APPLICATION OF SCHEDULE

This schedule is applicable to residential, general service-small, general service-large volume customers in the unincorporated areas of the South Texas Division impacted by the Company’s Statement of Intent to Increase Rates filed on November 16, 2017, GUD No. 10669.

This rate schedule is for the recovery of rate case expense (“RCE”) and shall be in effect beginning on or after May 22, 2018, for a twenty-four (24) month period or until all approved expenses are collected.

Any over-recovery associated with this surcharge shall be returned to customers through the Purchased Gas Adjustment (PGA) tariff.

MONTHLY RATE RECOVERY FACTOR:

Residential $0.21 per bill
General Service-Small $0.21 per bill
General Service-Large $0.22 per bill

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.

COMPLIANCE

The Company will file annually, due on the 1st of each November, a rate case recovery report with the Railroad Commission of Texas (“Commission”), Oversight and Safety Division, referencing GUD No. 10669. The report shall detail the balance of actual plus estimated rate case expenses at the beginning of the annual period, the amount collected by customer class, and the ending or remaining balance within ninety (90) days after each calendar year end.

Reports for the Commission should be filed electronically at GUD_Compliance @rrc.texas.gov or at the following address:

   Compliance Filings
   Oversight and Safety Division
   Gas Services Department
   Railroad Commission of Texas
   P.O. Box 12967
   Austin, Texas  78711-2967