check Fee)	\$25.00	\$25.00
Collection Fee (All Classes)	\$15.00	\$18.00
Special Read	\$15.00	\$20.00
Meter Exchange without ERT (Customer Request)	\$150.00	Discontinue
Meter Exchange (Customer Request)	\$150.00	\$180.00
Unauthorized Consumption (Plus Expenses)	\$30.00	\$30.00
Meter Removal Fee	\$25.00	\$25.00
Account Research per hour Fee	\$20.00	\$20.00
Excess Flow Valve Installation Fee	\$400.00	\$400.00
Minimum Deposit Residential	\$75.00	\$75.00
Minimum Non Residential Deposit	\$250.00	\$250.00
Meter Tampering (Residential)	\$150.00	\$180.00

The proposed changes in Table 3 reflect a net increase of \$304,384 in revenues.

In addition to requesting new rates in the CGSA, TGS is requesting: (1) Commission approval of new depreciation rates for Direct and Division distribution and general plant within the CGSA; (2) a finding from the Commission that expenses for Winter Storm Uri and COVID-19 that are contained in regulatory assets authorized by the Commission are reasonable, necessary and accurate; (3) a prudence determination for capital investment made in the CGSA through December 31, 2023, including capital investment in the Company's Interim Rate Adjustment ("IRA") filings made since the last rate cases in the CGSA pursuant to Texas Utilities Code § 104.301; (4) approval to include Excess Deferred Income Taxes ("EDIT") in base rates, with discontinuance of the EDIT Rider, to return EDIT to customers; and (5) approval to recover the reasonable rate case expenses associated with this filing through a surcharge on rates, as provided by law.

The Company also proposes revisions to CGSA rate schedules and tariffs that contain the proposed rates in Table 1. For all proposed incorporated and environs Rate Schedules for General Sales and Transportation Customers, TGS proposes to: include revisions to the "Applicability" section to include additional cities and their respective environs; revise the "Other Adjustments" section to remove references to Rate Schedule EDIT-Rider and Rate Schedule HARV-Rider; add references to Rate Schedules RCE

and PSF; revise the "Cost of Service Rate" section to clarify the Company's delivery charge; revise the "Territory" section in General Sales rate schedules; and revise the "Availability" section in the Transportation rate schedule for consistency with other Company service areas. For Residential Rate Schedules 10, 15, 1Y and 1Z, TGS proposes to: add residential builders to the "Applicability" sections: designate 10 and 1Z as Small Residential; and, add new 15 and 1Y Large Residential rate schedules. For Commercial Rate Schedules 20, 25, 2Y and 2Z, TGS proposes to designate 20 and 2Z as Small Commercial and add new 25 and 2Y Large Commercial rate schedules. For Electric Generation (previously known as Electric Cogeneration) Rate Schedules C-1 and C-1-ENV, TGS proposes revisions to the "Applicability" section that provide a mechanism to provide natural gas service to non-residential customers for the purpose of electric generation. For Transportation Rate Schedules T-1, T-1-ENV and T-TERMS, TGS proposes to remove rates for Public School Space Heating; to revise section 1.2 with the addition of definitions for "Agreement," "Firm Service" and "Force Majeure" to provide clarity for Customer and Company rights and responsibilities during a curtailment event; to add a definition for "Electric Generation Service" to align with Commission Rule §7.455 to include distributed generation and backup power systems that are registered with the applicable balancing authorities; to revise sections 1.4 and 1.6 to clarify Qualified Supplier and Company responsibilities for designating receipt points; to add clarifying language to section 1.5(g) for Customer's responsibility to provide written notice to the Company; to revise the "Applicability," "Availability," "Additional Charges," and "Subject To" sections in T-1 and T-1-ENV and sections 1.1, 1.2, 1.4, 1.5, 1.6 and 1.7 in T-TERMS for consistency with other Company service areas; and to add sections 1.3 and 1.8 for consistency with other Company service areas. For the Cost of Gas Clauses 1-INC and 1-ENV, TGS proposes to expand language in section B.3 to include other renewable sources of natural gas and Environmental Attributes associated with the purchase of RNG to make the language consistent with approved Cost of Gas clauses in Docket No. OS-22-00009896 ("Docket No. 9896"); and to add clarifying language for the use of financial instruments in sections B.3, B.7, and B.10 to make consistent with the recently approved Cost of Gas clauses in Docket No. 9896 and Docket No. OS-23-00014399 ("Docket No. 14399"). Rate Schedule RNG is a new rate schedule for which the Company is requesting approval that allows for the inclusion of a designated amount of RNG credits in the Cost of Gas Clause and establishment of a RNG Credits Program tariff, Rate Schedule RNG Credits Program, through which interested customers can opt to offset a portion of their gas usage with RNG Credits. For Rate Schedule WNA, TGS proposes revisions to the "Applicability" section to reference new Rate Schedules for Large Residential and Large Commercial; updated weather factors for each class consistent with weather normalization calculation in this case; and revisions to the "Applicability" and "Filing with the Cities and the Railroad Commission of Texas (RRC)" sections for additional cities and their respective environs included in the service area. For Rate Schedules Pit and PIT rider, TGS proposes revisions to the "Territory" section for additional cities and their respective environs included in the service area. For Rate Schedules RCE and RCE-ENV, TGS proposes a mechanism to recover all reasonable rate case expenses incurred by the Company and cities in connection with the Statement of Intent filings that have been made with the cities and the Commission. For Rate Schedule RNG, TGS proposes establishing an RNG Credits Program. For the Rules of Service, TGS proposes revisions for consistency with the Commission's Quality of Service Rules and the approved Rules of Service in Docket Nos. 9896 and 14399. In addition the Company proposes: updating the Company's contact information on page 1 for customer inquiries; updating § 1.3, Definitions, to include all definitions of terminology in the Rules of Service consistent with approved Rules of Service in Docket Nos. 9896 and 14399 as well as add definitions for "Firm Service" and "Force Majeure" to provide clarity for Customer and Company rights and responsibilities during a curtailment event, add definition for "Master Meter," while revising "Electrical Cogeneration Service" to "Electric Generation Service" and "Excess Flow Valve" to expand the definitions and include distributed generation and backup power systems that are registered with the applicable balancing authorities; revisions to § 3 and § 4.5 to include language for the availability of rate schedules on the Company's website; revisions to § 4.4 to remove a reference to the Company's previous filed curtailment plan and § 4.4(iv) to include curtailment language consistent with the new Commission Rule §7.455; the addition of § 4.7 to clarify the process for customer complaints; revisions to § 4.8 to add language regarding force majeure situations to the limitation of liability provision; revisions to § 4.6, § 7.4, § 7.7, § 9.1 and § 9.6 to provide for electronic billing and notice; revisions to § 5 to move Refusal of Service to § 6; revisions to § 9.9 (previously § 20.1) to update the language to reflect the current plan description for Average Payment Plan; making an administrative correction to § 12.9; revisions to § 8 and § 11 (previously § 10 and § 8, respectively) to include language consistent with Commission Rule §7.458 and to clarify security deposits and requirements for customer-

