

GAS SERVICES DIVISION  
 GSD - 1 TARIFF REPORT

RRC COID: 238 COMPANY NAME: MARKHAM GAS CORPORATION

TARIFF CODE: DS RRC TARIFF NO: 34231

DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 08/30/2022 ORIGINAL CONTRACT DATE: 01/06/1998 RECEIVED DATE: 11/07/2022  
 GAS CONSUMED: N AMENDMENT DATE: 08/30/2022 OPERATOR NO:  
 BILLS RENDERED: Y INACTIVE DATE:

**RATE SCHEDULE**

SCHEDULE ID                      DESCRIPTION

Residential Unincorp

Markham Gas Corporation  
 Rate Schedule  
 Residential Unincorporated

APPLICATION OF SCHEDULE

This schedule applies to all RESIDENTIAL customers in the unincorporated of the Markham, Matagorda County, Texas, receiving gas service through a meter from Markham Gas, Corp. and who use gas services for domestic purposes only. Natural gas supplied hereunder is for the individual use of the customer at one point of delivery and shall not be resold or shared with others. Where proposed service to a customer does not exist, additional charges and other arrangements with customer will be required prior to service being provided.

Service under this rate schedule shall be furnished in accordance with the Commissions Special Rules of Practice and Procedures and Substantive Rules, as such rules may be amended from time to time.

MONTHLY RATE

The monthly rate for each customer receiving service shall be the sum of:

1. a monthly customer charge, plus
2. a commodity or demand rate per MCF of consumption, plus
3. a cost of gas adjustment calculated per MCF of consumption, plus
4. authorized taxes and other surcharges

MONTHLY CUSTOMER CHARGE:

The monthly customer charge shall be \$28.00.

MONTHLY COMMODITY RATE:

The price payable by each residential customer for all consumption each month shall be \$7.12 per MCF.

COST OF GAS:

The customer's bill shall be adjusted based on the Company's Cost of Gas schedule.

TAXES:

Taxes: Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule Taxes.

PIPELINE SAFETY AND REGULATORY PROGRAM FEE:

Pipeline Safety and Regulatory Program Fee: Adjustments in accordance with the provisions of Rate Schedule PSF.

RATE CASE EXPENSE SURCHARGE:

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DESCRIPTION

Rate Case Expense Rider: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE.

PAYMENT:

All bills shall be delinquent unless payment is received within fifteen (15) days from the date of the bill.

Effective for meters read on or after: 08/30/2022

**Rate Case Expense**

Markham Gas Corporation  
 Rate Schedule  
 Rate Case Expense (RCE) Surcharge

APPLICATION OF SCHEDULE

This schedule is applicable to any customer served under Residential, Commercial, or Large Commercial rate schedules in the unincorporated of Markham, Matagorda County, Texas, served by Markham Gas, Corp., filed March 7, 2022, Docket No. OS-22-00008970. This schedule is for the recovery of rate case expenses and shall be in effect beginning on or after August 30, 2022.

MONTHLY RATE CASE EXPENSE RECOVERY FACTOR

The rate payable shall be \$1.17 per Mcf as a separate line item on the customer's bill.

Pursuant to the Final Order in Docket No. OS-22-00008970, Markham is authorized to recover a total of \$22,800 in rate case expenses from unincorporated customers identified by a surcharge at the rate of \$1.17 per Md for a period of approximately 36 months commencing August 30, 2022 until approved rate case expenses in the amount of \$22,800 are recovered.

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's Quality of Service Rules; as such rules may be amended from time to time. A copy of the Company's Quality of Service Rules can be found on file with the Railroad Commission of Texas.

COMPLIANCE

The Company shall file an annual rate case expense report with the Gas Services Department on or before April 1st of each year showing the beginning balance of the unrecovered rate case expense at January 1st, the amount recovered by customer class by month during the previous calendar year and the ending balance as of December 31st,

Upon completion of the rate case expense recovery, Markham Gas, Corp. shall file a final rate case expense report within 60 days after the last billing cycle recovered from customers. No interest will accumulate on the outstanding balance.

Compliance reports for the Commission should be emailed to GUO

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Compliance@rrc.texas.gov or at the following address:

Compliance Filing  
 Oversight and Safety Division  
 Gas Services Department  
 Railroad Commission of Texas  
 P.O. Box 12967  
 Austin, Texas 78711-2967  
 Effective for meters read on or after: 08/30/2022

**Pipeline Safety Fee**

Markham Gas Corporation  
 Rate Schedule

Pipeline Safety and Regulatory Program Fee  
 PIPELINE SAFETY AND REGULATORY PROGRAM FEE:

The Company shall recover a one-time annual fee as a surcharge to its existing rates for the Commission's Pipeline Safety and Regulatory Program Fee in the amount determined by the Commission for each service line reported to be in service at the end each calendar year, pursuant to Texas Utilities Code ? 121.211 and 16 Texas Adm in. Code ? 8.201.

COMPLIANCE:

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 and regulatory program 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 Docket No. OS-22- 00008970, 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 and total amount of the surcharge billed to each customer;
- c) the date or dates the surcharge was billed to customers; and
- d) the total amount collected from customers from the surcharge.

The report should be filed electronically to the Commission at GUD\_Compliance@rrc.texas.gov or at the following address:

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

**TAXES**

Markham Gas Corporation Rate Schedule  
 TAXES

TAXES:

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The Company shall recover other surcharges as authorized by federal, state, and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer's bill.

Effective for meters read on or after: 8/30/2022

**Cost of Gas**

Markham Gas Corporation

Rate Schedule

Cost of Gas

Applicability:

This adjustment is applicable to all customers served by the utility, except for customers purchasing gas under a negotiated contract.

Purchased Gas Adjustment:

The monthly Purchased Gas Adjustment (PGA) shall be the cost of gas billed to the utility by the supplier(s) of gas to the system. The cost of gas shall be expressed in a per Mcf format by dividing the total amount purchased, plus all gas related costs from the supplier and third parties, in dollars by the amount of volume in Mcf purchased. The product, or Weighted Average Cost of Gas (WACOG), shall be called the PGA and billed to the customer per Mcf, or fraction thereof, consumed each month. The PGA shall be calculated using actual amounts invoiced and billed by the supplier for the same approximate period that meters are read, i.e., amounts invoiced and billed by the supplier in January will be applied to meters read in January and billed to the customer in the following month. The Base Cost of Gas is \$0.00 per Mcf.

Any adjustment, refund and/or billing correction received by the utility for a prior period shall be included in the current month's PGA calculation. The utility shall limit recovery of Lost and Unaccounted Gas (LUG) to actual, not to exceed a maximum of 5%, calculated each year for the twelve months ended June 30. In no case shall the utility collect more than it's actual expense. Any over or under collection shall be refunded or collected in the following month when discovered by the utility.

The LUG Factor calculation is based on the following formula:

$$A = [(X * Y) + Z] / Z \text{ Where:}$$

A=LUG

X=Gas Purchases in Mcf for the Twelve Months Ending June 30th Y=Percentage <Gain>/Loss

Z=Gas Sales in Mcf for the Twelve Months Ending June 30th

Revenue Related Tax Adjustment:

Each monthly bill, as adjusted above shall also be adjusted by an amount equal to the various revenue related taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, Gross Receipts taxes, fees, or any other governmental imposition, fees or charges levied that is

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based on any portion of revenues billed by the utility or based on service lines,  
meters or other equipment.

**RATE ADJUSTMENT PROVISIONS**

None

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<b>CUSTOMERS</b>				
<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
3074	N	MCF	\$6.1500	10/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.4064	11/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$7.2400	12/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.6500	01/01/2025
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.7096	03/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$13.5200	09/01/2022
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$9.2233	12/01/2022
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.6051	02/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$9.5027	10/01/2022
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$9.9223	11/01/2022
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$8.2600	01/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.9843	04/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.0618	05/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.1391	06/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.5783	04/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.7253	05/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.4316	06/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			

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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>
3074	N	MCF	\$6.9557	09/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.8601	10/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$10.7547	07/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$11.3460	08/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.4048	11/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.1111	12/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$3.3821	01/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$3.3211	02/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.5855	03/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.9109	07/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.9833	08/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.3283	09/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			

**REASONS FOR FILING**

<b>NEW?:</b> N
<b>RRC DOCKET NO:</b> Case OS-22-00008970
<b>CITY ORDINANCE NO:</b>
<b>AMENDMENT (EXPLAIN):</b>
<b>OTHER (EXPLAIN):</b> Updating tariff for Case OS-22-00008970

**SERVICES**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>
A	Residential Sales
<u>OTHER TYPE DESCRIPTION</u>	

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**CURTAILMENT PLAN**

<u>PLAN ID</u>	<u>DESCRIPTION</u>
7455	<p>?7.455 Curtailment Standards.</p> <p>(a) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.</p> <p>(1) Balancing authority--The Electric Reliability Council of Texas or other responsible entity that integrates resource plans ahead of time, maintains electricity demand and resource balance within a balancing authority area, and supports interconnection frequency in real time for a power region in Texas.</p> <p>(2) Commission--The Railroad Commission of Texas.</p> <p>(3) Curtailment event--When a gas utility determines that its ability to deliver gas may become inadequate to support continuous service to firm customers on its system and it reduces deliveries to one or more firm customers. For the purposes of this section, an interruption of delivery or service to interruptible gas customers does not constitute a curtailment event. Prior to reducing deliveries to one or more firm customers, a gas utility interrupts deliveries to interruptible customers pursuant to mutually agreed upon contracts and/or tariffs.</p> <p>(4) Electric generation facilities--Facilities registered with the applicable balancing authority including bulk power system assets, co-generation facilities, distributed generation, and or backup power systems.</p> <p>(5) Firm or firm deliveries--Natural gas deliveries that are described as firm under a contract or tariff.</p> <p>(6) Gas utility--An entity that operates a natural gas transmission pipeline system or a local distribution company that is subject to the Commission's jurisdiction as defined in Texas Utilities Code, Title 3.</p> <p>(7) Human needs customers--Residences, hospitals, water and wastewater facilities, police, fire, military and civil defense facilities, and locations where people may congregate in an emergency, such as schools and places of worship. A human needs customer also includes small commercial customers that cannot practicably be curtailed without curtailing human needs.</p> <p>(8) Interruptible or interruptible deliveries--Natural gas deliveries that are not described as firm under a contract or tariff.</p> <p>(b) Applicability. This section takes effect on September 1, 2022. This section applies when any gas utility experiences a curtailment event affecting intrastate service on any of its intrastate natural gas pipelines. When a gas utility experiences a curtailment event, the gas utility shall curtail deliveries according to the priorities listed in subsection (c) of this section unless and until the gas utility has an approved curtailment plan pursuant to subsection (d) of this section. The curtailment priorities in this section apply to sales of natural gas owned by a gas utility and/or deliveries utilizing a gas utility's transportation capacity. The priorities in this section do not apply to sales of gas owned by an entity that is not a gas utility. The term "deliveries" in this section includes sales and/or transportation service.</p> <p>(c) Priorities.</p> <p>(1) Unless a gas utility has an approved curtailment plan pursuant to subsection (d) of this section, a gas utility shall apply the following priorities in descending order during a curtailment event:</p> <p>(A) firm deliveries to human needs customers and firm deliveries of natural gas to local distribution systems which serve human needs customers;</p> <p>(B) firm deliveries to electric generation facilities;</p> <p>(C) firm deliveries to industrial and commercial users of the minimum natural gas required to prevent physical harm and/or ensure critical safety to the plant facilities, to plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel;</p>

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(D) firm deliveries of natural gas to small industrials and regular commercial loads that use less than 3,000 Mcf per day;

(E) firm deliveries to large industrial and commercial users for fuel or as a raw material where an alternate fuel or raw material cannot be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed;

(F) firm deliveries to large industrial and commercial users for fuel or as a raw material where an alternate fuel or raw material can be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed; and

(G) firm deliveries to customers that are not covered by the priorities listed in subparagraphs (A) - (F) of this paragraph.

(2) Deliveries to customers within the same priority on the portion of the system which is subject to curtailment shall be curtailed to the extent practicable on a pro rata basis according to scheduled quantities. If a customer's end-use requirements fall under two or more priorities, then such requirements must be treated separately when applying this schedule of priorities to the extent practicable. Transportation customers have equivalent end-use priorities as sales customers.

(3) When applying the priorities of this section, a gas utility may rely on the representations of its customers and/or their end users regarding the nature of customers' deliveries.

(d) Curtailment plans. Order 489 and any curtailment plan approved by the Commission prior to the effective date of this section is superseded by this section. A gas utility may file its own curtailment plan for approval with the Oversight and Safety Division. A gas utility shall follow the priorities listed in subsection (c) of this section unless and until the gas utility has an approved curtailment plan on file with the Commission. The first three priorities in any individual curtailment plan must be consistent with the first three priorities listed in subsection (c)(1)(A) - (C) and (2) of this section. A gas utility shall provide to its customers notice of an application for a curtailment plan. A gas utility shall provide notice on the same day the gas utility files its application with the Commission. The gas utility may provide notice by hand delivery, by first class, certified, registered mail, commercial delivery service, electronic methods, or by such other manner as the Commission may require. The notice shall be in the form prescribed by the Commission. The Oversight and Safety Division may administratively approve the curtailment plan if no request for hearing is filed within thirty days of such notice. The Commission shall set the matter for hearing if it receives a timely request for hearing from a customer of the gas utility.

(e) Required tariff filings. Within 90 days of the effective date of this section, each gas utility shall electronically file with the Commission, in the manner prescribed by the Commission, tariffs that shall include either:

(1) the curtailment priorities as specified in this section; or

(2) a curtailment plan approved by the Commission as specified in subsection (d) of this section.

(f) Curtailment emergency contact information. Each gas utility shall maintain current curtailment emergency contact information with the Commission and shall submit curtailment emergency contact information on or before November 1 of each year.