owned facilities; revisions to § 15 (previously § 21), Fees and Deposits, to establish greater consistency for service fees and deposits among the Company's service areas; and withdraw the rules of service addenda CGSA-Env 7-45 and CGSA-Env 7-46, as these provisions have been included within the proposed CGSA Rules of Service in Sections 7.7 and 8.3(e). Finally, TGS proposes to withdraw the Public School Space Heating (48 and 4H) Rate Schedules and Rate Schedule EDIT-Rider.

Persons with specific questions or desiring additional information about this filing may contact TGS at 1-800-700-2443. Complete copies of the filed Statement of Intent, including all proposed rates and schedule changes, are available for inspection on the Company's website at <https://www.texasgasservice.com/RateInformation/centralgulf>. Any affected person may file written comments or a protest concerning the proposed rate change with the Docket Services Section of the Office of the Hearings Division, Railroad Commission of Texas, P.O. Box 12967, Austin, Texas 78711-2967, at any time within 30 days following the date on which this change would or has become effective, or August 7, 2024. Please reference Docket No. OS-24-00017471. Any affected person within an incorporated area may contact their city council.

Este aviso tiene como fin informarle a los clientes de Texas Gas Service Company, una División de ONE Gas, Inc. ("TGS" o la "Compañía") de el área Golfo Central que la Compañía ha presentado una solicitud para aumentar las tarifas del servicio público de gas. Esta solicitud afecta a todos los clientes residenciales, comerciales, transporte comercial, industrial, transporte industrial, autoridad pública, transporte de autoridad pública, calefacción de espacios de escuelas públicas, transporte de calefacción de espacios de escuelas públicas, cogeneración eléctrica, transporte de cogeneración eléctrica, gas natural comprimido, transporte de gas natural comprimido y clientes de luz de gas sin medidor. Las personas que deseen hacer preguntas específicas o recibir más información sobre esta solicitud pueden comunicarse con la Compañía llamando al 1-800-700-2443 o envíe un mensaje de correo electrónico a la dirección ODCInformationCenterWebTeam@onegas.com. Cualquier persona afectada puede presentar por escrito comentarios o una protesta sobre el cambio de tarifas propuesto a la Sección de Servicios de la Oficina de la División de Audiencias, Comisión Ferroviaria de Texas, P.O. Box 12967, Austin, Texas 78711-2967, en cualquier momento dentro de los 30 días siguientes a la fecha en que este cambio entraría en vigencia o el 7 de agosto el 2024. Por favor, haga referencia a Docket No. OS-24-00017471. Cualquier persona afectada dentro de un área incorporada puede contactar a su Consejo Municipal.