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LINE EXTENSION POLICY

<u>POLICY ID</u>	<u>DESCRIPTION</u>
1251	<p>Line Extension - At the request of a customer, Markham will extend its gas mainlines up to one-hundred feet (100') from the company's mainline in the Public Right-of-Ways, without charge. The 100' allowance applies to a single customer or to a group of customers requesting service from the same mainline extension. Customers requesting mainline extensions in excess of 100' will be charged the actual cost of the mainline extension.</p> <p>First 100' free. Above 100' customer pays actual cost</p>

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QUALITY OF SERVICE

<u>QUAL_SERVICE_ID</u>	<u>DESCRIPTION</u>
7.45a	<p>SUBSTANTIVE RULES                      RULE Section 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</p>

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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.

(2) Customer relations.

(A) Information to customers. Each utility shall:

(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 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;

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(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 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

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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

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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 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, Sections 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



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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 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

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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;

(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;

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(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

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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;

(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) 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.

(ii) 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.

(iii) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits

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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, 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

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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.

(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;

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(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.



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(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

(-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.

7.45b (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

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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.

Source Note: The provisions of this Section 7.45 adopted to be effective June 26, 1977, 2 TexReg 2371; amended to be effective March 30, 1983, 8 TexReg 887; amended to be effective September 25, 1987, 12 TexReg 3040; amended to be effective September 21, 1998, 23 TexReg 9543.

7.460 TITLE 16 ECONOMIC REGULATION  
 PART 1 RAILROAD COMMISSION OF TEXAS  
 CHAPTER 7 GAS SERVICES  
 SUBCHAPTER D CUSTOMER SERVICE AND PROTECTION  
 RULE 7.460 Suspension of Gas Utility Service Disconnection During an Extreme Weather Emergency

(a) Applicability and scope. This rule applies to gas utilities, as defined in Texas Utilities Code, ? 101.003(7) and ?121.001, and to owners, operators, and managers of mobile home parks or apartment houses who purchase natural gas through a master meter for delivery to a dwelling unit in a mobile home park or apartment house, pursuant to Texas Utilities Code, ??124.001-124.002, within the jurisdiction of the Railroad Commission pursuant to Texas Utilities Code, ? 102.001. For purposes of this section, all such gas utilities and owners, operators and managers of master meter systems shall be referred to as "providers." Providers shall comply with the following service standards. A gas distribution utility shall file amended service rules incorporating these standards with the Railroad Commission in the manner prescribed by law.

(b) Disconnection prohibited. Except where there is a known dangerous condition or a use of natural gas service in a manner that is dangerous or unreasonably interferes with service to others, a provider shall not disconnect natural gas service to:

(1) a delinquent residential customer during an extreme weather emergency. An extreme weather emergency means a day when the previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Station for the county where the customer takes service.

2) a delinquent residential customer for a billing period in which the provider receives a

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written pledge, letter of intent, purchase order, or other written notification from an energy assistance provider that it is forwarding sufficient payment to continue service; or  
(3) a delinquent residential customer on a weekend day, unless personnel or agents of the provider are available for the purpose of receiving payment or making collections and reconnecting service.

(c) Payment plans. Providers shall defer collection of the full payment of bills that are due during an extreme weather emergency until after the emergency is over, and shall work with customers to establish a payment schedule for deferred bills as set forth in ?7.45 of this title (relating to Quality of Service).

(d) Notice. Beginning in the September or October billing periods utilities and owners, operators, or managers of master metered systems shall give notice as follows:

(1) Each utility shall provide a copy of this rule to the social services agencies that distribute funds from the Low Income Home Energy Assistance Program within the utility's service area.

(2) Each utility shall provide a copy of this rule to any other social service agency of which the provider is aware that provides financial assistance to low income customers in the utility's service area.

(3) Each utility shall provide a copy of this rule to all residential customers of the utility and customers who are owners, operators, or managers of master metered systems.

(4) Owners, operators, or managers of master metered systems shall provide a copy of this rule to all of their customers.

(e) In addition to the minimum standards specified in this section, providers may adopt additional or alternative requirements if the provider files a tariff with the Commission pursuant to ?7.315 of this title (relating to Filing of Tariffs). The Commission shall review the tariff to ensure that at least the minimum standards of this section are met.

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SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
2644	Service Charge		Service
			Amount
			1. Initial Turn-on/Transfer Fee
			\$10.00
			2. Returned Check
			\$35.00
			3. Leak Test Customer Premises
			\$15.00
			4. Meter Test on Request
			\$15.00
			5. Customer Deposit ( applicable to all customer classes)
			\$75.00
			6. Tapping Fee
			\$300.00
			7. Setting a Meter of Existing Tap
			\$125.00
			8. Service Call
			\$35.00
			9. Reconnect Fee
			\$44.00

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DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 08/30/2022 ORIGINAL CONTRACT DATE: 01/06/1998 RECEIVED DATE: 11/07/2022  
 GAS CONSUMED: N AMENDMENT DATE: 08/30/2022 OPERATOR NO:  
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID DESCRIPTION

Commercial Unincorp

Markham Gas Corporation  
 Rate Schedule  
 Commercial Unincorporated

APPLICATION OF SCHEDULE

This schedule applies to all COMMERCIAL customers in the unincorporated of the Markham, Matagorda County, Texas, receiving gas service through a meter from Markham Gas, Corp., and 1) who do not use gas for domestic purposes and 2) who do not use gas for large commercial purposes. Natural gas supplied hereunder is for the individual use of the customer at one point of delivery and shall not be resold or shared with others. Where proposed service to a customer does not exist, additional charges and other arrangements with customer will be required prior to service being provided.

Service under this rate schedule shall be furnished in accordance with the Commissions Special Rules of Practice and Procedures and Substantive Rules, as such rules may be amended from time to time.

MONTHLY RATE

The monthly rate for each customer receiving service shall be the sum of:

1. a monthly customer charge, plus
2. a commodity or demand rate per MCF of consumption, plus
3. a cost of gas adjustment calculated per MCF of consumption, plus
4. authorized taxes and other surcharges

MONTHLY CUSTOMER CHARGE:

The monthly customer charge shall be \$28.00.

MONTHLY COMMODITY RATE:

The price payable by each commercial customer for all consumption each month shall be \$7.12 per MCF.

COST OF GAS:

The customer's bill shall be adjusted based on the Company's Cost of Gas schedule.

TAXES:

Taxes: Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule Taxes.

PIPELINE SAFETY AND REGULATORY PROGRAM FEE:

Pipeline Safety and Regulatory Program Fee: Adjustments in accordance with the provisions of Rate Schedule PSF.

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**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

RATE CASE EXPENSE SURCHARGE:

Rate Case Expense Rider: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE.

PAYMENT:

All bills shall be delinquent unless payment is received within fifteen (15) days from the date of the bill.

Effective for meters read on or after: 08/30/2022

**Rate Case Expense**

Markham Gas Corporation  
 Rate Schedule  
 Rate Case Expense (RCE) Surcharge

APPLICATION OF SCHEDULE

This schedule is applicable to any customer served under Residential, Commercial, or Large Commercial rate schedules in the unincorporated of Markham, Matagorda County, Texas, served by Markham Gas, Corp., filed March 7, 2022, Docket No. OS-22-00008970. This schedule is for the recovery of rate case expenses and shall be in effect beginning on or after August 30, 2022.

MONTHLY RATE CASE EXPENSE RECOVERY FACTOR

The rate payable shall be \$1.17 per Mcf as a separate line item on the customer's bill.

Pursuant to the Final Order in Docket No. OS-22-00008970, Markham is authorized to recover a total of \$22,800 in rate case expenses from unincorporated customers identified by a surcharge at the rate of \$1.17 per Md for a period of approximately 36 months commencing August 30, 2022 until approved rate case expenses in the amount of \$22,800 are recovered.

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's Quality of Service Rules; as such rules may be amended from time to time. A copy of the Company's Quality of Service Rules can be found on file with the Railroad Commission of Texas.

COMPLIANCE

The Company shall file an annual rate case expense report with the Gas Services Department on or before April 1st of each year showing the beginning balance of the unrecovered rate case expense at January 1st, the amount recovered by customer class by month during the previous calendar year and the ending balance as of December 31st,

Upon completion of the rate case expense recovery, Markham Gas, Corp. shall file a final rate case expense report within 60 days after the last billing cycle recovered from customers. No interest will accumulate on the outstanding balance.

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**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

Compliance reports for the Commission should be emailed to GUO  
 Compliance@rrc.texas.gov or at the following address:

Compliance Filing  
 Oversight and Safety Division  
 Gas Services Department  
 Railroad Commission of Texas  
 P.O. Box 12967  
 Austin, Texas 78711-2967  
 Effective for meters read on or after: 08/30/2022

**TAXES**

Markham Gas Corporation Rate Schedule  
 TAXES

TAXES:

The Company shall recover other surcharges as authorized by federal, state, and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer's bill.

Effective for meters read on or after: 8/30/2022

**Cost of Gas**

Markham Gas Corporation  
 Rate Schedule  
 Cost of Gas

Applicability:

This adjustment is applicable to all customers served by the utility, except for customers purchasing gas under a negotiated contract.

Purchased Gas Adjustment:

The monthly Purchased Gas Adjustment (PGA) shall be the cost of gas billed to the utility by the supplier(s) of gas to the system. The cost of gas shall be expressed in a per Mcf format by dividing the total amount purchased, plus all gas related costs from the supplier and third parties, in dollars by the amount of volume in Mcf purchased. The product, or Weighted Average Cost of Gas (WACOG), shall be called the PGA and billed to the customer per Mcf, or fraction thereof, consumed each month. The PGA shall be calculated using actual amounts invoiced and billed by the supplier for the same approximate period that meters are read, i.e., amounts invoiced and billed by the supplier in January will be applied to meters read in January and billed to the customer in the following month. The Base Cost of Gas is \$0.00 per Mcf.

Any adjustment, refund and/or billing correction received by the utility for a prior period shall be included in the current month's PGA calculation. The utility shall limit recovery of Lost and Unaccounted Gas (LUG) to actual, not to exceed a maximum of 5%, calculated each year for the twelve months ended June 30. In no case

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shall the utility collect more than it's actual expense. Any over or under collection shall be refunded or collected in the following month when discovered by the utility.

The LUG Factor calculation is based on the following formula:

$$A = [(X*Y) + Z] / Z \text{ Where:}$$

A=LUG

X=Gas Purchases in Mcf for the Twelve Months Ending June 30th Y=Percentage <Gain>/Loss

Z=Gas Sales in Mcf for the Twelve Months Ending June 30th

Revenue Related Tax Adjustment:

Each monthly bill, as adjusted above shall also be adjusted by an amount equal to the various revenue related taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, Gross Receipts taxes, fees, or any other governmental imposition, fees or charges levied that is based on any portion of revenues billed by the utility or based on service lines, meters or other equipment.

**RATE ADJUSTMENT PROVISIONS**

None



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<b>CUSTOMERS</b>				
<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
3074	N	MCF	\$6.1500	10/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.4064	11/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$7.2400	12/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.6500	01/01/2025
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.7096	03/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$13.5200	09/01/2022
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$9.2233	12/01/2022
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.6051	02/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$9.5027	10/01/2022
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$9.9223	11/01/2022
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$8.2600	01/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.9843	04/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.0618	05/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.1391	06/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.5783	04/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.7253	05/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.4316	06/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			

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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>
3074	N	MCF	\$6.9557	09/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.8601	10/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$10.7547	07/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$11.3460	08/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.4048	11/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.1111	12/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$3.3821	01/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$3.3211	02/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.5855	03/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.9109	07/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.9833	08/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.3283	09/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			

**REASONS FOR FILING**

<b>NEW?:</b> N
<b>RRC DOCKET NO:</b> Case OS-22-00008970
<b>CITY ORDINANCE NO:</b>
<b>AMENDMENT (EXPLAIN):</b>
<b>OTHER (EXPLAIN):</b> Case OS-22-00008970, Separating tariff from 34231 to make commercial tariff

**SERVICES**

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

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PREPARER - PERSON FILING

RRC NO: 14 ACTIVE FLAG: Y INACTIVE DATE:  
FIRST NAME: John MIDDLE: C. LAST NAME: Sardelich  
TITLE: President/Owner  
ADDRESS LINE 1: PO Box 126  
ADDRESS LINE 2:  
CITY: MARKHAM STATE: TX ZIP: 77456 ZIP4:  
AREA CODE: 979 PHONE NO: 843-5231 EXTENSION:

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**CURTAILMENT PLAN**

<u>PLAN ID</u>	<u>DESCRIPTION</u>
7455	<p>?7.455 Curtailment Standards.</p> <p>(a) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.</p> <p>(1) Balancing authority--The Electric Reliability Council of Texas or other responsible entity that integrates resource plans ahead of time, maintains electricity demand and resource balance within a balancing authority area, and supports interconnection frequency in real time for a power region in Texas.</p> <p>(2) Commission--The Railroad Commission of Texas.</p> <p>(3) Curtailment event--When a gas utility determines that its ability to deliver gas may become inadequate to support continuous service to firm customers on its system and it reduces deliveries to one or more firm customers. For the purposes of this section, an interruption of delivery or service to interruptible gas customers does not constitute a curtailment event. Prior to reducing deliveries to one or more firm customers, a gas utility interrupts deliveries to interruptible customers pursuant to mutually agreed upon contracts and/or tariffs.</p> <p>(4) Electric generation facilities--Facilities registered with the applicable balancing authority including bulk power system assets, co-generation facilities, distributed generation, and or backup power systems.</p> <p>(5) Firm or firm deliveries--Natural gas deliveries that are described as firm under a contract or tariff.</p> <p>(6) Gas utility--An entity that operates a natural gas transmission pipeline system or a local distribution company that is subject to the Commission's jurisdiction as defined in Texas Utilities Code, Title 3.</p> <p>(7) Human needs customers--Residences, hospitals, water and wastewater facilities, police, fire, military and civil defense facilities, and locations where people may congregate in an emergency, such as schools and places of worship. A human needs customer also includes small commercial customers that cannot practicably be curtailed without curtailing human needs.</p> <p>(8) Interruptible or interruptible deliveries--Natural gas deliveries that are not described as firm under a contract or tariff.</p> <p>(b) Applicability. This section takes effect on September 1, 2022. This section applies when any gas utility experiences a curtailment event affecting intrastate service on any of its intrastate natural gas pipelines. When a gas utility experiences a curtailment event, the gas utility shall curtail deliveries according to the priorities listed in subsection (c) of this section unless and until the gas utility has an approved curtailment plan pursuant to subsection (d) of this section. The curtailment priorities in this section apply to sales of natural gas owned by a gas utility and/or deliveries utilizing a gas utility's transportation capacity. The priorities in this section do not apply to sales of gas owned by an entity that is not a gas utility. The term "deliveries" in this section includes sales and/or transportation service.</p> <p>(c) Priorities.</p> <p>(1) Unless a gas utility has an approved curtailment plan pursuant to subsection (d) of this section, a gas utility shall apply the following priorities in descending order during a curtailment event:</p> <p>(A) firm deliveries to human needs customers and firm deliveries of natural gas to local distribution systems which serve human needs customers;</p> <p>(B) firm deliveries to electric generation facilities;</p> <p>(C) firm deliveries to industrial and commercial users of the minimum natural gas required to prevent physical harm and/or ensure critical safety to the plant facilities, to plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel;</p>

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(D) firm deliveries of natural gas to small industrials and regular commercial loads that use less than 3,000 Mcf per day;

(E) firm deliveries to large industrial and commercial users for fuel or as a raw material where an alternate fuel or raw material cannot be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed;

(F) firm deliveries to large industrial and commercial users for fuel or as a raw material where an alternate fuel or raw material can be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed; and

(G) firm deliveries to customers that are not covered by the priorities listed in subparagraphs (A) - (F) of this paragraph.

(2) Deliveries to customers within the same priority on the portion of the system which is subject to curtailment shall be curtailed to the extent practicable on a pro rata basis according to scheduled quantities. If a customer's end-use requirements fall under two or more priorities, then such requirements must be treated separately when applying this schedule of priorities to the extent practicable. Transportation customers have equivalent end-use priorities as sales customers.

(3) When applying the priorities of this section, a gas utility may rely on the representations of its customers and/or their end users regarding the nature of customers' deliveries.

(d) Curtailment plans. Order 489 and any curtailment plan approved by the Commission prior to the effective date of this section is superseded by this section. A gas utility may file its own curtailment plan for approval with the Oversight and Safety Division. A gas utility shall follow the priorities listed in subsection (c) of this section unless and until the gas utility has an approved curtailment plan on file with the Commission. The first three priorities in any individual curtailment plan must be consistent with the first three priorities listed in subsection (c)(1)(A) - (C) and (2) of this section. A gas utility shall provide to its customers notice of an application for a curtailment plan. A gas utility shall provide notice on the same day the gas utility files its application with the Commission. The gas utility may provide notice by hand delivery, by first class, certified, registered mail, commercial delivery service, electronic methods, or by such other manner as the Commission may require. The notice shall be in the form prescribed by the Commission. The Oversight and Safety Division may administratively approve the curtailment plan if no request for hearing is filed within thirty days of such notice. The Commission shall set the matter for hearing if it receives a timely request for hearing from a customer of the gas utility.

(e) Required tariff filings. Within 90 days of the effective date of this section, each gas utility shall electronically file with the Commission, in the manner prescribed by the Commission, tariffs that shall include either:

(1) the curtailment priorities as specified in this section; or

(2) a curtailment plan approved by the Commission as specified in subsection (d) of this section.

(f) Curtailment emergency contact information. Each gas utility shall maintain current curtailment emergency contact information with the Commission and shall submit curtailment emergency contact information on or before November 1 of each year.

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LINE EXTENSION POLICY

<u>POLICY ID</u>	<u>DESCRIPTION</u>
1251	<p>Line Extension - At the request of a customer, Markham will extend its gas mainlines up to one-hundred feet (100') from the company's mainline in the Public Right-of-Ways, without charge. The 100' allowance applies to a single customer or to a group of customers requesting service from the same mainline extension. Customers requesting mainline extensions in excess of 100' will be charged the actual cost of the mainline extension.</p>
	<p>First 100' free. Above 100' customer pays actual cost</p>

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QUALITY OF SERVICE

QUAL_SERVICE_ID	DESCRIPTION
7.45a	<p>SUBSTANTIVE RULES                      RULE Section 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</p>

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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.

(2) Customer relations.

(A) Information to customers. Each utility shall:

(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 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;



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(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 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

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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

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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 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, Sections 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

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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 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

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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;

(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;

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(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

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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;

(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) 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.

(ii) 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.

(iii) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits

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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, 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



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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.

(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;

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(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.

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(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

(-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.

7.45b (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

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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.

Source Note: The provisions of this Section 7.45 adopted to be effective June 26, 1977, 2 TexReg 2371; amended to be effective March 30, 1983, 8 TexReg 887; amended to be effective September 25, 1987, 12 TexReg 3040; amended to be effective September 21, 1998, 23 TexReg 9543.

7.460 TITLE 16 ECONOMIC REGULATION  
 PART 1 RAILROAD COMMISSION OF TEXAS  
 CHAPTER 7 GAS SERVICES  
 SUBCHAPTER D CUSTOMER SERVICE AND PROTECTION  
 RULE 7.460 Suspension of Gas Utility Service Disconnection During an Extreme Weather Emergency

(a) Applicability and scope. This rule applies to gas utilities, as defined in Texas Utilities Code, ? 101.003(7) and ?121.001, and to owners, operators, and managers of mobile home parks or apartment houses who purchase natural gas through a master meter for delivery to a dwelling unit in a mobile home park or apartment house, pursuant to Texas Utilities Code, ??124.001-124.002, within the jurisdiction of the Railroad Commission pursuant to Texas Utilities Code, ? 102.001. For purposes of this section, all such gas utilities and owners, operators and managers of master meter systems shall be referred to as "providers." Providers shall comply with the following service standards. A gas distribution utility shall file amended service rules incorporating these standards with the Railroad Commission in the manner prescribed by law.

(b) Disconnection prohibited. Except where there is a known dangerous condition or a use of natural gas service in a manner that is dangerous or unreasonably interferes with service to others, a provider shall not disconnect natural gas service to:

(1) a delinquent residential customer during an extreme weather emergency. An extreme weather emergency means a day when the previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Station for the county where the customer takes service.

2) a delinquent residential customer for a billing period in which the provider receives a

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written pledge, letter of intent, purchase order, or other written notification from an energy assistance provider that it is forwarding sufficient payment to continue service; or  
(3) a delinquent residential customer on a weekend day, unless personnel or agents of the provider are available for the purpose of receiving payment or making collections and reconnecting service.

(c) Payment plans. Providers shall defer collection of the full payment of bills that are due during an extreme weather emergency until after the emergency is over, and shall work with customers to establish a payment schedule for deferred bills as set forth in ?7.45 of this title (relating to Quality of Service).

(d) Notice. Beginning in the September or October billing periods utilities and owners, operators, or managers of master metered systems shall give notice as follows:

(1) Each utility shall provide a copy of this rule to the social services agencies that distribute funds from the Low Income Home Energy Assistance Program within the utility's service area.

(2) Each utility shall provide a copy of this rule to any other social service agency of which the provider is aware that provides financial assistance to low income customers in the utility's service area.

(3) Each utility shall provide a copy of this rule to all residential customers of the utility and customers who are owners, operators, or managers of master metered systems.

(4) Owners, operators, or managers of master metered systems shall provide a copy of this rule to all of their customers.

(e) In addition to the minimum standards specified in this section, providers may adopt additional or alternative requirements if the provider files a tariff with the Commission pursuant to ?7.315 of this title (relating to Filing of Tariffs). The Commission shall review the tariff to ensure that at least the minimum standards of this section are met.

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SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
2645	Service Charge		Service
			Amount
			1. Initial Turn-on/Transfer Fee
			\$10.00
			2. Returned Check
			\$35.00
			3. Leak Test Customer Premises
			\$15.00
			4. Meter Test on Request
			\$15.00
			5. Customer Deposit ( applicable to all customer classes)
			\$75.00
			6. Tapping Fee
			\$300.00
			7. Setting a Meter of Existing Tap
			\$125.00
			8. Service Call
			\$35.00
			9. Reconnect Fee
			\$44.00

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DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 08/30/2022 ORIGINAL CONTRACT DATE: 01/06/1998 RECEIVED DATE: 11/07/2022  
 GAS CONSUMED: N AMENDMENT DATE: 08/30/2022 OPERATOR NO:  
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID DESCRIPTION

Large Commercial Uni

Markham Gas Corporation  
Rate Schedule  
Large Commercial Unincorporated

APPLICATION OF SCHEDULE

This schedule applies to all Large Commercial customers in the unincorporated of the Markham, Matagorda County, Texas, receiving gas service through a meter from Markham Gas, Corp. used for commercial dryers on a seasonal basis. Natural gas supplied hereunder is for the individual use of the customer at one point of delivery and shall not be resold or shared with others. Where proposed service to a customer does not exist, additional charges and other arrangements with customer will be required prior to service being provided.

Service under this rate schedule shall be furnished in accordance with the Commissions Special Rules of Practice and Procedures and Substantive Rules, as such rules may be amended from time to time.

MONTHLY RATE

The monthly rate for each customer receiving service shall be the sum of:

1. a monthly customer charge, plus
2. a commodity or demand rate per MCF of consumption, plus
3. a cost of gas calculated per MCF of consumption, plus
4. authorized taxes and other surcharges

MONTHLY CUSTOMER CHARGE:

The monthly customer charge shall be \$40.00.

MONTHLY COMMODITY RATE:

The price payable by each large commercial customer for all consumption each month shall be \$7.12 per MCF.

GAS COST ADJUSTMENT:

The customer's bill shall be adjusted based on the Company's Cost of Gas schedule.

TAXES:

Taxes: Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule Taxes.

PIPELINE SAFETY AND REGULATORY PROGRAM FEE:

Pipeline Safety and Regulatory Program Fee: Adjustments in accordance with the provisions of Rate Schedule PSF.

RATE CASE EXPENSE SURCHARGE:



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**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

Rate Case Expense Rider: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider, Rate Schedule RCE.

PAYMENT:

All bills shall be delinquent unless payment is received within fifteen (15) days from the date of the bill.

Effective for meters read on or after: 08/30/2022

**Rate Case Expense**

Markham Gas Corporation  
 Rate Schedule  
 Rate Case Expense (RCE) Surcharge

APPLICATION OF SCHEDULE

This schedule is applicable to any customer served under Residential, Commercial, or Large Commercial rate schedules in the unincorporated of Markham, Matagorda County, Texas, served by Markham Gas, Corp., filed March 7, 2022, Docket No. OS-22-00008970. This schedule is for the recovery of rate case expenses and shall be in effect beginning on or after August 30, 2022.

MONTHLY RATE CASE EXPENSE RECOVERY FACTOR

The rate payable shall be \$1.17 per Mcf as a separate line item on the customer's bill.

Pursuant to the Final Order in Docket No. OS-22-00008970, Markham is authorized to recover a total of \$22,800 in rate case expenses from unincorporated customers identified by a surcharge at the rate of \$1.17 per Md for a period of approximately 36 months commencing August 30, 2022 until approved rate case expenses in the amount of \$22,800 are recovered.

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's Quality of Service Rules; as such rules may be amended from time to time. A copy of the Company's Quality of Service Rules can be found on file with the Railroad Commission of Texas.

COMPLIANCE

The Company shall file an annual rate case expense report with the Gas Services Department on or before April 1st of each year showing the beginning balance of the unrecovered rate case expense at January 1st, the amount recovered by customer class by month during the previous calendar year and the ending balance as of December 31st,

Upon completion of the rate case expense recovery, Markham Gas, Corp. shall file a final rate case expense report within 60 days after the last billing cycle recovered from customers. No interest will accumulate on the outstanding balance.

Compliance reports for the Commission should be emailed to GUO

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**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

Compliance@rrc.texas.gov or at the following address:

Compliance Filing  
 Oversight and Safety Division  
 Gas Services Department  
 Railroad Commission of Texas  
 P.O. Box 12967  
 Austin, Texas 78711-2967  
 Effective for meters read on or after: 08/30/2022

**Pipeline Safety Fee**

Markham Gas Corporation  
 Rate Schedule

Pipeline Safety and Regulatory Program Fee  
 PIPELINE SAFETY AND REGULATORY PROGRAM FEE:

The Company shall recover a one-time annual fee as a surcharge to its existing rates for the Commission's Pipeline Safety and Regulatory Program Fee in the amount determined by the Commission for each service line reported to be in service at the end each calendar year, pursuant to Texas Utilities Code ? 121.211 and 16 Texas Adm in. Code ? 8.201.

COMPLIANCE:

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 and regulatory program 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 Docket No. OS-22- 00008970, 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 and total amount of the surcharge billed to each customer;
- c) the date or dates the surcharge was billed to customers; and
- d) the total amount collected from customers from the surcharge.

The report should be filed electronically to the Commission at GUD\_Compliance@rrc.texas.gov or at the following address:

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

**TAXES**

Markham Gas Corporation Rate Schedule  
 TAXES

TAXES:

GAS SERVICES DIVISION

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**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

The Company shall recover other surcharges as authorized by federal, state, and local regulatory authorities in accordance with applicable statutes, laws, regulations, ordinances, orders, rules, contracts, or agreements as a separate line item on the customer's bill.

Effective for meters read on or after: 8/30/2022

**Cost of Gas**

Markham Gas Corporation

Rate Schedule

Cost of Gas

Applicability:

This adjustment is applicable to all customers served by the utility, except for customers purchasing gas under a negotiated contract.

Purchased Gas Adjustment:

The monthly Purchased Gas Adjustment (PGA) shall be the cost of gas billed to the utility by the supplier(s) of gas to the system. The cost of gas shall be expressed in a per Mcf format by dividing the total amount purchased, plus all gas related costs from the supplier and third parties, in dollars by the amount of volume in Mcf purchased. The product, or Weighted Average Cost of Gas (WACOG), shall be called the PGA and billed to the customer per Mcf, or fraction thereof, consumed each month. The PGA shall be calculated using actual amounts invoiced and billed by the supplier for the same approximate period that meters are read, i.e., amounts invoiced and billed by the supplier in January will be applied to meters read in January and billed to the customer in the following month. The Base Cost of Gas is \$0.00 per Mcf.

Any adjustment, refund and/or billing correction received by the utility for a prior period shall be included in the current month's PGA calculation. The utility shall limit recovery of Lost and Unaccounted Gas (LUG) to actual, not to exceed a maximum of 5%, calculated each year for the twelve months ended June 30. In no case shall the utility collect more than it's actual expense. Any over or under collection shall be refunded or collected in the following month when discovered by the utility.

The LUG Factor calculation is based on the following formula:

$$A = [(X * Y) + Z] / Z \text{ Where:}$$

A=LUG

X=Gas Purchases in Mcf for the Twelve Months Ending June 30th Y=Percentage <Gain>/Loss

Z=Gas Sales in Mcf for the Twelve Months Ending June 30th

Revenue Related Tax Adjustment:

Each monthly bill, as adjusted above shall also be adjusted by an amount equal to the various revenue related taxes or other fees and charges imposed by regulatory or governmental authorities. This includes, but is not limited to, Gross Receipts taxes, fees, or any other governmental imposition, fees or charges levied that is

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**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

based on any portion of revenues billed by the utility or based on service lines,  
meters or other equipment.

**RATE ADJUSTMENT PROVISIONS**

None

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<b>CUSTOMERS</b>				
<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
3074	N	MCF	\$6.1500	10/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.4064	11/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$7.2400	12/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.6500	01/01/2025
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.7096	03/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$13.5200	09/01/2022
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$9.2233	12/01/2022
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.6051	02/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$9.5027	10/01/2022
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$9.9223	11/01/2022
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$8.2600	01/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.0618	05/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.1391	06/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.9843	04/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.5783	04/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.7253	05/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.4316	06/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			

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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>
3074	N	MCF	\$6.9557	09/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.8601	10/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$10.7547	07/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$11.3460	08/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.4048	11/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.1111	12/01/2023
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$3.3821	01/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$3.3211	02/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$4.5855	03/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.9109	07/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$5.9833	08/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			
3074	N	MCF	\$6.3283	09/01/2024
<u>CUSTOMER NAME</u>	Markham, TX - Unincorporated Area			

REASONS FOR FILING

NEW?: N
RRC DOCKET NO: Case OS-22-00008970
CITY ORDINANCE NO:
AMENDMENT (EXPLAIN):
OTHER (EXPLAIN): Case OS-22-00008970, Separating tariff from 34231 to make large commercial tariff

SERVICES

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

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PREPARER - PERSON FILING

RRC NO: 14 ACTIVE FLAG: Y INACTIVE DATE:  
FIRST NAME: John MIDDLE: C. LAST NAME: Sardelich  
TITLE: President/Owner  
ADDRESS LINE 1: PO Box 126  
ADDRESS LINE 2:  
CITY: MARKHAM STATE: TX ZIP: 77456 ZIP4:  
AREA CODE: 979 PHONE NO: 843-5231 EXTENSION:

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**CURTAILMENT PLAN**

<u>PLAN ID</u>	<u>DESCRIPTION</u>
7455	<p>7.455 Curtailment Standards.</p> <p>(a) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.</p> <p>(1) Balancing authority--The Electric Reliability Council of Texas or other responsible entity that integrates resource plans ahead of time, maintains electricity demand and resource balance within a balancing authority area, and supports interconnection frequency in real time for a power region in Texas.</p> <p>(2) Commission--The Railroad Commission of Texas.</p> <p>(3) Curtailment event--When a gas utility determines that its ability to deliver gas may become inadequate to support continuous service to firm customers on its system and it reduces deliveries to one or more firm customers. For the purposes of this section, an interruption of delivery or service to interruptible gas customers does not constitute a curtailment event. Prior to reducing deliveries to one or more firm customers, a gas utility interrupts deliveries to interruptible customers pursuant to mutually agreed upon contracts and/or tariffs.</p> <p>(4) Electric generation facilities--Facilities registered with the applicable balancing authority including bulk power system assets, co-generation facilities, distributed generation, and or backup power systems.</p> <p>(5) Firm or firm deliveries--Natural gas deliveries that are described as firm under a contract or tariff.</p> <p>(6) Gas utility--An entity that operates a natural gas transmission pipeline system or a local distribution company that is subject to the Commission's jurisdiction as defined in Texas Utilities Code, Title 3.</p> <p>(7) Human needs customers--Residences, hospitals, water and wastewater facilities, police, fire, military and civil defense facilities, and locations where people may congregate in an emergency, such as schools and places of worship. A human needs customer also includes small commercial customers that cannot practicably be curtailed without curtailing human needs.</p> <p>(8) Interruptible or interruptible deliveries--Natural gas deliveries that are not described as firm under a contract or tariff.</p> <p>(b) Applicability. This section takes effect on September 1, 2022. This section applies when any gas utility experiences a curtailment event affecting intrastate service on any of its intrastate natural gas pipelines. When a gas utility experiences a curtailment event, the gas utility shall curtail deliveries according to the priorities listed in subsection (c) of this section unless and until the gas utility has an approved curtailment plan pursuant to subsection (d) of this section. The curtailment priorities in this section apply to sales of natural gas owned by a gas utility and/or deliveries utilizing a gas utility's transportation capacity. The priorities in this section do not apply to sales of gas owned by an entity that is not a gas utility. The term "deliveries" in this section includes sales and/or transportation service.</p> <p>(c) Priorities.</p> <p>(1) Unless a gas utility has an approved curtailment plan pursuant to subsection (d) of this section, a gas utility shall apply the following priorities in descending order during a curtailment event:</p> <p>(A) firm deliveries to human needs customers and firm deliveries of natural gas to local distribution systems which serve human needs customers;</p> <p>(B) firm deliveries to electric generation facilities;</p> <p>(C) firm deliveries to industrial and commercial users of the minimum natural gas required to prevent physical harm and/or ensure critical safety to the plant facilities, to plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel;</p>



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(D) firm deliveries of natural gas to small industrials and regular commercial loads that use less than 3,000 Mcf per day;

(E) firm deliveries to large industrial and commercial users for fuel or as a raw material where an alternate fuel or raw material cannot be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed;

(F) firm deliveries to large industrial and commercial users for fuel or as a raw material where an alternate fuel or raw material can be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed; and

(G) firm deliveries to customers that are not covered by the priorities listed in subparagraphs (A) - (F) of this paragraph.

(2) Deliveries to customers within the same priority on the portion of the system which is subject to curtailment shall be curtailed to the extent practicable on a pro rata basis according to scheduled quantities. If a customer's end-use requirements fall under two or more priorities, then such requirements must be treated separately when applying this schedule of priorities to the extent practicable. Transportation customers have equivalent end-use priorities as sales customers.

(3) When applying the priorities of this section, a gas utility may rely on the representations of its customers and/or their end users regarding the nature of customers' deliveries.

(d) Curtailment plans. Order 489 and any curtailment plan approved by the Commission prior to the effective date of this section is superseded by this section. A gas utility may file its own curtailment plan for approval with the Oversight and Safety Division. A gas utility shall follow the priorities listed in subsection (c) of this section unless and until the gas utility has an approved curtailment plan on file with the Commission. The first three priorities in any individual curtailment plan must be consistent with the first three priorities listed in subsection (c)(1)(A) - (C) and (2) of this section. A gas utility shall provide to its customers notice of an application for a curtailment plan. A gas utility shall provide notice on the same day the gas utility files its application with the Commission. The gas utility may provide notice by hand delivery, by first class, certified, registered mail, commercial delivery service, electronic methods, or by such other manner as the Commission may require. The notice shall be in the form prescribed by the Commission. The Oversight and Safety Division may administratively approve the curtailment plan if no request for hearing is filed within thirty days of such notice. The Commission shall set the matter for hearing if it receives a timely request for hearing from a customer of the gas utility.

(e) Required tariff filings. Within 90 days of the effective date of this section, each gas utility shall electronically file with the Commission, in the manner prescribed by the Commission, tariffs that shall include either:

(1) the curtailment priorities as specified in this section; or

(2) a curtailment plan approved by the Commission as specified in subsection (d) of this section.

(f) Curtailment emergency contact information. Each gas utility shall maintain current curtailment emergency contact information with the Commission and shall submit curtailment emergency contact information on or before November 1 of each year.

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LINE EXTENSION POLICY

<u>POLICY ID</u>	<u>DESCRIPTION</u>
1251	<p>Line Extension - At the request of a customer, Markham will extend its gas mainlines up to one-hundred feet (100') from the company's mainline in the Public Right-of-Ways, without charge. The 100' allowance applies to a single customer or to a group of customers requesting service from the same mainline extension. Customers requesting mainline extensions in excess of 100' will be charged the actual cost of the mainline extension.</p>
	<p>First 100' free. Above 100' customer pays actual cost</p>

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QUALITY OF SERVICE

QUAL_SERVICE_ID	DESCRIPTION
7.45a	<p>SUBSTANTIVE RULES                      RULE Section 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</p>

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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.

(2) Customer relations.

(A) Information to customers. Each utility shall:

(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 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;

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(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 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

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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

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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 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, Sections 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

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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 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



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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;

(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;

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(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

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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;

(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) 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.

(ii) 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.

(iii) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits

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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, 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

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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.

(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;

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(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.

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(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

(-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.

7.45b (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



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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.

Source Note: The provisions of this Section 7.45 adopted to be effective June 26, 1977, 2 TexReg 2371; amended to be effective March 30, 1983, 8 TexReg 887; amended to be effective September 25, 1987, 12 TexReg 3040; amended to be effective September 21, 1998, 23 TexReg 9543.

7.460 TITLE 16 ECONOMIC REGULATION  
 PART 1 RAILROAD COMMISSION OF TEXAS  
 CHAPTER 7 GAS SERVICES  
 SUBCHAPTER D CUSTOMER SERVICE AND PROTECTION  
 RULE 7.460 Suspension of Gas Utility Service Disconnection During an Extreme Weather Emergency

(a) Applicability and scope. This rule applies to gas utilities, as defined in Texas Utilities Code, ? 101.003(7) and ?121.001, and to owners, operators, and managers of mobile home parks or apartment houses who purchase natural gas through a master meter for delivery to a dwelling unit in a mobile home park or apartment house, pursuant to Texas Utilities Code, ??124.001-124.002, within the jurisdiction of the Railroad Commission pursuant to Texas Utilities Code, ? 102.001. For purposes of this section, all such gas utilities and owners, operators and managers of master meter systems shall be referred to as "providers." Providers shall comply with the following service standards. A gas distribution utility shall file amended service rules incorporating these standards with the Railroad Commission in the manner prescribed by law.

(b) Disconnection prohibited. Except where there is a known dangerous condition or a use of natural gas service in a manner that is dangerous or unreasonably interferes with service to others, a provider shall not disconnect natural gas service to:

(1) a delinquent residential customer during an extreme weather emergency. An extreme weather emergency means a day when the previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Station for the county where the customer takes service.

2) a delinquent residential customer for a billing period in which the provider receives a

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written pledge, letter of intent, purchase order, or other written notification from an energy assistance provider that it is forwarding sufficient payment to continue service; or  
(3) a delinquent residential customer on a weekend day, unless personnel or agents of the provider are available for the purpose of receiving payment or making collections and reconnecting service.

(c) Payment plans. Providers shall defer collection of the full payment of bills that are due during an extreme weather emergency until after the emergency is over, and shall work with customers to establish a payment schedule for deferred bills as set forth in ?7.45 of this title (relating to Quality of Service).

(d) Notice. Beginning in the September or October billing periods utilities and owners, operators, or managers of master metered systems shall give notice as follows:

(1) Each utility shall provide a copy of this rule to the social services agencies that distribute funds from the Low Income Home Energy Assistance Program within the utility's service area.

(2) Each utility shall provide a copy of this rule to any other social service agency of which the provider is aware that provides financial assistance to low income customers in the utility's service area.

(3) Each utility shall provide a copy of this rule to all residential customers of the utility and customers who are owners, operators, or managers of master metered systems.

(4) Owners, operators, or managers of master metered systems shall provide a copy of this rule to all of their customers.

(e) In addition to the minimum standards specified in this section, providers may adopt additional or alternative requirements if the provider files a tariff with the Commission pursuant to ?7.315 of this title (relating to Filing of Tariffs). The Commission shall review the tariff to ensure that at least the minimum standards of this section are met.

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SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
2646	Service Charge		Service
			Amount
			1. Initial Turn-on/Transfer Fee
			\$10.00
			2. Returned Check
			\$35.00
			3. Leak Test Customer Premises
			\$15.00
			4. Meter Test on Request
			\$15.00
			5. Customer Deposit ( applicable to all customer classes)
			\$75.00
			6. Tapping Fee
			\$300.00
			7. Setting a Meter of Existing Tap
			\$125.00
			8. Service Call
			\$35.00
			9. Reconnect Fee
			\$44.00